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SASKATOON

AND IN THE MATTER OF THE *BANKRUPTCY AND
INSOLVENCY ACT*, RSC 1985, c B-3, AS AMENDED

APPLICANTS

IN THE MATTER OF THE NOTICE OF INTENTION TO
MAKE A PROPOSAL OF JUST SOLUTIONS INC.

DOCUMENT

**FIRST REPORT OF ALVAREZ & MARSAL CANADA
INC. IN ITS CAPACITY AS TRUSTEE UNDER THE
NOTICE OF INTENTION TO MAKE A PROPOSAL**

APRIL 19, 2022

ADDRESS FOR SERVICE AND
CONTACT INFORMATION OF
PARTY FILING THIS
DOCUMENT

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INTRODUCTION

1. On April 18, 2022 (“**Filing Date**”), Just Solutions Inc. (“**JSI**” or the “**Company**”), filed a Notice of Intention to Make a Proposal (“**NOI**” or the “**Filing**”) pursuant to subsection 50.4(1) of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, as amended (the “**BIA**”). Alvarez & Marsal Canada Inc. consented to act as Trustee under the NOI (“**A&M**” or the “**Proposal Trustee**”).
2. Pursuant to section 50.4(8) of the BIA, the initial stay period under the NOI proceedings is from April 18, 2022 to May 18, 2022 (the “**Initial Stay Period**”).
3. A copy of the Certificate of Filing of the NOI issued by the Office of the Superintendent of Bankruptcy is attached hereto as Appendix “A”.

Originating Application by the Company – April 22, 2022

4. On April 18, 2022, the Company filed an Originating Application with this Honourable Court to seek an Order which would, among other things:
 - a) authorize a sales and investment solicitation process (the “**SISP**”) and authorize and direct the Company to implement and perform the SISP;
 - b) approve the Company’s stalking horse proposal (the “**Stalking Horse Proposal**”) with Forage Subordinated Debt Limited Partnership II (“**Forage**” or the “**Stalking Horse Bidder**”);
 - c) grant a charge in an amount not to exceed \$150,000 (the “**Administration Charge**”) as security for the fees and costs of the Proposal Trustee, its independent legal counsel, the legal counsel to the Company and legal counsel to the Stalking Horse Bidder;
 - d) authorize the Company to borrow up to \$225,000 under a debtor-in-possession non-revolving loan facility (the “**DIP Facility**”) in order to allow the Company to satisfy its future expenses in connection with its ongoing operations during these proceedings;

- e) grant a charge on the assets of the Company (the “**DIP Charge**”) in order to secure repayment of the DIP Facility;
- f) grant a charge in favour of the Company’s Directors and Officers, securing the Company’s indemnification obligations to them not to exceed \$65,000 (the “**Directors Charge**”); and
- g) extend the time for filing a proposal pursuant to section 50.4(9) of the BIA up to and including July 2, 2022.

PURPOSE

5. The purpose of this First Report of the Proposal Trustee (the “**First Report**” or this “**Report**”) is to provide this Honourable Court and the Company’s stakeholders with information and the Proposal Trustee’s comments in respect of the following:
 - a) the Company’s background;
 - b) the activities of the Company and the Proposal Trustee prior to and since the filing of the NOI;
 - c) the components and timing of the SISP, including the Stalking Horse Bid with Forage, the Company’s senior secured lender;
 - d) the key commercial terms of the proposed Stalking Horse Proposal;
 - e) the Company’s cash flow projection for the 13-week period from April 18, 2022 to July 15, 2022;
 - f) the Company’s application for approval of the DIP Facility;
 - g) the Company’s application for the approval of the proposed Administration Charge, DIP Charge and Directors Charge;
 - h) the Company’s request for an extension of the Initial Stay Period up to and including July 2, 2022; and

- i) the Proposal Trustee's overall recommendations.

TERMS OF REFERENCE

6. In preparing this First Report, the Proposal Trustee has relied upon unaudited financial information and other information provided by the Company and other third parties. The Proposal Trustee has not performed an audit, review or other verification of such information. An examination of the financial forecast as outlined in the *Chartered Professional Accountants of Canada Handbook* has not been performed.
7. Future oriented financial information relied upon in this Report is based on the Company's assumptions regarding future events and actual results achieved will vary from this information and the variations may be material.
8. All references to dollars are in Canadian currency unless otherwise noted.

LIMITATION IN SCOPE OF REVIEW

9. The First Report has been prepared by the Proposal Trustee pursuant to the BIA.
10. This First Report is not and should not be construed or interpreted as an endorsement, comment or recommendation to any creditor, prospective investor, or any persons to advance credit and/or goods and services or to continue to provide credit and/or goods and services or to lend monies to the Company during these proceedings and/or at any other time.
11. The Proposal Trustee has not audited or reviewed the assets of the Company, and with respect to such assets, has relied to a significant degree upon information provided by the Company.
12. The Trustee is specifically not directed or empowered to take possession of the assets of the Company or to manage any of the business and affairs of the Company.

BACKGROUND

13. The Company is incorporated pursuant to the laws of Saskatchewan and is an insurance broker. More specifically, it is engaged in the business of selling crop and hail insurance to farmers throughout western Canada. The Company employs approximately 9 people, primarily in Moose Jaw, Saskatchewan. Various individuals who are employed or otherwise retained by the Company are licensed by the General Insurance Council of Saskatchewan and authorized to sell Property & Casualty and Crop / Hail insurance policies on behalf of third party insurance companies. The Company sells both hail insurance policies and Ag Right Risk Management (ARRM) policies, which are multi peril cash flow insurance policies that cover losses to yield, grade and price of crops insured thereunder.
14. The 2021 agricultural production year was very challenging in the prairies. While there was precipitation early in the growing season, hot and dry conditions persisted throughout July and into mid-August of 2021 and there was no meaningful moisture or temperature relief during this period. As a result, crop conditions and yield potential deteriorated as the year progressed, harvest was earlier than normal and wheat and durum yields were significantly below expectation. These circumstances led to a dramatic increase in claims made by insureds in the agricultural sector.
15. The Company is solely a broker of the crop insurance policies and does not have any liability to insureds in the event of a claim. Rather, upon a claim being made on a policy sold by the Company, the Company provides assistance and support in resolving the claim. The actual insurers on the policies are third party insurance companies which are responsible for adjudication and payment of claims. In early 2022, due to the losses on ARRM policies occurring in the previous growing season, it became apparent that it was going to be very difficult for the Company to obtain from insurance companies rights to bind insurance policies for the 2022 growing season on terms similar to previous years. The Company cannot bind insurance to third party insurers without such rights. As a result, the Company faced the risk of ceasing to be able to function as a going concern.

16. The affidavit of Mr. Justin Simpkins (the “**Simpkins Affidavit**”), an officer of the Company, sworn April 18, 2022, has been filed in support of this application and provides details and background of the Company’s operations and financial position, the various restructuring efforts to date, the reasons for the commencement of these proceedings and specifically the reasons for this application.
17. Further background to the Company and its operations is contained in the materials filed in support of the application for a stay extension, including the Simpkins Affidavit. These documents, together with other information regarding the NOI, have been posted on the Proposal Trustee’s website at www.alvarezandmarsal.com/justsolutions (the “**Case Website**”).

ACTIVITIES OF THE COMPANY AND THE PROPOSAL TRUSTEE

18. Prior to and since the Filing Date, the Proposal Trustee and the Company’s management (“**Management**”) have engaged in the following activities:
 - a) the Proposal Trustee prepared the initial notice to all known creditors to notify them of the NOI proceedings pursuant to section 50.4 (6) of the BIA (the “**Notice to Creditors**”). The Notice to Creditors, including a list of creditors, will be mailed to all known creditors by April 25, 2022 and posted on the Case Website. A copy of the Notice to Creditors is attached hereto as Appendix “**B**”;
 - b) Management, with the assistance of the Proposal Trustee, prepared a cash flow statement for the 13-week period from April 18, 2022 to July 15, 2022 (the “**Cash Flow Forecast**”). The Cash Flow Forecast will be filed with the Office of Superintendent of Bankruptcy by April 28, 2022 in accordance with section 50.4(2) of the BIA. A copy of the Cash Flow Forecast is attached hereto as Appendix “**C**”;
 - c) the Proposal Trustee engaged the services of MLT Aikin LLP to act as its independent legal counsel;

- d) various discussions were held between the Proposal Trustee, its legal counsel, the Company, the Company's legal counsel and Forage relating to matters relevant to the NOI proceedings, including reviewing the Company's proposed Stalking Horse Proposal, the SISP and other relief being sought by the Company in its Originating Application with the Court; and
- e) ongoing monitoring of the Company's financial affairs and activities by the Proposal Trustee.

SALES AND INVESTMENT SOLICITATION PROCESS

Overview

19. The Company has determined that it is in the best interests of its creditors and other stakeholders for the Company to undertake a restructuring process. The central component of the restructuring process is the Stalking Horse Proposal, where it is expected that Forage, which is expected to be the sole affected secured creditor and Plan Sponsor, will be given new equity in the Company in exchange for compromising its debt and all existing equity in the Company will be cancelled and extinguished. The Company, with the assistance of the Proposal Trustee, will market itself pursuant to a robust SISP so that it may assist in marketing the Company with an established floor price with the goal of testing the market to achieve higher and/or better offers superior to the Stalking Horse Proposal.
20. JSI, with the support of the Proposal Trustee, believe that a SISP provides for the greatest flexibility in soliciting and selecting bids from interested parties for the sale of or investment in the business or assets of JSI, or for a refinancing, reorganization, recapitalization, restructuring, joint-venture, merger or other business transaction involving the Company, or some combination thereof, and will provide the greatest opportunity for the Company to complete a restructuring of its operational and financial affairs.

Summary of the SISP

21. A copy of the SISP is attached as Exhibit “**D**” to the Simpkins Affidavit. The Proposal Trustee has summarized below certain key points of the SISP. All potential bidders are advised to review the SISP document in detail.
22. Pursuant to the SISP, all qualified interested parties will be provided with an opportunity to participate in the SISP. The SISP is intended to find the highest and/or best offer for a restructuring and/or refinancing of the Company, a sale of the Company on a going concern basis, or a combination thereof, which may include a merger, reorganization, recapitalization, primary equity issuance or other similar transaction.
23. Any transaction involving JSI, the shares of JSI or the assets of the Company will be on an “*as is, where is*” basis and without surviving representations, warranties, covenants or indemnities of any kind, nature, or description by the Company, the Proposal Trustee or any of their respective agents, estates, advisors, professionals or otherwise, except to the extent set forth in a written agreement with the person who is a counterparty to such a transaction.
24. The key components of the SISP are as follows (with capitalized terms used but not defined below intended to bear their respective meanings as defined in the SISP and Stalking Horse Proposal):
 - a) the Proposal Trustee, in consultation with the Company, shall prepare marketing material that will provide additional information about the opportunity and will set up a virtual data room (“**VDR**”) containing due diligence materials;
 - b) the Proposal Trustee, in consultation with the Company, shall send a summary outline of the opportunity (a “**Teaser**”) to potential strategic and financial bidders and invite them to execute a non-disclosure agreement (“**NDA**”) with the Company. A potential bidder that has executed an NDA and that has provided the required documentation,

including the Participation Letter, as outlined in the SISP, may be deemed a “Qualified Bidder” and will be provided access to the VDR;

- c) the Proposal Trustee will solicit non-binding indications of interest from Qualified Bidders to make a bid in the form of transaction as the Qualified Bidder may choose (each a “**Non-Binding Indication of Interest**”).
- d) in order to continue to participate in the SISP, a Qualified Bidder must deliver a Non-Binding Indication of Interest to the Proposal Trustee so as to be received by the Proposal Trustee not later than 5:00 p.m. (Saskatoon Time) on May 13, 2022 (the “**Solicitation of Interest Deadline**”);
- e) the Proposal Trustee, in consultation with the Company, will assess any Qualified Non-Binding Indications of Interest received, and will determine whether or not there is a reasonable prospect that the Proposal Trustee will receive one or more Superior Offer(s) that is/are likely to be consummated;
- f) the SISP procedures indicate that a “Superior Offer” is defined as a credible, reasonably certain and financially viable offer made by a Qualified Bidder which (i) provides for consideration in excess of the aggregate value of the Stalking Horse Transaction, and (ii) the Company and the Proposal Trustee, each with the assistance of their legal advisors, consider to be better than the Stalking Horse Transaction;
- g) if the Proposal Trustee determines that (a) no Qualified Non-Binding Indication of Interest was received, or (b) at least one Qualified Non-Binding Indication of Interest was received but there is no reasonable prospect that any such Qualified Non-Binding Indication of Interest will, individually or in the aggregate, result in one or more

Superior Offer(s) that is/are likely to be consummated, the Proposal Trustee shall (i) forthwith terminate the SISP Procedures, (ii) notify each Qualified Bidder (if any) that the SISP Procedures have been terminated, and (iii) within five (5) Business Days, file an application with the Court seeking approval, after notice and hearings, to implement the Stalking Horse Proposal;

- h) if the Proposal Trustee determines that (a) one or more Qualified Non-Binding Indications of Interest were received, or (b) there is a reasonable prospect that one or more of such Qualified Non-Binding Indications of Interest will, individually or in the aggregate, result in one or more Superior Offer(s) that is/are likely to be consummated, the SISP will continue and each Qualified Bidder who has submitted a Qualified Non-Binding Indication of Interest that has determined to likely be consummated, shall continue to be deemed a Qualified Bidder and may continue to participate in the SISP by submitting a Bid by no later than the Bid Deadline.
- i) a Qualified Bidder that wishes to make a bid must deliver their bid to the Proposal Trustee, on behalf of the Company, so as to be actually received by the Proposal Trustee by a time not later than 5:00pm (Saskatoon Time) on May 23, 2022 (the “**Bid Deadline**”);
- j) the Company, in consultation with the Proposal Trustee, will review and assess each Bid in order to determine whether or not such Bid is a Qualified Bid, as laid out in the SISP;
- k) in the event that no Qualified Bid other than the Stalking Horse Proposal is received, by the Bid Deadline, then (a) the Stalking Horse Proposal will be deemed to be the Successful Bid; (b) the Stalking Horse Bidder shall be deemed to be the Successful Bidder, and (c) the Company and the Proposal Trustee shall take all necessary steps to

complete the Stalking Horse Proposal and the transactions provided for therein;

- l) in the event that the Proposal Trustee determines that one or more Qualified Bids constitutes a Superior Offer, then the Proposal Trustee shall (to the extent that there is more than one Superior Offer) select the highest or best Qualified Bid (the “**Successful Bid**”);
- m) the Company and the Proposal Trustee shall take all necessary steps required to implement the transaction contemplated by the Successful Bid and either the Company or the Proposal Trustee, as applicable, shall apply to the Court (the “**Approval Motion**”) for an order approving the Successful Bid and authorizing the Company to enter into any and all necessary agreements with respect to the Successful Bid and to undertake such other actions as may be necessary or appropriate to implement and give effect to the Successful Bid; and
- n) the Company and the Successful Bidder shall take all reasonable steps to complete the transaction contemplated by the Successful Bid as soon as possible after the Successful Bid is approved by the Court.

25. A summary of the timelines included in the proposed SISP are outlined in the chart as follows:

Event	Date
The Proposal Trustee to publish a notice of the SISP in major publications, including the Globe and Mail (national edition), the Saskatoon Star Phoenix and the Regina Leader Post. Company shall issue a press release regarding the SISP with Canada Newswire and Insolvency Insider.	As soon as reasonably practicable.

Proposal Trustee to have marketing material and VDR available.	As soon as reasonably practicable.
Solicitation of Interest Deadline	May 13, 2022 by 5:00pm (Saskatoon Time)
Bid Deadline	May 23, 2022 by 5:00pm (Saskatoon Time)

26. The Proposal Trustee may, at any time during the SISP, apply to Court for advice and directions with respect to the discharge of its obligations and duties thereunder.

The Proposal Trustee's comments on the SISP

27. The Proposal Trustee is of the view that the implementation of the proposed SISP by the Proposal Trustee, in consultation with the Company, is appropriate under the circumstances. The Proposal Trustee is of the respectful view that the SISP ought to be approved by this Honourable Court for the following reasons:

- a) the SISP provides a fair and transparent process which will be conducted in such a manner as to give potential bidders equal opportunity to express their interest in making an offer on the Company's business and/or assets;
- b) the SISP provides for a four-week marketing process to sufficiently expose the Company and its assets to the market;
- c) the SISP provides certainty of a transaction through either the Stalking Horse Proposal or a Successful Bid;
- d) no stakeholder, including secured creditors, appears likely to be prejudiced by the process;
- e) the secured creditor, who is the Plan Sponsor, has established a floor price to attract potential interested parties to achieve a sales price greater than offered; and

- f) the Proposal Trustee has significant experience in marketing distressed companies in these types of circumstances.
- 28. The Proposal Trustee is also of the view that time is of the essence in ensuring that an efficient restructuring of the business occurs in order to allow JSI to continue to restructure its business affairs and to continue its operations as a going concern.

STALKING HORSE PROPOSAL

Overview

- 29. In advance of the SISP, JSI entered into discussions with Forage to explore the possibility of Forage participating as a stalking horse bidder for the Company. In the Proposal Trustee's view, such a process would be an effective method to maximize the value of the Company.
- 30. Forage, which is the only secured creditor and is the proposed interim lender for the DIP Facility (as discussed below), has agreed to participate as the stalking horse within the SISP. JSI has negotiated the stalking horse proposal with Forage (the **"Stalking Horse Proposal"**), subject to Court approval.
- 31. A copy of the Stalking Horse Proposal is attached as Exhibit "E" to the Simpkins Affidavit. The Proposal Trustee has summarized certain key points of the proposed Stalking Horse Proposal below. All interested parties are advised to review the Stalking Horse Proposal document in detail. Capitalized words or terms not defined in this section of this Report are as defined in the Stalking Horse Proposal.

Summary of Stalking Horse Proposal

- 32. If the Stalking Horse Proposal is selected as the Successful Bid (as such term is defined in the SISP), a portion of Forage's claims will be converted into new shares in the Company and all equity interests (including those currently held by Forage) will be cancelled and extinguished for no consideration, such that Forage will become the sole shareholder in the Company. It is currently anticipated that a small number of unsecured creditors will have their claims compromised pursuant to the

Stalking Horse Proposal but that all creditors necessary for the continued operation of the business, including employees, will be paid in the ordinary course of business and will be unaffected by the Stalking Horse Proposal.

33. A summary of the purposes and objectives of the Stalking Horse Proposal is as follows:

- a) to enable the Company to continue its business as a going concern from and after the Proposal Implementation Date;
- b) to retract and terminate all Existing Shares for no consideration;
- c) to amend and restate the Articles to cancel and terminate all classes of Existing Shares, and to create the New Shares and set out the rights of such class of such New Shares;
- d) to issue the New Shares to the Affected Secured Creditors on a pro rata basis and in satisfaction of their Affected Secured Claims;
- e) to issue the Unsecured Creditors' Distribution to the Affected Unsecured Creditors in satisfaction of their Affected Unsecured Claims; and
- f) to effect a full, final and irrevocable compromise, release, discharge, cancellation and bar of all Claims other than Unaffected Claims.

CASH FLOW FORECAST

34. The Company, with the assistance of the Proposal Trustee, has prepared the Cash Flow Forecast.

35. A summary of the Cash Flow Forecast and select assumptions underlying same are as follows:

- a) Total projected cash receipts of approximately \$42,000;
- b) Total operating cash disbursements forecast of approximately \$397,000 and non-operating cash disbursements of approximately

\$240,000, resulting in a net decrease in cash of approximately \$595,000 during the Cash Flow Forecast; and

c) Proposed interim loan of approximately \$225,000 will be required.

36. Significant assumptions made by the Company with respect to the Cash Flow Forecast are included in Appendix "C".
37. Based on the assumption that the maximum \$225,000 is available for the Company under a DIP Facility, it is currently estimated that the funds will be sufficient in order to allow the Company to operate during the period contemplated in the SISP and to complete the NOI proceedings.

DIP FACILITY

38. The Cash Flow Forecast indicates that, with access to a DIP Facility of \$225,000, the Company will be able to fund operations in the normal course of business and to complete the SISP and NOI proceedings. In contrast, without a DIP Facility, the Company will not have sufficient funds to operate beyond the week of June 6, 2022.
39. The Company is seeking to obtain and borrow under a credit facility from the Stalking Horse Bidder (in such capacity, the "**Interim Lender**") in order to finance the Company's working capital requirements and other general corporate purposes and capital expenditures, provided that borrowings under such credit facility shall not exceed \$225,000 unless permitted by further order of the Court. Such credit facility shall be on the terms and subject to the conditions set forth in the term sheet between the Company and the Interim Lender, which is attached as Exhibit "F" to the Simpkins Affidavit (the "**DIP Term Sheet**").
40. The DIP Facility will be available to the Company from the Commitment Date, which is one business day after the DIP Order is pronounced and entered by the Court, until the Maturity Date (defined in the DIP Term Sheet). The Company can draw in increments of \$25,000 on 6 Business Days' notice, with amounts outstanding under the DIP Facility bearing interest at ten percent interest per

annum, calculated and compounded monthly. The DIP Facility will have a DIP Charge (discussed and defined below) to secure the obligation.

41. The Proposal Trustee has reviewed the terms and values within the DIP Term Sheet and believe that it is consistent with this market and other proceedings of this nature. To gain comfort of the terms within the DIP Term Sheet the Proposal Trustee reviewed historical term sheets from former NOI proceedings to ensure that the respective terms and values were consistent with other proceedings of this nature. Additionally, the Proposal Trustee was involved with the various discussions between the Company, its counsel and the Interim Lender that lead to the final terms and values of the DIP Term Sheet. As such, the Proposal Trustee believes the terms and quantum the Company is seeking in DIP Term Sheet appears fair and reasonable under the circumstance.
42. Pursuant to section 50.6(5) of the BIA, the Proposal Trustee has reviewed the proposed DIP Term Sheet and has considered the following factors:
 - a) the period during which the Company is expected to be subject to the proceedings under the BIA;
 - b) how the Company's business and financial affairs are to be managed during the proceedings;
 - c) whether management has the confidence of its major creditors impacted under these proceedings;
 - d) whether the DIP Facility would enhance the prospects of a viable proposal being made in respect of the Company; and
 - e) the nature and value of the Company's property.
43. In consideration of the foregoing factors, the Proposal Trustee notes that the Company currently has limited cash resources and may not be able to complete its restructuring should the DIP Facility not be approved by this Honourable Court.

The Proposal Trustee further notes that the Company is carefully managing cash on a day-to-day basis with oversight from the Proposal Trustee.

44. The Proposal Trustee is further of the view that the DIP Facility is warranted as without it, it would be exceedingly difficult for the Company to successfully restructure under the NOI. Further, and in any event, in any probable realization strategy, a receiver, trustee or other administrator or manager would likely recommend expending a similar amount of funds in order to preserve and market the Company and/or their assets.

PRIORITY CHARGES

Administration Charge

45. The Company is seeking a charge (the “**Administration Charge**”) over the property of the Company (the “**Property**”), up to a maximum of \$150,000, in order to secure payment of the fees and disbursements of the Proposal Trustee, legal counsel for the Proposal Trustee, legal counsel for the Company and legal counsel for the Stalking Horse Bidder.
46. Given the tight liquidity constraints that the Company has been operating under, there is a heightened risk to the timely funding of professional fees relating to these proceedings even if funds are ultimately available under the DIP Facility, which is subject to approval by this Honourable Court. These proceedings require the prompt and vigorous involvement of professional advisors to guide and/or complete a successful proposal, accordingly, it is the Proposal Trustee’s respectful view that the Administration Charge is reasonable and appropriate to ensure the continued support of the respective professionals in the Company’s efforts to restructure its affairs by way of a sale and marketing process and/or other possible restructuring options.

DIP Charge

47. The Company is seeking a charge (the “**DIP Charge**”) against the Property to secure obligations incurred on the DIP Facility.

48. The DIP Charge is necessary in order to ensure that the Interim Lender has security for the DIP Facility. The proposed quantum of the advance under DIP Facility has been determined based upon the projected cash flow needs set out in the Company's Cash Flow Forecast.
49. It is the Proposal Trustee's respectful view that the DIP Charge is reasonable and appropriate to ensure the working capital necessary to complete these proceedings.

Directors Charge

50. The Company is seeking a charge (the "**Directors Charge**") against the Property to a maximum amount of \$65,000 as security for that the Company's obligation to indemnify such directors and officers for obligations and liabilities which they may incur in such capacities after the commencement of these proceedings, except to the extent that such obligation or liability was incurred as a result of the director's or officer's gross negligence or wilful misconduct.
51. The Proposal Trustee understands that the Company is current in standing with respect to outstanding payroll, and with respect to other pre-filing obligations for which directors may be personally liable.
52. The Directors' Charge is intended to address potential claims that may be brought against directors and officers that are not covered under existing insurance or to the extent coverage is insufficient to cover such claims.
53. The Company requires the services of its directors and officers to develop a viable proposal. The Company's directors and officers have the technical knowledge, experience, and relationships necessary to maximize the value of the Company and to guide it through a successful restructuring.
54. The Proposal Trustee is respectfully of the view that the Directors Charge is reasonable in the circumstances.

Ranking of Priority Claims

55. Subject only to the rights of persons holding valid and effective purchase money security interests on the Property, the priorities of the Administration Charge, the DIP Charge and the Directors' Charge (collectively, the "**Charges**"), as among them, shall be as follows:
- a) First: Administration Charge, up to the maximum amount of \$150,000;
 - b) Second: DIP Charge, to the extent drawn on the DIP Facility; and
 - c) Third: Directors' Charge, up to the maximum amount of \$65,000.
56. Each of the Charges shall constitute a charge on the Property and subject always to section 136 of the BIA, such Charges shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, and claims of secured creditors, statutory or otherwise in favour of any Person.

APPLICATION TO EXTEND THE TIME TO PREPARE A PROPOSAL

57. Unless it is extended, the Initial Stay Period will expire on May 18, 2022 and the Company is seeking an extension of the period in which it is required to file a proposal to June 6, 2022 pursuant to section 50.4 (9) of the BIA (the "**Stay Extension**").
58. The Proposal Trustee considered the following factors regarding the Stay Extension:
- a) the Company is acting in good faith and with due diligence;
 - b) the Company will likely be able to make a viable proposal if the Initial Stay Period were to be extended; and
 - c) no creditor in these proceedings will materially prejudiced if the extension were to be granted.

59. The Proposal Trustee has considered the request of the Company for the Stay Extension and the circumstances currently present facing the Company the Proposal Trustee is supportive of a 45 day stay extension to June 6, 2022, which should serve to provide the Company with the time required to facilitate the completion of the proposed SISP.

PROPOSAL TRUSTEE'S RECOMMENDATIONS

60. The Trustee recommends that this Honourable Court approve:

- a) the SISP;
- b) the Stalking Horse Proposal;
- c) the DIP Term Sheet and DIP Facility;
- d) the Administration Charge;
- e) the DIP Charge;
- f) the Directors Charge; and
- g) the Stay Extension.

All of which is respectfully submitted this 22nd day of April, 2022

**ALVAREZ & MARSAL CANADA INC.,
in its capacity as Proposal Trustee of
Just Solutions Inc. and
not in its personal or corporate capacity**



Orest Konowalchuk, LIT
Senior Vice-President



Cassie Riglin, LIT
Senior Vice-President

APPENDIX “A”



Industry Canada
Office of the Superintendent
of Bankruptcy Canada

Industrie Canada
Bureau du surintendant
des faillites Canada

District of Saskatchewan
Division No. 01 - Regina
Court No. 22-2822781
Estate No. 22-2822781

In the Matter of the Notice of Intention to make a proposal of:

Just Solutions Inc.

Insolvent Person

ALVAREZ & MARSAL CANADA INC.

Licensed Insolvency Trustee

Date of the Notice of Intention:

April 18, 2022

CERTIFICATE OF FILING OF A NOTICE OF INTENTION TO MAKE A PROPOSAL
Subsection 50.4 (1)

I, the undersigned, Official Receiver in and for this bankruptcy district, do hereby certify that the aforementioned insolvent person filed a Notice of Intention to Make a Proposal under subsection 50.4 (1) of the Bankruptcy and Insolvency Act;

Pursuant to subsection 69. (1) of the Act, all proceedings against the aforementioned insolvent person are stayed as of the date of filing of the Notice of Intention.

Date: April 19, 2022, 15:56

E-File/Dépôt Electronique

Official Receiver

1945 Hamilton Street, Suite 600, Regina, Saskatchewan, Canada, S4P2C7, (877)376-9902

Canada 

APPENDIX “B”



April 20, 2022

**In the Matter of the Notice of Intention to Make a Proposal of
Just Solutions Inc.**

TO THE CREDITORS OF JUST SOLUTIONS INC.:

On April 18, 2022, Just Solutions Inc. (the “**Company**” or “JSI”) filed a Notice of Intention to Make a Proposal (the “**NOI**”) pursuant to Section 50.4(1) of the *Bankruptcy and Insolvency Act* (Canada), *R.S.C. 1985, c. B-3* (the “**BIA**”) and Alvarez & Marsal Canada Inc. (“**A&M**”) was appointed as Proposal Trustee of the Company (the “**Proposal Trustee**”). A copy of the NOI, together with the list of creditors, are enclosed herewith. All information pertaining to the NOI will be posted to the Proposal Trustee’s website at: www.alvarezandmarsal.com/justsolutions.

Please be advised that the Company is not bankrupt and has availed itself to a procedure whereby an insolvent person, with creditor and Court approval, restructures its financial affairs. The role of the Proposal Trustee in this matter is to monitor the cash flow of the Company during the restructuring process, to assist with the development of the proposal, and to liaise with creditors, who will ultimately make the decision regarding the proposal.

Pursuant to section 69(1) of the BIA, upon the filing of the NOI, that being April 18, 2022, no creditor shall have any remedy against the Company or its property or shall commence or continue any action, execution or other proceedings for the recovery of a claim provable in bankruptcy until the bankruptcy of the Company.

The Company is required to file a Proposal within 30 days from the date of filing of the NOI unless the Company is granted an extension from the Court for a period not exceeding 45 days for any individual extension and not exceeding in the aggregate 5 months after the expiry of the initial 30 day period.

The amounts indicated on the attached list of creditors were estimated by the Company as at the date of filing the NOI, and as such, may not be the correct amount of your claim. However, **you do not need to notify the Proposal Trustee of any discrepancies in the claim amount at this time** and you will be provided an opportunity to do so when a Proof of Claim form and related documentation are sent to you at a later date.

Should you require any further information with respect to this matter, please feel free to contact Bryan Krol at bkrol@alvarezandmarsal.com, (403) 538-7523 or visit the Proposal Trustee’s website at: www.alvarezandmarsal.com/justsolutions.

Sincerely,
**Alvarez & Marsal Canada Inc.,
in its capacity as Proposal Trustee of
Just Solutions Inc., and not in its personal capacity**

Enclosure

District of: Saskatchewan
Division No. 02 - Saskatoon
Court No. 22-2822781
Estate No. 22-2822781

- FORM 33 -
Notice of Intention To Make a Proposal
(Subsection 50.4(1) of the Act)

Take notice that:

1. I, Just Solutions Inc., an insolvent person, state, pursuant to subsection 50.4(1) of the Act, that I intend to make a proposal to my creditors.
2. Alvarez & Marsal Canada Inc. of Bow Valley Square 4, Suite 1110, 250 6th Ave SW, Calgary, AB, T2P 3H7, a licensed trustee, has consented to act as trustee under the proposal. A copy of the consent is attached.
3. A list of the names of the known creditors with claims of \$250 or more and the amounts of their claims is also attached.
4. Pursuant to section 69 of the Act, all proceedings against me are stayed as of the date of filing of this notice with the official receiver in my locality.

Dated at the city of Calgary in the Province of Alberta, this 18th day of April 2022.



Just Solutions Inc.
Insolvent Person

To be completed by Official Receiver:

Filing Date

Official Receiver

**CONSENT TO ACT AS TRUSTEE
IN THE MATTER OF THE DIVISION I PROPOSAL OF**

Just Solutions Inc.

OF THE CITY OF MOOSE JAW, IN THE PROVINCE OF SASKATCHEWAN

We, ALVAREZ & MARSAL CANADA INC., of Bow Valley Square 4, Suite 1110, 250 6th Avenue S.W., Calgary, AB T2P 3H7, CONSENT to our acting as Trustee under the Division I proposal and in respect of the Notice of Intention to Make a Proposal of Just Solutions Inc. contemplated herein.

Dated at Calgary, Alberta this 18th day of April, 2022.

Alvarez & Marsal Canada Inc.
Licensed Insolvency Trustee

A handwritten signature in blue ink, appearing to read 'Orest Konowalchuk', with a stylized flourish at the end.

Per: _____
Orest Konowalchuk
Licensed Insolvency Trustee



Industry Canada
Office of the Superintendent
of Bankruptcy Canada

Industrie Canada
Bureau du surintendant
des faillites Canada

District of Saskatchewan
Division No. 01 - Regina
Court No. 22-2822781
Estate No. 22-2822781

In the Matter of the Notice of Intention to make a proposal of:

Just Solutions Inc.

Insolvent Person

ALVAREZ & MARSAL CANADA INC.

Licensed Insolvency Trustee

Date of the Notice of Intention:

April 18, 2022

CERTIFICATE OF FILING OF A NOTICE OF INTENTION TO MAKE A PROPOSAL
Subsection 50.4 (1)

I, the undersigned, Official Receiver in and for this bankruptcy district, do hereby certify that the aforementioned insolvent person filed a Notice of Intention to Make a Proposal under subsection 50.4 (1) of the Bankruptcy and Insolvency Act;

Pursuant to subsection 69. (1) of the Act, all proceedings against the aforementioned insolvent person are stayed as of the date of filing of the Notice of Intention.

Date: April 19, 2022, 15:56

E-File/Dépôt Electronique

Official Receiver

1945 Hamilton Street, Suite 600, Regina, Saskatchewan, Canada, S4P2C7, (877)376-9902

Canada 

District of: Saskatchewan
Division No. 02 - Saskatoon
Court No. 22-2822781
Estate No. 22-2822781

- FORM 33 -
Notice of Intention To Make a Proposal
(Subsection 50.4(1) of the Act)

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
Amber McCrystal	1020 Maplewood Drive Moose Jaw SK S6J 0E4		500.00
Bill Baum	234 Firelight Crescent W. Lethbridge AB T1J 4W1		10,000.00
CEBA			40,000.00
Dr. Jozef Van Niekerk Professional Corporation	439 6 Ave S.W. Medicine Hat AB T1A 5A9		6,400.00
Forage Subordinated Debt Limited Partnership II	#502, 400 Crowfoot Cres. N.W. Calgary AB T3G 5H6		2,910,646.00
Jardine Lloyd Thompson Canada Inc	330 5 Ave S.W.- Suite 1700 Calgary AB T2P 0L4		214,749.56
Sheldon & Elaine Williams	Box 803, STN Main Moose Jaw SK S6H 4P5		6,000.00
Total			3,188,295.56



Just Solutions Inc.
Insolvent Person

APPENDIX “C”

Just Solutions Inc.

13-Week Cash Flow Forecast ending week of July 15, 2022

SCAD

	Week 1 22-Apr-22	Week 2 29-Apr-22	Week 3 6-May-22	Week 4 13-May-22	Week 5 20-May-22	Week 6 27-May-22	Week 7 3-Jun-22	Week 8 10-Jun-22	Week 9 17-Jun-22	Week 10 24-Jun-22	Week 11 1-Jul-22	Week 12 8-Jul-22	Week 13 15-Jul-22	13-week Total	Notes
Cash Receipts															
Claims Adjustment Revenue	\$ 6,000	\$ 6,000	\$ 6,000	\$ 6,000	\$ 6,000	\$ 6,000	\$ 6,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 42,000	1
Interest Income	\$ -	\$ 140	\$ -	\$ -	\$ -	\$ -	\$ 70	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 210	2
	\$ 6,000	\$ 6,140	\$ 6,000	\$ 6,000	\$ 6,000	\$ 6,000	\$ 6,070	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 42,210	
Operating Cash Disbursements															
Selling Costs - Truck Allowance	-	2,325	-	-	-	-	2,325	-	-	-	2,325	-	-	\$ 6,975	3
Selling Costs - Travel and Entertainment	-	-	300	-	-	-	-	300	-	-	-	300	-	\$ 900	
Selling Costs - Cell reimbursement	-	245	-	-	-	-	245	-	-	-	245	-	-	\$ 735	
Selling Costs - Meals	-	-	783	-	-	-	-	783	-	-	-	783	-	\$ 2,350	4
Selling Costs - Mileage	-	-	1,467	-	-	-	-	1,467	-	-	-	1,467	-	\$ 4,400	
Wages and Salaries	-	45,002	-	37,966	-	-	40,324	-	32,386	-	32,386	-	50,392	\$ 238,454	5
Employee Costs	-	2,292	-	1,750	-	-	2,292	-	1,750	-	2,292	-	1,750	\$ 12,125	6
Professional Fees	-	-	-	-	-	-	-	-	-	-	5,500	1,200	-	\$ 6,700	7
Business Licenses, Memberships and Dues	-	-	285	625	-	-	625	-	100	-	-	150	-	\$ 1,785	
Professional Development	-	750	-	-	-	-	750	-	-	-	750	-	-	\$ 2,250	8
Insurance	-	-	52,725	-	-	-	-	-	-	-	-	-	-	\$ 52,725	
Interest and Bank Charges	298	-	-	78	298	-	-	-	78	298	-	-	78	\$ 1,125	
Office Expenses	252	782	417	417	417	947	334	334	334	864	641	641	641	\$ 6,713	
Rent	-	6,324	-	-	-	-	6,324	-	-	-	6,324	-	-	\$ 18,971	9
IT Expense	324	324	324	324	324	324	324	324	324	324	324	9,856	324	\$ 13,744	
Consulting Fees	-	1,000	-	-	-	1,000	-	-	-	-	1,000	-	-	\$ 3,000	10
Claim Process Fee	900	900	900	900	900	900	900	-	-	-	-	-	-	\$ 6,300	11
Travel and Entertainment (non-selling)	-	-	67	-	-	-	-	67	-	-	-	67	-	\$ 200	
Utilities	-	-	-	2,374	-	-	-	-	2,374	-	-	-	2,374	\$ 7,122	12
Contingency	-	-	2,500	-	-	2,500	-	-	2,500	-	-	2,500	-	\$ 10,000	13
	1,774	59,943	59,768	44,433	1,939	5,671	54,442	3,274	39,845	955	52,009	16,963	55,558	\$ 396,574.29	
Operating Net Cash Flow	\$ 4,227	\$ (53,803)	\$ (53,768)	\$ (38,433)	\$ 4,061	\$ 329	\$ (48,372)	\$ (3,274)	\$ (39,845)	\$ (955)	\$ (52,009)	\$ (16,963)	\$ (55,558)	\$ (354,364)	
Non-Operating Cash Disbursements															
Alvarez & Marsal Canada Inc.	-	-	50,000	-	-	-	40,000	-	-	-	35,000	-	-	\$ 125,000	14
MLT Aikins LLP	-	-	5,000	-	-	-	20,000	-	-	-	-	-	-	\$ 25,000	14
McCarthy Tetrault LLP	-	-	15,000	-	-	-	25,000	-	-	-	25,000	-	25,000	\$ 90,000	14
Tingle Merrit LLP	-	-	-	-	-	-	-	-	-	-	-	-	-	\$ -	
	-	-	70,000	-	-	-	85,000	-	-	-	60,000	-	25,000	\$ 240,000	
Net Cash Flow	\$ 4,227	\$ (53,803)	\$ (123,768)	\$ (38,433)	\$ 4,061	\$ 329	\$ (133,372)	\$ (3,274)	\$ (39,845)	\$ (955)	\$ (112,009)	\$ (16,963)	\$ (80,558)	\$ (594,364)	
Opening Cash	\$ 374,384	\$ 378,611	\$ 324,808	\$ 201,040	\$ 162,606	\$ 166,668	\$ 166,996	\$ 33,625	\$ 30,350	\$ 215,505	\$ 214,550	\$ 102,541	\$ 85,578	\$ 374,384	
Net cash flow	4,227	(53,803)	(123,768)	(38,433)	4,061	329	(133,372)	(3,274)	(39,845)	(955)	(112,009)	(16,963)	(80,558)	(594,364)	
Credit facility advances / (payments)	-	-	-	-	-	-	-	-	225,000	-	-	-	-	225,000	
Ending Cash	\$ 378,611	\$ 324,808	\$ 201,040	\$ 162,606	\$ 166,668	\$ 166,996	\$ 33,625	\$ 30,350	\$ 215,505	\$ 214,550	\$ 102,541	\$ 85,578	\$ 5,020	\$ 5,020	
Proposed Interim Financing															
Interim Financing Limit	\$ 225,000	\$ 225,000	\$ 225,000	\$ 225,000	\$ 225,000	\$ 225,000	\$ 225,000	\$ 225,000	\$ 225,000	\$ 225,000	\$ 225,000	\$ 225,000	\$ 225,000	\$ 225,000	
Opening borrowings	-	-	-	-	-	-	-	-	-	-	-	-	-	\$ -	
Interim Financing Available Before Advances/Payments	\$ 225,000	\$ 225,000	\$ 225,000	\$ 225,000	\$ 225,000	\$ 225,000	\$ 225,000	\$ 225,000	\$ 225,000	\$ -	\$ -	\$ -	\$ -	\$ 225,000	
Advances	-	-	-	-	-	-	-	-	225,000	-	-	-	-	\$ 225,000	
Payments	-	-	-	-	-	-	-	-	-	-	-	-	-	\$ -	
Ending Availability Surplus	\$ 225,000	\$ 225,000	\$ 225,000	\$ 225,000	\$ 225,000	\$ 225,000	\$ 225,000	\$ 225,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	

UNAUDITED CASH FLOW FORECAST PREPARED BY MANAGEMENT, MUST BE READ IN CONJUNCTION WITH THE NOTES AND ASSUMPTIONS & TRUSTEE'S REPORT ON THE CASH FLOW STATEMENT

Just Solutions Inc.

Justin Simpkins
Chief Operating Officer

April 18, 2022

Date

Trustee - Alvarez & Marsal Canada Inc.

Orest Konowalchuk, LIT
Senior Vice-President

18-Apr-22

Date

In the Matter of the Notice of Intention to make a Proposal of

Just Solutions Inc.

**Notes to the Consolidated Statement of Cash Flow for the 13-week
period ending July 15, 2022**

Purpose and General Assumptions of the Cash Flow Statement

Just Solutions Inc. (“**JSI**” or the “**Company**”) has prepared this Cash Flow Statement and the accompanying Notes to the Cash Flow Statement (collectively the “**Cash Flow Statement**”) in support of the proposal proceedings that has been filed under the Bankruptcy and Insolvency Act (“**BIA**”) on April 18, 2022.

Alvarez & Marsal Canada Inc. is the Proposal Trustee in this matter (the “**Proposal Trustee**”). The Cash Flow Statement should be read in conjunction with the Report on Cash Flow Statement by the Company (Form 30 under the BIA) and also with the Proposal Trustee’s Report on Cash Flow Statement (Form 29 under the BIA).

The Company has prepared the Cash Flow Statement based on probable and hypothetical assumptions that reflect the Company’s planned course of action for the period from April 18, 2022 to July 15, 2022 (the “**Cash Flow Period**”). Management is of the opinion that, as at the date of filing the Cash Flow Statement, the assumptions used to develop the projection represent the most probable set of economic conditions facing the Company and that the assumptions used proved a reasonable basis for and are consistent with the purpose of the Cash Flow Statement.

The Cash Flow Statement has been developed pursuant to subsection 50 (6) of the BIA and is in support of these BIA proceedings. The information contained in the Cash Flow Statement is subject to changing assumptions and/or receipt of new or additional information; actual results may vary.

This Cash Flow Statement should not be used for any other purpose, and creditors are cautioned that the information provided in the Cash Flow Statement could vary based on changing future circumstances.

The projected cash flow statement is prepared in Canadian dollars.

Hypothetical and Probable Assumptions of the Cash Flow Statement

1. Revenue is derived from a remaining 21 clients, and the Company is expecting to finalize 3 clients per week for the first 7 weeks at an average of \$2,000 per client. Total expected revenue during the 13 week period is \$42,000.
2. Interest income is the estimated interest to be earned from the Company's savings account.
3. Truck Allowance is the monthly expense the Company incurs as per the contracts in place with those employees who are entitled to a personal vehicle allowance.
4. Meals expense is based off the budgeted amount per month.
5. Wages and Salaries is for the bi-weekly payroll provided to 13 employees, this amount includes payment to the directors

6. Employee Costs are for expenses incurred by employees and are paid throughout the month. Typically expense reports are submitted by the 5th of the following month and paid shortly thereafter.
7. Professional Fees includes costs associated with the AGM, shareholder register as well as the Manitoba corporate registry.
8. Professional Development includes costs incurred by employees for additional training/education. Expenses are paid throughout the month, but typically expense reports are submitted by the 5th of the following month and paid shortly thereafter.
9. Rent expense is for the lease of the Company's head office and is a monthly payment per the terms of the rental agreement.
10. Consulting Fees are for amounts paid to contractors who assist the Company with insurance related matters, the amounts are set out as per each contract with the respective contractor. The Company utilizes one contractor.
11. Claim Process Fees are the costs incurred by the Company for processing claims, the Company pays \$300 per claim and there are 21 claims remaining.
12. Utilities expense is for the costs associated with operating the office space, which is not included in the monthly rent expense. These amounts are forecasted based on historical usage.
13. A contingency of \$10,000 for the 13-week period has been incorporated into the cashflow to cover unexpected amounts the Company may incur during the NOI.
14. Non-Operating costs include amounts paid to professionals to conduct the NOI and assist the Company with the sales and solicitation process. Each of the professional services firm is holding a retainer from the Company and will apply their respective retainer to the costs incurred, amounts reflected within the Cash Flow Statement are for amounts incurred by each respective firm beyond amounts being held as a retainer.

**UNAUDITED CASH FLOW FORECAST PREPARED BY MANAGEMENT, MUST BE READ
IN CONJUNCTION WITH THE NOTES AND ASSUMPTIONS & TRUSTEE'S REPORT ON THE
CASH FLOW STATEMENT**

Just Solutions Inc.



Justin Simpkins
Chief Operating Officer

Date: April 18, 2022

Trustee – Alvarez & Marsal Canada Inc.



Orest Konowalchuk, LIT
Senior Vice-President

Date: April 18, 2022