



**SUPREME COURT OF NOVA SCOTIA**

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

**- AND -**

**IN THE MATTER OF A PLAN OF COMPROMISE AND ARRANGEMENT OF BLUE LOBSTER  
CAPITAL LIMITED, 3284906 NOVA SCOTIA LIMITED, 3343533 NOVA SCOTIA LIMITED AND  
4318682 NOVA SCOTIA LIMITED**

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

**December 20, 2024**

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## 1.0 Introduction

1. Pursuant to an order (the “**Initial Order**”) issued by the Supreme Court of Nova Scotia (the “**Court**”) on December 13, 2024, Blue Lobster Capital Limited (“**Blue Lobster**”), 3284906 Nova Scotia Limited, 3343533 Nova Scotia Limited and 4318682 Nova Scotia Limited (collectively, the “**Companies**”) were granted protection under the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”), and KSV Restructuring Inc. (“**KSV**”) was appointed as monitor in these proceedings (the “**Monitor**”). A copy of the Initial Order is provided as **Appendix “A”**.
2. The comeback motion (the “**Comeback Motion**”) is to be heard today, December 20, 2024. The Monitor did not anticipate filing a report for this motion; however, it is filing this report (the “**First Report**”) on an urgent basis given recent developments in this matter.
3. This First Report provides: (i) an updated cash flow forecast for the period December 15, 2024 to March 15, 2025 (the “**Revised Cash Flow Forecast**”); and (ii) the Monitor’s recommendation regarding the length of the stay extension.
4. The Affidavit of Kevin Alexander Rice (the “**Rice Affidavit**”), the President of the Companies, affirmed November 27, 2024 provides, *inter alia*, background information concerning the Companies and their businesses, as well as the reasons that the Companies commenced these proceedings. This First Report also provides a summary of the Companies’ business and operations.
5. KSV is filing this First Report as Monitor.

## 1.1 Restrictions

1. In preparing this First Report, KSV has relied upon the Companies’ unaudited financial information, financial forecasts, books and records, information available in the public domain and discussions with the Companies’ management and advisors.
2. KSV has not audited or otherwise attempted to verify the accuracy or completeness of the financial information relied on to prepare this First Report in a manner that complies with Canadian Auditing Standards (“**CAS**”) pursuant to the Chartered Professional Accountants of Canada Handbook and, accordingly, KSV expresses no opinion or other form of assurance contemplated under the CAS in respect of such information. Any party wishing to place reliance on the financial information should perform its own diligence.
3. An examination of the Cash Flow Forecast as outlined in the Chartered Professional Accountants of Canada Handbook has not been performed. Future oriented financial information relied upon in this First Report is based upon assumptions regarding future events; actual results achieved may vary from this information and these variations may be material. KSV expresses no opinion or other form of assurance on whether the Cash Flow Forecast will be achieved.

## 1.2 Currency

1. All currency references in this First Report are in Canadian dollars.

## 2.0 Background

1. The Companies are private companies incorporated under the laws of Nova Scotia.
2. Blue Lobster is primarily a real estate investment company which owns several real properties in Nova Scotia. The primary business of the other Companies is the manufacture and sale of alcoholic beverages (including Ready-To-Drink beverages), including spirits, wine and cider. The Companies sell their beverages to the liquor boards in Ontario, Nova Scotia and Prince Edward Island as well as to restaurants and directly to consumers.
3. Based on the Companies' records, the Companies were indebted to Royal Bank of Canada ("**RBC**") as of November 23, 2024 in the amount of approximately \$6.1 million, including approximately \$900,000 under an operating line of credit and \$5.2 million under a term loan facility.
4. The Companies' head office is located at 61 Provost Street, New Glasgow, Nova Scotia. The Companies' business employs 84 individuals, including 46 individuals employed by an affiliate of the Companies.
5. Additional background information about the Companies is provided in the Rice Affidavit.

## 3.0 Revised Cash Flow Forecast

1. The Revised Cash Flow Forecast was necessitated because it was discovered that the manner in which cash was applied by RBC to the operating line immediately prior to the date of the Initial Order differed from the Companies' assumptions and presentation in the original cash flow forecast filed in these proceedings (the "**Original Forecast**"), resulting in a material variance.
2. The Monitor is not aware of any other material cash flow variances from the Original Forecast, aside from the issue raised in the prior paragraph.
3. The Revised Cash Flow Forecast reflects that the Companies are projected to have a cash flow deficit in late January 2025, and accordingly, that they will need to seek approval of debtor-in-possession financing ("**DIP Financing**") prior to that date.
4. The Monitor has been advised that the Companies intend to work with RBC as to the terms of a DIP Financing immediately. The Monitor has also been advised that the Companies have sourced DIP Financing from another party if RBC is not prepared to provide such a facility.
5. Copies of the Revised Cash Flow Forecast and the statutory report required pursuant to Section 10(2)(b) of the CCAA and the report required by the Monitor is included as **Appendix "B"**.

## 4.0 Stay Extension

1. As of the time this First Report was being finalized, discussions were ongoing between the Companies and RBC concerning the length of the stay extension. The Companies originally sought a 75-day extension with the consent of RBC, based on the Original Forecast. At this time, the Monitor understands RBC is taking the position an extension to January 15, 2025 is appropriate, whereas the Companies continue to seek a 75-day stay extension.
2. Due to the forecasted cash flow deficit, a motion may be required by around mid-January 2025 to approve DIP Financing. Accordingly, the Monitor supports an extension of the stay to at least January 15, 2025, and longer if both RBC and the Companies can agree on terms to alleviate the cash flow deficit in a manner acceptable to the Monitor.

## 5.0 Conclusion and Recommendation

1. Based on the foregoing, the Monitor supports extension of the stay of proceedings to at least January 15, 2025.

\* \* \*

All of which is respectfully submitted,

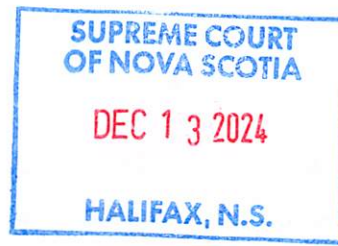
**KSV RESTRUCTURING INC., IN ITS CAPACITY AS MONITOR OF  
BLUE LOBSTER CAPITAL LIMITED, 3284906 NOVA SCOTIA LIMITED, 3343533 NOVA  
SCOTIA LIMITED AND 4318682 NOVA SCOTIA LIMITED  
AND NOT IN ITS PERSONAL OR CORPORATE CAPACITY**



**PER: BOBBY KOFMAN, PRESIDENT**

## **Appendix “A”**

2024



Hfx. No. 538745

**SUPREME COURT OF NOVA SCOTIA**

In the matter of the *Companies' Creditors Arrangement Act*, R.S.C 1985, c. C-36, as amended (the "CCAA")

And in the matter of an application by Blue Lobster Capital Limited, 3284906 Nova Scotia Limited, 3343533 Nova Scotia Limited and 4318682 Nova Scotia Limited (collectively, the "**Applicants**") for relief under s. 11 of the CCAA and other relief



**Initial Order**

Before the Honourable Justice D. Jamieson in chambers:

The Applicants propose to make a compromise or arrangement under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36 as amended (the "CCAA") and they applied for an initial order and, now or in the future, other relief under the CCAA as may be sought on notice of motion.

The following parties received notice of this application:

**The Service List attached hereto as Schedule "A"**

The following parties, represented by the following counsel, made submissions:

Party	Counsel
Applicants	Darren D. O'Keefe, O'Keefe & Sullivan Marc Dunning, Burchell Wickwire Bryson LLP
Royal Bank of Canada (" <b>RBC</b> ")	Maurice Chiasson, K.C. and Sara Scott, Stewart McKelvey
KSV Restructuring Inc.	Sharon Kour, Reconstruct LLP

On motion of the Applicants and upon reading the affidavit of Kevin Alexander Rice sworn November 27, 2024 (the "**Rice Affidavit**") and the Exhibits thereto, the affidavit of Marc Dunning sworn on November 27, 2024 (the "**Dunning Affidavit**") and on being advised that the secured creditors who are likely to be affected by the charges created herein were given notice, and on hearing the submissions of counsel for the Applicants and such other counsel as appeared, with all parties being duly served as appears from the affidavits of service of Marc Dunning sworn 11 December 2024 and 12 December 2024 and on reading the Pre-Filing Report of KSV Restructuring Inc. dated 27 November 2024 the Supplement to the Pre-Filing Report of KSV Restructuring Inc. dated December 10, 2024, and their consent act as the Monitor attached to the within application, the following is ordered and declared:

**Service:**

1. The service of the notice of application in chambers, and the supporting documents, as set out in the affidavit of service is hereby deemed adequate notice so that the motion is properly returnable today and further service thereof is hereby dispensed with.

**Application:**

2. The Applicants are companies to which the CCAA applies.

**Plan of Arrangement:**

3. The Applicants, in consultation with the Monitor, shall have the authority to file and may, subject to further order of this Court, file with this Court a plan of compromise or arrangement (the "**Plan**").

**Possession of Property and Operations:**

4. The Applicants shall remain in possession and control of their current and future assets, undertakings, and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the "**Property**"). Subject to further order of this Court, the Applicants shall continue to carry on business in a manner consistent with the preservation of their business (the "**Business**") and Property. The Applicants shall be authorized and empowered to continue to retain and employ consultants, agents, experts, accountants, counsel, and such other persons (collectively "**Assistants**") and the employees currently



retained or employed by it, with liberty to retain such further Assistants as it deems reasonably necessary or desirable in the ordinary course of business or for the carrying out of the terms of this Order.

5. The Applicants shall be entitled but not required to pay the following expenses whether incurred prior to or after this Order:

- a. all outstanding and future wages, salaries, employee and pension benefits, vacation pay, and expenses payable to employees who continue to provide service on or after the date of this Order ("**Active Employees**"), in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements; and
- b. all existing and future employee health, dental, life insurance, short- and long-term disability and related benefits (collectively, the "Group Benefits") payable on or after the date of this Order to Active Employees, in each case incurred in the ordinary course of business and consistent with existing policies and arrangements or such amended policies and arrangements as are necessary or desirable to deliver the existing Group Benefits;
- c. with prior written approval of the Monitor, the fees and disbursements for any Assistants retained or employed by the Applicants in respect of these proceedings, at their reasonable standard rates and charges.

6. Except as otherwise provided to the contrary herein, the Applicants shall be entitled but not required pay all reasonable expenses incurred by the Applicants in carrying on the Business in the ordinary course after this Order, and in carrying out the provisions of this Order, which expenses shall include, without limitation:

- a. all expenses and capital expenditures reasonably necessary for the preservation of the Property or the Business including, without limitation, payments on account of insurance including directors and officers insurance, maintenance, and security services; and
- b. payment for goods or services actually supplied to the Applicants prior to and following the date of this Order, provided that to the extent such expenses were incurred prior to the date of this Order, the Applicants shall only be entitled to pay

such amounts if they are determined by the Applicants, in consultation with the Monitor, to be necessary to the continued operation of the Business or preservation of the Property and such payments are approved in advance by the Monitor or by further Order of this Court. Notwithstanding the foregoing, any such payments shall not exceed the amount of \$125,000.00.

7. The Applicants shall remit or pay, in accordance with legal requirements or on terms as may be agreed to between the Applicants and the applicable authority:

- a. any statutory deemed trust amounts in favour of the Crown in right of Canada or of any Province thereof or any other taxation authority which are required to be deducted from employees' wages, including, without limitation, amounts in respect of: i) employment insurance, ii) Canada Pension Plan, iii) Quebec Pension Plan, and iv) income taxes;
- b. all goods and services or other applicable sales taxes (collectively, "**Sales Taxes**") required to be remitted by the Applicants in connection with the sale of goods and services by the Applicants, but only where such Sales Taxes are accrued or collected after the date of this Order, or where such Sales Taxes were accrued or collected prior to the date of this Order but not required to be remitted until on or after the date of this Order; and
- c. any amount payable to the Crown in right of Canada or of any Province or any regulatory or administrative body or any other authority, in all cases in respect of municipal realty, municipal business, or other taxes, assessments or levies of any nature or kind which are: i) entitled at law to be paid in priority to claims of secured creditors; ii) attributable to or in respect of the ongoing Business carried on by the Applicants; and iii) payable in respect of the period commencing on or after the date of this Order.

8. Until such time as a real property lease is disclaimed in accordance with the CCAA, the Applicants shall pay all amounts constituting rent or payable as rent under real property leases, including, for greater certainty, common area maintenance charges, utilities and realty taxes, and any other amounts payable to the landlord under the lease, or as otherwise may be negotiated between the Applicants and the landlord from time to time ("**Rent**"), for the period commencing from and including the date of this Order, in accordance with its existing lease

agreements. On the date of the first of such payments, any arrears relating to the period commencing from and including the date of this Order shall also be paid.

9. Except as specifically permitted herein or by further order of this Court, the Applicants are hereby directed, until further order of this Court: i) to make no payments of principal, interest thereon or otherwise on account of amounts owing by the Applicants to any of their respective creditors as of this date without prior written consent of the Monitor; ii) to grant no security interests, trusts, liens, charges, or encumbrances upon or in respect of any of its Property; and iii) to not grant credit or incur liabilities except in the ordinary course of the Business or with the prior written approval of the Monitor.

**Restructuring:**

10. The Applicants shall, subject to such requirements as are imposed by the Monitor and under any agreements for debtor in possession financing which may be granted, have the right to:

- a. permanently or temporarily cease, downsize or shut down any of its business or operations; and
- b. pursue all avenues of refinancing of its Business or Property, in whole or part, subject to prior approval of this Court being obtained before any refinancing.

**No Proceedings Against the Applicants or the Property:**

11. Until and including December <sup>23 DJ.</sup> 21, 2024, or such later date as this Court may order (the "**Stay Period**"), no claim, grievance, application, action, suit, right or remedy, or proceeding or enforcement process in any court, tribunal, or arbitration association (each, a "**Proceeding**") shall be commenced, continued, or enforced against or in respect of any of the Applicants or the Monitor, or affecting the Business or the Property, except with the written consent of the Applicants and the Monitor, or with leave of this Court, and any and all Proceedings currently under way against or in respect of the Applicants or affecting the Business or the Property are hereby stayed and suspended pending further order of this Court.

**No Exercise of Rights or Remedies:**

12. During the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being

"Persons" and each being a "Person") against or in respect of the Applicants or the Monitor, or affecting the Business or the Property, are hereby stayed and suspended except with the written consent of the Applicants and the Monitor, or leave of this Court, provided that nothing in this Order shall i) empower the Applicants to carry on any business which the Applicants are not lawfully entitled to carry on; ii) affect such investigations, actions, suits or proceedings by a regulatory body as are permitted by section 11.1 of the CCAA; iii) exempt the Applicants from compliance with statutory or regulatory provisions relating to health, safety, or the environment; iv) prevent the filing of any registration to preserve or perfect a security interest; or v) prevent the registration of a claim for lien and the related filing of an action to preserve the right of a lien holder, provided that the Applicants shall not be required to file a defence during the stay period.

**No Interference with Rights:**

13. During the Stay Period, no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate, or cease to perform any right, renewal right, contract, agreement, licence, or permit in favour of or held by the Applicants, including but not limited to renewal rights in respect of existing insurance policies on the same terms, except with the written consent of the Applicants and the Monitor, or leave of this Court.

**Continuation of Services:**

14. During the Stay Period, all Persons having oral or written agreements with the Applicants or statutory or regulatory mandates for the supply of goods or services, including without limitation all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility, or other services to the Business or the Applicants, are hereby restrained until further order of this Court from discontinuing, altering, interfering with, or terminating the supply of such goods or services as may be required by the Applicants, and the Applicants shall be entitled to the continued use of its current premises, telephone numbers, facsimile numbers, internet addresses, and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Applicants in accordance with normal payment practices of the Applicants or such other practices as may be agreed upon by the supplier or service provider and each of the Applicants and the Monitor, or as may be ordered by this Court.

**Non-Derogation of Rights:**

15. Notwithstanding anything else contained herein, no Person shall be prohibited from requiring immediate payment for goods, services, use of leased or licensed property, or other valuable consideration provided on or after the date of this Order, nor shall any Person be under any obligation on or after the date of this Order to advance or re-advance any monies or otherwise extend any credit to the Applicants.

**Proceedings Against Directors and Officers:**

16. During the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA, no Proceeding may be commenced or continued against any of the former, current, or future directors or officers of the Applicants with respect to any claim against the directors or officers that arose before the date hereof and that relates to any obligations of the Applicants whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers for the payment or performance of such obligations, until a compromise or arrangement in respect of the Applicants, if one is filed, is sanctioned by this Court or is refused by the creditors of the Applicants or this Court, these proceedings are dismissed by final order of this Court, or with leave of this Court.

**Appointment of Monitor:**

17. KSV Restructuring Inc. is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the Business and financial affairs of the Applicants, the Property, and the Applicants' conduct of the Business with the powers and obligations set out in the CCAA or set forth herein and the Applicants and its shareholders, officers, directors, employees and Assistants shall advise the Monitor of all material steps taken by the Applicants pursuant to this Order, cooperate fully with the Monitor in the exercise of its powers and discharge of its obligations, and provide the Monitor with the assistance that is necessary to enable the Monitor to adequately carry out the Monitor's functions.

18. The Monitor, in addition to its prescribed rights and obligations under the CCAA, is hereby directed and empowered to:

- a. monitor the Applicant's receipts and disbursements;

- b. report to this Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, the activities of the Applicants, and such other matters as may be relevant to the proceedings herein;
- c. advise the Applicants in its development of the Plan and any amendments to the Plan, and, to the extent deemed appropriate by the Monitor, assist in its negotiations with creditors, customers, vendors, and other interested Persons;
- d. assist the Applicants, to the extent deemed appropriate by the Monitor, with the holding and administering of creditors' or shareholders' meetings for voting on the Plan;
- e. have full and complete access to the Property, including the premises, books, records, data, including data in electronic form, and other financial documents and to the Business of the Applicants, to the extent that is necessary to adequately assess the Applicant's Business and financial affairs or to perform its duties arising under this Order;
- f. be at liberty to engage independent legal counsel or such other persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order, including any affiliate of, or person related to the Monitor;
- g. be at liberty to perform such other duties as are required by this Order or by this Court from time to time.

19. The Monitor shall not take possession of the Property and shall take no part whatsoever in the management or supervision of the management of the Business and shall not, by fulfilling its obligations hereunder, be deemed to have taken or maintained possession or control of the Business or Property, or any part thereof.

20. Nothing herein contained shall limit the protections afforded the Monitor at law including those protections set out in the CCAA.

21. Nothing herein shall require the Monitor to occupy or to take control, care, charge, possession or management (separately and/or collectively, "**Possession**") of any of the

Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Nova Scotia Environment Act*, the *Nova Scotia Water Resources Protection Act*, or the *Nova Scotia Occupational Health and Safety Act* and regulations thereunder (the "**Environmental Legislation**"), provided however that nothing herein shall exempt the Monitor from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Monitor shall not, as a result of this Order or anything done in pursuance of the Monitor's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

22. The Monitor shall provide any creditor of the Applicants with information provided by the Applicants in response to reasonable requests for information made in writing by such creditor addressed to the Monitor. The Monitor shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Monitor has been advised by the Applicants is confidential, the Monitor shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Monitor and the Applicants may agree.

23. The Monitor, counsel to the Monitor, and all counsel to the Applicants shall be paid their reasonable fees and disbursements, in each case not to exceed their standard rates and charges, by the Applicants as part of the costs of these proceedings. The Applicants are hereby authorized and directed to pay the accounts of the Monitor, counsel for the Monitor and counsel for the Applicants on a semi-monthly basis and, in addition, the Applicants are hereby authorized to pay to the Monitor, counsel to the Monitor, and counsel to the Applicants, retainers to be held by them as security for payment of their respective fees and disbursements outstanding from time to time.

24. The Monitor and its legal counsel shall pass their accounts from time to time before a judge of this court or a referee appointed by a judge.

25. The Monitor, counsel to the Monitor, if any, and the Applicant's counsel shall be entitled to the benefit of and are hereby granted a charge (the "**Administration Charge**") on the Property, which charge shall not exceed an aggregate amount of \$175,000, as security for their

professional fees and disbursements incurred at the standard rates and charges of the Monitor and such counsel, both before and after the making of this Order in respect of these proceedings. The Administration Charge shall have the priority set out in paragraph 27 hereof.

26. The filing, registration or perfection of the Administration Charge shall not be required, and that the Administration Charge shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Administration Charge coming into existence, notwithstanding any such failure to file, register, record or perfect.

27. The Administration Charge shall constitute a charge on the Property of the Applicants and shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise (collectively, "Encumbrances") in favour of any Person.

28. That except as otherwise expressly provided for herein, or as may be approved by this Court, the Applicants shall not grant any further Encumbrances over any Property that ranks in priority to, or *pari passu* with the Administration Charge, unless the Applicants also obtain the prior written consent of the Monitor, RBC and the beneficiaries of the Administration Charge, or further Order of this Court.

29. The Administration Charge shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Administration Charge (collectively, the "Chargees") shall not otherwise be limited or impaired in any way by (a) the pendency of these proceedings and the declarations of insolvency made herein; (b) any application(s) for bankruptcy order(s) issued pursuant to BIA, or any bankruptcy order made pursuant to such applications; (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (d) the provisions of any federal or provincial statutes; or (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an "Agreement") which binds the Applicants, and notwithstanding any provision to the contrary in any Agreement:

- a. the creation of the Administration Charge shall not create or be deemed to constitute a breach by the Applicant of any Agreement to which it is a party;



- b. none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the creation of the Administration Charge; and
- c. the payments made by the Applicant pursuant to this Order and the granting of the Administration Charge, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

30. That any charge created by this Order over leases of real property in Canada shall only be a charge in the Applicants' interest in such real property leases.

**Refinance or Sale Process:**

31. That the Applicants with the assistance of the Monitor are hereby authorized and empowered to take such steps as are deemed necessary or desirable to, subject the approval of this Court, carry out and perform a refinancing transaction whereby the Applicants' obligations to RBC (as they exist at the time of any repayment, including all accrued interest, professional costs and other costs) are repaid in full, or such other transaction satisfactory to RBC (the "Refinancing Process"), and in so doing the Monitor shall incur no liability or obligation as a result of assisting the Applicants with the Refinancing Process or in carrying out the other provisions of this Order, save and except for gross negligence or willful misconduct on its part. Any payments made by the Applicants pursuant to this paragraph and any Order of this Court do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law and shall be received by RBC free and clear of the claims of other creditor of the Applicants.

**Service and Notice:**

32. The Monitor shall: i) without delay, publish in a notice containing the information prescribed under the CCAA, ii) within five days after the date of this Order, (A) make this Order publicly available in the manner prescribed under the CCAA, (B) send, in the prescribed manner, a notice to every known creditor who has a claim against the Applicants of more than \$1,000, and (C) prepare a list showing the names and addresses of those creditors and the estimated amounts of those claims, and make it publicly available in the prescribed manner, all in accordance with section 23(1)(a) of the CCAA and the regulations made thereunder.

33. The Applicants and the Monitor may give notice of this Order, any other materials and orders in these proceedings, and any notices, and provide correspondence, by forwarding originals or true copies by prepaid ordinary mail, courier, personal delivery, or electronic transmission to the Applicant's creditors or other interested parties at their respective addresses as last shown on the records of the Applicants and any such notice by courier, personal delivery, or electronic transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

34. The Applicants and the Monitor, and any party who has filed a demand of notice may serve any court materials in these proceedings by e-mailing a PDF or other electronic copy of such materials to counsel's e-mail addresses as recorded on the service list from time to time, and the Monitor may post a copy of any or all such materials on its website at <https://www.ksvadvisory.com/experience/case/blue>.

**General:**

33. The Applicants or the Monitor may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

34. Nothing in this Order shall prevent the Monitor from acting as an interim receiver, a receiver, a receiver and manager, construction lien trustee, or a trustee in bankruptcy of the Applicants, the Business or the Property.

35. The aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction outside Nova Scotia, is requested to give effect to this Order and to assist the Applicants, the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, and regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Applicants and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Applicants and the Monitor and their respective agents in carrying out the terms of this Order.

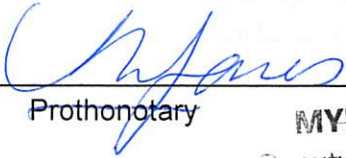
36. Each of the Applicants and the Monitor may apply to any court, tribunal, or regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and the Monitor may act as a representative in respect of


the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

37. Any interested party, including the Applicants and the Monitor, may apply to this Court to vary or amend this Order on such notice required under the *Civil Procedure Rules* or as this Court may order.

38. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. Atlantic Standard Time on the date of this Order.

Issued December 13 2024.

  
\_\_\_\_\_  
Prothonotary **MYRA JANES**  
Deputy Prothonotary

IN THE SUPREME COURT  
COUNTY OF HALIFAX, N.S.  
I hereby certify that the foregoing document,  
identified by the seal of the court, is a true  
copy of the original document on the file herein.  
  
DEC 13 2024  
  
  
Deputy Prothonotary

**MYRA JANES**  
Deputy Prothonotary

## Schedule "A"

### Service List

Name	Contact
<p><b>Blue Lobster Capital Limited</b> <b>3284906 Nova Scotia Limited</b> <b>3343533 Nova Scotia Limited</b> <b>4318682 Nova Scotia Limited</b></p> <p><b>Applicants</b></p>	<p><b>Darren O'Keefe, Lawyer for the Applicants</b> O'Keefe Sullivan 80 Elizabeth Avenue, Suite 202 St, John's, NL A1A 1W7 Email: dokeefe@okeefesullivan.com</p> <p><b>Marc Dunning, Lawyer for the Applicants</b> <b>(Local Counsel)</b> Burchell Wickwire Bryson LLP 1900-1801 Hollis Street Halifax, NS B3J 3N4 Email: mdunning@bwblp.ca</p>
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## **Appendix “B”**

Notes	Week ending	Week 1 2024-12-21	Week 2 2024-12-28	Week 3 2025-01-04	Week 4 2025-01-11	Week 5 2025-01-18	Week 6 2025-01-25	Week 7 2025-02-01	Week 8 2025-02-08	Week 9 2025-02-15	Week 10 2025-02-22	Week 11 2025-03-01	Week 12 2025-03-08	Week 13 2025-03-15	Total
	<b>Opening Cash Balance</b>	206,890	118,603	239,844	66,016	64,731	174,375	101,508	209,631	142,110	257,618	164,742	253,628	160,660	206,890
	<b>LoC Available</b>	120,000	120,000	120,000	120,000	120,000	60,000	-	-	-	-	-	-	-	-
	<b>Total Cash Available</b>	326,890	238,603	359,844	186,016	184,731	114,375	101,508	209,631	142,110	257,618	164,742	253,628	160,660	326,890
	<b>Cash Inflows</b>														
1	Trade Sales	132,511	168,123	35,154	81,000	126,000	128,500	126,000	148,000	148,000	160,500	158,000	159,500	159,500	1,730,788
2	Direct Sales	22,947	19,500	21,500	24,487	24,487	24,487	31,258	32,258	32,258	32,258	32,258	32,258	32,258	362,213
3	Shopify	11,774	5,150	5,150	5,150	5,150	5,150	6,150	6,150	6,150	6,150	6,150	6,150	6,150	79,574
4	Other Sales	9,960	9,251	9,251	9,251	9,251	9,251	16,640	16,640	16,640	16,640	16,640	16,640	16,640	165,309
	<b>RBC Line of Credit</b>	-	-	-	-	60,000	60,000	-	-	-	-	-	-	-	120,000
	<b>Total Cash Inflows</b>	177,192	202,024	71,055	119,888	224,888	227,388	171,659	203,048	203,048	215,548	213,048	214,548	214,548	2,457,884
	<b>Cash Outflows</b>														
5	Salaries, wages, and benefits	108,421	-	73,421	-	73,421	-	73,421	-	73,421	-	73,421	-	73,421	548,950
	Payroll - CRA source remittances	15,325	7,239	-	7,239	15,873	7,239	-	7,239	15,873	7,239	10,000	7,239	15,873	116,378
	Equitable Life Benefits	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Professional Fees:	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Professional Fees - Legal Counsel	15,840	-	-	-	40,000	-	-	-	40,000	-	-	-	40,000	135,840
	Professional Fees - Monitor	-	-	-	-	48,000	-	-	-	48,000	-	-	-	48,000	144,000
	Professional Fees - Monitor Legal Counsel	-	-	-	-	40,000	-	-	-	40,000	-	-	-	40,000	120,000
	Professional Fees - Review Engagement	29,957	-	-	-	-	-	-	-	-	-	-	-	-	29,957
	Professional Fees - Accounting	-	-	19,000	-	-	-	16,500	-	-	-	16,500	-	-	52,000
	Professional Fees - RBC Legal	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Rent	-	-	6,356	-	-	-	-	6,356	-	-	6,356	-	4,920	23,988
	HST	-	-	-	-	-	-	75,000	-	-	-	75,000	-	-	150,000
	Excise Tax	-	-	-	-	-	-	30,000	-	-	-	30,000	-	-	60,000
6	<b>RBC LoC and Debt Servicing</b>														
	General Operating Expenses	4,877	10,960	3,006	23,434	11,131	7,500	7,006	18,776	7,606	8,777	7,001	10,654	7,002	127,728
	Inventory & Raw Materials Purchases	81,059	37,584	80,100	27,500	112,569	46,782	52,855	78,156	68,656	81,656	58,656	78,687	89,187	893,448
7	Advertising & Promotion	-	-	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	110,000
	Contingency	10,000	25,000	53,000	53,000	53,000	23,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	322,000
	<b>Total Cash Outflows</b>	265,479	80,783	244,883	121,173	403,994	94,521	279,782	135,527	318,556	122,672	301,935	121,580	343,404	2,834,289
	Intercompany Transfers	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Cash surplus (deficit)</b>	-	88,287	121,241	173,828	1,285	179,106	132,867	108,123	67,521	115,508	92,876	88,886	92,968	376,405
	<b>Cumulative cash surplus (deficit)</b>	-	88,287	32,955	140,873	142,158	321,265	188,398	296,521	229,000	344,507	251,631	340,518	247,550	376,405
	<b>Ending Cash + LoC Available</b>	238,603	359,844	186,016	184,731	5,625	18,492	209,631	142,110	257,618	164,742	253,628	160,660	289,516	-

**Notes to Cash Flow Forecast**

**Purpose** This statement of projected cash flow (the "Forecast") has been prepared on a consolidated basis in respect of Blue Lobster Capital Limited, 3284906 Nova Scotia Limited, 3343533 Nova Scotia Limited and 4318682 Nova Scotia Limited in accordance with section 23(1)(b) of the Companies Creditors' Arrangement Act ("CCAA") for the period December 15, 2024 to March 15, 2025 (the "Period").

- Note 1** Trade Sales refers to sales to liquor boards including NSLC, PEI, and LCBO  
Payments up to Dec 13 are based on purchase orders fulfilled  
Payment amounts after Dec 14 are based on average prior year December sales
- Note 2** Direct Sales refers to sales to direct customers including restaurants  
Payment are based on average prior year December sales; payment terms for 85% of sales are on receipt
- Note 3** Shopify Sales refers to sales made to direct customers through web or in store retail  
Sales is calculated as average \$10,000 per week based on historical results; payment terms are due on receipt/cash basis
- Note 4** Other Sales refers to sales to private liquor stores  
Payment are based on average prior year December sales; payment terms vary
- Note 5** Future payroll is based on the last payroll run
- Note 6** Payments are scheduled for prior to Dec. 1
- Note 6** For the purposes of this model we are assuming that credit card amounts owing as of the filing date are not being serviced.  
Debt service has not been included in the model including loans, mortgages, credit cards).
- Note 7** Advertising and promotion expenses are based on 75% of prior year average expenditures for the period.



**SUPREME COURT OF NOVA SCOTIA  
IN BANKRUPTCY AND INSOLVENCY**

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

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR  
ARRANGEMENT OF BLUE LOBSTER CAPITAL LIMITED,  
3284906 NOVA SCOTIA LIMITED, 3343533 NOVA SCOTIA  
LIMITED AND 4318682 NOVA SCOTIA LIMITED**

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

The management of Blue Lobster Capital Limited, 3284906 Nova Scotia Limited, 3343533 Nova Scotia Limited and 4318682 Nova Scotia Limited (collectively, the "**Applicants**") has developed the assumptions and prepared the attached consolidated statement of projected cash flow as of the 18th day December, 2024, for the period December 15, 2024 to March 15, 2025 (the "**Cash Flow Forecast**"). All such assumptions are disclosed in the notes to the Cash Flow Forecast.

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

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

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

Dated at Halifax, NS this 20th day of December, 2024.

**BLUE LOBSTER CAPITAL LIMITED, 3284906 NOVA SCOTIA LIMITED, 3343533 NOVA  
SCOTIA LIMITED AND 4318682 NOVA SCOTIA LIMITED**



Per: Alex Rice

**SUPREME COURT OF NOVA SCOTIA  
IN BANKRUPTCY AND INSOLVENCY**

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

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR  
ARRANGEMENT OF BLUE LOBSTER CAPITAL LIMITED,  
3284906 NOVA SCOTIA LIMITED, 3343533 NOVA SCOTIA  
LIMITED AND 4318682 NOVA SCOTIA LIMITED**

**PROPOSED MONITOR'S REPORT ON CASH FLOW  
STATEMENT**

(paragraph 23(1)(b) of the CCAA)

The attached consolidated statement of projected cash-flow of Blue Lobster Capital Limited, 3284906 Nova Scotia Limited, 3343533 Nova Scotia Limited and 4318682 Nova Scotia Limited (collectively, the "**Applicants**") as of the 18<sup>th</sup> day of December, 2024, consisting of a weekly projected cash flow statement for the period December 15, 2024 to March 15, 2025 (the "**Cash Flow Forecast**") has been prepared by the management of the Applicants for the purpose described in the Cash Flow Forecast, using probable and hypothetical assumptions set out in the notes to the Cash Flow.

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

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

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

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

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

Dated at Toronto, ON this 20th day of December, 2024.

A handwritten signature in blue ink that reads "KSV Restructuring Inc.".

**KSV RESTRUCTURING INC.,**

solely in its capacity as proposed monitor of

Blue Lobster Capital Limited, 3284906 Nova Scotia Limited, 3343533 Nova Scotia Limited and  
4318682 Nova Scotia Limited