

**RICHTER**

Court File No.: CV-20-00643158-00CL

**ROBERTS COMPANY CANADA LIMITED**

**FOURTH REPORT OF RICHTER ADVISORY GROUP INC.,  
IN ITS CAPACITY AS MONITOR**

**SEPTEMBER 23, 2020**

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**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  
ROBERTS COMPANY CANADA LIMITED**

**FOURTH REPORT OF RICHTER ADVISORY GROUP INC.  
IN ITS CAPACITY AS MONITOR**

**SEPTEMBER 23, 2020**

## I. INTRODUCTION

1. On June 29, 2020 (the “**Filing Date**”), the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) issued an initial order (the “**Initial Order**”) granting Roberts Company Canada Limited (“**RCCL**” or the “**Company**”) protection pursuant to the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”). Pursuant to the Initial Order, Richter Advisory Group Inc. (“**Richter**”) was appointed as the Company’s Monitor (the “**Monitor**”). The proceedings commenced by RCCL under the CCAA are herein referred to as the “**CCAA Proceedings**”.
2. The Initial Order, *inter alia*:
  - (i) granted a stay of proceedings in favour of the Company until July 9, 2020 (the “**Stay Period**”);
  - (ii) approved a charge in respect of the fees and disbursements of the Monitor, its counsel and counsel to the Company, in the amount of \$500,000; and
  - (iii) approved an indemnity and charge in favour of RCCL’s directors and officers in the amount of \$250,000 in respect of obligations and liabilities that the directors and officers may incur from and after the Filing Date.
3. On July 8, 2020, the Court issued the Amended and Restated Initial Order (the “**Amended and Restated Initial Order**”), which incorporated certain amendments to the Initial Order, including, *inter alia*:
  - (i) expanding the Company’s restructuring authority and the Monitor’s ability to assist with the Company’s restructuring efforts;
  - (ii) approving the Company’s key employee retention plan (the “**KERP**”) and a charge in favour of the KERP beneficiaries up to the maximum aggregate amount of \$200,000 to secure payments due under the KERP;
  - (iii) authorizing the Company, in consultation with the ABL Lender (as defined in the Pre-Filing Report of the Proposed Monitor dated June 26, 2020 (the “**Pre-Filing Report**”)), and with the consent of the Monitor, to pay pre-filing amounts owing to certain of RCCL’s third party suppliers;
  - (iv) granting a charge in favour of the ABL Lender as security for all of the obligations of the Company to the ABL Lender relating to advances made to the Company under the ABL Agreement (as defined in the Pre-Filing Report) from and after the date of the Amended and Restated Initial Order; and
  - (v) extending the Stay Period up to and including August 31, 2020.

4. On July 28, 2020, the Court granted an order (the “**Claims Procedure Order**”) approving, among other things, a process (the “**Claims Process**”) to identify, quantify and resolve certain claims against the Company and the Company’s current and former directors and officers (the “**Directors and Officers**”).
5. On August 26, 2020, the Court granted an order (the “**August 26 Stay Extension Order**”), *inter alia*, extending the Stay Period to October 30, 2020.
6. This report is the Monitor’s fourth report (the “**Fourth Report**”) to Court. Richter, in its capacity as Proposed Monitor, filed the Pre-Filing Report in support of, *inter alia*, the Company’s application for the Initial Order. The Monitor’s first report dated July 6, 2020 (the “**First Report**”) was filed with the Court to, among other things, provide an update on the activities of the Company and the Monitor since the issuance of the Initial Order and support the Company’s request for the Court to approve the amendments provided for in the Amended and Restated Initial Order, including, the extension of the Stay Period up to and including August 31, 2020. The Monitor’s second report dated July 23, 2020 (the “**Second Report**”) was filed with the Court to, among other things, provide an update on the activities of the Company and the Monitor since the date of the First Report and support the Company’s request for the Court to grant the Claims Procedure Order. The Monitor’s third report dated August 21, 2020 (the “**Third Report**” and collectively with the Pre-Filing Report, the First Report and the Second Report, the “**Prior Reports**”) was filed with the Court to, among other things, provide an update on the activities of the Company and the Monitor since the date of the Second Report and support the Company’s request for the Court to extend the Stay Period up to and including October 30, 2020. Copies of the Prior Reports, the Amended and Restated Initial Order, the Claims Procedure Order and other materials pertaining to the CCAA Proceedings are available on the Monitor’s website at <http://www.richter.ca/insolvencycase/roberts-company-canada-limited/> (the “**Monitor’s Website**”).
7. The principal purpose of the CCAA Proceedings is to stabilize RCCL’s business and to provide a forum to explore a plan of compromise or arrangement under the CCAA that would seek to maximize creditor and stakeholder recoveries.

## II. PURPOSE OF THE FOURTH REPORT

8. The purpose of this Fourth Report is to provide information to the Court pertaining to:
  - (i) the activities of the Company and the Monitor since the date of the Third Report;
  - (ii) the Company’s reported receipts and disbursements for the period from August 15, 2020 to September 11, 2020, including a comparison of reported to forecasted results;

- (iii) the claims filed in the Claims Process;
- (iv) the Company's Plan of Compromise and Arrangement (the "**Plan**"), including an overview of the key terms and conditions thereof;
- (v) the meeting of creditors to consider and vote on the Plan (the "**Meeting**");
- (vi) the Company's request for an order (the "**Meeting Order**"), *inter alia*,
  - (a) accepting the filing of the Plan;
  - (b) approving, pursuant to section 22 of the CCAA, the classification of creditors, as set out in the Plan for the purposes of the Meeting and voting on the Plan;
  - (c) authorizing the Company, with the assistance of the Monitor, to call, hold and conduct the Meeting;
  - (d) approving the procedures to be followed at the Meeting, including voting procedures;
  - (e) setting a date for the hearing (the "**Sanction Hearing**") of the Company's motion for an order sanctioning the Plan (the "**Sanction Order**"); and
  - (f) approving this Fourth Report and the activities, actions and conduct of the Monitor set out herein; and
- (vii) the Monitor's conclusions and recommendations.

### III. DISCLAIMER AND TERMS OF REFERENCE

9. The Fourth Report should be read in conjunction with the Affidavit of Ravi Williams-Singh sworn September 23, 2020 (the "**September 23 Williams-Singh Affidavit**") filed by the Company in support of its request for the Meeting Order, as certain information contained in the September 23 Williams-Singh Affidavit has not been included herein in order to avoid unnecessary duplication.
10. In preparing the Fourth Report, the Monitor has relied solely on information and documents provided by the Company and its advisors, including unaudited financial information, declarations and the September 23 Williams-Singh Affidavit (collectively, the "**Information**"). In accordance with industry practice, except as otherwise described in the Fourth Report, Richter has reviewed the Information for reasonableness, internal consistency and use in the context in which it was provided. However, the Monitor has not audited or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with Generally Accepted Auditing Standards ("**GAAS**") pursuant to the Chartered Professional Accountants of Canada

Handbook and, accordingly, the Monitor expresses no opinion or other form of assurance contemplated under GAAS in respect of the Information.

11. Unless otherwise stated, all monetary amounts noted herein are expressed in Canadian dollars.
12. Capitalized terms not defined herein shall have the meanings ascribed thereto in the Claims Procedure Order, the Plan and the Meeting Order.

#### **IV. ACTIVITIES OF THE COMPANY**

13. The activities of the Company, since the date of the Third Report, with the support of their legal advisors, have included:
  - (i) advancing the Claims Process in accordance with the procedures and timelines provided in the Claims Procedure Order;
  - (ii) communicating with RCCL's creditors, the ABL Lender, suppliers and other stakeholders regarding various matters pertaining to the CCAA Proceedings;
  - (iii) managing cash flows and making payments in accordance with the Amended and Restated Initial Order;
  - (iv) reporting receipts, disbursements and variances to the Company's cash flow forecasts to the Monitor and the ABL Lender;
  - (v) formulating the Plan; and
  - (vi) preparing Court materials, together with the Monitor and its legal counsel, to seek the relief sought in the within motion.

#### **V. ACTIVITIES OF THE MONITOR**

14. Since the date of the Third Report, the Monitor's activities have included:
  - (i) attending via videoconference at the Court hearing in respect of the Company's motion for the Stay Extension Order;
  - (ii) maintaining the Monitor's Website, where all Court documents and other material documents pertaining to the CCAA Proceedings are available in electronic form;

- (iii) implementing procedures for the monitoring of the Company's cash flows and for the ongoing reporting of variances to the Company's cash flow forecast, including assisting the Company with its ongoing reporting of variances to the ABL Lender;
- (iv) attending at the Company's leased facility in Waterloo, Ontario;
- (v) working with the Company to advance the Claims Process;
- (vi) reviewing and logging Proofs of Claim filed by Claimants;
- (vii) responding to calls and enquiries from Claimants, including Employees, regarding the Claims Process;
- (viii) corresponding extensively with the Company and its legal counsel regarding the Claims Process, cash management, the Extended Cash Flow Forecast and various other matters in connection with the CCAA Proceedings;
- (ix) corresponding with Borden Ladner Gervais LLP, the Monitor's legal counsel, as well as Bennett Jones LLP, counsel to the Company;
- (x) responding to calls and enquiries from creditors and other stakeholders in connection with the CCAA Proceedings;
- (xi) reviewing materials filed with the Court in respect of the CCAA Proceedings; and
- (xii) preparing this Fourth Report.

## **VI. CASH RECEIPTS AND DISBURSEMENTS FROM AUGUST 15, 2020 TO SEPTEMBER 11, 2020**

15. As noted in the Third Report, RCCL, with the assistance of the Monitor, prepared an extended cash flow forecast (the "**Extended Cash Flow Forecast**"), representing a forecast of the Company's projected receipts and disbursements for the period August 15, 2020 to November 13, 2020, in support of the Company's request for the August 26 Stay Extension Order.
16. The Company has continued to provide the Monitor with its co-operation and access to its books and records as requested by the Monitor. The Monitor has implemented various procedures for monitoring the Company's receipts and disbursements on a weekly basis. The Monitor has also prepared forecast-to-actual variance analyses with respect to the Company's weekly receipts and disbursements, as compared to the Extended Cash Flow Forecast.



17. A comparison of the Company's actual cash receipts and disbursements, as compared to the Extended Cash Flow Forecast for the four-week period from August 15, 2020 to September 11, 2020 (the "Comparison Period"), is summarized as follows:

<b>Roberts Company Canada Limited</b>			
<b>Cash Flow Variances</b>			
<b>For the Period August 15, 2020 to September 11, 2020</b>			
<b>In C\$; unaudited</b>			
	<b>Actual</b>	<b>Forecast</b>	<b>Variance</b>
<b>Receipts</b>	<b>3,947,876</b>	<b>3,100,000</b>	<b>847,876</b>
<b>Disbursements</b>			
Purchases	1,556,290	1,200,000	(356,290)
Payroll	427,816	539,119	111,303
Rent	117,920	224,315	106,396
Operating expenses	322,826	622,250	299,424
Professional fees	318,282	455,000	136,718
HST payables	358,810	180,000	(178,810)
Interest	61,292	75,000	13,708
KERP	-	-	-
<b>Total disbursements</b>	<b>3,163,237</b>	<b>3,295,684</b>	<b>132,447</b>
<b>Net cash inflow / (outflow)</b>	<b>784,639</b>	<b>(195,684)</b>	<b>980,323</b>
Opening revolver balance	(15,872,702)	(15,872,702)	-
Net cash inflow / (outflow)	784,639	(195,684)	980,323
<b>Subtotal</b>	<b>(15,088,063)</b>	<b>(16,068,386)</b>	<b>980,323</b>
Court-order charges	(950,000)	(950,000)	-
Other reserves	(280,000)	(280,000)	-
<b>Ending revolver balance</b>	<b>(16,318,063)</b>	<b>(17,298,386)</b>	<b>980,323</b>
Borrowing base	24,421,320	24,612,944	(191,624)
<b>Availability</b>	<b>8,103,257</b>	<b>7,314,558</b>	<b>788,699</b>

18. As reflected in the summary table above, the Company reported a net cash inflow of approximately \$0.8 million over the Comparison Period, and the Company had a revolver balance of approximately \$16.3 million (after consideration of the CCAA Charges (as defined below) and other reserves) as at September 11, 2020. The Company has a favourable cash flow variance of approximately \$1.0 million in comparison to the Extended Cash Flow Forecast during the Comparison Period.
19. The favourable cash flow variance of approximately \$1.0 million pertains principally to the following:
- (i) favourable timing differences attributable to payroll, rent, operating costs and professional fees; and
  - (ii) favourable permanent differences attributable to a higher than forecasted sales, resulting in a favourable variance in receipts. The foregoing favourable permanent difference was partially offset by higher than projected (a) purchases to meet the increased demand in sales and (b) sales taxes.

## VII. CLAIMS PROCESS UPDATE

20. As noted in the Second Report, the Claims Process is intended to identify and quantify claims against the Company and the Directors and Officers, for the purposes of providing clarity to the Company, its stakeholders and the Monitor, as to the number, nature and value of certain Claims against the Company and the Directors and Officers. The Monitor, with the assistance of the Company, carried out the Claims Process in accordance with the Claims Procedure Order. The claims bar date was September 14, 2020 (the “**Claims Bar Date**”).
21. A total of 127 Claims with a value of approximately \$9.4 million were filed prior to the Claims Bar Date, comprised of:
  - (i) 107 Claims with a value of approximately \$8.9 million;
  - (ii) 19 Employee Restructuring Claims with a value of approximately \$0.5 million; and
  - (iii) one (1) placeholder claim, with no value provided.
22. In addition to the foregoing, three (3) additional claims totalling approximately \$13,000 were received after the Claims Bar Date (collectively, the “**Late Claims**”). In accordance with paragraph 7 of the Claims Procedure Order, the Monitor has consulted with the RCCL on these claims and is prepared to allow these claims to be filed for voting and distribution purposes.
23. The Monitor also notes the following regarding the results of the Claims Process:
  - (i) All Claims were filed on an unsecured basis. As noted later in the Fourth Report, the claims of the ABL Lender are Unaffected Claims under the Plan;
  - (ii) Of the total Claims filed, 54 Claims, excluding the Late Claims, are \$7,000 or less (representing approximately \$136,000);
  - (iii) The Company, in consultation with the Monitor, is in discussions with Claimants in respect of four (4) Unresolved Claims, including one (1) placeholder claim;
  - (iv) No claims were filed against the Directors and Officers; and
  - (v) No Restructuring Period Claims were filed; however, it is anticipated that disclaimers under section 32 of the CCAA will be issued in the coming days, which may give rise to Restructuring Period Claims.

## VIII. THE PLAN

24. The following section provides, on a summary basis, an overview of the Plan. A copy of the Plan is attached as Exhibit "A" to the September 23 Williams-Singh Affidavit. **Creditors are strongly encouraged to read the Plan in its entirety prior to voting on it. Creditors are also encouraged to discuss the terms of the Plan with their legal counsel.**

### Purposes of the Plan

25. The principal purpose of the Plan is to provide for a compromise of, and consideration for, all Affected Claims that are Proven Claims by providing holders of Affected Claims that are Proven Claims, with distributions in accordance with the Plan, with the expectation that all Affected Creditors will derive a greater benefit from the implementation of the Plan than they would derive from the Company's bankruptcy or liquidation.
26. Implementation of the Plan will, among other things:
- (i) complete a restructuring of the Company such that it will be in a position to operate a viable business on a go forward basis;
  - (ii) provide for a compromise of, and consideration for, all Affected Claims that are Proven Claims;
  - (iii) effect a release and discharge of all Affected Claims and Released Claims; and
  - (iv) avoid a liquidation of the Company's assets through a bankruptcy or other proceeding.

### Key Elements of the Plan

27. The Plan, among other things, includes the following elements:
- (i) Affected Creditors (that are not Convenience Creditors) with Proven Claims are to receive:
    - a. a cash distribution equal to 20 cents for every dollar of their Proven Claim from the Company, with the support of the Parent using its existing facilities (as may be amended, modified or restated); and
    - b. a promissory note (the "**Promissory Note**") with a face value equal to 30 cents for every dollar of their Proven Claim, payable by the Company over 18 equal consecutive monthly installments on the last day of each calendar month, commencing on January 31, 2021 in accordance with the terms and conditions of the Promissory Note (the form of which is attached as Schedule "A" to the Plan) and subject to Section 4.1(c) of the Plan;

- (ii) the payments to be made under the Promissory Note are conditional upon the Company generating sufficient free cashflow from the operation of its business, after payment of amounts required to service secured debt obligations, lease and equipment financing obligations, employee wages, capital maintenance costs, and other ordinary course obligations required to operate RCCL's business, which will require the ongoing uninterrupted supply of goods and services necessary to operate the Company's business by suppliers without any material price increases or requirement for prepayments during the term of the Promissory Note;
- (iii) Affected Creditors with Proven Claims owed up to and including \$7,000 will be paid in full ("**Convenience Creditors**") by RCCL, with the support of the Parent using its existing facilities;
- (iv) Affected Creditors can elect to reduce their Claim to \$7,000 and become Convenience Creditors (a "**Convenience Creditor Election**"). To do so, an executed Convenience Creditor Election must be submitted to the Monitor prior to 5:00 pm (Toronto time) on October 14, 2020 and upon doing so, such Affected Creditor: (a) is irrevocably deemed to have voted the full amount of its Proven Claim in favour of the Plan and (b) shall be treated as a Convenience Creditor for the purpose of distributions made under the Plan;
- (v) For the purposes of the Plan, there will be only one class of creditors comprised of Affected Creditors having Affected Claims. The classification of creditors was determined with regard to, among other things, the nature of the obligations giving rise to the Claims, the nature and rank of any security held in respect of Claims, and the legal entitlements and remedies available to creditors in the absence of a CCAA plan of compromise and arrangement;
- (vi) For voting purposes, an Affected Creditor may vote and be counted as one creditor with a vote equivalent to the value of its Proven Claim;
- (vii) Convenience Creditors are deemed to vote in favour of the Plan for the full amount of their Proven Claim and shall not be entitled to vote against the Plan at the Meeting in respect of their Proven Claim;
- (viii) The Plan does not affect the Unaffected Claims and Unaffected Creditors are not entitled to vote at the Meeting in respect of their Unaffected Claims. Additional information regarding the treatment of Unaffected Claims under the Plan is discussed below;
- (ix) The Plan contemplates that no distributions will be made in respect of Intercompany Claims. Such claims are to be treated as Unaffected Claims under the Plan; and
- (x) The Plan is offered in full and final satisfaction of the Claims of the Affected Creditors and contemplates that, on the Effective Date, each Affected Creditor will be deemed to forever release the Company, its Affiliates

and Parent, the Monitor and each of their present and former shareholders, officers, directors, employees, consultants, legal counsel, actuaries, advisors and agents from any claims, obligations and the like that arose prior to the Effective Date.

### **Unresolved Claims**

28. Pursuant to Section 4.2 of the Plan, an Affected Creditor holding an Unresolved Claim will not be entitled to receive a distribution under the Plan in respect of any portion thereof, unless and until such Unresolved Claim becomes a Proven Claim.
29. As noted above, as of the date of this Fourth Report, there remains four (4) Unresolved Claims, three (3) of which are under dispute in terms of their validity and amount, and one (1) of which has not yet been valued (it was filed as a placeholder claim).

### **Unaffected Creditors**

30. Pursuant to the Plan, Unaffected Claims include:
  - (i) any Claim secured by the Administration Charge, the Directors' Charge, the KERP Charge and the ABL Lender's DIP Charge (the "**CCAA Charges**");
  - (ii) certain statutorily mandated priority Claims pursuant to the CCAA, including, among others, Claims subject to the provisions of the *Income Tax Act* and Claims of certain Employees of the Company (a "**CCAA Priority Claim**");
  - (iii) Secured Claims;
  - (iv) any Claim (including, without limitation, a Claim, Post-Filing Claim and/or Secured Claim) of BOA or the ABL Lender against any Person, including any claim arising in connection with the ABL Credit Agreement or the ABL Forbearance Agreement;
  - (v) any Claim that cannot be compromised pursuant to subsections 5.1(2) and 19(2) of the CCAA;
  - (vi) Post-Filing Claims; and
  - (vii) Intercompany Claims.
31. To the extent not already paid, any Unaffected Claim that is secured by one of the CCAA Charges or in the nature of a CCAA Priority Claim, shall be paid pursuant to Section 4.3 of the Plan from the Administrative Reserve Fund.

The claims of other Unaffected Creditors will be addressed in accordance with the corresponding agreements or other arrangements between Unaffected Creditors and the Company.

32. There shall be no payment under the Plan in respect of Intercompany Claims. However, all such claims will be fully preserved and not released, discharged or extinguished pursuant to the Plan.

#### **Amendments to the Plan**

33. Pursuant to Section 8.1 of the Plan, the Company may, with the consent of the Monitor and the ABL Lender, both prior to and during the Meeting or after the Meeting, amend the Plan, provided: (i) if made prior to or at the Meeting, such amendments are communicated to Affected Creditors in the manner required by the Meeting Order (i.e. notice by mail, email or posting on the Monitor's website); and (ii) if made following the Meeting, such amendments are to be approved by the Court following notice to the Affected Creditors.
34. After the Meeting, a Plan amendment / modification may be made by the Company, with the consent of the Monitor and the ABL Lender, (a) without an Order of the Court if, in the opinion of the Monitor, such amendment would not be materially prejudicial to the interests of the Affected Creditors under the Plan or is necessary to give full intent to the Plan or the Sanction Order; or (b) pursuant to an Order of the Court made on notice to all Persons potentially affected by such amendment.

#### **Creditor Approval of the Plan**

35. In order for the Plan to be approved pursuant to the CCAA, the number of Affected Creditors representing at least a majority in number of the Proven Claims, whose Affected Claims represent at least two-thirds in value of the Proven Claims, vote in favour of the Resolution to approve the Plan in person, or by proxy, or who are deemed to vote in favour of the Resolution to approve the Plan pursuant to the Plan and the proposed Meeting Order.
36. If the Court grants the relief sought in the within motion, the Monitor intends to file a further report to the Court on the outcome of Meeting.

#### **Conditions Precedent to Plan Implementation**

37. The conditions precedent to implementation of the Plan are set out in section 5.3 of the Plan. The implementation of the Plan is subject to the satisfaction or waiver of the following conditions precedent on or prior to the Effective Date:
  - (i) approval of the Plan by the requisite majority of the Affected Creditors Class;

- (ii) approval and sanctioning of the Plan by the Court;
  - (iii) all relevant Persons will have executed, delivered and filed all documents and other instruments that, in the opinion of the Company, acting reasonably, are necessary to implement the provisions of the Plan or the Sanction Order; and
  - (iv) the maximum amount payable by the Company under Sections 4.1(a) and 4.1(b)(i) of the Plan, under all Promissory Notes issued pursuant to Section 4.1(b)(ii) of the Plan, and under Section 4.3 of the Plan, is satisfactory to the ABL Lender.
38. Any of the foregoing conditions precedent, other than any statutory requirements regarding the voting, approval and sanctioning of the Plan pursuant to the provisions of the CCAA and the condition noted in paragraph 37(iv) above, may be waived by the Company with the consent of the Monitor. The condition precedent noted in paragraph 37(iv) above may only be waived by the Company with the consent of the Monitor and the ABL Lender.

#### **Monitor's Views Regarding the Plan**

39. The Monitor recommends that the creditors vote in favour of the Plan for the following reasons:
- (i) The Plan provides for the prospect of continued operation of the business and a deleveraging of the Company's balance sheet;
  - (ii) the Plan is the product of extensive negotiations between the Company and its stakeholders, with the assistance of the Monitor;
  - (iii) the Plan is a balance of the Company's interests and those of its stakeholders. Certain compromises and concessions, including the treatment of Intercompany Claims, would not be effective if the Plan is not implemented and would give rise to significant claims against the Company;
  - (iv) the classification of creditors under the Plan is fair and reasonable;
  - (v) the Plan provides for a greater recovery to creditors than in a liquidation or bankruptcy scenario. The Plan represents the best opportunity for creditors to recover a significant portion of the indebtedness due to them. If the Plan is not approved, it is more than likely that there will be minimal or no distributions that would be available to the general body of unsecured creditors; and
  - (vi) in the Monitor's view, the Plan is fair and reasonable.

## IX. CREDITORS' MEETING

40. The Meeting is to be held in accordance with the Plan and the proposed Meeting Order. A copy of the proposed Meeting Order has been served on the service list in the CCAA Proceedings and filed by counsel for RCCL. A summary of the proposed Meeting Order is provided below.
- (i) The Meeting of Affected Creditors is to be held on October 16, 2020 at 10:00 am (Toronto time). The Meeting is to take place by videoconference due to the COVID-19 pandemic. Creditors will also be able to participate in the meeting by telephone;
  - (ii) A representative of the Monitor, designated by the Monitor, shall preside as the chair (the “**Chair**”) of the Meeting. The Monitor may also appoint scrutineers (the “**Scrutineers**”) for the supervision and tabulation of the attendance, quorum and votes cast. The Monitor may also designate an individual to act as secretary (the “**Secretary**”) at the Meeting;
  - (iii) In addition to the Chair, the Scrutineers and the Secretary, the only persons entitled to attend the Meeting are (a) those persons, including the holders of proxies, entitled to vote at the meeting (a Proxy must be received by the Monitor no later than 5:00 p.m. on October 14, 2020), (b) representatives from the Company and the Monitor and (c) the Directors and Officers, as well as each of the foregoing parties’ legal counsel and advisors. Any other person may be admitted to the Meeting on invitation of the Chair. The Chair and the Monitor may rely on representations by attendees to confirm their identification.
  - (iv) For the purposes of voting at the Meeting, each Affected Creditor in the Affected Creditor Class shall be entitled to one vote as a member of that class equal to the dollar value of its respective Proven Claim. Convenience Creditors shall be deemed to be a member of the Affected Creditor Class and be deemed to vote in favour of the Resolution to approve the Plan;
  - (v) To vote at the Meeting, one must be an Affected Creditor with a Proven Claim or an Unresolved Claim, or such Affected Creditor’s proxy. Any votes cast in respect of Unresolved Claims will be not be counted for any purpose, unless, until and only to the extent that such Unresolved Claim is finally determined to be a Proven Claim. The Monitor is to keep a separate record of votes cast by Affected Creditors holding Unresolved Claims and shall report to the Court with respect thereto at the motion for the Sanction Order;
  - (vi) Unaffected Creditors are not entitled, in such capacity, to attend the Meeting or vote on the Plan;
  - (vii) Any creditor who wishes to appoint a proxy shall do so by submitting a proxy form to the Monitor no later than 5:00 pm (Toronto time) on October 14, 2020; and



(viii) The Meetings may be adjourned to such date, time and place as may be designated by the Monitor, if, among other things, prior to or during the Meetings, the Monitor, in consultation with the Company, decides to adjourn such Meeting.

## **Notice Provisions**

41. In accordance with the Meeting Order, the Monitor will, as soon as practicable following the date of the Meeting Order, if granted:
- (i) post a copy of the (a) Information Statement (which attaches the Plan as an exhibit), (b) Notice of Meeting and Sanction Hearing, (c) form of proxy and (d) Convenience Creditor Election, (collectively, the “**Meeting Materials**”), as well as the Meeting Order and the Fourth Report on the Monitor’s Website;
  - (ii) send the Meeting Materials and the Fourth Report to: (a) all Affected Creditors with Affected Claims; (b) the service list maintained by the Monitor in these CCAA Proceedings; and (c) any Affected Creditor who makes a written request to the Monitor for a copy of the Meeting Materials and the Fourth Report; and
  - (iii) publish a notice of the Meeting, substantially in the form of the Notice of Meeting and Sanction Hearing, once in *The Globe and Mail* (National Edition).
42. In the Monitor’s view, the proposed Meeting Order sets out a comprehensive process to facilitate the Meeting and the advancement of a Plan, as well as provides Company’s creditors with a process to express their intention in terms of whether or not to accept the Plan. The Monitor is also of the view that the notice provisions provided in the Plan are fair and reasonable in the circumstances.

## **X. COURT APPROVAL OF THE PLAN**

43. If the Plan is approved at the Meeting, the Company intends to request Court approval of the Plan by seeking a Sanction Order at the Sanction Hearing before this Court on October 26, 2020.
44. The Monitor intends to file a report to the Court within two (2) Business days following the Meeting, which will include, among other things, the voting results of the Meeting and the Monitor’s recommendation to the Court, if the Plan is approved, on the sanctioning of the Plan.
45. If sanctioned by the Court, it is contemplated that the Plan will be implemented shortly thereafter.

**XI. MONITOR'S CONCLUSION**

46. Based on the foregoing, the Monitor respectfully recommends that this Honourable Court grant the proposed Meeting Order.

All of which is respectfully submitted this 23<sup>rd</sup> day of September 2020.

**RICHTER ADVISORY GROUP INC.  
IN ITS CAPACITY AS MONITOR OF  
ROBERTS COMPANY CANADA LIMITED  
AND NOT IN ITS PERSONAL CAPACITY**

Per:



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**Paul van Eyk**  
**CPA, CA-IFA, CIRP, LIT, Fellow of INSOL**  
Senior Vice President



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**Duncan Lau**  
**CPA, CMA, CIRP**  
Vice President

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  
ROBERTS COMPANY CANADA LIMITED

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

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**FOURTH REPORT OF THE  
MONITOR, RICHTER ADVISORY  
GROUP INC.**

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**BORDEN LADNER GERVAIS LLP**  
Barristers and Solicitors  
East Tower, Bay Adelaide Centre  
22 Adelaide St West #3400  
Toronto, ON M5H 4E3

**Roger Jaipargas**  
Tel: (416) 367-6266  
Fax: (416) 361-7067  
(LSO #43275C)

**Charlotte Chien**  
Tel: (416) 367-7267  
Fax: (416) 367-6749  
(LSO #79340C)

Lawyers for Richter Advisory Group Inc.

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