



**No. S-245481**  
**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

AND

IN THE MATTER OF THE *COOPERATIVE ASSOCIATION ACT*, S.B.C. 1999, C 28

AND

IN THE MATTER OF BC TREE FRUITS COOPERATIVE, BC TREE FRUITS INDUSTRIES  
LIMITED AND GROWERS SUPPLY COMPANY LIMITED

PETITIONERS

**THIRTEENTH REPORT OF THE MONITOR**

**ALVAREZ & MARSAL CANADA INC.**

**JULY 9, 2025**

## TABLE OF CONTENTS

1.0	INTRODUCTION .....	2
2.0	PURPOSE OF REPORT .....	3
3.0	TERMS OF REFERENCE .....	3
4.0	THE TRANSACTION.....	4
5.0	CLAIMS PROCESS .....	4
6.0	FORMER MEMBERS' REPRESENTATIVE .....	5
7.0	CONCLUSION AND RECOMMENDATIONS.....	8

## 1.0 INTRODUCTION

- 1.1 On August 13, 2024, in Supreme Court of British Columbia Action No. S-245481, Vancouver Registry (the “**CCAA Proceedings**”), the Supreme Court of British Columbia (the “**Court**”) granted BC Tree Fruits Cooperative (“**BCTFC**”), BC Tree Fruits Industries Limited (“**BCTF Industries**”) and Growers Supply Company Limited (“**GSC**”, together with BCTFC and BCTF Industries, the “**BCTF Group**” or the “**Petitioners**”) an initial order (“**Initial Order**”) under the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended. Among other things, the Initial Order granted the BCTF Group an initial stay of proceedings up to and including August 23, 2024 (the “**Stay Period**”) and appointed Alvarez & Marsal Canada Inc. (“**A&M**”) as the monitor of the BCTF Group (the “**Monitor**”) with enhanced powers.
- 1.2 The Stay Period has since been extended on a number of occasions, most recently to August 29, 2025 pursuant to an order granted by the Court on January 29, 2025.
- 1.3 On August 26, 2024, the Court granted an order: (i) approving a sales and investment solicitation process in respect of certain assets of BCTFC (the “**BCTF SISP**”); (ii) approving a sales and investment solicitation process in respect of the assets of GSC and certain real property of BCTFC (together with the BCTF SISP, the “**SISPs**”); and (iii) authorizing and directing the Monitor and the Petitioners to do all things necessary or desirable to perform their obligations under the SISPs.
- 1.4 The Court has granted a number of orders authorizing the sale of certain of the Petitioners’ real properties and other assets, all of which have completed with the exception of the most recent.
- 1.5 On May 16, 2025, upon the application of the Monitor, the Court granted an order (the “**Approval and Vesting Order**”) approving an agreement dated May 1, 2025 (the “**Wildstone APA**” and the transaction contemplated by the Wildstone APA, the “**Transaction**”) for the sale of all the Petitioners’ remaining real property and other assets to Manage Wildstone Partnership (the “**Purchaser**”). Subsequent to the granting of the Approval and Vesting Order, the closing date under the Wildstone APA (the “**Closing Date**”) has been adjusted from May 30, 2025 to July 25, 2025 (subsequently discussed).
- 1.6 Concurrently with the filing of this Thirteenth Report of the Monitor (the “**Thirteenth Report**”), the Monitor has filed an application seeking an order (the “**Former Members’ Representation Order**”) (i) appointing Mr. Steve Day (the “**Former Members’ Representative**”) as the representative of all of the former members of BCTFC who delivered fruit to BCTFC at any time during the years 2018 through 2023 (the “**Former Members**”); (ii) appointing Nathanson, Schachter & Thompson LLP (the “**Former Members’ Representative Counsel**”) as

representative counsel for the Former Members; and (iii) granting a charge in the amount of \$50,000 over the Petitioners' assets as security for the payment of the Former Members' Representative Counsel's fees.

- 1.7 Further information regarding the CCAA Proceedings, including copies of all orders made in these proceedings and all affidavits, reports of the Monitor and other Court-filed documents and notices (other than anything filed under seal) are available on the Monitor's website at [www.alvarezandmarsal.com/bctreefruits](http://www.alvarezandmarsal.com/bctreefruits).

## **2.0 PURPOSE OF REPORT**

- 2.1 This Thirteenth Report has been prepared by the Monitor to provide information to this Honourable Court in respect of the following:

- a) an update on the status of the Transaction;
- b) an update on the status of the Claims Process;
- c) the proposed appointment of the Former Members' Representative and Former Members' Representative Counsel; and
- d) the recommendations of the Monitor in respect of the foregoing, as applicable.

- 2.2 This Thirteenth Report should be read in conjunction with the materials filed in the CCAA Proceedings (collectively, the "**Filed Materials**"), including the first affidavit of Doug Pankiw dated August 12, 2024, as background information contained in the Filed Materials has not been included herein to avoid unnecessary duplication. Capitalized terms not defined herein have the meaning given in the Filed Materials.

## **3.0 TERMS OF REFERENCE**

- 3.1 In preparing this report, A&M has necessarily relied upon unaudited financial and other information supplied, and representations made to it, by certain senior management of the BCTF Group ("**Management**"). Although this information has been subject to review, A&M has not conducted an audit nor otherwise attempted to verify the accuracy or completeness of any of the information prepared by Management, or otherwise provided by the Petitioners. Accordingly, A&M expresses no opinion and does not provide any other form of assurance on the accuracy and/or completeness of any information contained in this report, or otherwise used to prepare this report.
- 3.2 Certain of the information referred to in this report consists of financial forecasts and/or projections prepared by Management. An examination or review of financial forecasts and projections and

procedures as outlined by the Chartered Professional Accountants of Canada has not been performed. Readers are cautioned that since financial forecasts and/or projections are based upon assumptions about future events and conditions that are not ascertainable, actual results will vary from those forecasts and/or projected and the variations could be significant.

- 3.3 Unless otherwise stated, all monetary amounts contained in this Thirteenth Report are expressed in Canadian dollars.

#### **4.0 THE TRANSACTION**

- 4.1 On May 14, 2025, Wildstone Capital Ltd., the original purchaser under the Wildstone APA, assigned all of its rights, title and interest in and to the Wildstone APA (and the First Amendment dated May 7, 2025) to the Purchaser pursuant to an assignment and assumption of offer to purchase.
- 4.2 Upon the granting of the Approval and Vesting Order on May 16, 2025, and as contemplated in the Twelfth Report of the Monitor dated May 8, 2025 (the “**Twelfth Report**”), the Purchaser and the current members of BCTFC entered into negotiations to potentially amend the structure of the Transaction. As the negotiations progressed, on May 26, 2025, the Purchaser, BCTFC and GSC entered into the Second Amendment to the Wildstone APA to extend the Closing Date from May 30, 2025 to June 13, 2025, to allow the parties to continue negotiating the potential alternative transaction structure.
- 4.3 On or around June 9, 2025, the Monitor was advised that the Purchaser and the current members of BCTFC were unable to reach an agreement on an alternative structure, and that the Purchaser would proceed with the closing of the Transaction as contemplated by the Wildstone APA, as amended.
- 4.4 Subsequently, the Purchaser and the Monitor have twice agreed to extend the Closing Date pursuant to a Third Amendment and a Fourth Amendment. The Closing Date is currently set for July 25, 2025, at the latest. As a result of the extension of the Closing Date, the Purchaser has paid an aggregate amendment fee of \$135,000 (subject to adjustment if the Closing Date occurs before July 25, 2025) to cover the BCTF Group’s holding costs, and increased its deposit under the Wildstone APA by \$1 million.

#### **5.0 CLAIMS PROCESS**

- 5.1 On May 2, 2025, the Monitor commenced the claims process (the “**Claims Process**”) in accordance with the order of this Court made on April 28, 2025 (the “**Claims Process Order**”). The Claims Process is described in the Eleventh Report of the Monitor dated April 23, 2025 (the “**Eleventh**

**Report**”). Capitalized terms used in this section of this Thirteenth Report and not otherwise defined have the meanings ascribed to them in the Claims Process Order.

5.2 In accordance with the provisions of the Claims Process Order, the Monitor has:

- a) posted a copy of the Claims Process Order, the Notice to Claimants, the Known Claimants List, the Instruction Letter, and the General Claims Package to the Monitor’s website on May 2, 2025;
- b) published the Notice to Claimants in the Vancouver Sun on May 2, 2025 and Castanet.net on May 9, 2025; and
- c) sent the Instruction Letter to 1,312 creditors identified in the Known Claimants’ List on May 2, 2025.

5.3 The Claims Bar Date was June 6, 2025 and the Restructuring Claims Bar Date is the later of the June 6, 2025 or 20 days after the date of the applicable Notice of Disclaimer or Resiliation.

5.4 By June 6, 2025, the Monitor had received 40 proofs of claim. After review and adjudication of the proofs of claim by the Monitor, it has allowed additional claims totaling \$1,404,840.76, and disallowed claims totaling \$3,924,373.62. A summary of the Monitor’s adjudication on the new claims received is as follows:

<b>BCTFC Group Claims Process status - as at July 2, 2025 (C\$000s)</b>		
Total proofs of claim filed	\$	9,758
Total claims allowed		5,834
Total claims disallowed		3,924
<b>Total claims adjudicated</b>	<b>\$</b>	<b>9,758</b>
Proven Claims per Known Claimants List		20,708
Additional Claims allowed by Monitor		1,405
<b>Revised Proven Claims</b>	<b>\$</b>	<b>22,113</b>

5.5 In accordance with the Claims Process Order, parties who wish to dispute a Notice of Revision or Disallowance (a “**NORD**”) are to deliver a Notice of Dispute to the Monitor within 14 days after the date of the NORD.

5.6 The Monitor will provide a further update on the Claims Process in due course.

## **6.0 FORMER MEMBERS’ REPRESENTATIVE**

6.1 As discussed in the Monitor’s Eleventh Report, upon the completion of the Wildstone APA, the Monitor expects there to be significant surplus funds remaining in the estate after payment, in full,

of all Proven Claims of creditors, and professional costs associated with the CCAA Proceedings (the “**Surplus Funds**”).

- 6.2 Rule 125 of the Rules of BCTFC (as revised November 16, 2021, the “**Rules**”) provides that in the event BCTFC permanently ceases operations, surplus funds are to be dealt with as follows:

***125. Distribution of surplus in final year of operations***

*After setting aside the amount required as a reserve and paying any dividend permitted by these Rules, the Association must, but only in the year in which it intends to permanently cease operations, distribute the whole of its then accumulated surplus, including all amounts realized from the sale or other disposition of its assets (but after setting aside an amount equal to the aggregate paid up capital of all its outstanding shares), to the members and former members of the Association (including the heirs, executors, administrators, successors and assigns) in the same proportion that the tonnage of tree fruits accepted by the Association from each of them (or from the grower through whom the member or former member derives or derived membership) in the previous 6 years bears to the total tonnage of tree fruits accepted by the Association from all its growers during those same 6 years.*

- 6.3 Because the last full year BCTFC accepted fruit deliveries was 2023, the Monitor will be proposing to distribute the Surplus Funds based on fruit deliveries made by members and Former Members during the six years from 2018 to 2023.
- 6.4 Based on the Monitor’s interpretation of the Rules, the persons entitled to share in the distribution of the Surplus Funds are current members of BCTFC as well as former members of BCTFC who delivered fruit to BCTFC in any of the years from 2018 to 2023.
- 6.5 Pursuant to an order granted by this Honourable Court, on May 30, 2025, the Monitor provided the Current Members’ Representative Counsel with the relative distributions, expressed as a percentage, that each Current Member and Former Member of BCTFC is expected to receive from the Surplus Funds, as calculated and presented by BCTFC and based on the Rules, along with any details concerning the methodology of calculating such relative entitlements (the “**Projected Distribution**”).
- 6.6 Based on the Projected Distribution, the Current Members and Former Members are entitled to 68% and 32% of the Surplus Funds, respectively.
- 6.7 Pursuant to the order of this Court made on August 26, 2024, Mr. Amarjit Singh Lalli was appointed as the “**Current Members’ Representative**” to represent all the current voting members of

BCTFC (the “**Current Members**”) in these CCAA Proceedings, and Osler, Hoskin & Harcourt LLP was appointed as representative counsel for the Current Members (the “**Current Members’ Representative Counsel**”).

- 6.8 The Monitor understands from discussions with the Current Members’ Representative Counsel that the Current Members may seek to amend the Rules to provide that former members of BCTFC are not entitled to share in the distribution of any surplus funds, irrespective of whether they delivered fruit to BCTFC in the six years preceding the date on which BCTFC ceased operations.
- 6.9 The Monitor is not aware of any Former Members having legal counsel in these CCAA Proceedings.
- 6.10 The Monitor has been contacted by certain of the Former Members inquiring as to the status of the CCAA Proceedings and, in some cases, expressing concern that they had no legal representation in these CCAA Proceedings.
- 6.11 The Monitor is of the view that the Former Members, being a group of significant stakeholders, should be represented in the CCAA Proceedings, particularly given the expectation that the Current Members may seek to amend the Rules in a manner prejudicial to the Former Members. In particular, the Monitor is of the view that it would be appropriate for the Former Members to be represented so that they might be properly advised and given the opportunity to appear through counsel to make such submissions should they wish to oppose any steps proposed to be taken by the Current Members’ Representative to eliminate their entitlement to share in the Surplus Funds.
- 6.12 One of the Former Members, Mr. Steve Day, has expressed willingness to be appointed as the Former Members’ Representative, and has selected Nathanson, Schachter & Thompson LLP as the Former Members’ Representative Counsel, subject to approval of this Court. The Monitor is familiar with the proposed Former Members’ Representative Counsel and believes they are qualified and possesses the necessary expertise in CCAA and other insolvency matters to fairly represent the interests of the Former Members.
- 6.13 The Monitor proposes that the Former Member’s Representative be appointed to represent the Former Members for all purposes in these CCAA Proceedings, and expects such mandate to include, among other things:
  - a) with the assistance of the Former Members’ Representative Counsel, explaining the CCAA process and helping the Former Members understand their rights; and



- b) appearing through the Former Members' Representative Counsel to make such submissions should the Former Members wish to oppose any steps proposed to be taken by the Current Members' Representative to eliminate their entitlement to share in the Surplus Funds.
- 6.14 The Monitor notes that the Former Members' Representation Order provides that the reasonable fees and disbursements of the Former Members' Representative Counsel be paid by the BCTF Group. The Monitor is of the view that this arrangement is fair and reasonable as it is in line with the treatment of the reasonable fees and disbursements of the Current Members' Representative Counsel.
- 6.15 The Former Members' Representation Order also contemplates a charge in the amount of \$50,000 in favour of the Former Members' Representative Counsel, ranking *pari passu* with the charge granted to the Current Members' Representative Counsel, as security for the payment of professional fees and disbursements to be incurred by the Former Members' Representative Counsel. The proposed charge was discussed with and agreed upon by the Former Members' Representative Counsel. The Monitor is satisfied that the proposed charge is reasonable in the circumstances and sufficient to provide adequate protection to the Former Members' Representative Counsel.

## **7.0 CONCLUSION AND RECOMMENDATIONS**

- 7.1 The Monitor respectfully recommends that this Honourable Court grant the Former Members' Representation Order.


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All of which is respectfully submitted to this Honourable Court this 9<sup>th</sup> day of July, 2025.

**Alvarez & Marsal Canada Inc.,**  
in its capacity as Monitor of  
BC Tree Fruits Cooperative,  
BC Tree Fruits Industries Limited and Growers Supply Company Limited



Per: Anthony Tillman  
Senior Vice President



Per: Pinky Law  
Vice President