

District of: British Columbia
Division No. 03-Vancouver
Court No. VLC-S-B230222
Estate No. 11-2947968

Form 40

REPORT OF TRUSTEE ON PROPOSAL
(Section 59(1) and paragraph 58(d) of the Act)

**IN THE SUPREME COURT OF BRITISH COLUMBIA
IN BANKRUPTCY**

**IN THE MATTER OF THE PROPOSAL OF
EN ROUTE 24/7 LOGISTICS INC.
OF THE CITY OF VANCOUVER, IN THE PROVINCE OF BRITISH COLUMBIA
CROWE MACKAY & COMPANY LTD., TRUSTEE**

We, Crowe MacKay and Company Ltd., the Licensed Insolvency Trustee (the "**Trustee**") acting in the proposal of En Route 24/7 Logistics Inc., (the "**Company**"), hereby report to the Court as follows:

1. THAT the Company filed a Notice of Intention to Make a Proposal (the "**NOI**") pursuant to Section 50.4(1) of the *Bankruptcy and Insolvency Act* on May 25, 2023. The Trustee consented to act as Licensed Insolvency Trustee in the proposal of the Company. Attached as **Appendix "A"** is a copy of the Certificate of Filing of a Notice of Intention to Make a Proposal from the Office of the Superintendent of Bankruptcy (the "**OSB**").
2. THAT on November 6, 2023, the Company filed a proposal to its creditors (the "**Proposal**") with the Trustee. The Trustee filed a copy of the proposal with the official receiver on November 6, 2023. Attached as **Appendix "B"** is a copy of the Certificate of Filing of a Proposal from the OSB. Attached as **Appendix "C"** is a copy of the Proposal.
3. THAT on November 6, 2023, the Trustee gave notice to the Company, the division office and to every known creditor affected by the Proposal, of the calling of a meeting of creditors to be held on November 27, 2023 (the "**Meeting**"), to consider the Proposal. Attached as **Appendix "D"** is a copy of the Notice of Proposal to Creditors (Form 92) (the "**Notice**"). Attached as **Appendix "E"** is a copy of the Affidavit of mailing of the Notice.
4. THAT with the Notice included a Statement of Affairs of the Company, a list of the creditors affected by the Proposal who have claims of \$250 or more, the Proposal, the Cash Flow Statement, the Report on the Proposal to Creditors by the Trustee (the "**Proposal Report**"), a form of Proof of Claim, proxy and a voting letter. Attached as **Appendix "F"** is the Proposal Report containing the aforementioned Statement of Affairs and Cash Flow Statement.

5. THAT prior to the Meeting, the Trustee made a detailed and careful inquiry into the liabilities of the Company, the Company's assets and their value, the Company's conduct and the causes of the Company's insolvency.
6. THAT the Meeting was held on November 27, 2023 virtually by way of Zoom videoconference. The meeting was adjourned at the request of the Canada Revenue Agency (the "CRA") and the Ministry of Finance in order to allow for the Company to file a provisional corporate income tax return, as well as amend the proposal to clarify default provisions.
7. THAT on December 11, 2022, the Company filed an amended version of the Proposal (the "Amended Proposal") to its creditors. Attached as **Appendix "G"** is a copy of the Amended Proposal.
8. THAT the Meeting was reconvened on January 16, 2024 virtually by way of Zoom videoconference subsequent to the Company satisfying the requests of the CRA.
9. THAT on the Company's Statement of Affairs dated November 3, 2023, there were 9 unsecured creditors with claims totaling \$681,797.32, no preferred creditors, and 1 secured creditor with a claim totaling \$50,134.29.
10. THAT the Company is seeking a restructuring through the filing of a proposal whereby the "Crown Creditors" (as defined in the Amended Proposal) are to receive payment in the full amount of their respective claims, while "Unsecured Creditors" (as defined in the Amended Proposal) shall share in a pro-rata distribution of \$140,760 as paid by the Company to the Trustee over the course of about 5 years.
11. THAT at the time of the Meeting, there were 5 proofs of claim filed totaling \$695,037.50 which comprised of the following:
 - 2 claims from Crown Creditors admitted for voting purposes;
 - 4 claims from unsecured creditors admitted for voting purposes; and
 - 1 claim that was subsequently withdrawn.
12. THAT each of the proofs of claim filed was reviewed by the Trustee and the Company and the claims admitted for voting purposes are believed to be proven claims.
13. THAT of the 5 creditors present at the Meeting attending virtually by videoconference, by proxy or by voting letter, 4 voted in favour of the acceptance the Amended Proposal with claims totaling \$629,513.31 and none voted against the acceptance of the Amended Proposal. A single creditor with a claim of \$65,518.19 abstained from voting. As 100% of the creditors in number and 100% of the creditors in dollar value voted in favour of the acceptance of the Amended Proposal, the Amended Proposal was thereby accepted. Attached as **Appendix "H"** is a copy of the minutes of the Meeting which includes a voting summary.
14. THAT the Trustee is of the opinion that:
 - a. The assets of the Company and their net realizable value as at November 3, 2023 in the event of a bankruptcy were estimated as follows:

Estimated Gross Realizations from Assets	Net Book Value as at November 3, 2023	Bankruptcy - Low	Bankruptcy - High
Cash	115,000.00	115,000.00	115,000.00
Trade Accounts Receivable	103,619.08	NIL	103,619.08
Intercompany Receivables	44,974.00	NIL	NIL
Shareholder Loan Receivable	595,053.00	NIL	Unknown
Prepaid Expenses	75,811.00	NIL	30,100.00
Fixed Assets	38,228.00	NIL	NIL
Contingent Asset - Pending Notice of Civil Claim	NIL	Unknown	Unknown
Amazon Canada Contract	NIL	NIL	NIL
Proposal Funds	NIL		
Crown Creditors		NIL	NIL
Unsecured Creditors		NIL	NIL
Total Gross Realizations from Assets	972,685.08	115,000.00	248,719.08

b. The liabilities of the Company are as follows:

	Declared	Admitted
Secured	\$50,134.29	\$65,518.19
Preferred	NIL	NIL
Unsecured	\$681,797.32	629,519.31
Total	\$731,931.61	\$695,037.50

15. THAT the Trustee is further of the opinion that:

- a. The leading cause for the insolvency of the Company was that Management underwent an acrimonious marital separation, which led to the Company's liquidity being used to fund the personal obligations of Management. As a result, the Company became delinquent on payment of certain obligations owing to government authorities.
- b. The Trustee reviewed the Company's cash flow projections with management of the Company and believed the projections were reasonable and achievable based on information provided by the Company. Further details can be found in the 'Cash Flow Projection' Section of the Proposal Report (Appendix F.3).
- c. The Trustee did not identify any material adverse changes based on its review of the cash flow projection, weekly cash flow reports and other banking/accounting documentation. Further details can be found in the 'Proposal Trustee' Monitoring of Cash Flows' section of the Proposal Report (Appendix F.3).
- d. The Trustee has reviewed the Company's financial information and bank statements for the twelve months immediately preceding the NOI and did not identify any transactions which may be considered a fraudulent preference or transfer at undervalue pursuant to Sections 95 and 96 of the BIA except what was otherwise noted in the 'Review of the Company's Books and Records' section of the Proposal Report (Appendix F.3).

16. THAT the Trustee is further of the opinion that the Amended Proposal is advantageous for the creditors for the following reasons:

- a. the Unsecured Creditors are expected to receive 0% of their proven claims in the event of a bankruptcy;
- b. the Amended Proposal offers to pay about 76% of the Proven Claims of Unsecured Creditors. This is clearly a greater recovery to the Unsecured Creditors as compared to a bankruptcy;
- c. the Crown Creditors are expected to receive none or only a small portion of their proven claims in the event of a bankruptcy;
- d. the Amended Proposal offers to pay 100% of the Proven Claims of the Crown Creditors. This is clearly a greater recovery to the Unsecured Creditors as compared to a bankruptcy;
- e. the Amended Proposal will allow for the Company to continue operations while also preserving existing relationships with stakeholders including suppliers, employees and other parties. This may provide for ongoing opportunities for suppliers, employees and other stakeholders to participate in the Company's future growth as it continues to contribute to the economy in a positive manner; and;
- f. should the Amended Proposal not be accepted, the Company will be deemed bankrupt. This will result in, among other things, the immediate closure of the business, liquidation of any personal property (if it is economically viable) and termination of all 107 employees along with service contracts.

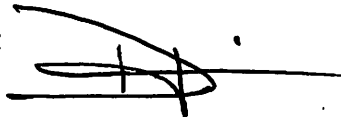
17. THAT a copy of this report was forwarded to the official receiver on this day.

DATED AT the City of Vancouver, in the Province of British Columbia, this 21 day of January, 2024.

Crowe MacKay & Company Ltd.

in its capacity as Licensed Insolvency Trustee of the Proposal of
En Route 24/7 Logistics Inc. and not in its personal capacity

per:



Mr. Derek Lai, CPA, CMA, CIRP, LIT, CFE
(Chartered Insolvency & Restructuring Professional)

APPENDIX A



Industry Canada
Office of the Superintendent
of Bankruptcy Canada

Industrie Canada
Bureau du surintendant
des faillites Canada

District of British Columbia
Division No. 03 - Vancouver
Court No. 11-2947968
Estate No. 11-2947968

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

En Route 24/7 Logistics Inc.

Insolvent Person

CROWE MACKAY & COMPANY LTD

Licensed Insolvency Trustee

Date of the Notice of Intention:

May 25, 2023

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: May 25, 2023, 17:11

E-File/Dépôt Electronique

Official Receiver

300 Georgia Street W, Suite 2000, Vancouver, British Columbia, Canada, V6B6E1, (877)376-9902

Canada

APPENDIX B



Industry Canada
Office of the Superintendent
of Bankruptcy Canada

Industrie Canada
Bureau du surintendant
des faillites Canada

District of British Columbia
Division No. 03 - Vancouver
Court No. 11-2947968
Estate No. 11-2947968

In the Matter of the Proposal of:

En Route 24/7 Logistics Inc.

Debtor

CROWE MACKAY & COMPANY LTD

Licensed Insolvency Trustee

Date of Proposal:	November 06, 2023	Security:	\$
Meeting of Creditors:	November 27, 2023, 13:00 By video conference Contact derek.lai@crowemackay.ca Vancouver, British Columbia Canada,		
Chair:	Trustee		

CERTIFICATE OF FILING OF A PROPOSAL - Section 62

I, the undersigned, Official Receiver in and for this bankruptcy district, do hereby certify that:

- a proposal in respect of the aforementioned debtor was filed under section 62 of the *Bankruptcy and Insolvency Act*.

The aforementioned trustee is required:

- to provide to me, without delay, security in the aforementioned amount; and
- to send to all creditors, at least ten days prior to the meeting, a notice of a meeting of creditors, which will be held at the aforementioned time and place.

Date: November 09, 2023, 17:50

E-File/Dépôt Electronique

Official Receiver

300 Georgia Street W, Suite 2000, Vancouver, British Columbia, Canada, V6B6E1, (877)376-9902

Canada

APPENDIX C

District of British Columbia
Division No. 03—Vancouver
Estate No. 11-2947968
Court No. VLC-S-B230222
Vancouver Registry

**IN THE SUPREME COURT OF BRITISH COLUMBIA
IN BANKRUPTCY AND INSOLVENCY
IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF
EN ROUTE 24/7 LOGISTICS INC.**

**MADE PURSUANT TO PART III DIVISION 1 OF THE BANKRUPTCY AND
INSOLVENCY ACT, R.S.C. 1985, C. B-3, AS AMENDED**

DATED FOR REFERENCE NOVEMBER 6, 2023

PROPOSAL

**ARTICLE 1
DEFINITIONS AND INTERPRETATION**

1.1 DEFINITIONS

In this Proposal:

"**Approval Order**" means the court order made in the Insolvency Proceeding approving the Proposal and directing the implementation of the Proposal;

"**BIA**" means the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 as amended;

"**Classes**" means the two classes of creditors described in section 3.1 of this Proposal;

"**CRA**" means Canada Revenue Agency on behalf of His Majesty the King in right of Canada or in right of any province as represented by the Minister of National Revenue;

"**Certificate of Full Performance**" means the certificate to be issued by the Trustee in accordance with section 10.7 of the Proposal;

"**Claims Bar Date**" means the date described in section 5.4 of the Proposal;

“Completion of the Proposal” means the date upon which all of the following conditions have been met:

- (a) the Proposal is approved at the Meeting of Creditors by the requisite majority of each Class;
- (b) the Proposal is approved by the Court; and
- (c) the Debtor has satisfied its payment obligations pursuant to Article 4 of the Proposal.

"Court" means the Supreme Court of British Columbia; in bankruptcy;

"Creditor" means a Person having a Provable Claim;

“Crown Creditors” means the crown in right of Canada or the province of British Columbia, with respect to the GST Claim and EHT Claim respectively;

“Debtor” means En Route 24/7 Logistics Inc.;

“EHT” means the *Employer Health Tax Act*, SBC 2018, c 42;

“EHT Claim” means the employer health tax under the EHT including, without limitation, all interest and penalties thereof as of the Filing Date;

“ETA” means the *Excise Tax Act*, R.S.C. 1985, C. E-15, as amended;

"Filing Date" means May 25, 2023 being the date when the Notice of Intention to File a Proposal was filed;

“GST” means goods and service tax obligations under the ETA including, without limitation, all interest and penalties thereof as of the Filing Date;

"GST Claim" means the deemed trust for GST that is the subject of s. 222 of the ETA, including, without limitation, all interest and penalties thereof that are outstanding as of the Filing Date;

"Insolvency Proceeding" means the proceeding commenced by the Debtor under the BIA under Estate No. 11-2947968, and any proceedings commenced in relation to that estate in the Vancouver Registry of the Court;

“ITA” means *Income Tax Act*, R.S.C. 1985 c. 1. as amended;

"Meeting" means the meeting of the Creditors to be held pursuant to Section 51(1) of the BIA for the purpose of considering, and if thought fit, voting to approve this Proposal, as same may be amended at any such Meeting, and agreeing to the compromise and arrangement constituted thereby, and any adjournment thereof;

"Person" is to be broadly interpreted and includes an individual, a corporation, a partnership, a trust, a bank, an unincorporated organization, the government of a country or any political subdivision thereof, or any agency or department of any such government, and the executors, administrators or other legal representatives of an individual in such capacity having a Provable Claim;

"Preferred Creditor" means all creditors entitled to priority over the Creditors pursuant to Section 136 of the BIA;

"Proof of Claim" means the prescribed form of document required under the BIA to evidence the Provable Claim of a Creditor under Part III of the BIA prior to the date of the Meeting;

"Property" means any right, title or interest of the Debtor in any type of property, whether situate in Canada or elsewhere, and includes, money, goods, thing in action, land, and every description of property, whether real or personal, legal or equitable, as well as obligations, easement and every description of estate, interest, profit, present or future, vested or contingent in, arising out of or incident to property;

"Proposal" means this Proposal among the Debtor and its Creditors, as from time to time amended, modified or supplemented as permitted by the terms of this Proposal;

"Provable Claim" means a claim for an amount alleged by a Person to be owed to it, or any obligation, enforceable right, duty or liability, contingent or otherwise, (including any claim whether contingent or accrued on behalf of CRA), or any cause of action against the Debtor or its assets and Property calculated either as at the Filing Date or in the case of claims under executory contracts arising subsequent to the Filing Date, or claims arising after the Filing Date in respect of obligations incurred prior to the Filing Date but does not include the claim of the Secured Creditor. Without limiting the generality of the foregoing but for greater certainty, a Provable Claim includes all taxes, interest and penalties that may or are payable to CRA with respect to the Debtor pursuant to the ITA and ETA up to and including the Filing Date regardless of the applicable taxation year or date of assessment, reassessment or imposition thereof;

"Proven Claim" means a Provable Claim that is the subject of a Proof of Claim and that has been filed with the Trustee in accordance with the Proposal and has either been accepted by the Debtor or has been allowed by the Court, in whole or in part;

"Release" means the release described in section 10.1 of the Proposal;

"Reviewable Transactions" means transactions of the kind described in sections 95 to 101 of the BIA;

"Trustee" means Crowe MacKay & Company Ltd., appointed as Trustee of the Proposal in the Insolvency Proceeding;

"Secured Creditor" means LPCA Fleet Management Ltd, which registered a security interest with respect to the Debtor at the Personal Property Registry of British Columbia prior to the Filing Date; and

“Superintendent’s Levy” means the obligation described in Section 4.5 of the Proposal.

“Unsecured Creditor” means a Creditor but does not include Crown Creditors or Secured Creditors.

1.2 HEADINGS

The division of the Proposal into Sections and the insertion of headings are for convenience only and do not form part of the Proposal and will not be used to interpret, define or limit the scope, extent or intent of the Proposal.

1.3 SECTIONS AND ARTICLE REFERENCE

Unless otherwise specified, references in the Proposal to "Sections", and “Articles” are to sections and articles of this Proposal.

1.4 STATUTORY REFERENCE

Unless otherwise specified, each reference to a statute is deemed to be a reference to that statute and to the regulations made under that statute, as amended or re-enacted from time to time.

1.5 NUMBER AND GENDER

Unless otherwise specified, words importing the singular include the plural and vice versa and words importing gender include all genders.

1.6 CURRENCY

All references to amounts of money means lawful currency of the Dominion of Canada unless otherwise expressly indicated. All Proofs of Claim submitted by Creditors in U.S. dollars will be converted to Canadian dollars at the rate of exchange applicable at the Filing Date.

ARTICLE 2 PURPOSE AND EFFECT OF THE PROPOSAL

2.1 PURPOSE OF THE PROPOSAL

The purpose of the Proposal is to permit the Debtor to settle payment of its liabilities arising before the Filing Date and to compromise the indebtedness owed to the Creditors on a fair and equitable basis.

2.2 EFFECT OF THE PROPOSAL

The effect of the Proposal is that all Provable Claims, unless explicitly excluded, shall be Released upon Completion of the Proposal.

2.3 TRUSTEE UNDER THE PROPOSAL

Subject to the provisions of the BIA the Trustee shall act as the administrator for all purposes connected with the Proposal including management of the claims process, administration of the Meeting (unless directed otherwise by the Official Receiver) and any adjournments thereto and distribution of dividends to the Creditors with a Proven Claim.

ARTICLE 3 CREDITOR CLASSES AND PRIORITY OF PAYMENTS

3.1 CLASSES OF CREDITORS

This Proposal shall consist of the following two classes of creditors:

- a. A class comprising Unsecured Creditors; and
- b. A class comprising Crown Creditors.

each of which shall be entitled to consider and vote on the Proposal.

ARTICLE 4 PAYMENT OBLIGATIONS

4.1 PREFERRED PAYMENTS IN PRIORITY TO ALL OTHER CREDITORS UNDER THE PROPOSAL

The Trustee shall make the following preferred payments from the amounts paid to the Trustee pursuant to this Proposal before making any distribution to the Creditors:

- (a) Provision for payment of all proper fees, expenses and legal costs (the "Trustee's Fees") of the Trustee, of and incidental to the proceedings arising in the Insolvency Proceeding together with such fees of the Trustee incidental to and arising from the preparation of the Proposal shall be paid in full in priority to the claim of the Creditors. All payments of the Trustee's fees are subject to taxation;
- (b) Payment of the claims of employees as set out in section 136(1)(d) of the BIA, if any, shall be paid forthwith after the Approval Order; and
- (c) All other preferred claims are to be paid in priority to all claims of Creditors pursuant to sections 60(1) and 136 of the BIA.

4.2 PAYMENTS TO CRA OF DEEMED TRUST UNDER ITA

CRA shall be paid directly from the Debtor in respect of any amounts due to His Majesty the King in Right of Canada or a Province of a kind which could be subject to a demand under subsection 224(1.2) of the ITA or under any substantially similar provision of provincial legislation and that were outstanding as of the Filing Date. These payments shall be made within six (6) months of the Approval Order, or such longer period as may be agreed to by CRA.

4.3 PAYMENTS OF CROWN CLAIMS

Commencing after Court approval of the Proposal, the Company will make the following payments to Trustee on account of the Crown Claims:

- i. \$22,000 in each quarter of each year on or before the last day of the months of February, May, August, and November;
- ii. the above quarterly payments will be made until such time that the Crown Claims are repaid in full; and,
- iii. the Trustee shall make interim dividend payments net of the Superintendent's levy to the Crown Creditors following the last day of each August and Commencing after the Approval Order.

4.4 PAYMENTS TO UNSECURED CREDITORS

Commencing after Court approval of the Proposal, the Company will make the following payments to Trustee on account of the claims of the Unsecured Creditors:

- i. \$7,020 in each quarter of each year until an aggregate sum of \$140,760 is paid;
- ii. the quarterly payments of \$7,020 shall be made on or before the last day of the months of January, April, July, and October in each year; and
- iii. the Trustee shall make interim dividend payments net of the Superintendent's levy to Unsecured Creditors following the last day of each July and January in each year.

4.5 PAYMENT OF SUPERINTENDENT'S LEVY

Pursuant to the provisions of the BIA and its rules, a Superintendent levy shall be deducted from all dividends issued by the Trustee pursuant to this Proposal.

ARTICLE 5 DELIVERY OF PROOFS OF CLAIM

5.1 FILING PROOFS OF CLAIM

The Creditors shall file a Proof of Claim with the Trustee by either:

- (a) delivering the Proofs of Claim for review by the Trustee and the Debtor by faxing the completed Proof of Claim to the Trustee (Attention: Derek Lai) at Fax No. (604) 687 5617 or emailing to trustee@crowemackay.ca or mailing the Proof of Claim to the address of the Trustee set out below, or
- (b) depositing the Proof of Claim with the Trustee prior to the commencement of the Meeting of Creditors.

5.2 FAILURE TO FILE PROOFS OF CLAIM PRIOR TO MEETING

If a Creditor fails to either:

- (a) deliver a Proof of Claim, to be received by the Trustee prior to 2:00 p.m. of the day before the date for the Meeting of Creditors; or

- (b) deposit a Proof of Claim with the Trustee or his nominee on or before the time for commencement of the Meeting of Creditors.

The failure by a Creditor to file a Proof of Claim by the deadline in this paragraph shall not disentitle such Creditor from receiving any future dividends to be issued under this Proposal.

5.3 DISPUTED PROOFS OF CLAIM

In the event the Debtor disputes any Proof of Claim as to entitlement to participate in any of the Classes or as to amount of the Provable Claim set out in the Proof of Claim the Trustee may:

- (a) disallow the Proof of Claim;
- (b) allow the Proof of Claim as presented for the purposes of voting at the Meeting but disallow the Proof of Claim for distribution purposes; or
- (c) allow the Proof of Claim for voting and distribution purposes in such amount as it determines appropriate.

If the Trustee disallows a Proof of Claim for any reason or allows the Proof of Claim for an amount less than that set out in the Proof of Claim, the Creditor shall be deemed to accept the determination unless the Creditor shall have filed with the Court a motion to value its Provable Claim within thirty (30) days of the date that the disallowance notice is forwarded to the Creditor by the Trustee.

5.4 CLAIMS BAR DATE

In order to share in any dividend distribution under the Proposal, Crown Creditors and Unsecured Creditors must have filed a Proof of Claim with the Trustee on or prior to the date that is thirty (30) days from the date the Trustee issues a "Notice to Prove Claim" pursuant to section 149 of the BIA (the "**Claims Bar Date**"). Any Creditor who does not file its Proof of Claim within that timeframe shall forever be barred from sharing in any dividend this is issued after the Claims Bar Date and prior to the filing of a Proof of Claim.

ARTICLE 6 MEETING OF THE CREDITORS

6.1 INSPECTORS

At the Meeting of the Creditors held to consider the Proposal, the Creditors may appoint one or more but not exceeding five Inspectors under the Proposal, whose duties will be restricted to the following:

- (a) to advise the Trustee in connection with its actions under this Proposal or any amendment thereto as the Trustee may, from time to time, request;

- (b) to advise the Trustee concerning any dispute which may arise as to the validity of claims of Creditors under this Proposal;
- (c) to advise the Trustee in respect of such other matters as may be referred to the Inspectors by the Trustee; and
- (d) to grant extensions of time for the Debtor to make any of the payments required by Article 4 of this Proposal except not with respect to the payment obligations described in Section 4.2 of this Proposal.

If no Inspectors are appointed under this Proposal then the Trustee shall have the sole discretion to grant an extension of time to make the payments required by Article 4 of this Proposal except not with respect to the payment obligations described in Section 4.2 of this Proposal.

The aggregate of the Trustee's fees is subject to taxation by the Court.

The Trustee, and the Inspectors, should any be appointed, shall be exempt from all personal liability in fulfilling any duties or exercising any powers conferred upon them by the Proposal or generally in carrying out of the terms of the Proposal by wrongful act, default or neglect.

6.2 MEETING

The Meeting shall be conducted in accordance with Division 1 — General Scheme for Proposals of the BIA.

6.3 VOTING

For the purposes of voting as a member of the Classes, each Creditor shall have one vote for the purposes of determining a majority in number and each Creditor shall be entitled to one vote for each \$1.00 of its Provable Claim as allowed by the Debtor.

6.4 PROXIES AND VOTING LETTERS

Creditors will be entitled to vote at the Meeting by proxy or voting letter. The particulars with respect to voting by proxy or voting letter will be detailed in the Proof of Claim and will be binding upon all Creditors.

6.5 ADJOURNMENT OF MEETING

The Chair of the Meeting may in his or her discretion adjourn the Meeting upon such terms as are considered appropriate by the Chair upon notice to those persons present at the Meeting for the purposes of considering amendments to the Proposal contemplated in Article 7.

ARTICLE 7
AMENDMENTS AND MODIFICATIONS

7.1 AMENDMENT OF PROPOSAL

The Debtor reserves the right, with the consent of the Trustee, to amend this Proposal at any time and re-submit it to the Creditors and the Proposal may be amended among the Debtor and the Classes at any Meeting.

7.2 MODIFICATION OF PROPOSAL

After the Meeting, the Proposal may be modified from time to time:

- (a) if the amendment is considered by the Trustee and the Inspectors to be non-substantive in nature, with the approval of the Trustee and the majority of the Inspectors;
- (b) upon a vote conducted by the Trustee at a further Meeting and upon Court Approval; and
- (c) by the Court at any time on application of the Debtor or the Trustee and upon notice to those determined by the Debtor to be directly affected by the proposed modification, whether a Creditor or not.

7.3 WAIVERS

Any provision of the Proposal may be waived, with the consent of the Trustee, by a Creditor or the Class.

ARTICLE 8
APPROVAL ORDER and STAY OF PROCEEDINGS

8.1 APPLICATION FOR APPROVAL ORDER

Upon the conclusion of the Meeting if the Proposal has been approved by the Classes by the requisite percentages in relation both to numbers of Creditors and dollar amounts of Provable Claims of Creditors, the Debtor will forthwith apply to the Court for the Approval Order.

8.2 CONTINUATION OF THE STAY OF PROCEEDINGS

The stay of proceedings provided for in section 69.1(1) of the BIA will be continued in full force and effect until the Certificate of Full Performance is issued by the Trustee.

ARTICLE 9.
COMPLIANCE PROVISIONS

9.1. THE DEBTOR'S TAX OBLIGATIONS

Until such date as all payment obligations described in Article 4 are paid, the Debtor shall:

- (a) file accurate and complete income tax returns as and when required to do so pursuant to the ITA, for each taxation year;
- (b) file all returns pursuant to the ETA as and when due for each taxation year; and
- (c) remit all amounts payable to the Receiver General as required by the ITA, ETA, the Canada Pension Plan, and the Employment Insurance Act, including all taxes, interest, and penalties assessed by the CRA, as and when required.

9.2 DISCLOSURE OBLIGATIONS

Until such date as all payment obligations under Article 4 are paid, the Debtor shall provide the Trustee with a copy of each Notice of Assessment or Notice of Reassessment issued to it by the CRA pursuant to the returns described in Section 9.1 of the Proposal if requested.

9.3 NOTICES OF ASSESSMENT OR REASSESSMENT

Nothing in this Proposal shall restrict or be deemed to restrict the Debtor's right to file objections to any assessments issued by the CRA or to file appeals of any assessments to the Tax Court of Canada.

ARTICLE 10 GENERAL

10.1 RELEASE

Upon Completion of the Proposal, the following are released, discharged, settled and extinguished:

- a) all Provable Claims, actions, judicial proceedings, suits, claims, demands, debts, interest, penalties, obligations, liabilities, dues, accounts, loss, contracts, covenants; and
- b) all Reviewable Transactions.

whether express or implied, known or unknown, suspected or unsuspected, of every nature and kind whatsoever and however arising which the Creditors had, or may have had against the Debtor as of the Filing Date.

10.2 FURTHER ACTIONS

The Debtor will execute and deliver all such documents and instruments and do all such acts and things as may be necessary or desirable to carry out the full intent and meaning of the Proposal to give effect to the transactions contemplated hereby.

10.3 TRUSTEE'S FEES

In addition to payment of its fees as set out in paragraph 0(a) above, should the Proposal fail during its term, the Trustee may claim its full time and charges arising from its administration of the Proposal in any subsequent bankruptcy.

10.4 NOTICES

All notices, Proofs of Claim, and payments required or permitted or desired to be made pursuant

to the Proposal shall be in writing and shall be delivered personally or by telecopy or mail by regular or registered or certified mail, return receipt requested, to the Debtor at the following address:

c/o Crowe Mackay & Company Ltd.
1100-1177 West Hasting Street
Vancouver, BC V6E 4T5

Attention: Derek Lai & Nelson Allan

Telephone: (604) 697 5257
Facsimile: (604) 687 5617
Email: trustee@crowemackay.ca

And if to a Creditor or Claimant, at its address set forth in the last Proof of Claim deposited with the Debtor.

10.5 DEEMING PROVISIONS

In this Proposal, the deeming provisions are not rebuttable and are conclusive and irrevocable.

10.6 SUCCESSORS AND ASSIGNS


This Proposal is binding upon the Debtor, the Creditors and their respective heirs, executors, administrators, successors and assigns.

10.7 CERTIFICATE OF FULL PERFORMANCE

The Trustee shall issue a Certificate of Full Performance following receipt of all the payments required to be made by the Debtor under this Proposal.

SIGNED at the City of Vancouver in the Province of British Columbia, the 6th day of November, 2023.

En Route 24/7 Logistics Inc.



Per: Kati Jensen,
Authorized signatory



Witness

APPENDIX D

District of: British Columbia
Division No. 03 - Vancouver
Court No. B-230222
Estate No. 11-2947968



FORM 92
Notice of Proposal to Creditors
(Section 51 of the Act)

In the Matter of the Proposal of
En Route 24/7 Logistics Inc.
of the City of Burnaby, in the Province of British Columbia
Crowe MacKay & Company Ltd., Trustee

Take notice that En Route 24/7 Logistics Inc. of the City of Burnaby in the Province of British Columbia has lodged with me a proposal under the *Bankruptcy and Insolvency Act*.

A copy of the proposal, a condensed statement of the debtor's assets, and liabilities, and a list of the creditors affected by the proposal and whose claims amount to \$250 or more are enclosed.

A general meeting of the creditors will be held on the 27th day of November 2023 at 1:00 PM at By video conference or (for coordinates, contact Derek Lai at derek.lai@crowemackay.ca).

The creditors or any class of creditors qualified to vote at the meeting may by resolution accept the proposal either as made or as altered or modified at the meeting. If so accepted and if approved by the court the proposal is binding on all the creditors or the class of creditors affected.

Proofs of claim must be lodged with me prior to the commencement of the meeting.

Proxies and voting letters intended to be used at the meeting may be filed at any time up until the moment a vote is called.

Dated at the City of Vancouver in the Province of British Columbia, this 6th day of November 2023.

Crowe MacKay & Company Ltd. - Licensed Insolvency Trustee

A handwritten signature in black ink, appearing to be "Derek Lai", written over a horizontal line.

1100 - 1177 West Hastings Street
Vancouver BC V6E 4T5
Phone: (604) 689-3928 Fax: (604) 687-5617

(A form of proof of claim, a form of proxy and a voting letter should be enclosed with each notice.)

District of: British Columbia
 Division No. 03 - Vancouver
 Court No. B-230222
 Estate No. 11-2947968

FORM 92 --- Concluded

In the Matter of the Proposal of
 En Route 24/7 Logistics Inc.
 of the City of Burnaby, in the Province of British Columbia
 Crowe Mackay & Company Ltd., Trustee

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
CRA - RC	9755 King George Blvd Surrey BC V3T 5E1		107,717.27
CRA - RP	9755 King George Blvd Surrey BC V3T 5E1		250.00
CRA - RT	9755 King George Blvd Surrey BC V3T 5E1		447,196.55
Engaged HR Inc.	5302 Sayward Hill Cres. Victoria BC V8Y 3H8		250.00
Ministry of Finance - EHT	1802 Douglas Street, 6th Florr Victoria BC		50,134.29
Scotiabank c/o Canaccede International Management Ltd.	PO Box 758 Stn B London ON N6A 4Y8		60,000.00
ThinkFleet Management	#140 - 7885 N Fraser Way Burnaby BC V5J 5M7		46,822.26
Web to Door Corp	1431 Doolittle Dr. San Leandro CA 94577 USA		19,311.24
Worksafe BC	PO Box 5350 Stn. Terminal Vancouver BC V6B 5L5		250.00
Total			731,931.61

APPENDIX E

District of: British Columbia
Division No. 03 - Vancouver
Court No. B-230222
Estate No. 11-2947968

AFFIDAVIT OF PROOF OF MAILING

IN THE MATTER OF THE PROPOSAL OF ENROUTE 24/7 LOGISTICS INC.

I, Josephine Fong, of the Trustee's office of Crowe MacKay & Company Ltd., hereby make oath and say:

1. THAT on the 9th day of November, 2023, I did cause to be e-filed to the Superintendent of Bankruptcy, e-file confirmation hereto attached as Exhibit "A", the documents attached as Exhibit "C".
2. THAT on the 9th day of November, 2023, I did cause to be mailed by prepaid ordinary mail to the debtor and to the list of creditors who appear on the attached as Exhibit "B", the documents attached as Exhibit "C".

SWORN BEFORE ME at the City of
Vancouver, in the Province of
British Columbia, this 9th day of
November, 2023.

A Commissioner for taking
Affidavits for British Columbia

Josephine Fong
Josephine Fong

JONATHAN McNAIR
A Commissioner for Oaths in and
for the Province of British Columbia
Expiry date: June 30, 2024

APPENDIX F

Province: British Columbia
Division No. 03 - Vancouver
Court No. VLC-S-B230222
Estate No. 11-2947968

**IN THE SUPREME COURT OF BRITISH COLUMBIA
IN BANKRUPTCY AND INSOLVENCY**

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF
EN ROUTE 24/7 LOGISTICS INC.
OF THE CITY OF VANCOUVER, PROVINCE OF BRITISH COLUMBIA**

**CROWE MACKAY & COMPANY LTD., PROPOSAL TRUSTEE
PROPOSAL TRUSTEE'S REPORT ON THE PROPOSAL**

November 9, 2023

I. INTRODUCTION

1. This report (the "**Report**") has been prepared to provide the creditors of En Route 24/7 Logistics Inc. (the "**Company**") with information necessary to evaluate the Proposal filed by the Company on November 6, 2023 (the "**Proposal**"), and the recommendation of the Proposal Trustee (defined below) that creditors vote in favor of the Proposal. Parties are encouraged to read the Proposal and this Report in its entirety. This report includes, among other things, information regarding:
 - a. Company background and financial position;
 - b. activities of the Company during the Proposal Proceedings;
 - c. activities of the Proposal Trustee during the Proposal Proceedings;
 - d. Company's current financial situation;
 - e. summary of assets and liabilities;
 - f. Proposal Trustee's monitoring of cash flows;
 - g. review of the Company's books and records;
 - h. proposal to creditors;
 - i. statement of estimated realization and distribution;
 - j. recommendation of the Proposal Trustee; and,
 - k. voting procedures and other information
2. On May 25, 2023 (the "**Filing Date**"), the Company filed a Notice of Intention to Make a Proposal (the "**NOI**") pursuant to subsection 50.4(1) of the *Bankruptcy and Insolvency Act* R.S.C. 1985, c. B-3 (the "**BIA**") and commenced these proceedings (the "**Proposal Proceedings**") in the Supreme Court of British Columbia, in Bankruptcy and Insolvency (the "**Court**"). Crowe MacKay & Company Ltd. consented to act as Trustee under the Proposal ("**CMCO**" or the "**Proposal Trustee**"). A copy of the Certificate of Filing of the NOI can be found on the Proposal Trustee's website at <https://www.crowemackayco.ca/recent-engagements> (the "**Proposal Trustee's Website**").
3. Pursuant to section 50.4(8) of the BIA, the automatic stay of proceedings (the "**Stay**") which applies upon the filing of the NOI would have expired on June 24, 2023 if not extended. The Stay was extended by court orders pronounced on June 16, 2023, July 28, 2023 and September 15, 2023. The current Stay expires on November 6, 2023. Copies of the orders along with all other pleadings can be found on the Proposal Trustee's Website.
4. On or about June 1, 2023, the Company, with the assistance of the Proposal Trustee, prepared and filed with the Office of the Superintendent of Bankruptcy (the "**OSB**") a 15-week cash flow for the period ending September 3, 2023 (the "**Initial Cash Flow Projection**"). Attached as **Appendix "A"** is a copy of the Initial Cash Flow Projections for the Company.

5. On or about July 27, 2023, the Company, with the assistance of the Proposal Trustee, prepared and filed with the OSB an updated 9-week cash flow projection for the period July 24, 2023 to September 24, 2023 (the "**Updated Cash Flow Forecast**"). Attached as **Appendix "B"** is a copy of the Updated Cash Flow Forecast.
6. On or about September 14, 2023, the Company, with the assistance of the Proposal Trustee, prepared and filed with the OSB an updated 10-week cash flow projection for the period September 4, 2023 to November 12, 2023 (the "**Further Updated Cash Flow Forecast**"). Attached as **Appendix "C"** is a copy of the Further Updated Cash Flow Forecast.
7. On November 6, 2023, the Company filed a Proposal to its creditors. Attached as **Appendix "D"** and **"E"** is the Certificate of Filing of a Proposal from the OSB and Proposal respectively.

II. TERMS OF REFERENCE

8. In preparing this Report, the Proposal Trustee has necessarily relied upon unaudited financial and other information provided by the Company, the Company's books and records, and discussions with management of the Company, namely Ms. Kati Jensen ("**Management**") (collectively, the "**Information**").
9. The Proposal Trustee has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with the Generally Accepted Auditing Standards pursuant to the Chartered Professional Accountants Handbook. Accordingly, the Proposal Trustee 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.
10. Certain of the information referred to in this Report consists of financial forecasts and/or projections prepared by the Company. An examination or review of the financial forecasts/projections and procedures as outlined by the Chartered Professional Accountants of Canada has not been performed by the Proposal Trustee. Readers are cautioned that since financial forecasts and/or projections are based upon assumptions of future events and conditions that are not ascertainable, actual results may vary and the variations could be material.

III. COMPANY BACKGROUND AND FINANCIAL POSITION

11. The Company was incorporated in the province of British Columbia on October 2, 2017, and began operations in or around late 2019. The Company carries on business as a delivery service provider primarily in Vancouver as well as the Lower Mainland of British Columbia. The Company has only one customer namely, Amazon Canada. The Company

offers "last mile" delivery services on behalf of Amazon Canada. The Company employs approximately 107 people with respect to the services it provides to Amazon Canada.

12. The Company's sole director and sole shareholder is Ms. Kati Jensen.
13. Management advised that, in or around 2021, Ms. Jensen underwent an acrimonious marital separation (the "**Marital Separation**"). During the Marital Separation, Ms. Jensen advised that she advanced herself funds from the Company by way of a shareholder loan in order meet her personal financial needs including funds expended for legal representation relating to the separation . As a result, much of the Company's liquidity was drawn out, and the Company faced impending liquidity issues. Further, in view that the Company did not have sufficient liquidity, the Company fell into arrears with, among other parties, certain regulatory authorities such as Goods and Service Tax ("**GST**") and Employer Health Tax ("**EHT**"). Ms. Jensen advised that the Marital Separation, including a divorce, was finalized in or around early June 2023.
14. Management advised that it had been working together with the Canada Revenue Agency (the "**CRA**") with respect to outstanding GST as well as the British Columbia Ministry of Finance (the "**MOF**") with respect to EHT. Management further advised that the Company was experiencing issues in meeting the demands of CRA and MOF, and at times did not have the liquidity to meet the required minimum payments while also continuing the business in the ordinary course.
15. Management advised that the Company's operating bank accounts were frozen by the MOF as a result of non-payment of EHT in or around late April 2023. Accordingly, in or around the same time, Management determined that the Company was insolvent, faced an impending liquidity crisis, and was unable to meet its obligations as they generally became due. On or around May 25, 2023, the director passed a resolution to file the NOI under Form 33 pursuant to section 50.4(1) of the BIA, with CMCO acting as Proposal Trustee.

IV. ACTIVITIES OF THE COMPANY DURING THE PROPOSAL PROCEEDINGS

16. Since the Filing Date, the Company has, among other things:
 - a. stabilized and continued the operations of the Company;
 - b. reviewed its operations to identify ways to reduce the Company's operating expenses while maintaining its capacity to fulfill the service and delivery metrics of its contract with Amazon Canada;
 - c. ensured the Company remained current with its statutory filing requirements;
 - d. finalized its financial statements and corporate income tax return for the period ending December 31, 2022;

- e. improved its weekly scorecard ranking that it receives from Amazon Canada;
- f. worked with the Proposal Trustee to monitor cash flows on a weekly basis and prepare cash flow projections along with related assumptions; and
- g. worked with its legal counsel and the Proposal Trustee to develop the Proposal.

V. ACTIVITIES OF THE PROPOSAL TRUSTEE DURING THE PROPOSAL PROCEEDINGS

17. Since the Filing Date, the Proposal Trustee has, among other things:

- a. on about May 25, 2023, mailed out the initial notice to all known creditors and employees with claims greater than \$250 notifying them of the Proposal Proceedings pursuant to section 50.4(6) of the BIA;
- b. assisted the Company with preparing the Initial Cash Flow Projection which, along with assumptions, was filed with the OSB on June 1, 2023 in accordance with section 50.4(2) of the BIA;
- c. prepared the First Report to Court, as well as two separate letters in support of the Company's applications for, among other things, the extensions to the deadline to file a Proposal;
- d. participated in numerous and extensive discussions, meetings, and phone calls with Management and counsel for the Company in relation to, among other things, the Company's ongoing activities, restructuring plan and estimated recoveries in a proposal versus a liquidation scenario;
- e. monitored the affairs and cash flows of the Company on a weekly basis;
- f. assisted Management with the preparation of the Updated Cash Flow Forecast and the Further Updated Cash Flow Forecast which, along with assumptions, were filed with the OSB on or about July 27, 2023 and September 14, 2023, respectively;
- g. assisted the Company with the preparation of a variance analysis with respect to its actual and projected cash flows;
- h. engaged in discussions and dealings with creditors and other stakeholders of the Company with respect to the Proposal Proceedings;
- i. investigated the financial position of the Company;

- j. reviewed the Proposal prepared by the Company and its counsel and participated in discussions with respect to same; and
- k. prepared this Report to creditors.

VI. COMPANY'S CURRENT FINANCIAL SITUATION

18. Below is a summary of the Company's balance sheet as at December 31, 2022:

Balance Sheet as at December 31, 2022

ASSETS

Cash	\$	104,489.00
Accounts Receivable		151,299.00
Due from Shareholder		538,598.00
Prepaid Expenses		26,583.00
Fixed Assets		38,228.00
	\$	<u>859,197.00</u>

LIABILITIES

Accounts Payable	\$	51,947.00
Wages Payable		80,218.00
Taxes Payable		488,297.00
Other Current Liabilities		173,734.00
Long Term Liabilities		40,000.00
	\$	<u>834,196.00</u>

19. Below is a summary of the Company's income statement for the year ending December 31, 2022:

Income Statement for the Year Ending December 31, 2022

Revenue	\$	5,171,012.00
Cost of Sales		<u>67,573.00</u>
Gross Profit		5,103,439.00
Operating Expenses		5,202,827.00
Other Income (losses)		<u>(2,691.00)</u>
Net Income	\$	<u>(102,079.00)</u>

VII. SUMMARY OF THE COMPANY'S ASSETS AND LIABILITIES

ASSETS

20. If the Proposal is not supported by the requisite majority of creditors and approved by the Court, the Company will be deemed to have made an assignment in bankruptcy. In a bankruptcy scenario, all 107 employees would be laid off. To assist the creditors in assessing the Proposal, the Proposal Trustee, with the assistance of Management, has, to the extent possible based on available records, included estimated realizable values of the Company's assets in the event of a bankruptcy and forced liquidation.
21. Below is a summary of the Company's assets as at November 3, 2023 prepared based on information provided by Management. As mentioned above, readers are cautioned that since the accounting records are unaudited, the figures may vary from actual.

Assets as at November 3, 2023	Book Cost	Estimate Realizable Value
Cash	\$ 115,000.00	\$ 115,000.00
Accounts Receivable	103,619.08	103,619.08
Intercompany Receivable	44,974.00	-
Shareholder Loan Receivable	595,053.00	-
Prepaid Expenses	75,811.00	30,100.00
Fixed Assets	38,228.00	-
Pending Notice of Civil Claim	-	-
Amazon Canada Contract	-	-
	<u>\$ 972,685.08</u>	<u>\$ 248,719.08</u>

Cash

22. As at November 3, 2023, the Company had cash on hand of \$115,000. As the Company has no lines of credit, it relies on the cash to fund its operations. The Company's bi-weekly payroll is between \$145,000 to \$175,000.
23. In the event of a bankruptcy, it is expected that the Trustee can collect the full cash balance of \$115,000. The cash would be available to pay the super priority claim of employee wages, if any (see paragraph 49 herein for additional details).

Accounts Receivable

24. The Company's accounts receivable as at November 3, 2023 had a net book value of approximately \$103,619.08. Management advised that this balance is owing from Amazon Canada, and is expected to be paid in or around the week beginning November 6, 2023.

25. In the Trustee's experience, in the event of a bankruptcy, the collection of accounts receivable can be challenging. Accordingly, it is estimated that, in the event of a bankruptcy, that accounts receivable could result in realizations for the bankrupt estate of between \$nil and \$103,619.08.

Intercompany Receivable

26. Management advised that the Company had an intercompany receivable balance totalling \$44,974 as at November 3, 2023. Management advised that this balance is owing from "5 Diamonds", a related party by virtue of common ownership. Management advised that "5 Diamonds" is now non-operational and is insolvent itself. The Proposal Trustee has reviewed the latest financial information for "5 Diamonds" and supports Management's comment that "5 Diamonds" is likely insolvent.
27. Accordingly, on the basis that "5 Diamonds" is likely insolvent itself, it is estimated that, in the event of a bankruptcy, none of the intercompany receivable will likely be collected.

Shareholder Loan Receivable

28. Management advised that the Company had a shareholder loan receivable balance of \$595,053 as at November 3, 2023. This is the balance that arose as a result of the Matrimonial Separation (as noted above), and the funds withdrawn from the Company in or around that same timeframe, net of any dividends declared for tax purposes.
29. The Proposal Trustee asked Ms. Jensen to provide supporting documentation in relation to the shareholder loan balance. The supporting documentation in relation to the shareholder loan balance was incomplete; however, based on the Proposal Trustee's cursory review of same, the Proposal Trustee was able to summarize Mr. Jensen's use of the funds, to the extent possible based on available records, as follows:

Shareholder Loan Receivable Balance	
Rent and Utilities	\$ 313,800.00
Moving Expenses	57,000.00
Expenses related to Marital Separation	336,000.00
Vehicle Expenses	48,000.00
Childcare Expenses	120,200.00
Food and Living Expenses	<u>311,050.00</u>
	1,186,050.00
2021 Year End Dividends	363,000.00
2022 Year End Dividends	<u>227,997.00</u>
	590,997.00
Shareholder Loan Receivable	<u>\$ 595,053.00</u>

30. Based on the above, it appears a majority the funds were used to pay Ms. Jensen's personal living and child care expenses, and legal costs with respect to the Marital Separation. The Proposal Trustee did not identify any transactions that would otherwise suggest that the funds were used to acquire assets which could otherwise be subject to seizure by a Trustee in the event of a bankruptcy. However, as mentioned above, the information provided to the Trustee was incomplete and the Trustee did not conduct a detailed review of each and every transaction involved.
31. The Proposal Trustee notes that dividends were declared in 2021 and 2022 totalling \$363,000 and \$227,997 respectively. This was done as a way to deal with the personal tax obligations arising for Ms. Jensen as a result of the funds being withdrawn from the Company. For clarity, these dividends are not in addition to the funds withdrawn by Ms. Jensen.
32. Ms. Jensen provided the Proposal Trustee with a sworn statutory declaration (the "**Statutory Declaration**") confirming her personal affairs. Based on the Statutory Declaration, the Proposal Trustee is of the view that Ms. Jensen does not possess any material assets that could be liquidated in order to repay the shareholder loan balance. Accordingly, the Proposal Trustee does not believe any of the shareholder loan receivable will be collectible in the event of a bankruptcy. Ms. Jensen also confirmed that none of the above noted funds drawn from the Company were used to purchase assets that could otherwise be subject to seizure by a Trustee in the event of a bankruptcy.
33. Further, the Proposal Trustee obtained copies of Ms. Jensen's income tax returns and, for the most part, they support the Statutory Declaration.

Prepaid Expenses

34. Management advised that as at November 3, 2023, the Company had prepaid expenses with a balance of \$75,811. The prepaid expenses are comprised of retainers paid for professional fees, as well as the prepayment of general liability insurance.
35. Management estimates that recoveries from the prepaid expenses would range from \$nil to \$30,100 in the event of a bankruptcy.

Fixed Assets

36. Management advised that as at November 3, 2023, the Company had fixed assets as follows:

Fixed Assets as at November 3, 2023	Estimate	
	Book Cost	Realizable Value
Vehicles	\$ -	\$ -
Equipment, Furniture and Fixtures	37,190.00	-
Computer Equipment	1,038.00	-
	<u>\$ 38,228.00</u>	<u>\$ -</u>

37. The Company is in possession of approximately 42 vehicles (the “**Vehicles**”). These vehicles are subject to a lease with LPCA Fleet Management Ltd. (“**LPCA**”).
38. The Company’s legal counsel provided the Proposal Trustee with a legal opinion that the Vehicles are subject to a true lease with LPCA, and accordingly in the event of a bankruptcy, no equity would be made available to the bankrupt estate. The Proposal Trustee has reviewed the lease as well as the legal opinion, and nothing has come to its attention that would suggest that the Vehicles are not subject to a true lease. That said, the Proposal Trustee has not sought an independent legal opinion at this time in the interest of time and costs but can consider doing so if otherwise instructed by a creditor and funding is available. There were concerns raised with respect to a potential breach of confidentiality in accordance with the LPCA agreement which may expose the Company to undue risk and accordingly a copy of the aforesaid legal opinion was intentionally excluded from this report.
39. Based on the foregoing, in the event of a bankruptcy, the expected recoveries from the Vehicles is \$Nil.
40. The Company had equipment, furniture and fixtures with a net book value of \$37,190 as at November 3, 2023. The equipment was largely comprised of CAT devices and CAT device accessories. Management advised that the Company has previously looked into selling these devices, but found that no one wanted them, even if offered for free. Accordingly, Management estimates that the value of the equipment in the event of a bankruptcy is \$Nil.
41. The Company had computer equipment with a net book value of \$1,038 as at November 3, 2023. The equipment was comprised of laptops, software, and miscellaneous computer parts. Management advised that the computer equipment is old, and accordingly estimates that the value of the equipment in the event of a bankruptcy is \$Nil.

Pending Notice of Civil Claim

42. On or around June 30, 2023, the Company filed a Notice of Civil Claim against a number of parties relating to purported breach of duties and unjust enrichment. Management advised that the legal action is in the early stages, and it is presently too soon to make a determination as to what benefit, if any, may arise therefrom.

43. Based on the foregoing, in the event of a bankruptcy, the estimated recoveries are presently unknown. In the event of a bankruptcy, there is a real possibility that the Trustee may decide not to carry on with this legal action, particularly if funding is not available, and in that case there may be no recovery.

Amazon Canada Contract

44. The Company has a contract with Amazon Canada wherein the Company agrees to perform delivery services on behalf of Amazon Canada. This contract is the Company's only source of revenue.
45. The Company's legal counsel has provided the Proposal Trustee with a legal opinion that, in the event of a bankruptcy, the Amazon Canada contract will be terminated and therefore cannot be assigned or sold to a third party. The Proposal Trustee has reviewed the contract as well as the opinion provided by the Company's legal counsel, and nothing has come to its attention that would refute the legal opinion provided. That said, the Proposal Trustee has not sought an independent legal opinion at this time in the interest of time and cost but can consider doing so if otherwise instructed by a creditor and funding is available. There were concerns raised with respect to a potential breach of confidentiality in accordance with the Amazon Canada agreement which may expose the Company to undue risk and accordingly a copy of the aforesaid legal opinion was intentionally excluded from this report.
46. Based on the foregoing, in the event of a bankruptcy, the estimated recoveries from the Amazon Canada contract are \$Nil.

Other Assets

47. The Proposal Trustee is not aware of any other assets owned by the Company.

LIABILITIES

Deemed Trust Claims & Secured Creditors

48. As of November 3, 2023, Management advised that the Company is current on its payroll remittances. In September 2023, CRA conducted an audit of the Company's payroll remittances and CRA subsequently confirmed that the Company is current in its payroll remittances. Other than CRA's claim with respect to GST that was outstanding at Filing Date, the Proposal Trustee is not aware of any creditor who may hold a deemed trust claim against the Company.
49. In the event of a bankruptcy, employees' claims for wages and vacation due within 6-months of the date of bankruptcy plus severance receive an elevated priority to a maximum of \$8,278.83 (2023 limit) pursuant to the *Wage Earner Protection Program Act*.

Service Canada would then be entitled to a subrogated secured claim against the current assets of the Company pursuant to Section 81.3 of the BIA for the wages and vacation paid to the employees to a maximum of \$2,000 per employee. The current assets include the cash on hand and accounts receivable. The Proposal Trustee understands there are 107 employees currently employed at the Company and the Company is current on its payments to its employees. That said, a \$214,000 secured claim relating to employee wages has been included in the Proposal Trustee's Statement of Estimated Realization (defined below) for conservative purposes.

50. Management advised that as of the date of this Report, the Company has secured creditors with claims totaling approximately \$50,134.29. This is comprised of the following parties:

a. LPCA	\$Nil
b. MOF	\$50,134.29

51. As mentioned above, LPCA holds specific security against the Vehicles including all attachments, accessories, and other related items. These are the vehicles referred to above that are subject to a true lease. Management advised that it is current with its lease payments, and accordingly no balance is owing to LPCA.

52. Based on a registration made by the MOF at the *Personal Property Registry* ("PPR"), the MOF holds first-in-time registered security against all present and after-acquired property ("AIPAAP") of the Company. The amount owing to the MOF relates to unpaid EHT amounts for the calendar year ending December 31, 2022.

53. Assuming the security held by LPCA and the MOF are valid and enforceable, these claims rank in priority to the ordinary unsecured creditors against the assets subject to their security.

54. LPCA is unaffected by the terms of the Proposal. The claim of the MOF is included within the class of creditors defined as the "Crown Claims" in the Proposal. The MOF's claim will be discussed in greater detail below. In a bankruptcy scenario, MOF's claim in whole or in part may not be recoverable because of the super priority employee wage claims (see paragraph 49 above).

Preferred Creditors

55. The Proposal Trustee is not aware of any parties who hold a preferred claim pursuant to section 136 of the BIA.

Unsecured Creditors

56. Based on the Company's Statement of Affairs dated November 3, 2023, the Company was indebted to eight (8) unsecured creditors with claims totaling \$681,797.32. However,

for the purposes of the Proposal, the GST claim is included in the class of "Crown Claims" and not the class of unsecured creditors. Therefore, for the purpose of the Proposal, there are two classes of unsecured creditors - the "Crown Claims" and the other unsecured creditors with claims totaling \$184,466.48.

VIII. PROPOSAL TRUSTEE'S MONITORING OF CASH FLOWS

57. The Proposal Trustee is required to monitor the Company's business and financial affairs following the NOI up to the date the Proposal is approved by the creditors and the Court and advise the creditors of any material adverse changes in the projected cash flow or its financial affairs. The Proposal Trustee asked Management to provide weekly reports on its financial performance. Management provided the Proposal Trustee with weekly cash flow reports representing its actual results for the period of May 25, 2023 to October 22, 2023 (the "Actual Cash Flows") along with other documents in support of same. Below is a summary of the variance from the cash flow projections as prepared and filed by the Company to the Actual Cash Flows:

	Projected	Actual	Variance
Opening Cash	\$ 115,705.00	\$ 100,893.00	\$ (14,812.00)
Cash Inflows			
Sales	2,331,000	2,399,530	68,530
	2,331,000	2,399,530	68,530
Disbursements			
Administrative/Office Expenses	66,510	49,521	(16,989)
Auto Expenses	534,588	554,155	19,567
Contingency	55,000	-	(55,000)
GST Payment	53,078	66,366	13,288
Professional Fees	26,235	19,778	(6,457)
Professional Fees - Restructuring	125,000	46,938	(78,062)
Telephone	26,000	20,401	(5,599)
Wages & Benefits	1,283,307	1,643,624	360,316
	2,169,718	2,400,782	231,064
Change in Cash	161,282	(1,252)	(162,534)
Closing Cash	\$ 276,986.79	\$ 99,640.88	\$ (177,345.91)

58. Overall, the Proposal Trustee did not identify any material adverse changes based on its review of the cash flow projection, weekly cash flow reports and other banking/accounting documentation. That said, the Proposal Trustee notes the following non-material and/or non-adverse variances from the Initial Cash Flow Projection:
- a. cash disbursements from contingency expenses were \$nil, being \$55,000 less than projected. This is as a result of the Company not incurring any contingency expenses, or any non-forecasted expenses;
 - b. cash disbursements from professional fees relating to restricting were \$78,062 less than projected. This is as a result of fees being lower than projected, as well as timing differences on the billing of professionals; and,
 - c. cash disbursements from wages and benefits were \$360,000 more than projected. This is as a result of greater reliance on employees working during holidays as well as overtime.

IX. REVIEW OF THE COMPANY’S BOOKS AND RECORDS

59. The Proposal Trustee is required to review the Company’s accounting and banking records to identify any transactions that may be considered a fraudulent preference or a transfer at undervalue pursuant to Sections 95 and 96 of the BIA. Subsections 95 to 101 of the BIA confer upon the Proposal Trustee the ability to challenge settlements, preferential transactions and transactions at undervalue. If successful, the proceeds of any such challenges would be for the benefit of the general creditors.
60. The Proposal provides that sections 95 to 99 and 101 of the BIA will not apply with respect to the Proposal and the Company, which means that any potential recovery for preferences or transfers at undervalue are eliminated by the Proposal.
61. Notwithstanding that the Proposal provides for a release of reviewable transactions, the Company asked the Proposal Trustee to review the Company’s accounting and banking records to satisfy itself that there would be no recoveries for the benefit of creditors arising from sections 95 to 101 of the BIA.
62. The Proposal Trustee conducted a review of the banking and accounting information for the period June 1, 2022 to May 25, 2023 and flagged the following transactions:

Reviewable Transactions:	
Shareholder Loan Draws	\$ 393,000.00
Payment to 5 Diamonds	18,000.00
2022 Year End Dividends	227,997.00
	<u>\$ 638,997.00</u>

63. As mentioned above, the \$393,000 in shareholder loan draws during the period of June 1, 2022 to May 25, 2023 relates largely to the Marital Separation as well as Ms. Jensen’s

living expenses. Further, the 2022 year end dividends in the amount of \$227,997 is not in addition to the shareholder loan draws, but these dividends were declared as a way to deal with the personal tax obligations arising for Ms. Jensen as a result of the funds being withdrawn from the Company.

64. The above noted shareholder loan draws of \$393,000 and the payment to 5 Diamonds (a related party) in the amount of \$18,000 may constitute as a transfer at undervalue pursuant to subsection 96 of the BIA.
65. The 2022 year-end dividends in the amount of \$227,997 which were deemed to have been paid in or around December 31, 2022 may constitute as a dividend paid during a time the Company was insolvent. Accordingly, in the event the Company is deemed bankrupt, the Trustee in bankruptcy may be able to recover some of the funds through remedies available in subsection 101 of the BIA.
66. Further, the Trustee is unable to determine, based on the limited information available at this time, whether the transactions comprising of the shareholder loan noted in Paragraph 29 above constitute a transfer at undervalue pursuant to Section 96 of the BIA.
67. As mentioned above, the Proposal provides that sections 95 to 99 and 101 of the BIA will not apply with respect to the Proposal and the Company, which means that any potential recovery for preferences or transfers at undervalue are eliminated by the Proposal. Despite the foregoing, the Proposal Trustee is of the view that, based on the information provided above, there would not be any recoveries from Ms. Jensen or her assets from subsections 95 to 101 of the BIA.

X. PROPOSAL TO CREDITORS

68. On November 6, 2023, the Company filed a Proposal to its creditors. A summary of the major terms of the Proposal is as follows:
 - a. There are two creditor classes, as follows:
 - i. a class of unsecured claims (the "**Unsecured Claims**"); and,
 - ii. a class relating to the GST and the EHT claims (the "**Crown Claims**").(collectively, the "**Affected Creditors**")
 - b. Each class shall be entitled to consider and vote on the Proposal.
 - c. The following preferred payments shall be made before making any distributions to the creditors:
 - i. Payment of all proper fees, expenses and legal costs of the Trustee;
 - ii. Payment of the claims of employees as set out in section 136(1)(d) of the BIA, if any; and,

- iii. All other preferred claims pursuant to sections 60(1) and 136 of the BIA.
- d. The CRA shall be paid directly from the Company as it relates to any amounts due which could be subject to a deemed trust under subsection 224(1.2) of the *Income Tax Act*;
- e. Commencing after Court approval of the Proposal, the Company will make payments to Trustee as it relates to the Crown Claims as follows:
 - i. \$22,000 in each quarter of each year on or before the last day of the months of February, May, August, and November;
 - ii. the above payments will be made until such time that the Crown Claims are repaid in full together with the levy applicable under subsection 147 of the BIA; and,
 - iii. the Trustee shall make interim dividend payments net of the Superintendent's levy to CRA on account of the Crown Claims following the last day of each August and February until such time as the Crown Claims are repaid in full.
- f. Commencing after Court approval of the Proposal, the Unsecured Claims will be paid as follows:
 - i. the Company will make minimum quarterly payments of \$7,020 until an aggregate sum of \$140,400 is paid. These payments shall be made on or before the last day of January, April, July, and October; and,
 - ii. the Trustee shall make interim dividend payments net of the Superintendent's levy to the unsecured creditors, twice per year, following the last day of each July and January.
- g. In order to share in any dividend distribution under the Proposal, Affected Creditors must have filed a Proof of Claim with the Proposal Trustee on or prior to the date that is thirty (30) days from the date of issuance of the Notice to Prove Claim issued pursuant to section 149 of the BIA (the "**Claims Bar Date**"). Any person who does not file its Proof of Claim within that timeframe shall forever be barred from making a claim or sharing in any dividend hereunder.
- h. All distributions under this Proposal, shall be without interest or penalty and will be subject to a 5% levy payable to the Office of the Superintendent of Bankruptcy.

XI. STATEMENT OF ESTIMATED REALIZATION AND DISTRIBUTION

69. In order for the Proposal to be considered approved by the creditors, it must be approved by a majority in number of creditors holding at least two-thirds in value who vote at the creditor's meeting in person, by proxy or by voting letter in each of the two creditor classes. The Proposal must also be approved by the court which will consider, among other things,

whether the Proposal is calculated to benefit the general body of creditors. The courts generally approve proposals that have been approved by the creditors.

70. If the Proposal is not approved by both creditor classes or the court, the Company will be deemed to have made an assignment in bankruptcy as of the Filing Date.
71. The Proposal Trustee, with the assistance of Management, has prepared a schedule comparing expected recoveries by the Affected Creditors in a bankruptcy and liquidation scenario vs. the amount those creditors might expect to receive under the Proposal (the "**Estimated Realization Schedule**"). Attached as **Appendix "F"** is a copy of the Estimated Realization Schedule.
72. In a bankruptcy scenario, it is estimated that the Unsecured Creditors would recover between 0% to unknown. This estimate is based on the following primary assumptions:
 - a. cash will be collected for in or around \$115K, which will be made available to the bankrupt estate;
 - b. it is assumed that there will be accounts receivable of between \$nil and around \$103K to collect.
 - c. both the shareholder and intercompany loan receivable balances will not yield any recovery to the bankrupt estate on the basis on the shareholder and the related party both being insolvent;
 - d. prepaid expenses will yield between \$nil and \$30,100 depending on the amount recoverable from the prepayment of general liability insurance;
 - e. fixed assets are nominal in value, and accordingly will not yield any benefit to the bankrupt estate;
 - f. the recoveries from the pending notice of civil claim are unknown. The Trustee in bankruptcy would likely require funding in order to pursue this matter further;
 - g. the contract with Amazon Canada would have no benefit to the bankrupt estate for the reasons set out in this Report;
 - h. the Trustee in bankruptcy, along with its independent legal counsel estimate professional fees of between \$65,000 to \$100,000;
 - i. there would be a super priority secured claim of about \$2,000 per employee which is estimated to total \$214,000;
 - j. the MOF has a secured claim of about \$50,000; and,
 - k. there would not be any recoveries to the general body of unsecured creditors on the basis that any proceeds from the Company's assets would be insufficient to satisfy the Trustee, the secured claim for employees of up to \$2,000 each (for a total of approximately \$214,000), as well as the secured claim of the MOF.
73. Alternatively, under the Proposal, the Company is proposing to pay about 76% of the Proven Claims of Unsecured Creditors. Assuming the information and assumptions referred to above are correct, this will obviously result in a greater recovery to the Unsecured Creditors as opposed to a bankruptcy.

74. In a bankruptcy scenario, it is estimated that the MOF would recover none or only a portion of its secured claim given the priority ranking of the employee claims (see paragraph 50 above). However, under the Proposal the Company is proposing to pay all of the MOF's secured claim. This will obviously result in a greater recovery to the MOF as opposed to a bankruptcy.

XII. RECOMMENDATION OF THE PROPOSAL TRUSTEE

75. It is the duty of the Proposal Trustee to inform the creditors in an independent and objective manner as to the merits of the Proposal. Further, the Proposal Trustee is required to state whether or not, in its opinion, the Proposal provides an advantage to the general body of creditors as compared to bankruptcy.

76. Accordingly, the Proposal Trustee recommends that the Unsecured Creditors accept this Proposal for the following reasons:

- a. the Unsecured Creditors are expected to receive 0% of their proven claims in the event of a bankruptcy;
- b. the Proposal offers to pay about 76% of the Proven Claims of Unsecured Creditors. This is clearly a greater recovery to the Unsecured Creditors as compared to a bankruptcy;
- c. the Crown Creditors are expected to receive none or only a small portion of their proven claims in the event of a bankruptcy;
- d. the Proposal offers to pay 100% of the Proven Claims of the Crown Creditors. This is clearly a greater recovery to the Unsecured Creditors as compared to a bankruptcy;
- e. the Proposal will allow for the Company to continue operations while also preserving existing relationships with stakeholders including suppliers, employees and other parties. This may provide for ongoing opportunities for suppliers, employees and other stakeholders to participate in the Company's future growth as it continues to contribute to the economy in a positive manner; and;
- f. should the Proposal not be accepted, the Company will be deemed bankrupt. This will result in, among other things, the immediate closure of the business, liquidation of any personal property (if it is economically viable) and termination of all 107 employees along with service contracts.

XIII. VOTING PROCEDURES AND OTHER INFORMATION


77. A meeting of creditors will take place at 1:00PM (PDT) November 27, 2023 for the purpose of voting on the Proposal.
78. The creditors' meeting will be held virtually. For the meeting login details, please send an email to derek.lai@crowemackay.ca for an invitation to the meeting.
79. To be approved, a proposal must receive affirmative votes from creditors having a two-thirds majority of "dollars" voted (each \$1 of claim is entitled to 1 vote) and by a majority of the number of proven creditors voting in each of the two creditor classes.
80. Along with this Report, the Proposal Trustee mailed a copy of the Proposal, a condensed statement of affairs, a notice of the meeting of creditors, a form of Proof of Claim, Proxy, and Voting Letter.
81. In order to be eligible to vote on the Proposal creditors must have filed a Proof of Claim with the Proposal Trustee prior to the appointed meeting time. In order to be accepted by the Proposal Trustee, Proofs of Claim must be properly completed, signed and provide evidence (i.e. invoices, agreements and/or statements of account) in support of their claim. The Proposal Trustee will reject any deficient Proofs of Claim.
82. Votes can be cast in person at the meeting, by proxy or by voting letter. A corporation can only vote by voting letter or through an individual holding a valid proxy. Creditors are encouraged to submit their Proofs of Claim and voting letters to the Proposal Trustee in advance of the meeting date to assist the Trustee in getting their claims and votes duly registered.
83. If creditors do not vote to approve the Proposal in sufficient number and dollar value, the Company is deemed bankrupt and in that case the employment of all 107 employees will be terminated.
84. If approved by creditors, the Proposal must then be approved by the Court. Refusal by the Court to approve the Proposal will also result in a deemed bankruptcy. However, based on our experience, it is unlikely a court would refuse to approve the Proposal if approved by the creditors in both classes.
85. Electronic submissions are acceptable. You may fax the above documents to the attention of Mr. Derek Lai at Crowe MacKay & Company Ltd. (facsimile 604-687-5617 or by e-mail to derek.lai@crowemackay.ca). It is not necessary to mail original copies to the Proposal Trustee.
86. If accepted by the creditors and approved by the Court, the Proposal becomes binding on all Affected Creditors whether they voted for or against the Proposal.

DATED AT the City of Vancouver, in the Province of British Columbia, this 9th of November, 2023.

Crowe MacKay & Company Ltd.

in its capacity as Licensed Insolvency Trustee of the Proposal of
En Route 24/7 Logistics Inc. and not in its personal capacity

Per:



Mr. Derek Lai, CPA, CMA, CIRP, LIT, CFE
(Chartered Insolvency & Restructuring Professional)

Encl.

APPENDIX A

In the Matter of the Notice of Intention
to File a Proposal of En Route 24/7 Logistics Inc.
For the Period of May 25, 2023 to September 3, 2023
Cash Flow Projections

	1	2	3	4	5	6	7	8	9	10
	25-May-23	29-May-23	5-Jun-23	12-Jun-23	19-Jun-23	26-Jun-23	3-Jul-23	10-Jul-23	17-Jul-23	24-Jul-23
	28-May-23	4-Jun-23	11-Jun-23	18-Jun-23	25-Jun-23	2-Jul-23	9-Jul-23	16-Jul-23	23-Jul-23	30-Jul-23
Opening Cash	115,705	188,572	149,997	193,063	153,501	229,068	187,792	238,359	184,675	259,364
Cash Inflows										
Sales	[1] 82,500	172,500	82,500	82,500	82,500	172,500	82,500	82,500	82,500	82,500
	82,500	172,500	82,500	82,500	82,500	172,500	82,500	82,500	82,500	82,500
Disbursements										
Administrative/Office Expenses	[2] 757	4,569	757	931	757	4,569	757	931	757	757
Auto Expenses	[3] 6,376	91,183	3,676	4,555	3,676	93,883	3,676	3,676	4,555	3,676
Contingency	[4] 2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500
GST Payment	[5] -	-	-	-	-	-	-	-	-	-
Professional Fees	[6] -	5,247	-	-	-	5,247	-	-	-	-
Professional Fees - Restructuring	[7] -	-	32,500	-	-	-	25,000	-	-	-
Telephone	[8] -	-	-	6,500	-	-	-	6,500	-	-
Wages & Benefits	[9] -	107,577	-	107,577	-	107,577	-	122,577	-	-
	9,633	211,075	39,433	122,062	6,933	213,775	31,933	136,184	7,812	6,933
Change in Cash	72,867	(38,575)	43,067	(39,562)	75,567	(41,275)	50,567	(53,684)	74,688	75,567
Closing Cash	188,572	149,997	193,063	153,501	229,068	187,792	238,359	184,675	259,364	334,930

En Route 24/7 Logistics Inc.

This statement of projected cash flow of En Route 24/7 Logistics Inc. was prepared in accordance with Paragraph 50.4(2) of the Bankruptcy and Insolvency Act and should be read in conjunction with the Trustee's Report.

Crowe MacKay & Company Ltd.

in its capacity as Trustee under the Notice of Intention to Make a Proposal of En Route 24/7 Logistics Inc. and not in its personal capacity

**In the Matter of the Notice of Intention
to File a Proposal of En Route 24/7 Logistics Inc.
For the Period of May 25, 2023 to September 3, 2023
Cash Flow Projections**

	11 31-Jul-23 6-Aug-23	12 7-Aug-23 13-Aug-23	13 14-Aug-23 20-Aug-23	14 21-Aug-23 27-Aug-23	15 28-Aug-23 3-Sep-23
Opening Cash	334,930	217,377	260,444	220,882	296,447
Cash Inflows					
Sales	[1] 172,500	82,500	82,500	82,500	172,500
	172,500	82,500	82,500	82,500	172,500
Disbursements					
Administrative/Office Expenses	[2] 4,569	757	931	757	4,569
Auto Expenses	[3] 93,883	3,676	4,555	3,677	93,885
Contingency	[4] 2,500	2,500	2,500	2,500	2,500
GST Payment	[5] 53,078	-	-	-	-
Professional Fees	[6] 5,247	-	-	-	5,247
Professional Fees - Restructuring	[7] -	32,500	-	-	-
Telephone	[8] -	-	6,500	-	-
Wages & Benefits	[9] 130,777	-	107,577	-	107,577
	290,053	39,433	122,062	6,934	213,777
Change in Cash	(117,553)	43,067	(39,562)	75,566	(41,277)
Closing Cash	217,377	260,444	220,882	296,447	255,170

District of: British Columbia
Division No. 03 - Vancouver
Court No.
Estate No. 11-2947968

- FORM 30 -

Report on Cash-Flow Statement by the Person Making the Proposal
(Paragraphs 50(6)(c) and 50.4(2)(c) of the Act)

In the Matter of the Proposal of
En Route 24/7 Logistics Inc.
of the City of Burnaby, in the Province of British Columbia
Crowe MacKay & Company Ltd., Trustee

The Management of En Route 24/7 Logistics Inc., has/have developed the assumptions and prepared the attached statement of projected cash flow of the insolvent person, as of the 25th day of May 2023, consisting of projected cash flow over the next 15 weeks.

The hypothetical assumptions are reasonable and consistent with the purpose of the projection described in the notes attached, and the probable assumptions are suitably supported and consistent with the plans of the insolvent person and provide a reasonable basis for the projection. All such assumptions are disclosed in the notes attached.

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

The projection has been prepared solely for the purpose described in the notes attached, using a set of hypothetical and probable assumptions set out in the notes attached. Consequently, readers are cautioned that it may not be appropriate for other purposes.

Dated at the City of Burnaby in the Province of British Columbia, this 30th day of May 2023.



En Route 24/7 Logistics Inc.
Debtor



Name and title of signing officer

Name and title of signing officer

District of: British Columbia
Division No. 03 - Vancouver
Court No.
Estate No. 11-2947968

FORM 30 - Attachment
Report on Cash-Flow Statement by the Person Making the Proposal
(Paragraphs 50(6)(c) and 50.4(2)(c) of the Act)

In the Matter of the Proposal of
En Route 24/7 Logistics Inc.
of the City of Burnaby, in the Province of British Columbia
Crowe MacKay & Company Ltd., Trustee

Purpose:

The purpose of the Cash Flow Statement for the week ending September 3, 2023 is to enable the creditors of En Route 24/7 Logistics Inc. to assess their position regarding the filing of a Proposal pursuant to Section 50.4 of the Bankruptcy and Insolvency Act.

Projection Notes:

Hypothetical Assumption – means an assumption that assumes a set of economic conditions or courses of action that are not necessarily the most probable in the insolvent persons judgement, but are consistent with the purposes of the cash flow projection;

Probable assumption - means an assumption that the insolvent person believes reflects the most probable set of economic conditions and planned courses of action; they are suitably supported, consistent with the plans of the insolvent person and provide a reasonable basis for the cash flow statement.

Assumptions:

In the matter of the Notice of Intention to File a Proposal of En Route Logistics Inc. (the "Company"), the following is a list of assumptions developed by the Company management underlying the 15-week cash flow projection from May 25, 2023 through to September 3, 2023.

1. The Company's sales projection is based on historical averages for collections on sales during a similar timeframe of the calendar year. Sales is inclusive of both collections on services rendered by the Company, as well as amounts paid by the Company's main customer for expense reimbursements;
2. Administrative and office expenses are inclusive of, among other things, bank fees, dues and subscriptions, interest expense, storage rental, and travel expenses. Administrative and office expenses are based on historical averages from prior reporting periods of the Company;
3. Auto expenses are inclusive of, among other things, automotive insurance, car lease payments, repairs and maintenance. Automotive expenses are based on historical averages from prior reporting periods of the Company;
4. A \$2,500 weekly contingency has been added to cover any unforeseen costs;
5. GST has been calculated based on projected GST collected on sales net of projected input tax credits on qualifying expenditures. The Company files and remits GST quarterly;
6. Professional fees are inclusive of both accounting and legal fees. These have been estimated based on historical averages from prior reporting periods of the Company;
7. Trustee fees, the Trustee's legal fees, and the Company's legal fees are conservative estimates. These estimates are subject to change;
8. Telephone expenses are based on historical averages from prior reporting periods of the Company; and,
9. Wages and benefits is inclusive of, among other things, employee wages, source deductions, employee benefits, WorkSafe BC premiums, and Employer Health Tax instalments. All employees are assumed to be paid based on their current remuneration level. Payroll remittances include employee source deductions, and employer contributions for Employment Insurance and Canada Pension Plan.

Dated at the City of Burnaby in the Province of British Columbia, this 30th day of May 2023.



En Route 24/7 Logistics Inc.

APPENDIX B

In the Matter of the Notice of Intention
to File a Proposal of En Route 24/7 Logistics Inc.
For the Period of July 24, 2023 to September 24, 2023
Cash Flow Projections

	1	2	3	4	5	6	7	8	9
	24-Jul-23	31-Jul-23	7-Aug-23	14-Aug-23	21-Aug-23	28-Aug-23	4-Sep-23	11-Sep-23	18-Sep-23
	30-Jul-23	6-Aug-23	13-Aug-23	20-Aug-23	27-Aug-23	3-Sep-23	10-Sep-23	17-Sep-23	24-Sep-23
Opening Cash	259,364	334,930	189,954	243,021	176,035	251,601	192,901	268,463	219,024
Cash Inflows									
Sales	[1] 82,500	172,500	82,500	82,500	82,500	172,500	82,500	82,500	82,500
	82,500	172,500	82,500	82,500	82,500	172,500	82,500	82,500	82,500
Disbursements									
Administrative/Office Expenses	[2] 757	4,569	757	931	757	4,569	757	757	931
Auto Expenses	[3] 3,676	93,883	3,676	4,555	3,677	93,885	3,679	3,680	3,681
Contingency	[4] 2,500	2,500	2,500	2,500	2,500	2,500	2,501	2,502	2,503
GST Payment	[5] -	53,078	-	-	-	-	-	-	-
Professional Fees	[6] -	5,247	-	-	-	5,247	-	-	-
Professional Fees - Restructuring	[7] -	-	22,500	-	-	-	-	-	25,000
Telephone	[8] -	-	-	6,500	-	-	-	-	6,500
Wages & Benefits	[9] -	158,200	-	135,000	-	125,000	-	125,000	15,000
	6,933	317,476	29,433	149,485	6,934	231,200	6,937	131,939	53,615
Change in Cash	75,567	(144,976)	53,067	(66,985)	75,566	(58,700)	75,563	(49,439)	28,885
Closing Cash	334,930	189,954	243,021	176,035	251,601	192,901	268,463	219,024	247,909



En Route 24/7 Logistics Inc.

This statement of projected cash flow of En Route 24/7 Logistics Inc. was prepared in accordance with Paragraph 50.4(2) of the Bankruptcy and Insolvency Act and should be read in conjunction with the Trustee's Report.



Crowe MacKay & Company Ltd.

in its capacity as Trustee under the Notice of Intention to Make a Proposal of En Route 24/7 Logistics Inc. and not in its personal capacity

APPENDIX C

**In the Matter of the Notice of Intention
to File a Proposal of En Route 24/7 Logistics Inc.
For the Period of September 10, 2023 to November 12, 2023
Cash Flow Projections**

	1 4-Sep-23 10-Sep-23	2 11-Sep-23 17-Sep-23	3 18-Sep-23 24-Sep-23	4 25-Sep-23 1-Oct-23	5 2-Oct-23 8-Oct-23
Opening Cash	203,288	278,850	339,611	259,496	336,788
Cash Inflows					
Sales	[1] 82,500	82,500	93,500	183,500	93,500
	82,500	82,500	93,500	183,500	93,500
Disbursements					
Administrative/Office Expenses	[2] 757	757	931	4,569	757
Auto Expenses	[3] 3,679	3,680	3,681	93,889	3,683
Contingency	[4] 2,501	2,502	2,503	2,504	2,505
GST Payment	[5] -	-	-	-	-
Professional Fees	[6] -	-	-	5,247	-
Professional Fees - Restructuring	[7] -	-	25,000	-	-
Telephone	[8] -	-	6,500	-	-
Wages & Benefits	[9] -	14,800	135,000	-	135,000
	6,937	21,739	173,615	106,208	141,945
Change in Cash	75,563	60,761	(80,115)	77,292	(48,445)
Closing Cash	278,850	339,611	259,496	336,788	288,342

En Route 24/7 Logistics Inc.

This statement of projected cash flow of En Route 24/7 Logistics Inc. was prepared in accordance with Paragraph 50.4(2) of the Bankruptcy and Insolvency Act and should be read in conjunction with the Trustee's Report.

Crowe MacKay & Company Ltd.

in its capacity as Trustee under the Notice of Intention to Make a Proposal of En Route 24/7 Logistics Inc. and not in its personal capacity

**In the Matter of the Notice of Intention
to File a Proposal of En Route 24/7 Logistics Inc.
For the Period of September 10, 2023 to November 12, 2023
Cash Flow Projections**

	1 4-Sep-23 10-Sep-23	2 11-Sep-23 17-Sep-23	3 18-Sep-23 24-Sep-23	4 25-Sep-23 1-Oct-23	5 2-Oct-23 8-Oct-23
Opening Cash	203,288	278,850	339,611	259,496	336,788
Cash Inflows					
Sales	[1] 82,500	82,500	93,500	183,500	93,500
	82,500	82,500	93,500	183,500	93,500
Disbursements					
Administrative/Office Expenses	[2] 757	757	931	4,569	757
Auto Expenses	[3] 3,679	3,680	3,681	93,889	3,683
Contingency	[4] 2,501	2,502	2,503	2,504	2,505
GST Payment	[5] -	-	-	-	-
Professional Fees	[6] -	-	-	5,247	-
Professional Fees - Restructuring	[7] -	-	25,000	-	-
Telephone	[8] -	-	6,500	-	-
Wages & Benefits	[9] -	14,800	135,000	-	135,000
	6,937	21,739	173,615	106,208	141,945
Change in Cash	75,563	60,761	(80,115)	77,292	(48,445)
Closing Cash	278,850	339,611	259,496	336,788	288,342

En Route 24/7 Logistics Inc.

This statement of projected cash flow of En Route 24/7 Logistics Inc. was prepared in accordance with Paragraph 50.4(2) of the Bankruptcy and Insolvency Act and should be read in conjunction with the Trustee's Report.

Crowe MacKay & Company Ltd.

in its capacity as Trustee under the Notice of Intention to Make a Proposal of En Route 24/7 Logistics Inc. and not in its personal capacity

In the Matter of the Notice of Intention
to File a Proposal of En Route 24/7 Logistics Inc.
For the Period of September 10, 2023 to November 12, 2023
Cash Flow Projections

	6	7	8	9	10
	9-Oct-23	16-Oct-23	23-Oct-23	30-Oct-23	6-Nov-23
	15-Oct-23	22-Oct-23	29-Oct-23	5-Nov-23	12-Nov-23
Opening Cash	288,342	374,895	287,346	368,956	276,502
Cash Inflows					
Sales	[1] 93,500	104,500	194,500	104,500	104,500
	93,500	104,500	194,500	104,500	104,500
Disbursements					
Administrative/Office Expenses	[2] 757	30,857	4,742	757	757
Auto Expenses	[3] 3,684	3,685	93,893	3,687	3,688
Contingency	[4] 2,506	2,507	2,508	2,509	2,510
GST Payment	[5] -	-	-	55,000	-
Professional Fees	[6] -	-	5,247	-	-
Professional Fees - Restructuring	[7] -	20,000	-	-	20,000
Telephone	[8] -	-	6,500	-	-
Wages & Benefits	[9] -	135,000	-	135,000	-
	6,947	192,049	112,890	196,953	26,955
Change in Cash	86,553	(87,549)	81,610	(92,453)	77,545
Closing Cash	374,895	287,346	368,956	276,502	354,047

APPENDIX D



Industry Canada
Office of the Superintendent
of Bankruptcy Canada

Industrie Canada
Bureau du surintendant
des faillites Canada

District of British Columbia
Division No. 03 - Vancouver
Court No. 11-2947968
Estate No. 11-2947968

In the Matter of the Proposal of:

En Route 24/7 Logistics Inc.

Debtor

CROWE MACKAY & COMPANY LTD

Licensed Insolvency Trustee

Date of Proposal:	November 06, 2023	Security:	\$
Meeting of Creditors:	November 27, 2023, 13:00 By video conference Contact nelson.allan@crowemackay.ca Vancouver, British Columbia Canada,		
Chair:	Trustee		

CERTIFICATE OF FILING OF A PROPOSAL - Section 62

I, the undersigned, Official Receiver in and for this bankruptcy district, do hereby certify that:

- a proposal in respect of the aforementioned debtor was filed under section 62 of the *Bankruptcy and Insolvency Act*.

The aforementioned trustee is required:

- to provide to me, without delay, security in the aforementioned amount; and
- to send to all creditors, at least ten days prior to the meeting, a notice of a meeting of creditors, which will be held at the aforementioned time and place.

Date: November 07, 2023, 11:07

E-File/Dépôt Electronique

Official Receiver

300 Georgia Street W, Suite 2000, Vancouver, British Columbia, Canada, V6B6E1, (877)376-9902



APPENDIX E

District of British Columbia
Division No. 03—Vancouver
Estate No. 11-2947968
Court No. VLC-S-B230222
Vancouver Registry

**IN THE SUPREME COURT OF BRITISH COLUMBIA
IN BANKRUPTCY AND INSOLVENCY
IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF
EN ROUTE 24/7 LOGISTICS INC.**

**MADE PURSUANT TO PART III DIVISION 1 OF THE BANKRUPTCY AND
INSOLVENCY ACT, R.S.C. 1985, C. B-3, AS AMENDED**

DATED FOR REFERENCE NOVEMBER 6, 2023
PROPOSAL

**ARTICLE 1
DEFINITIONS AND INTERPRETATION**

1.1 DEFINITIONS

In this Proposal:

"**Approval Order**" means the court order made in the Insolvency Proceeding approving the Proposal and directing the implementation of the Proposal;

"**BIA**" means the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 as amended;

"**Classes**" means the two classes of creditors described in section 3.1 of this Proposal;

"**CRA**" means Canada Revenue Agency on behalf of His Majesty the King in right of Canada or in right of any province as represented by the Minister of National Revenue;

"**Certificate of Full Performance**" means the certificate to be issued by the Trustee in accordance with section 10.7 of the Proposal;

"**Claims Bar Date**" means the date described in section 5.4 of the Proposal;

"Completion of the Proposal" means the date upon which all of the following conditions have been met:

- (a) the Proposal is approved at the Meeting of Creditors by the requisite majority of each Class;
- (b) the Proposal is approved by the Court; and
- (c) the Debtor has satisfied its payment obligations pursuant to Article 4 of the Proposal.

"Court" means the Supreme Court of British Columbia; in bankruptcy;

"Creditor" means a Person having a Provable Claim;

"Crown Creditors" means the crown in right of Canada or the province of British Columbia, with respect to the GST Claim and EHT Claim respectively;

"Debtor" means En Route 24/7 Logistics Inc.;

"EHT" means the *Employer Health Tax Act*, SBC 2018, c 42;

"EHT Claim" means the employer health tax under the EHT including, without limitation, all interest and penalties thereof as of the Filing Date;

"ETA" means the *Excise Tax Act*, R.S.C. 1985, C. E-15, as amended;

"Filing Date" means May 25, 2023 being the date when the Notice of Intention to File a Proposal was filed;

"GST" means goods and service tax obligations under the ETA including, without limitation, all interest and penalties thereof as of the Filing Date;

"GST Claim" means the deemed trust for GST that is the subject of s. 222 of the ETA, including, without limitation, all interest and penalties thereof that are outstanding as of the Filing Date;

"Insolvency Proceeding" means the proceeding commenced by the Debtor under the BIA under Estate No. 11-2947968, and any proceedings commenced in relation to that estate in the Vancouver Registry of the Court;

"ITA" means *Income Tax Act*, R.S.C. 1985 c. 1. as amended;

"Meeting" means the meeting of the Creditors to be held pursuant to Section 51(1) of the BIA for the purpose of considering, and if thought fit, voting to approve this Proposal, as same may be amended at any such Meeting, and agreeing to the compromise and arrangement constituted thereby, and any adjournment thereof;

"Person" is to be broadly interpreted and includes an individual, a corporation, a partnership, a trust, a bank, an unincorporated organization, the government of a country or any political subdivision thereof, or any agency or department of any such government, and the executors, administrators or other legal representatives of an individual in such capacity having a Provable Claim;

"Preferred Creditor" means all creditors entitled to priority over the Creditors pursuant to Section 136 of the BIA;

"Proof of Claim" means the prescribed form of document required under the BIA to evidence the Provable Claim of a Creditor under Part III of the BIA prior to the date of the Meeting;

"Property" means any right, title or interest of the Debtor in any type of property, whether situate in Canada or elsewhere, and includes, money, goods, thing in action, land, and every description of property, whether real or personal, legal or equitable, as well as obligations, easement and every description of estate, interest, profit, present or future, vested or contingent in, arising out of or incident to property;

"Proposal" means this Proposal among the Debtor and its Creditors, as from time to time amended, modified or supplemented as permitted by the terms of this Proposal;

"Provable Claim" means a claim for an amount alleged by a Person to be owed to it, or any obligation, enforceable right, duty or liability, contingent or otherwise, (including any claim whether contingent or accrued on behalf of CRA), or any cause of action against the Debtor or its assets and Property calculated either as at the Filing Date or in the case of claims under executory contracts arising subsequent to the Filing Date, or claims arising after the Filing Date in respect of obligations incurred prior to the Filing Date but does not include the claim of the Secured Creditor. Without limiting the generality of the foregoing but for greater certainty, a Provable Claim includes all taxes, interest and penalties that may or are payable to CRA with respect to the Debtor pursuant to the ITA and ETA up to and including the Filing Date regardless of the applicable taxation year or date of assessment, reassessment or imposition thereof;

"Proven Claim" means a Provable Claim that is the subject of a Proof of Claim and that has been filed with the Trustee in accordance with the Proposal and has either been accepted by the Debtor or has been allowed by the Court, in whole or in part;

"Release" means the release described in section 10.1 of the Proposal;

"Reviewable Transactions" means transactions of the kind described in sections 95 to 101 of the BIA;

"Trustee" means Crowe MacKay & Company Ltd., appointed as Trustee of the Proposal in the Insolvency Proceeding;

"Secured Creditor" means LPCA Fleet Management Ltd, which registered a security interest with respect to the Debtor at the Personal Property Registry of British Columbia prior to the Filing Date; and

“Superintendent’s Levy” means the obligation described in Section 4.5 of the Proposal.

“Unsecured Creditor” means a Creditor but does not include Crown Creditors or Secured Creditors.

1.2 HEADINGS

The division of the Proposal into Sections and the insertion of headings are for convenience only and do not form part of the Proposal and will not be used to interpret, define or limit the scope, extent or intent of the Proposal.

1.3 SECTIONS AND ARTICLE REFERENCE

Unless otherwise specified, references in the Proposal to "Sections", and "Articles" are to sections and articles of this Proposal.

1.4 STATUTORY REFERENCE

Unless otherwise specified, each reference to a statute is deemed to be a reference to that statute and to the regulations made under that statute, as amended or re-enacted from time to time.

1.5 NUMBER AND GENDER

Unless otherwise specified, words importing the singular include the plural and vice versa and words importing gender include all genders.

1.6 CURRENCY

All references to amounts of money means lawful currency of the Dominion of Canada unless otherwise expressly indicated. All Proofs of Claim submitted by Creditors in U.S. dollars will be converted to Canadian dollars at the rate of exchange applicable at the Filing Date.

ARTICLE 2 PURPOSE AND EFFECT OF THE PROPOSAL

2.1 PURPOSE OF THE PROPOSAL

The purpose of the Proposal is to permit the Debtor to settle payment of its liabilities arising before the Filing Date and to compromise the indebtedness owed to the Creditors on a fair and equitable basis.

2.2 EFFECT OF THE PROPOSAL

The effect of the Proposal is that all Provable Claims, unless explicitly excluded, shall be Released upon Completion of the Proposal.

2.3 TRUSTEE UNDER THE PROPOSAL

Subject to the provisions of the BIA the Trustee shall act as the administrator for all purposes connected with the Proposal including management of the claims process, administration of the Meeting (unless directed otherwise by the Official Receiver) and any adjournments thereto and distribution of dividends to the Creditors with a Proven Claim.

ARTICLE 3 CREDITOR CLASSES AND PRIORITY OF PAYMENTS

3.1 CLASSES OF CREDITORS

This Proposal shall consist of the following two classes of creditors:

- a. A class comprising Unsecured Creditors; and
- b. A class comprising Crown Creditors.

each of which shall be entitled to consider and vote on the Proposal.

ARTICLE 4 PAYMENT OBLIGATIONS

4.1 PREFERRED PAYMENTS IN PRIORITY TO ALL OTHER CREDITORS UNDER THE PROPOSAL

The Trustee shall make the following preferred payments from the amounts paid to the Trustee pursuant to this Proposal before making any distribution to the Creditors:

- (a) Provision for payment of all proper fees, expenses and legal costs (the "Trustee's Fees") of the Trustee, of and incidental to the proceedings arising in the Insolvency Proceeding together with such fees of the Trustee incidental to and arising from the preparation of the Proposal shall be paid in full in priority to the claim of the Creditors. All payments of the Trustee's fees are subject to taxation;
- (b) Payment of the claims of employees as set out in section 136(1)(d) of the BIA, if any, shall be paid forthwith after the Approval Order; and
- (c) All other preferred claims are to be paid in priority to all claims of Creditors pursuant to sections 60(1) and 136 of the BIA.

4.2 PAYMENTS TO CRA OF DEEMED TRUST UNDER ITA

CRA shall be paid directly from the Debtor in respect of any amounts due to His Majesty the King in Right of Canada or a Province of a kind which could be subject to a demand under subsection 224(1.2) of the ITA or under any substantially similar provision of provincial legislation and that were outstanding as of the Filing Date. These payments shall be made within six (6) months of the Approval Order, or such longer period as may be agreed to by CRA.

4.3 PAYMENTS OF CROWN CLAIMS

Commencing after Court approval of the Proposal, the Company will make the following payments to Trustee on account of the Crown Claims:

- i. \$22,000 in each quarter of each year on or before the last day of the months of February, May, August, and November;
- ii. the above quarterly payments will be made until such time that the Crown Claims are repaid in full; and,
- iii. the Trustee shall make interim dividend payments net of the Superintendent's levy to the Crown Creditors following the last day of each August and Commencing after the Approval Order.

4.4 PAYMENTS TO UNSECURED CREDITORS

Commencing after Court approval of the Proposal, the Company will make the following payments to Trustee on account of the claims of the Unsecured Creditors:

- i. \$7,020 in each quarter of each year until an aggregate sum of \$140,760 is paid;
- ii. the quarterly payments of \$7,020 shall be made on or before the last day of the months of January, April, July, and October in each year; and
- iii. the Trustee shall make interim dividend payments net of the Superintendent's levy to Unsecured Creditors following the last day of each July and January in each year.

4.5 PAYMENT OF SUPERINTENDENT'S LEVY

Pursuant to the provisions of the BIA and its rules, a Superintendent levy shall be deducted from all dividends issued by the Trustee pursuant to this Proposal.

ARTICLE 5 DELIVERY OF PROOFS OF CLAIM

5.1 FILING PROOFS OF CLAIM

The Creditors shall file a Proof of Claim with the Trustee by either:

- (a) delivering the Proofs of Claim for review by the Trustee and the Debtor by faxing the completed Proof of Claim to the Trustee (Attention: Derek Lai) at Fax No. (604) 687 5617 or emailing to trustee@crowemackay.ca or mailing the Proof of Claim to the address of the Trustee set out below, or
- (b) depositing the Proof of Claim with the Trustee prior to the commencement of the Meeting of Creditors.

5.2 FAILURE TO FILE PROOFS OF CLAIM PRIOR TO MEETING

If a Creditor fails to either:

- (a) deliver a Proof of Claim, to be received by the Trustee prior to 2:00 p.m. of the day before the date for the Meeting of Creditors; or

- (b) deposit a Proof of Claim with the Trustee or his nominee on or before the time for commencement of the Meeting of Creditors.

The failure by a Creditor to file a Proof of Claim by the deadline in this paragraph shall not disentitle such Creditor from receiving any future dividends to be issued under this Proposal.

5.3 DISPUTED PROOFS OF CLAIM

In the event the Debtor disputes any Proof of Claim as to entitlement to participate in any of the Classes or as to amount of the Provable Claim set out in the Proof of Claim the Trustee may:

- (a) disallow the Proof of Claim;
- (b) allow the Proof of Claim as presented for the purposes of voting at the Meeting but disallow the Proof of Claim for distribution purposes; or
- (c) allow the Proof of Claim for voting and distribution purposes in such amount as it determines appropriate.

If the Trustee disallows a Proof of Claim for any reason or allows the Proof of Claim for an amount less than that set out in the Proof of Claim, the Creditor shall be deemed to accept the determination unless the Creditor shall have filed with the Court a motion to value its Provable Claim within thirty (30) days of the date that the disallowance notice is forwarded to the Creditor by the Trustee.

5.4 CLAIMS BAR DATE

In order to share in any dividend distribution under the Proposal, Crown Creditors and Unsecured Creditors must have filed a Proof of Claim with the Trustee on or prior to the date that is thirty (30) days from the date the Trustee issues a "Notice to Prove Claim" pursuant to section 149 of the BIA (the "Claims Bar Date"). Any Creditor who does not file its Proof of Claim within that timeframe shall forever be barred from sharing in any dividend this is issued after the Claims Bar Date and prior to the filing of a Proof of Claim.

ARTICLE 6 MEETING OF THE CREDITORS

6.1 INSPECTORS

At the Meeting of the Creditors held to consider the Proposal, the Creditors may appoint one or more but not exceeding five Inspectors under the Proposal, whose duties will be restricted to the following:

- (a) to advise the Trustee in connection with its actions under this Proposal or any amendment thereto as the Trustee may, from time to time, request;

- (b) to advise the Trustee concerning any dispute which may arise as to the validity of claims of Creditors under this Proposal;
- (c) to advise the Trustee in respect of such other matters as may be referred to the Inspectors by the Trustee; and
- (d) to grant extensions of time for the Debtor to make any of the payments required by Article 4 of this Proposal except not with respect to the payment obligations described in Section 4.2 of this Proposal.

If no Inspectors are appointed under this Proposal then the Trustee shall have the sole discretion to grant an extension of time to make the payments required by Article 4 of this Proposal except not with respect to the payment obligations described in Section 4.2 of this Proposal.

The aggregate of the Trustee's fees is subject to taxation by the Court.

The Trustee, and the Inspectors, should any be appointed, shall be exempt from all personal liability in fulfilling any duties or exercising any powers conferred upon them by the Proposal or generally in carrying out of the terms of the Proposal by wrongful act, default or neglect.

6.2 MEETING

The Meeting shall be conducted in accordance with Division 1 — General Scheme for Proposals of the BIA.

6.3 VOTING

For the purposes of voting as a member of the Classes, each Creditor shall have one vote for the purposes of determining a majority in number and each Creditor shall be entitled to one vote for each \$1.00 of its Provable Claim as allowed by the Debtor.

6.4 PROXIES AND VOTING LETTERS

Creditors will be entitled to vote at the Meeting by proxy or voting letter. The particulars with respect to voting by proxy or voting letter will be detailed in the Proof of Claim and will be binding upon all Creditors.

6.5 ADJOURNMENT OF MEETING

The Chair of the Meeting may in his or her discretion adjourn the Meeting upon such terms as are considered appropriate by the Chair upon notice to those persons present at the Meeting for the purposes of considering amendments to the Proposal contemplated in Article 7.

ARTICLE 7 AMENDMENTS AND MODIFICATIONS

7.1 AMENDMENT OF PROPOSAL

The Debtor reserves the right, with the consent of the Trustee, to amend this Proposal at any time and re-submit it to the Creditors and the Proposal may be amended among the Debtor and the Classes at any Meeting.

7.2 MODIFICATION OF PROPOSAL

After the Meeting, the Proposal may be modified from time to time:

- (a) if the amendment is considered by the Trustee and the Inspectors to be non-substantive in nature, with the approval of the Trustee and the majority of the Inspectors;
- (b) upon a vote conducted by the Trustee at a further Meeting and upon Court Approval; and
- (c) by the Court at any time on application of the Debtor or the Trustee and upon notice to those determined by the Debtor to be directly affected by the proposed modification, whether a Creditor or not.

7.3 WAIVERS

Any provision of the Proposal may be waived, with the consent of the Trustee, by a Creditor or the Class.

ARTICLE 8 APPROVAL ORDER and STAY OF PROCEEDINGS

8.1 APPLICATION FOR APPROVAL ORDER

Upon the conclusion of the Meeting if the Proposal has been approved by the Classes by the requisite percentages in relation both to numbers of Creditors and dollar amounts of Provable Claims of Creditors, the Debtor will forthwith apply to the Court for the Approval Order.

8.2 CONTINUATION OF THE STAY OF PROCEEDINGS

The stay of proceedings provided for in section 69.1(1) of the BIA will be continued in full force and effect until the Certificate of Full Performance is issued by the Trustee.

ARTICLE 9. COMPLIANCE PROVISIONS

9.1. THE DEBTOR'S TAX OBLIGATIONS

Until such date as all payment obligations described in Article 4 are paid, the Debtor shall:

- (a) file accurate and complete income tax returns as and when required to do so pursuant to the ITA, for each taxation year;
- (b) file all returns pursuant to the ETA as and when due for each taxation year; and
- (c) remit all amounts payable to the Receiver General as required by the ITA, ETA, the Canada Pension Plan, and the Employment Insurance Act, including all taxes, interest, and penalties assessed by the CRA, as and when required.

9.2 DISCLOSURE OBLIGATIONS

Until such date as all payment obligations under Article 4 are paid, the Debtor shall provide the Trustee with a copy of each Notice of Assessment or Notice of Reassessment issued to it by the CRA pursuant to the returns described in Section 9.1 of the Proposal if requested.

9.3 NOTICES OF ASSESSMENT OR REASSESSMENT

Nothing in this Proposal shall restrict or be deemed to restrict the Debtor's right to file objections to any assessments issued by the CRA or to file appeals of any assessments to the Tax Court of Canada.

ARTICLE 10 GENERAL

10.1 RELEASE

Upon Completion of the Proposal, the following are released, discharged, settled and extinguished:

- a) all Provable Claims, actions, judicial proceedings, suits, claims, demands, debts, interest, penalties, obligations, liabilities, dues, accounts, loss, contracts, covenants; and
- b) all Reviewable Transactions.

whether express or implied, known or unknown, suspected or unsuspected, of every nature and kind whatsoever and however arising which the Creditors had, or may have had against the Debtor as of the Filing Date.

10.2 FURTHER ACTIONS

The Debtor will execute and deliver all such documents and instruments and do all such acts and things as may be necessary or desirable to carry out the full intent and meaning of the Proposal to give effect to the transactions contemplated hereby.

10.3 TRUSTEE'S FEES

In addition to payment of its fees as set out in paragraph 0(a) above, should the Proposal fail during its term, the Trustee may claim its full time and charges arising from its administration of the Proposal in any subsequent bankruptcy.

10.4 NOTICES

All notices, Proofs of Claim, and payments required or permitted or desired to be made pursuant

to the Proposal shall be in writing and shall be delivered personally or by telecopy or mail by regular or registered or certified mail, return receipt requested, to the Debtor at the following address:

c/o Crowe Mackay & Company Ltd.
1100-1177 West Hasting Street
Vancouver, BC V6E 4T5

Attention: Derek Lai & Nelson Allan

Telephone: (604) 697 5257
Facsimile: (604) 687 5617
Email: trustee@crowemackay.ca

And if to a Creditor or Claimant, at its address set forth in the last Proof of Claim deposited with the Debtor.

10.5 DEEMING PROVISIONS

In this Proposal, the deeming provisions are not rebuttable and are conclusive and irrevocable.

10.6 SUCCESSORS AND ASSIGNS


This Proposal is binding upon the Debtor, the Creditors and their respective heirs, executors, administrators, successors and assigns.

10.7 CERTIFICATE OF FULL PERFORMANCE

The Trustee shall issue a Certificate of Full Performance following receipt of all the payments required to be made by the Debtor under this Proposal.

SIGNED at the City of Vancouver in the Province of British Columbia, the 6th day of November, 2023.

En Route 24/7 Logistics Inc.


Per: Kati Jensen,
Authorized signatory


Witness

APPENDIX F

In the Matter of the Notice of Intention to Make a Proposal of En Route 24/7 Logistics Inc. (the "Company")
 Analysis of Estimated Recoveries under a Proposal and Bankruptcy Scenario
 Prepared as at November 3, 2023

	Ref.	Net Book Value as at November 3, 2023	Bankruptcy - Low	Bankruptcy - High	Proposal
Estimated Gross Realizations from Assets	[1]				
Cash	[2]	115,000.00	115,000.00	115,000.00	-
Trade Accounts Receivable	[3]	103,619.08	NIL	103,619.08	-
Intercompany Receivables	[4]	44,974.00	NIL	NIL	-
Shareholder Loan Receivable	[5]	595,053.00	NIL	Unknown	-
Prepaid Expenses	[6]	75,811.00	NIL	30,100.00	-
Fixed Assets	[7]	38,228.00	NIL	NIL	-
Contingent Asset - Pending Notice of Civil Claim	[8]	NIL	Unknown	Unknown	-
Amazon Canada Contract	[9]	NIL	NIL	NIL	-
Proposal Funds	[10]	NIL			
Crown Creditors			NIL	NIL	497,330.84
Unsecured Creditors			NIL	NIL	140,400.00
Total Gross Realizations from Assets		972,685.08	115,000.00	248,719.08	637,730.84
Estimated Costs of Realization					
Costs on Realization of Fixed Assets	[11]		NIL	NIL	-
Trustee Fees	[12]		75,000.00	50,000.00	-
Legal Fees	[12]		25,000.00	15,000.00	-
Total Costs of Realization			100,000.00	65,000.00	-
Net Proceeds			15,000.00	183,719.08	637,730.84
Allocation of Net Proceeds					
CRA Source Deductions	[13]	-	NIL	NIL	-
Wage Earners Protection Program	[14]	214,000.00	15,000.00	183,719.08	-
AllPAAP Charge Holders	[15]				
LPCA		-	NIL	NIL	-
Ministry of Finance		50,134.29	NIL	NIL	50,134.29
Balance of Funds Remaining for Distribution/(Shortfall)			NIL	NIL	587,596.55
Total Unsecured Claims - Crown Claims (excl. pmt to MOF)	[16]	447,197	447,197.00	447,197.00	447,197.00
Total Unsecured Claims - Excluding Crown Claims		234,601	234,600.77	234,600.77	234,600.77
Distribution as a % of unsecured claims					
Crown Creditors		447,197	0%	0%	100%
Unsecured Creditors		140,400	0%	0%	60%

NOTES:

- [1] The net book values are based on management prepared financial statements. These financial statements and their contents have not been audited or reviewed.
- [2] As at November 3, 2023, the Company had cash of approximately \$115,000. The Company's cash balance fluctuates during the month depending on the timing of cash collections and disbursements. It is assumed that in the event of bankruptcy, that this cash balance will be collected in full by the Trustee.
- [3] As at November 3, 2023, the Company had accounts receivable of \$103K. In the Trustee's experience, in the event of a bankruptcy, the collection of accounts receivable can be challenging. Accordingly, it is estimated that in the event of a bankruptcy, that accounts receivable will result in realizations for the bankrupt estate of between \$nil and \$103K.
- [4] The Company had an intercompany receivable balance of \$44,974. Management advised that this balance is owing from 5 Diamonds, and that 5 Diamonds is non-operational and insolvent itself. Based on the foregoing, in the event of bankruptcy, it is estimated that \$Nil will be recovered.
- [5] The Company has a shareholder loan receivable balance of \$595,053. Management advised that this balance is ultimately not collectible given the fact that the shareholder is likely insolvent themselves. The shareholder has sworn a statutory declaration to this same effect, and the Proposal Trustee has reviewed and investigated the reasonability of the statutory declaration. During the Proposal Trustee's review, nothing came to its attention that would cast doubt on the reasonability of the statutory declaration.
- [6] The Company has prepaid expenses of \$75,811 recorded on its balance sheet. Management advised that this balance relates to professional fee retainers, as well as prepaid insurance. The prepaid insurance is in the amount of \$30,100. In the event of a bankruptcy, it is estimated that a portion of the prepaid insurance may be recoverable. Accordingly, a value of \$Nil to \$30,100 has been assigned.
- [7] The Company had equipment, furniture and fixtures with a net book value of \$37,190 as at November 3, 2023. The equipment was largely comprised of CAT devices and CAT device accessories. Management advised that the Company has previously looked into selling these devices, but found that no one wanted them, even if offered as free. Accordingly, Management estimates that the value of the equipment in the event of a bankruptcy is \$Nil.
- [8] On or around June 30, 2023, the Company filed a Notice of Civil Claim against a number of parties relating to purported breach of duties and unjust enrichment. Management advised that the legal action is in the early stages, and it is presently too soon to make a determination as to what benefit may arise therefrom. Accordingly, in the event of a bankruptcy, the recoveries, if any, are presently unknown.
- [9] Based on the legal opinion received by the Trustee from the Company's counsel, the Amazon Canada contract would be terminated in the event of a bankruptcy. Accordingly, the Trustee estimates that in the event of a bankruptcy, the realizations from the contract, or any potential assignment of same, would be \$nil.
- [10] The Proposal funds are based on Article 4.3 and Article 4.4 of the Proposal relating to the payment of Crown Claims and Unsecured Claims respectively. The Crown Claims are to be paid in full with quarterly payments of \$22,000 to the Trustee, will be distributed to the Crown Creditors once annually in August. The Company will make quarterly payments of \$7,020 for five (5) years relating to the claims of unsecured creditors. These amounts will be distributed by the Proposal Trustee bi-annually on the last day of January and July
- [11] Given the nominal estimated realizable value of the fixed assets, it is anticipated that in the event of a bankruptcy that the Trustee would abandon its interest in these assets and not incur any further costs of realization.
- [12] Legal and Trustee fees are estimates and represents the Trustee/Receiver's fees and costs in the event that the Proposal fails and the company is deemed bankrupt. These are estimates and are accordingly subject to change. Should the creditors vote for the approval of the Proposal, the Trustee's fees will be paid in the ordinary course, and will not be drawn from the proposal proceeds.
- [13] As of November 3, 2023, Management advised that the Company is current on its payroll remittances. In September 2023, CRA conducted an audit of the Company's payroll remittances and CRA subsequently confirmed that the Company is current in its payroll remittances. Accordingly, there does not appear to be any amounts owing to CRA which may constitute as a deemed trust claim.
- [14] In the event of a bankruptcy, employees are protected for wages and vacation due within 6 months of the date of bankruptcy plus severance to a maximum of \$8,278.83 pursuant to the Wage Earners Protection Program Act (WEPPA). Service Canada will have a subrogated claim against the estate for the amounts paid to the employees. Amounts paid for wages and vacation will rank as a secured claim ahead of Accord but behind CRA's deemed trust claim for source deductions to a maximum of \$2,000 per employee as against the current assets of the company. It is assumed that employees will be paid in the ordinary course in the Proposal proceeding.

Total number of employees	107
Entitlement per employee	2,000.00
Total secured claim pursuant to WEPPA	214,000.00

It is estimated in both scenarios that there will not be sufficient funds to pay the priority payable relating to employee wages.

- [15] It is expected that in both scenarios that the secured creditors will not receive any funds, and therefore be fully unsecured
- [16] Total unsecured claims are based on the statement of affairs prepared by the Company.

APPENDIX G

District of British Columbia
Division No. 03—Vancouver
Estate No. 11-2947968
Court No. VLC-S-B230222
Vancouver Registry

**IN THE SUPREME COURT OF BRITISH COLUMBIA
IN BANKRUPTCY AND INSOLVENCY
IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF

EN ROUTE 24/7 LOGISTICS INC.**

**MADE PURSUANT TO PART III DIVISION 1 OF THE BANKRUPTCY AND
INSOLVENCY ACT, R.S.C. 1985, C. B-3, AS AMENDED**

DATED FOR REFERENCE DECEMBER 6, 2023
AMENDED PROPOSAL

**ARTICLE 1
DEFINITIONS AND INTERPRETATION**

1.1 DEFINITIONS

In this Proposal:

"Approval Order" means the court order made in the Insolvency Proceeding approving the Proposal and directing the implementation of the Proposal;

"BIA" means the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 as amended;

"Classes" means the two classes of creditors described in section 3.1 of this Proposal;

"CRA" means Canada Revenue Agency on behalf of His Majesty the King in right of Canada or in right of any province as represented by the Minister of National Revenue;

"Certificate of Full Performance" means the certificate to be issued by the Trustee in accordance with section 11.7 of the Proposal;

"Claims Bar Date" means the date described in section 5.4 of the Proposal;

“Completion of the Proposal” means the date upon which all of the following conditions have been met:

- (a) the Proposal is approved at the Meeting of Creditors by the requisite majority of each Class;
- (b) the Proposal is approved by the Court; and
- (c) the Debtor has satisfied its payment obligations pursuant to Article 4 of the Proposal.

“Court” means the Supreme Court of British Columbia; in bankruptcy;

“Creditor” means a Person having a Provable Claim;

“Crown Creditors” means the crown in right of Canada or the province of British Columbia, with respect to the GST Claim and EHT Claim respectively;

“Debtor” means En Route 24/7 Logistics Inc.;

“Default Period” means the date described in Article 10 of this proposal;

“EHT” means the *Employer Health Tax Act*, SBC 2018, c 42;

“EHT Claim” means the employer health tax under the EHT including, without limitation, all interest and penalties thereof as of the Filing Date;

“ETA” means the *Excise Tax Act*, R.S.C. 1985, C. E-15, as amended;

“Filing Date” means May 25, 2023 being the date when the Notice of Intention to File a Proposal was filed;

“GST” means goods and service tax obligations under the ETA including, without limitation, all interest and penalties thereof as of the Filing Date;

“GST Claim” means the deemed trust for GST that is the subject of s. 222 of the ETA, including, without limitation, all interest and penalties thereof that are outstanding as of the Filing Date;

“Insolvency Proceeding” means the proceeding commenced by the Debtor under the BIA under Estate No. 11-2947968, and any proceedings commenced in relation to that estate in the Vancouver Registry of the Court;

“ITA” means *Income Tax Act*, R.S.C. 1985 c. 1. as amended;

“Meeting” means the meeting of the Creditors to be held pursuant to Section 51(1) of the BIA for the purpose of considering, and if thought fit, voting to approve this Proposal, as same may be amended at any such Meeting, and agreeing to the compromise and arrangement constituted

thereby, and any adjournment thereof;

"Person" is to be broadly interpreted and includes an individual, a corporation, a partnership, a trust, a bank, an unincorporated organization, the government of a country or any political subdivision thereof, or any agency or department of any such government, and the executors, administrators or other legal representatives of an individual in such capacity having a Provable Claim;

"Preferred Creditor" means all creditors entitled to priority over the Creditors pursuant to Section 136 of the BIA;

"Proof of Claim" means the prescribed form of document required under the BIA to evidence the Provable Claim of a Creditor under Part III of the BIA prior to the date of the Meeting;

"Property" means any right, title or interest of the Debtor in any type of property, whether situate in Canada or elsewhere, and includes, money, goods, thing in action, land, and every description of property, whether real or personal, legal or equitable, as well as obligations, easement and every description of estate, interest, profit, present or future, vested or contingent in, arising out of or incident to property;

"Proposal" means this Proposal among the Debtor and its Creditors, as from time to time amended, modified or supplemented as permitted by the terms of this Proposal;

"Provable Claim" means a claim for an amount alleged by a Person to be owed to it, or any obligation, enforceable right, duty or liability, contingent or otherwise, (including any claim whether contingent or accrued on behalf of CRA), or any cause of action against the Debtor or its assets and Property calculated either as at the Filing Date or in the case of claims under executory contracts arising subsequent to the Filing Date, or claims arising after the Filing Date in respect of obligations incurred prior to the Filing Date but does not include the claim of the Secured Creditor. Without limiting the generality of the foregoing but for greater certainty, a Provable Claim includes all taxes, interest and penalties that may or are payable to CRA with respect to the Debtor pursuant to the ITA and ETA up to and including the Filing Date regardless of the applicable taxation year or date of assessment, reassessment or imposition thereof;

"Proven Claim" means a Provable Claim that is the subject of a Proof of Claim and that has been filed with the Trustee in accordance with the Proposal and has either been accepted by the Debtor or has been allowed by the Court, in whole or in part;

"Release" means the release described in section 11.1 of the Proposal;

"Reviewable Transactions" means transactions of the kind described in sections 95 to 101 of the BIA;

"Trustee" means Crowe MacKay & Company Ltd., appointed as Trustee of the Proposal in the Insolvency Proceeding;

"Secured Creditor" means LPCA Fleet Management Ltd, which registered a security interest with respect to the Debtor at the Personal Property Registry of British Columbia prior to the Filing Date; and

“Superintendent’s Levy” means the obligation described in Section 4.5 of the Proposal.

“Unsecured Creditor” means a Creditor but does not include Crown Creditors or Secured Creditors.

1.2 HEADINGS

The division of the Proposal into Sections and the insertion of headings are for convenience only and do not form part of the Proposal and will not be used to interpret, define or limit the scope, extent or intent of the Proposal.

1.3 SECTIONS AND ARTICLE REFERENCE

Unless otherwise specified, references in the Proposal to "Sections", and "Articles" are to sections and articles of this Proposal.

1.4 STATUTORY REFERENCE

Unless otherwise specified, each reference to a statute is deemed to be a reference to that statute and to the regulations made under that statute, as amended or re-enacted from time to time.

1.5 NUMBER AND GENDER

Unless otherwise specified, words importing the singular include the plural and vice versa and words importing gender include all genders.

1.6 CURRENCY

All references to amounts of money means lawful currency of the Dominion of Canada unless otherwise expressly indicated. All Proofs of Claim submitted by Creditors in U.S. dollars will be converted to Canadian dollars at the rate of exchange applicable at the Filing Date.

ARTICLE 2 PURPOSE AND EFFECT OF THE PROPOSAL

2.1 PURPOSE OF THE PROPOSAL

The purpose of the Proposal is to permit the Debtor to settle payment of its liabilities arising before the Filing Date and to compromise the indebtedness owed to the Creditors on a fair and equitable basis.

2.2 EFFECT OF THE PROPOSAL

The effect of the Proposal is that all Provable Claims, unless explicitly excluded, shall be Released upon Completion of the Proposal.

2.3 TRUSTEE UNDER THE PROPOSAL

Subject to the provisions of the BIA the Trustee shall act as the administrator for all purposes connected with the Proposal including management of the claims process, administration of the Meeting (unless directed otherwise by the Official Receiver) and any adjournments thereto and distribution of dividends to the Creditors with a Proven Claim.

ARTICLE 3 CREDITOR CLASSES AND PRIORITY OF PAYMENTS

3.1 CLASSES OF CREDITORS

This Proposal shall consist of the following two classes of creditors:

- a. A class comprising Unsecured Creditors; and
- b. A class comprising Crown Creditors.

each of which shall be entitled to consider and vote on the Proposal.

ARTICLE 4 PAYMENT OBLIGATIONS

4.1 PREFERRED PAYMENTS IN PRIORITY TO ALL OTHER CREDITORS UNDER THE PROPOSAL

The Trustee shall make the following preferred payments from the amounts paid to the Trustee pursuant to this Proposal before making any distribution to the Creditors:

- (a) Provision for payment of all proper fees, expenses and legal costs (the "Trustee's Fees") of the Trustee, of and incidental to the proceedings arising in the Insolvency Proceeding together with such fees of the Trustee incidental to and arising from the preparation of the Proposal shall be paid in full in priority to the claim of the Creditors. All payments of the Trustee's fees are subject to taxation;
- (b) Payment of the claims of employees as set out in section 136(1)(d) of the BIA, if any, shall be paid forthwith after the Approval Order; and
- (c) All other preferred claims are to be paid in priority to all claims of Creditors pursuant to sections 60(1) and 136 of the BIA.

4.2 PAYMENTS TO CRA OF DEEMED TRUST UNDER ITA

CRA shall be paid directly from the Debtor in respect of any amounts due to His Majesty the King in Right of Canada or a Province of a kind which could be subject to a demand under subsection 224(1.2) of the ITA or under any substantially similar provision of provincial legislation and that were outstanding as of the Filing Date. These payments shall be made within six (6) months of the Approval Order, or such longer period as may be agreed to by CRA.

4.3 PAYMENTS OF CROWN CLAIMS

Commencing after Court approval of the Proposal, the Company will make the following payments to Trustee on account of the Crown Claims:

- i. \$22,000 in each quarter of each year on or before the last day of the months of February, May, August, and November;
- ii. the above quarterly payments will be made until such time that the Crown Claims are repaid in full; and,
- iii. the Trustee shall make interim dividend payments net of the Superintendent's levy to the Crown Creditors following the last day of each August and Commencing after the Approval Order.

4.4 PAYMENTS TO UNSECURED CREDITORS

Commencing after Court approval of the Proposal, the Company will make the following payments to Trustee on account of the claims of the Unsecured Creditors:

- i. \$7,020 in each quarter of each year until an aggregate sum of \$140,760 is paid;
- ii. the quarterly payments of \$7,020 shall be made on or before the last day of the months of January, April, July, and October in each year; and
- iii. the Trustee shall make interim dividend payments net of the Superintendent's levy to Unsecured Creditors following the last day of each July and January in each year.

4.5 PAYMENT OF SUPERINTENDENT'S LEVY

Pursuant to the provisions of the BIA and its rules, a Superintendent levy shall be deducted from all dividends issued by the Trustee pursuant to this Proposal.

ARTICLE 5 DELIVERY OF PROOFS OF CLAIM

5.1 FILING PROOFS OF CLAIM

The Creditors shall file a Proof of Claim with the Trustee by either:

- (a) delivering the Proofs of Claim for review by the Trustee and the Debtor by faxing the completed Proof of Claim to the Trustee (Attention: Derek Lai) at Fax No. (604) 687 5617 or emailing to trustee@crowemackay.ca or mailing the Proof of Claim to the address of the Trustee set out below, or
- (b) depositing the Proof of Claim with the Trustee prior to the commencement of the Meeting of Creditors.

5.2 FAILURE TO FILE PROOFS OF CLAIM PRIOR TO MEETING

If a Creditor fails to either:

- (a) deliver a Proof of Claim, to be received by the Trustee prior to 2:00 p.m. of the day before the date for the Meeting of Creditors; or

- (b) deposit a Proof of Claim with the Trustee or his nominee on or before the time for commencement of the Meeting of Creditors.

The failure by a Creditor to file a Proof of Claim by the deadline in this paragraph shall not disentitle such Creditor from receiving any future dividends to be issued under this Proposal.

5.3 DISPUTED PROOFS OF CLAIM

In the event the Debtor disputes any Proof of Claim as to entitlement to participate in any of the Classes or as to amount of the Provable Claim set out in the Proof of Claim the Trustee may:

- (a) disallow the Proof of Claim;
- (b) allow the Proof of Claim as presented for the purposes of voting at the Meeting but disallow the Proof of Claim for distribution purposes; or
- (c) allow the Proof of Claim for voting and distribution purposes in such amount as it determines appropriate.

If the Trustee disallows a Proof of Claim for any reason or allows the Proof of Claim for an amount less than that set out in the Proof of Claim, the Creditor shall be deemed to accept the determination unless the Creditor shall have filed with the Court a motion to value its Provable Claim within thirty (30) days of the date that the disallowance notice is forwarded to the Creditor by the Trustee.

5.4 CLAIMS BAR DATE

In order to share in any dividend distribution under the Proposal, Crown Creditors and Unsecured Creditors must have filed a Proof of Claim with the Trustee on or prior to the date that is thirty (30) days from the date the Trustee issues a "Notice to Prove Claim" pursuant to section 149 of the BIA (the "Claims Bar Date"). Any Creditor who does not file its Proof of Claim within that timeframe shall forever be barred from sharing in any dividend this is issued after the Claims Bar Date and prior to the filing of a Proof of Claim.

ARTICLE 6 MEETING OF THE CREDITORS

6.1 INSPECTORS

At the Meeting of the Creditors held to consider the Proposal, the Creditors may appoint one or more but not exceeding five Inspectors under the Proposal, whose duties will be restricted to the following:

- (a) to advise the Trustee in connection with its actions under this Proposal or any amendment thereto as the Trustee may, from time to time, request;

- (b) to advise the Trustee concerning any dispute which may arise as to the validity of claims of Creditors under this Proposal;
- (c) to advise the Trustee in respect of such other matters as may be referred to the Inspectors by the Trustee; and
- (d) subject to Article 10, to grant extensions of time for the Debtor to make any of the payments required by Article 4 of this Proposal except not with respect to the payment obligations described in Section 4.2 of this Proposal.

If no Inspectors are appointed under this Proposal then, subject to Article 10, the Trustee shall have the sole discretion to grant an extension of time to make the payments required by Article 4 of this Proposal except not with respect to the payment obligations described in Section 4.2 of this Proposal.

The aggregate of the Trustee's fees is subject to taxation by the Court.

The Trustee, and the Inspectors, should any be appointed, shall be exempt from all personal liability in fulfilling any duties or exercising any powers conferred upon them by the Proposal or generally in carrying out of the terms of the Proposal by wrongful act, default or neglect.

6.2 MEETING

The Meeting shall be conducted in accordance with Division 1 — General Scheme for Proposals of the BIA.

6.3 VOTING

For the purposes of voting as a member of the Classes, each Creditor shall have one vote for the purposes of determining a majority in number and each Creditor shall be entitled to one vote for each \$1.00 of its Provable Claim as allowed by the Debtor.

6.4 PROXIES AND VOTING LETTERS

Creditors will be entitled to vote at the Meeting by proxy or voting letter. The particulars with respect to voting by proxy or voting letter will be detailed in the Proof of Claim and will be binding upon all Creditors.

6.5 ADJOURNMENT OF MEETING

The Chair of the Meeting may in his or her discretion adjourn the Meeting upon such terms as are considered appropriate by the Chair upon notice to those persons present at the Meeting for the purposes of considering amendments to the Proposal contemplated in Article 7.

ARTICLE 7 AMENDMENTS AND MODIFICATIONS

7.1 AMENDMENT OF PROPOSAL

The Debtor reserves the right, with the consent of the Trustee, to amend this Proposal at any time and re-submit it to the Creditors and the Proposal may be amended among the Debtor and the Classes at any Meeting.

7.2 MODIFICATION OF PROPOSAL

After the Meeting, the Proposal may be modified from time to time:

- (a) if the amendment is considered by the Trustee and the Inspectors to be non-substantive in nature, with the approval of the Trustee and the majority of the Inspectors;
- (b) upon a vote conducted by the Trustee at a further Meeting and upon Court Approval; and
- (c) by the Court at any time on application of the Debtor or the Trustee and upon notice to those determined by the Debtor to be directly affected by the proposed modification, whether a Creditor or not.

7.3 WAIVERS

Any provision of the Proposal may be waived, with the consent of the Trustee, by a Creditor or the Class.

ARTICLE 8 APPROVAL ORDER and STAY OF PROCEEDINGS

8.1 APPLICATION FOR APPROVAL ORDER

Upon the conclusion of the Meeting if the Proposal has been approved by the Classes by the requisite percentages in relation both to numbers of Creditors and dollar amounts of Provable Claims of Creditors, the Debtor will forthwith apply to the Court for the Approval Order.

8.2 CONTINUATION OF THE STAY OF PROCEEDINGS

The stay of proceedings provided for in section 69.1(1) of the BIA will be continued in full force and effect until the Certificate of Full Performance is issued by the Trustee.

ARTICLE 9. COMPLIANCE PROVISIONS

9.1. THE DEBTOR'S TAX OBLIGATIONS

Until such date as all payment obligations described in Article 4 are paid, the Debtor shall:

- (a) file accurate and complete income tax returns as and when required to do so pursuant to the ITA, for each taxation year;
- (b) file all returns pursuant to the ETA as and when due for each taxation year; and
- (c) remit all amounts payable to the Receiver General as required by the ITA, ETA, the Canada Pension Plan, and the Employment Insurance Act, including all taxes, interest, and penalties assessed by the CRA, as and when required.

9.2 DISCLOSURE OBLIGATIONS

Until such date as all payment obligations under Article 4 are paid, the Debtor shall provide the Trustee with a copy of each Notice of Assessment or Notice of Reassessment issued to it by the CRA pursuant to the returns described in Section 9.1 of the Proposal if requested.

9.3 NOTICES OF ASSESSMENT OR REASSESSMENT

Nothing in this Proposal shall restrict or be deemed to restrict the Debtor's right to file objections to any assessments issued by the CRA or to file appeals of any assessments to the Tax Court of Canada.

ARTICLE 10 DEFAULT PERIOD

10.1 DEFAULT IN PERFORMANCE OF PROPOSAL

Where:

- (a) default is made in the performance of any provisions in this proposal;
- (b) the default is not waived by the inspectors, or if there are no inspectors, by the Trustee; and
- (c) the default is not remedied by the Debtor within 30 days (the "Default Period")

the Trustee shall within 30 days after the expiry of the Default Period, give notice to all creditors and the official receiver.

ARTICLE 11 GENERAL

11.1 RELEASE

Upon Completion of the Proposal, the following are released, discharged, settled and extinguished:

- a) all Provable Claims, actions, judicial proceedings, suits, claims, demands, debts, interest, penalties, obligations, liabilities, dues, accounts, loss, contracts, covenants; and
- b) all Reviewable Transactions.

whether express or implied, known or unknown, suspected or unsuspected, of every nature and kind whatsoever and however arising which the Creditors had, or may have had against the Debtor as of the Filing Date.

11.2 FURTHER ACTIONS

The Debtor will execute and deliver all such documents and instruments and do all such acts and things as may be necessary or desirable to carry out the full intent and meaning of the Proposal to give effect to the transactions contemplated hereby.

11.3 TRUSTEE'S FEES

In addition to payment of its fees as set out in paragraph 4.1(a) above, should the Proposal fail during its term, the Trustee may claim its full time and charges arising from its administration of the Proposal in any subsequent bankruptcy.

11.4 NOTICES

All notices, Proofs of Claim, and payments required or permitted or desired to be made pursuant to the Proposal shall be in writing and shall be delivered personally or by telecopy or mail by regular or registered or certified mail, return receipt requested, to the Debtor at the following address:

c/o Crowe MacKay & Company Ltd..
1100-1177 West Hasting Street
Vancouver, BC V6E 4T5

Attention: Derek Lai & Nelson Allan

Telephone: (604) 697 5257
Facsimile: (604) 687 5617
Email: trustee@crowemackay.ca

And if to a Creditor or Claimant, at its address set forth in the last Proof of Claim deposited with the Debtor.

11.5 DEEMING PROVISIONS

In this Proposal, the deeming provisions are not rebuttable and are conclusive and irrevocable.

11.6 SUCCESSORS AND ASSIGNS

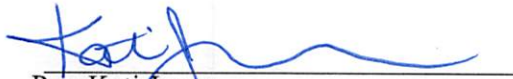
This Proposal is binding upon the Debtor, the Creditors and their respective heirs, executors, administrators, successors and assigns.


11.7 CERTIFICATE OF FULL PERFORMANCE

The Trustee shall issue a Certificate of Full Performance following receipt of all the payments required to be made by the Debtor under this Proposal.

SIGNED at the City of Vancouver in the Province of British Columbia, the 11 day of December, 2023.

En Route 24/7 Logistics Inc.


Per: Kati Jensen,
Authorized signatory


Witness

APPENDIX H

IN THE MATTER OF THE PROPOSAL OF
EN ROUTE 24/7 LOGISTICS INC.
OF THE CITY OF VANCOUVER, PROVINCE OF BRITISH COLUMBIA

CROWE MACKAY & COMPANY LTD. (the "Proposal Trustee")
Licensed Insolvency Trustee

DIVISION I PROPOSAL
MINUTES OF THE MEETING OF CREDITORS

Minutes of the meeting of creditors of En Route 24/7 Logistics Inc. (the "Company") held by video conference on January 16, 2024 commencing at 2:00PM PST.

Attendance

Derek Lai	Chairman, Crowe MacKay & Company Ltd.
Nelson Allan	Recording Secretary, Crowe MacKay & Company Ltd.
Kati Jensen	Company
Other Parties	See attached "Attendance List" (Appendix "A")

GENERAL

1. Mr. Derek Lai called the meeting to order at 2:01PM PST and introduced the parties present to the meeting.
2. Mr. Lai announced that he was acting as Chairman pursuant to Section 51(3) of the *Bankruptcy and Insolvency Act* ("BIA") and advised that any decision made as Chairman may be appealed in Court.
3. The Chairman advised that the purpose of this meeting was to reconvene the meeting adjourned on November 27, 2023. Further the Chairman reminded those in attendance that the November 27, 2023 meeting was adjourned at the request of the Canada Revenue Agency (the "CRA") for the purposes of the Company filing a provisional corporate income tax return, and to amend the proposal (the "Amended Proposal") to include a default clause. The Chairman advised that both requests from the CRA had been completed.
4. The Chairman advised that pursuant to Section 106(1) of the BIA, one creditor entitled to vote, or the representative of such a creditor, constitutes a quorum for a meeting of creditors. As there were 4 creditors present in person or by proxy, with duly filed proofs of claims, a quorum was reached.
5. The Chairman declared that a quorum existed, and the meeting was properly called and duly constituted.

6. The Chairman provided a summary of the claims filed against the Company. With respect to the claim filed by Engaged HR., the Chairman advised that this claim has been marked as 'contested to' but that creditor will be permitted to participate at the meeting subject to the claim later being determined.
7. The Chairman tabled the following documents at the meeting:
 - a. Notice of Intention to Make A Proposal;
 - b. First and Second Report of the Proposal Trustee to Court;
 - c. Amended Proposal;
 - d. Sworn Statement of Affairs;
 - e. Proof of mailing notice to all creditors of record;
 - f. Certificates of Filing issued by the OSB;
 - g. Claims Register;
 - h. Projected Cash Flow Statement;
 - i. Updated Projected Cash Flow Statement;
 - j. Trustee's Reports on the Projected Cash Flow Statements;
 - k. Notice of the Meeting of Creditors;
 - l. Trustee's Report to Creditors on the Proposal (the "Report"); and,
 - m. Estimated Realization Schedule.
8. The Chairman asked whether anyone in attendance wished for the Report to be read aloud. No one in attendance requested for the Report to be read aloud.
9. The Chairman asked whether any party had questions or would like to provide directions to the Trustee.

There were no questions or comments.

10. The Chairman advised that it was time to vote on the Proposal. The Chairman again provided a summary of the claims, proxies and voting letters received. Specifically, the Chairman advised that there were 4 voting letters received both voting in favour of the Proposal. As there was only 1 creditor in attendance with the ability to vote on the Proposal, being Mr. Arie Epstein as proxyholder for Engaged HR Inc., the Chairman asked how Mr. Epstein wished to vote.

Mr. Epstein advised that he would like to withdraw his claim. The Chairman explained that while he understood Mr. Epstein's intentions, that for the purposes of the meeting and the vote on the Proposal, that it made sense for Mr. Epstein to cast a vote and then formally withdraw his claim at a later point in view that a formal written withdrawal has not yet been provided to the Trustee. Mr. Epstein agreed, and cast a vote in favor of the Proposal.

VOTING SUMMARY

11. The Chairman provided the below summary of the votes received:

Crown Claims

	Number	Percentage (Number)	Dollar Amount	Percentage (Dollar Amount)
For	1	100%	\$443,540.40	100%
Against	0	0%	\$0.00	0%
Total	1	100%	\$443,540.40	100%

Unsecured Claims

	Number	Percentage (Number)	Dollar Amount	Percentage (Dollar Amount)
For	4	100%	\$185,978.91	100%
Against	0	0%	\$0.00	0%
Total	4	100%	\$185,978.91	100%

Attached as Appendix "B" is a detailed list of the voting information.

12. The Chairman advised that the voting outcome satisfied the requirements in both majority in number of the creditors present in person, by proxy or by voting letter, and two-thirds in dollar value as set out in the BIA. Accordingly, the Amended Proposal had been approved by the creditors.

APPOINTMENT OF INSPECTORS

13. The Chairman commented on the appointment of Inspectors pursuant to Section 116(1) of the BIA and advised that there could be up to five Inspectors. The Chairman advised that Inspectors act in their individual capacities to assist the general body of the creditors. The Chairman advised that inspectors cannot appoint someone else to represent them at the meeting and can resign if necessary at any time.
14. The Chairman called for nominations for Inspectors. Nobody volunteered to be an estate inspector.

OTHER MATTERS

15. The Chairman asked whether any party had questions or would like to provide directions to the Trustee.

Mr. Epstein wished Ms. Kati Jensen and the Company well.

There were no questions or comments.

16. The Chairman advised that the Proposal Trustee would be making an application to Court on the approval of the Proposal.

ADJOURNMENT

17. As there were no further matters to discuss, the Chairman adjourned the meeting at 2:18PM.



Mr. Derek Lai, Chairman



Mr. Nelson Allan, Recording Secretary

APPENDIX B

Crown Claims

Creditor Name	Claim Admitted for Voting	Vote (F/A)	Vote For (\$)	Vote Against (\$)
Canada Revenue Agency	443,540.40	F	443,540.40	-
Ministry of Finance	65,518.19		-	-
	<u>509,058.59</u>		<u>443,540.40</u>	<u>-</u>

Unsecured Claims

Creditor Name	Claim Admitted for Voting	Vote (F/A)	Vote For (\$)	Vote Against (\$)
ThinkFleet Management	46,822.26	F	46,822.26	-
Web to Door Corp	19,311.24	F	19,311.24	-
Engaged HR Inc.	12,556.40	F	12,556.40	-
Canada Revenue Agency	107,289.01	F	107,289.01	-
	<u>185,978.91</u>		<u>185,978.91</u>	<u>-</u>
	<u>695,037.50</u>		<u>629,519.31</u>	<u>-</u>