

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

IN THE MATTER OF THE PROPOSAL OF
1348441 ONTARIO INC.
OF THE CITY OF MISSISSAUGA
IN THE PROVINCE OF ONTARIO

FIRST REPORT OF DODICK LANDAU INC.
AS PROPOSAL TRUSTEE OF 1348441 ONTARIO INC.

APRIL 20, 2020

INTRODUCTION

1. On March 26, 2020 (the “**Filing Date**”), 1348441 Ontario Inc. (o/a Solutions Your Organized Living Store) (the “**Debtor**”) filed with the Official Receiver a Notice of Intention to Make a Proposal (“**NOI**”) to its creditors pursuant to section 50.4 of the *Bankruptcy and Insolvency Act* (the “**BIA**”) and named Dodick Landau Inc. (“**DLI**”) as Proposal Trustee (the “**Proposal Trustee**”). A copy of the NOI and certificate of filing are attached hereto and marked as **Appendix “A”**.
2. A detailed overview of the Debtor’s business operations, its creditors and financial difficulties which led to the filing of the NOI is set out in the Affidavit of Gurmej (Rick) Walia sworn April 17, 2020 (the “**Walia Affidavit**”), served and filed with the Court in support of the Debtor’s motion for the relief set out herein.
3. All capitalized terms used in this Report but not otherwise defined shall have the meaning ascribed to such terms in the Walia Affidavit.

4. This first report (the “**Report**”) of the Proposal Trustee is made in connection with the motion of the Debtor to:
 - i. abridge the time for service of the Notice of Motion, the Motion Record and this Report and dispensing with service on any other person other than those served;
 - ii. authorize the Debtor to enter into a debtor-in-possession loan in the maximum amount of \$500,000 pursuant to a term sheet (“**DIP Term Sheet**”) with Mr. Walia, as lender (the “**DIP Lender**”), approving the DIP Term Sheet and granting the DIP Lender a super priority charge on all of the Debtor’s property, assets and undertakings as security for all of the Debtor’s obligations to the DIP Lender under the DIP Term Sheet;
 - iii. extend the time for filing a proposal, and extend the stay of proceedings granted upon the filing of the NOI, for a period of 45-days to, and including, June 9, 2020;
 - iv. seek an order granting a charge (the “**Administration Charge**”) in an amount not to exceed \$100,000 in favour of the Debtor’s legal counsel, the Proposal Trustee and its legal counsel to secure payment of their reasonable fees and disbursements; and
 - v. approve the activities of the Proposal Trustee as set out in this Report.

DISCLAIMER

5. In preparing this Report, the Proposal Trustee has relied upon certain unaudited, draft and/or internal financial information, the Company’s books and records, discussions with the management of the Company (“**Management**”) and information from other third-party sources (collectively, the “**Information**”). Except as described in this Report:
 - i. 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 Generally Accepted Assurance Standards pursuant to the Canadian Institute of Chartered Accountants Handbook and, accordingly, the Proposal Trustee expresses no opinion or other form of assurance in respect of the Information;

- ii. some of the information referred to in this Report consists of forecasts and projections. An examination or review of the financial forecast and projections, as outlined in the Canadian Institute of Chartered Accountants handbook, has not been performed; and
 - iii. the Proposal Trustee has prepared this Report in its capacity as a Court appointed officer and will make a copy of this Report available on the Proposal Trustee's website at www.dodick.ca for purposes of the Company's motion returnable April 22, 2020. Parties using this Report, other than for the purpose of the motion, are cautioned that it may not be appropriate for their purposes.
6. Future oriented financial information referred to in this Report was prepared based on Management's estimates and assumptions. Readers are cautioned that since projections are based upon assumptions about future events and conditions that are not ascertainable, the actual results will vary from the projections, even if the assumptions materialize, and the variations could be significant.
7. Unless otherwise stated, all monetary amounts contained herein are in Canadian dollars.

CREDITORS

Employee Priority Claims

8. As at March 26, 2020, the date of the NOI, there were approximately 150 employees of the Debtor with unpaid wages and vacation pay totaling approximately \$80,000. This amount would be subject to super-priority in the BIA pursuant to sections 81.3 in the case of a bankruptcy and a preferred claim pursuant to section 60(1.3)(a) of the BIA in the case of a Proposal.

Scotiabank

9. On June 25, 2018, the Bank of Nova Scotia ("**Scotiabank**") and the Debtor entered into a commitment letter (the "**Commitment Letter**"). As security for its obligations to Scotiabank, the Debtor executed a general security agreement in favour of Scotiabank, granting to Scotiabank a security interest in all of the Debtor's present and after acquired personal property, which security is registered against the Debtor pursuant to the Ontario *Personal Property Security Act* (the "**PPSA**").

10. Pursuant to the Commitment Letter, Scotiabank made various credit facilities available to the Debtor, which facilities were drawn on by the Debtor. As at the Filing Date, the Debtor was indebted to Scotiabank under the Commitment Letter in the approximate aggregate amounts of (CAD) \$5,456,981 and (USD) \$390,821 (the “**Scotiabank Indebtedness**”).
11. The related party which owns the real property in which the head office/distribution centre is located, 1008314 Ontario Limited (“**100**”), also guaranteed the Scotiabank Indebtedness (the “**Guarantor**”).
12. Immediately prior to the filing of the NOI, Scotiabank issued demands for repayment and notices under Section 244 of the BIA as against the Debtor and the Guarantor. The Debtor had previously engaged in discussions with Scotiabank and waived the notice period under the Section 244 notices on the understanding that Scotiabank would support the Debtor’s efforts to restructure its business and enter into a formal forbearance (the “**Forbearance Agreement**”) with the Debtor to facilitate its restructuring efforts through the NOI and proposal periods.
13. Key terms of the Forbearance Agreement include, among other things:
 - i. Scotiabank shall grant the Debtor day to day forbearance and credit which may be terminated by Scotiabank with no further notice, and in Scotiabank’s absolute discretion;
 - ii. the Debtor agrees to DLI also acting as monitor on behalf of Scotiabank;
 - iii. the Debtor shall file its Proposal on or before June 10, 2020;
 - iv. the Debtor shall complete an appraisal of its inventory showing a liquidation value and provide copy of same to Scotiabank on or before July 1, 2020;
 - v. the Debtor will have a firm commitment from a lender for refinancing by July 1, 2020 with a closing date of no later than August 13, 2020 (the “**Forbearance Termination Date**”) and in a sum sufficient to satisfy the Scotiabank Indebtedness in full; and
 - vi. the Debtor shall pay the Employee Priority Claims in full by no later than the Forbearance Termination Date.

Related Party Loans

14. According to Management, pursuant to various loans, the Debtor is indebted to Mr. Walia personally in the aggregate amount of approximately \$6.3 million (“**Related Party Loans**”). The Related Party Loans were excluded from the initial creditor list provided by the Debtor to the Proposal Trustee and, therefore, were not included on the creditor list appended to the NOI.
15. The Related Party Loans are secured by a general security agreement executed by the Debtor, and registered pursuant to the PPSA, on March 17, 2020. Based on the Proposal Trustee’s review of the Debtor’s financial statements, the Proposal Trustee understands that the Related Party Loans existed prior to March 17, 2020, however, it appears they were unsecured until March 17, 2020. Accordingly, it appears that the security granted in respect to the Related Party Loans is subordinate to Scotiabank’s security and the Employee Priority Claims which have a super-priority.

Unsecured Creditors

16. As at the date of the NOI, the Debtor owed 179 unsecured creditors approximately \$1.0 million.

INTERIM FINANCING

17. Mr. Walia, in his capacity as the proposed DIP Lender has offered to make available to the Debtor, a debtor-in-possession loan in the maximum amount of \$500,000 (the “**DIP Loan**”) pursuant to the terms of the DIP Term Sheet, to fund the Debtor’s financial needs and anticipated cash shortfall, as provided for in the Cash Flow Forecast prepared by the Debtor (defined and discussed further herein).
18. It is a fundamental term of the DIP Term Sheet that the Court grant an order on terms acceptable to the DIP Lender, including the granting of a charge in favour of the DIP Lender (the “**DIP Lender’s Charge**”), which charge will rank behind only the Administration Charge, but in priority to all other claims and encumbrances.
19. Other key terms of the DIP Term Sheet include the following:
 - i. the total available funds under the DIP Term Sheet is expected to be approximately \$500,000. The first \$100,000, less repayment to Mr. Walia of amounts funded by

Mr. Walia to the Debtor prior to the Filing Date, shall be advanced with 48 hours of the granting of the court order approving the DIP Term Sheet (“**First DIP Advance**”);

- ii. advances will be made in the sole and unfettered discretion of the DIP Lender;
 - iii. the interest rate is 0% per annum and no financing fees are being charged; and
 - iv. the DIP Loan matures on the earliest of: a) demand; b) occurrence of an Event of Default (as defined in the DIP Term Sheet); c) the date on which the period for the Debtor to file a proposal in the proceedings is not extended or terminated; d) the date on which the Debtor becomes bankrupt; e) the date upon which a sale of substantially all of the business and assets of the Debtor is completed; or f) July 31, 2020.
20. Based on the Debtor’s Cash Flow Forecast, by the week-ending April 26, 2020, the Debtor will require DIP Loan advances totalling approximately \$191,000 to maintain its remaining operations in an idle state during the Covid-19 closure period, \$91,000 more than the First DIP Advance of \$100,000 scheduled to be released on April 24, 2020, should the Court’s order be granted.
21. The amount of the First DIP Advance will be dependent on whether a party related to the Debtor holding two retail subleases, enters into agreements with two of its respective landlords to defer post-NOI rent owing for the period of March 26, 2020 to April 30, 2020 (“**Deferral Period**”) totalling approximately \$88,000. As these two locations remain closed in compliance with the closures of non-essential businesses mandated by the Ontario Provincial Government (the “**Province**”), the Debtor is unable to earn revenue from these locations. As these two subleases are locations that the Debtor would like to continue operating in, the Debtor has requested landlord approval to defer payment of its post-NOI rent to such time as these stores are able to re-open. At the date of this Report, the Proposal Trustee understands that a rent deferral arrangement with the landlords has not yet been secured, however, the Debtor is currently engaged in discussions with the two landlords in respect to this deferral.

22. On April 2, 2020 a notice of distress was issued to the Debtor by a third landlord. Subsequently, Mr. Walia advanced funds to the Debtor to fund occupation rent from the Filing Date to the end of April 2020 and the landlord withdrew its notice of distress.
23. If the Debtor is able to secure a 100% rent deferral from the two remaining landlords for the Deferral Period by the date the first advance is made, the Proposal Trustee is of the view that the DIP Term Sheet is reasonable in the circumstances and should be approved. If the rent deferral is not obtained by the date the First Loan Advance is scheduled to be made, the Proposal Trustee is of the view that the DIP Term Sheet should still be approved, subject to the DIP Lender agreeing to increase the First DIP Advance to \$191,000 in accordance with the Debtors' cash requirements in its Cash Flow Forecast.
24. In the absence of the DIP Loan, the Debtor will: (i) not be able to maintain its business, preserve asset value or implement restructuring steps; and (ii) be forced to immediately shut down entirely and commence a liquidation of its assets once the COVID-19 restrictions are lifted, resulting in the loss of value and jobs which will be detrimental to all of the Debtor's creditors and stakeholders.

EXTENSION OF STAY OF PROCEEDINGS

25. The Debtor is seeking an extension of the time for the filing of the proposal to and including June 9, 2020, for a total of 45 days.
26. The stay extension is required to provide the Debtor with the necessary time to preserve its business on a going concern basis for the benefit of its stakeholders.
27. The Proposal Trustee is of the view that the Debtor is acting in good faith and with due diligence in formulating and implementing a restructuring plan that would preserve its business and assets for the benefit of the stakeholders. Scotiabank, the Debtor's senior secured creditor, supports the stay extension being requested.
28. Without the requested extension, the Debtor is not in a position to make a viable proposal to its creditors and will become bankrupt to the detriment of its stakeholders. In contrast, no creditor will be materially prejudiced if the extension applied for is granted. If the extension applied for is granted, the Debtor would likely be able to make a viable proposal to its creditors following the completion of its restructuring.

OVERVIEW OF THE DEBTOR'S WEEKLY CASH FLOW FORECAST

29. The Debtor, with the assistance of the Proposal Trustee, has prepared a thirteen-week cash flow forecast for the period of March 26, 2020 to June 21, 2020 ("**Cash Flow Forecast**"). A copy of the Cash Flow Forecast is attached hereto as **Appendix "B"** to this Report. The Cash Flow Forecast has been prepared by Management of the Debtor for the purposes of this motion, using probable and hypothetical assumptions set out in notes 1 to 13 attached to the Cash Flow Forecast. The Cash Flow Forecast reflects receipts and disbursements to be received or paid over the thirteen-week forecast period in Canadian dollars.
30. The Cash Flow Forecast projects that the Debtor will require the use of the DIP Loan immediately to maintain the bare bones of its business during the restructuring process, fund working capital and the costs of the proposal proceedings.
31. Prior to the NOI filing, the Debtor had 12 retail locations, which all closed in the week prior to the filing of the NOI in compliance with the closures of non-essential businesses mandated by the Province. The Cash Flow Forecast provides for three out of the Debtor's twelve locations re-opening to the public ("**Remaining Locations**"). The Debtor has determined that it is no longer economical to operate the other nine stores and these locations have been permanently closed ("**Closed Locations**"). Since the NOI filing, the Debtor has moved all inventory from the Closed Locations to its distribution centre owned by 100.
32. The Cash Flow Forecast further assumes that the Province will permit retail stores to reopen by June 1, 2020. Should the Province's mandated closures extend beyond June 1, 2020 and the Remaining Locations are unable to open as forecasted, the deficit forecast will increase and, absent rent deferrals being provided by the Debtor's landlords in its Remaining Locations, the Debtor will require a larger DIP Loan than currently contemplated in the DIP Term Sheet. The DIP Loan of \$500,000 is meant to be sufficient to fund the Debtor's cash flow deficit which peaks at approximately \$492,000 during the week-ending May 31, 2020 in the Cash Flow Forecast.
33. The Cash Flow Forecast projects that the Debtor will have sufficient liquidity, following receipt of advances totalling approximately \$492,000 under the DIP Loan, to fund the

Debtor's expenses and Proposal proceedings throughout the proposed extension to the stay of the proceedings.

34. The Proposal Trustee's review of the Cash Flow Forecast consisted of inquiries, analytical procedures and discussion related to information supplied to the Proposal Trustee by Management of the Debtor. Since hypothetical assumptions need not be supported, the Proposal Trustee's procedures with respect to them were limited to evaluating whether they were consistent with the purpose of the Cash Flow Forecast. The Proposal Trustee has also reviewed the support provided by Management of the Debtor for the probable assumptions, and the preparation and presentation of the Cash Flow Forecast.
35. Based on the Proposal Trustee's review, except as otherwise described in this Report, nothing has come to its attention to cause it to believe that, in all material respects:
 - i. the hypothetical assumptions are not consistent with the purpose of the Cash Flow Forecast;
 - ii. as at the date of this Report, the probable assumptions developed by Management are not suitably supported and consistent with the plans of the Debtor or do not provide a reasonable basis for the Cash Flow Forecast, given the hypothetical assumptions; or
 - iii. the Cash Flow Forecast does not reflect the probable and hypothetical Assumptions.

ADMINISTRATION CHARGE

36. The Debtor is seeking a charge (the "**Administration Charge**"), in a maximum amount of \$100,000, in favour of the Debtor's legal counsel, the Proposal Trustee and its legal counsel, which shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, statutory or otherwise in favour of any person.
37. The Proposal Trustee is of the view that the Administration Charge is necessary and reasonable in the circumstances in order to carry out the restructuring and complete the administration of the Proposal.

CONCLUSION AND RECOMMENDATION

38. The Proposal Trustee is of the view that the stay extension, as described above, will allow the Debtor the necessary time to complete a restructuring of its business.
39. The Proposal Trustee is further of the view that the DIP Lender's Charge and the Administration Charge are necessary, reasonable and appropriate in these circumstances.
40. Based on the foregoing, the Proposal Trustee respectfully recommends that the Court make an order granting the relief being requested by the Debtor pursuant to the BIA.

All of which is respectfully submitted this 20th day of April 2020.

DODICK LANDAU INC.

In its capacity as the Proposal Trustee of
1348441 Ontario Inc. (o/a Solutions Your Organized Living Store)
and not in its personal or corporate capacity.

Per:



Rahn Dodick, CA, CPA, CIRP, LIT
President

DODICK LANDAU

March 31, 2020

**Re: 1348441 Ontario Inc.
o/a Solutions Your Organized Living Store
Estate #32-2634165**

**To: Creditors of 1348441 Ontario Inc.
o/a Solutions Your Organized Living Store**

Please be advised that on March 26, 2020, 1348441 Ontario Inc. filed a Notice of Intention ("NOI") to Make a Proposal ("Proposal") to its creditors and Dodick Landau Inc. has been appointed Proposal Trustee. Please find enclosed a copy of the Notice of Intention and Certificate of Filing a Notice of Intention to Make a Proposal.

A Proposal is essentially a compromise between a commercial debtor and its creditors that, if approved by the creditors and the Court, becomes legally binding. After a debtor files a NOI to file a proposal, creditors may not begin or continue any legal action against the debtor company.

Any services provided by a vendor after the date of the NOI (March 26, 2020) are not affected by the Proposal and 1348441 Ontario Inc. intends to pay these amounts in full in the ordinary course of business.

Following the filing of the Proposal, you will receive from the Proposal Trustee a creditor's package that will include a copy of the Proposal and a notice of the meeting of creditors.

Should you have any questions, please do not hesitate to contact the undersigned.

Yours truly,

**DODICK LANDAU INC.
Acting as Proposal Trustee re: Proposal of
1348441 Ontario Inc.
o/a Solutions Your Organized Living Store.**

Per:



**Rahn Dodick, CPA, CA, CIRP, LIT
President**

Enclosure

District of:
Division No. -
Court No.
Estate No.

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

In the matter of the proposal of
1348441 Ontario Inc. o/a Solutions Your Organized Living Store
of the city of Mississauga, in the Province of Ontario

Take notice that:

- 1. I, 1348441 Ontario Inc. o/a Solutions Your Organized Living Store, an insolvent person, state, pursuant to subsection 50.4(1) of the Act, that I intend to make a proposal to my creditors.**
- 2. Dodick Landau Inc. of 4646 Dufferin St., Suite 6, Toronto, ON, M3H 5S4, a licensed trustee, has consented to act as trustee under the proposal. A copy of the consent is attached.**
- 3. A list of the names of the known creditors with claims of \$250 or more and the amounts of their claims is also attached.**
- 4. Pursuant to section 69 of the Act, all proceedings against me are stayed as of the date of filing of this notice with the official receiver in my locality.**

Dated at the city of Mississauga in the Province of Ontario, this 26th day of March 2020.



**1348441 Ontario Inc. o/a Solutions Your Organized Living
Store
Insolvent Person**

District of:
 Division No.
 Court No.
 Estate No.

- FORM 33 -

**Notice of Intention To Make a Proposal
 (Subsection 50.4(1) of the Act)**

**In the matter of the proposal of
 1348441 Ontario Inc. o/a Solutions Your Organized Living Store
 of the city of Mississauga, in the Province of Ontario**

List of Creditors with claims of \$250 or more.

Creditor	Address	Account#	Claim Amount
3M CANADA CO	2752 Peddie Street Milton ON L9T 0K1 CAN		24,728.92
407 EXPRESS TOLL	6300 Steeles Ave W Woodbridge ON L4H 1J1		762.71
ABERDEEN PLASTICS INC	577 Wortman Avenue Brooklyn NY 11208 USA		13,205.30
ALECTRA UTILITIES	2185 Derry Rd W MISSISSAUGA ON L6N 7A6		4,685.67
Al-Khaffaf, A.		2371	1,181.25
ALLIANCE MERCANTILE IN	35 West Pearce St #25, Richmond Hill ON L4B 3A9 CAN		1,748.23
Ameri, N.		2376	384.17
Ardroudi, R.		2847	431.28
BALLQUBE INC	12146 County Road 4233 W Cushing TX 75760 USA		5,113.48
Bedneau, K. S.		1924	1,111.94
Belair, J.		2887	648.03
BELL CANADA	ST. DON MILLS North York ON M3C 2X7		1,584.76
Bellefouille, M.		2485	517.70
Bernal, M.		2485	493.84
BETTER HOUSEWARE	25-12 41 Avenue Long Island City NY 11101 USA		14,028.40

District of:
 Division No. -
 Court No.
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In the matter of the proposal of
**1348441 Ontario Inc. c/a Solutions Your Organized Living Store
 of the city of Mississauga, in the Province of Ontario**

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Creditor	Address	Account#	Claim Amount
BETTER LIVING OF CANADA	201 CHRISLEA ROAD VAUGHAN ON L4L 8N6 CAN		4,185.07
Bialy, N.		2375	713.11
Blight J. L.		2606	399.17
Bopara, P.		2277	833.41
Bowes, O.		2516	1,358.29
BRADSHAW CANADA HOL	198 ZENWAY BLVD UNIT-3 WOODBRIDGE, ON L4H 0L6 CAN		13,010.68
Brun FaustoCoorda, A.		2405	323.92
Brunet, L.		268	1,828.69
BUDDEEZ INC.	1106 CROSSWINDS COURT WENTZVILLE, MO 63385 USA		11,803.81
Canada Border Services Agency - Bonds Guy Joly	10th Floor 219 Laurier Avenue West Ottawa ON K1A 0L8		18,593.47
Chaisson S.		2514	838.08
Chambers, C.		2317	957.79
Chapman, C.		2562	299.11
Chater E.		2620	319.63
Cheung, O.		2431	944.94

District of:
 Division No. -
 Court No.
 Estate No.

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(Subsection 50.4(1) of the Act)

In the matter of the proposal of
1348441 Ontario Inc. o/a Solutions Your Organized Living Store
of the city of Mississauga, in the Province of Ontario

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
Coghlan, K.		2699	1,349.27
Cote, B.		2183	757.85
CONNOISSEURS	9880 CLARK STREET#300 MONTREAL, QC H3L 2R3 CAN		3,038.51
CORELLE BRANDS (CANADA)	12000 Molly Pitcher Highway South Greencastle PA 17226 USA		3,646.66
CRA - Tax - Ontario	Shawinigan-Sud National Verification and Collection Centre 4695 Shawinigan-Sud Blvd Shawinigan-Sud QC G8P 5H9	868143025RT0001	34,927.83
CRA - Tax - Ontario	Shawinigan-Sud National Verification and Collection Centre 4695 Shawinigan-Sud Blvd Shawinigan-Sud QC G8P 5H9	868143025RP0001	23,347.79
CRA - Tax - Ontario	Shawinigan-Sud National Verification and Collection Centre 4695 Shawinigan-Sud Blvd Shawinigan-Sud QC G8P 5H9	868143025RC0001	250.00
Crowley, A.		2364	930.79
Cutler, D.		2674	384.49
Curfis, J.		2672	745.09
CUTLER FOREST PRODUCTS	81 ROYAL GROUP CRSCENT unit A VAUGHAN, ON L4H 1X9 CAN		1,590.93
DANESCO INC.	18111 TRANS-CANADA KIRKLAND, QC H9J 3K1 CAN		87,668.44
DAVID SHAW	85 MARTIN ROSS AVENUE Toronto ON M3J 2L5 CAN		3,076.60

District of:
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Creditor	Address	Account#	Claim Amount
Davidson, D.		1659	2,301.88
Davoodi, A.		2479	485.31
DBEST PRODUCTS INC	425 16th STREET MANHATTAN BEACH CA 90266 USA		5,916.00
DELMAR INTERNATIONALS	6399 Cantay Rd Mississauga ON L5R 0G4		15,228.68
Demedeiros, S.		2548	1,913.45
Desrochers, M.		2881	348.61
DIAL INDUSTRIES	3828 NOAKES ST Los Angeles CA 90023 USA		6,777.65
Doyle, V.		2501	1,197.52
Durrigon, R.		2433	2,026.78
DV INTERNATIONAL INC.	1000 UNIVERSITY AVENUE, Suite 220 St. Paul MN 55104 USA		25,460.00
ENBRIDGE GAS	STN A TORONTO ON M5W 0G2		842.70
Ene, L.		262	1,735.65
Enfari, Y.		2086	1,069.71
Ennis, R.		2181	1,121.73
ERA WARE	2600 RUE GUENETTE ST.LAURENT QC H4R 2H2 CAN		969.55

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Creditor	Address	Account#	Claim Amount
FAIL SAFE SECURITY	7289 Magistrate Terrace Mississauga ON L5W 1H8		1,348.78
Feroze, K.		2628	1,180.04
FOX RUN BRANDS	480 Appletwood Crescent, Unit 2 VAUGHAN ON L4K 4Z3 CAN		10,585.44
Francisco, J.		2668	285.07
Fraser, I.		2352	1,883.67
Fry, D.		2177	2,187.40
Gaidos Suarez, E.		1984	2,023.65
Garnett, E.		6983	1,698.82
GHP GROUP, ULC	271 MASSEY ROAD GUELPH ON N1K 1B2 CAN		15,097.76
GRACIOUS LIVING	7200 MARTIN GROVE ROAD WOODBRIEge ON L4L 9J3 CAN		15,171.10
HAMELIN ENTERPRISES	160 BLVD.INDUSTRIEL BOUCHERVILLE QC J4B 2X3 CAN		7,331.14
Hancock, P.		2223	471.94
Hernandez, J.		2629	291.83
HOME PRODUCTS INTL	5151 THIMENS BLVD ST.LAURENT QC H4R 2C8 CAN		10,820.05
HONEY-CAN-DO INTERNAT	5300 St. Charles Road Berkeley IL 60163 USA		3,089.14

District of:
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Creditor	Address	Account#	Claim Amount
INTERDESIGN INC.	30725 Solon Industrial Parkway Solon OH 44139-0800 USA		68,915.58
IRIS USA INC	11111 80th Ave Pleasant Prairie WI 53158 USA		69,376.12
JASCORS HOUSEWARE INC	81A BRUNSWICK BLVD DOLLARD-DES-ORMEAUX QC H9B 2J5 CAN		591.38
Jennings-Fitz-Gerald, E.		2550	437.98
Johnstone, C.		2816	804.64
JOKARI/US INC	595 ALPHA DRIVE PITTSBURGH PA 15238 USA		4,395.69
Jones, A.		2282	1,803.79
K6 MEDIA DESIGNS	5515 CANOTEK, UNIT 8 OTTAWA ON K1J 9K9		1,008.11
Kambo, A.		2843	721.00
Kapil, S.		2545	1,395.23
Karim Abdolrezaei, V.		2583	798.38
Kauser, F.		2288	1,249.93
Khan, S.		2180	554.60
Khan, Z.		2863	326.98
KIKKERLAND DESIGN INC	4289 POSTAL STATION Toronto ON M5W 5V2 CAN		10,957.10

District of:
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List of Creditors with claims of \$250 or more.

Creditor	Address	Account#	Claim Amount
KITRICH CORPORATION	1585 W.MISSION BLVD POMONA CA 91768 USA		12,459.80
KNAPE & VOGT MANUFACTURING	2700 Oak Industrial Dr. Grand Rapids MI 49505-6026 USA		15,917.48
Knowles, J.		1500	1,637.54
Kumar, D.		2515	623.52
Lariviere, C.		2400	433.35
Lawrance, N.		2630	799.75
Lee, P.		1841	2,197.16
Lee, SH.		2118	512.42
LIFETIME BRAND CANADA	6990 CREDITVIEW DRIVE BLVD MISSISSAUGA ON L5S 1X4 CAN		3,499.32
Linares, M.		9459	809.84
LONDON HYDRO BILLING	111 HORTON STREET LONDON ON N6A 4J8		1,659.21
LIJG CANADA	1351 RODICK ROAD, UNIT #1 MARKHAM ON L3R 5K4 CAN		427.71
Macphee, M.		2202	534.28
Manickathan, G.		2627	258.11
Marsh, M.		2568	477.94

District of:
 Division No.
 Court No.
 Estate No.

- FORM 33 -

**Notice of Intention To Make a Proposal
 (Subsection 50.4(1) of the Act)**

**In the matter of the proposal of
 1348441 Ontario Inc. o/a Solutions Your Organized Living Store
 of the city of Mississauga, in the Province of Ontario**

List of Creditors with claims of \$250 or more.

Creditor	Address	Account#	Claim Amount
Martz, K.		9948	633.85
MCB GLOBAL(NIAGARA)IN	231 DOAN'S RIDGE ROAD Welland ON L3B 5N4 CAN		15,757.80
Manard, S.		1686	525.39
METROPOLITAN WIRE	3160 ORLANDO DRIVE MISSISSAUGA ON L4V 1R5 CAN		7,279.43
Milligan, S.		2494	2,213.40
Mistry B.		2584	791.58
Mitchell, D.		1989	1,489.93
Mizzi, D.		875	1,563.26
MLM HOME PRODUCTS	5151 THIMENS BLVD ST.LAURENT ON H4R 2C8 CAN		520.15
MSC INTERNATIONAL	6700 THIMENS MONTREAL QC H4S 1S5 CAN		6,087.22
Muhawenimana, D.		2335	1,230.25
Muthreja, D.		510	1,086.68
Nast, S.		2179	379.68
NEATFREAK GROUP INC	5320 Timberlea Blvd MISSISSAUGA ON L4W 2S6 CAN		6,542.85
Nikolov, A.		2582	370.34

District of:
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In the matter of the proposal of
1348441 Ontario Inc. o/a Solutions Your Organized Living Store
of the city of Mississauga, in the Province of Ontario

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
Nilmini, A.		905	3,241.47
Nowell L.		2857	300.72
OAKVILLE HYDRO	881 REDWOOD SQUARE OAKVILLE ON L6K 0C7		1,607.15
Oelker, M.		2842	720.99
ORBIS CANADA	340 College St Suite 375 Toronto ON M5T 3A9 CAN		1,733.36
Parker, M.		2402	412.81
Patel, K.		2832	1,029.40
PERFECT CURVE INC	137 SOUTH STREET Boston MA 02111 USA		4,886.79
Phillips, T.		9927	2,868.32
Photopoulos, L.		2588	254.83
Pierre, E.		2841	331.77
POLDER PRODUCTS INC	195 Christian St Oxford CT 06478 USA		15,612.67
Powell, T.		9891	801.18
PRODUCT SPECIALTIES IN	10 CARLOW COURT, UNIT 6 WHITBY ON L1N 9T7		6,163.82
Qureshi, T.		2502	533.99

District of:
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Court No.
Estate No.

- FORM 33 -
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(Subsection 50.4(1) of the Act)

In the matter of the proposal of
1348441 Ontario Inc. o/a Solutions Your Organized Living Store
of the city of Mississauga, in the Province of Ontario

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
Rawjani, F.		2076	788.75
REALLY USEFUL BOXES IN	2791 KATHERINE WAY, ELK GROVE VILLAGE IL 60007 USA		9,486.43
Redix, M.		2474	1,470.87
Reid, C.		2869	684.48
Rezvan Del Ramzi, F.		2111	2,018.16
RICHARDS HOMEWARES INC	10876 N Lombard St Portland OR 97203 USA		31,647.80
ROGERS	P.O. Box 8100 TORONTO ON M3C 3P9		435.15
Roglev, D.		272	989.42
Romanescu, H.		2585	955.25
Salema, J.		2682	390.84
Safinas, G.		2039	320.98
Saman, B.		2489	821.16
Sanford, N.		2532	306.57
Sayarezvan, L.		2541	288.51
Shaid, M.			471.73
Shao, W.		2853	913.12

District of:
 Division No. -
 Court No.
 Estate No.

**- FORM 33 -
 Notice of Intention To Make a Proposal
 (Subsection 60.4(1) of the Act)**

**In the matter of the proposal of
 1348441 Ontario Inc. o/a Solutions Your Organized Living Store
 of the city of Mississauga, in the Province of Ontario**

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
Shapiro, J.		786	1,388.29
SIMPLEHUMAN CANADA	6300 TOMKEN ROAD MISSISSAUGA ON L5T 1K7		16,718.24
Singh G.		2313	933.01
Singh, J.		539	354.30
SPECTRUM DIVERSIFIED D	675 Mondial Pkwy Streetsboro CA 44241 USA		78,268.91
Stewart, J.		1723	1,487.18
Taylor, R.		2360	634.11
The Bank of Nova Scotia	4715 Tahoe Boulevard Mississauga ON L4W 0B4	47696000XX7702	550,254.18
The Bank of Nova Scotia	4715 Tahoe Boulevard Mississauga ON L4W 0B4	4769602XX716	23,434.27
The Bank of Nova Scotia	4715 Tahoe Boulevard Mississauga ON L4W 0B4	47696222XX511	1,008.28
The Bank of Nova Scotia	4715 Tahoe Boulevard Mississauga ON L4W 0B4	47696000XX7701	5,430,384.94
THE ONEIDA GROUP	519 NORTH PIERCE AVENUE LANCASTER OH 43130 USA		6,034.55
Thompson, K.		2319	1,270.43
TRAVELON	11333 Addison Avenue, Unit 200 Franklin Park IL 60131 USA		7,527.79
TRUDEAU CORP	1600 EIFFEL ROAD BOUCHERVILLE QC J4B 5Y1		4,962.98

District of:
 Division No. -
 Court No.
 Estate No.

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

In the matter of the proposal of
1348441 Ontario Inc. o/a Solutions Your Organized Living Store
of the city of Mississauga, in the Province of Ontario


List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
Uppal Seema K		2011	502.78
UPPER CANADA SOAP	5875 CHEDWORTH WAY MISSISSAUGA ON L5R 3L9		9,824.11
VANCOUVER CLASSIC	180-12340 HORSESHOE WAY RICHMOND BC V7A 4Z1		43,561.48
Vergara, I.		2359	477.54
W.J. HAGERTY & SONS, LT	3801 LINDEN AVENUE SOUTH BEND IN 46819 USA		17,068.60
Wadera, P.		3005	1,045.66
WASTE CONNECTIONS OF CANADA	650 CREDITSTONE ROAD CONCORD ON L4K 5C8		1,143.37
WESTSTAR PRINTING LIMITED	10 NORTH QUEEN STREET ETOBICOKE ON M8Z 2C4		736.76
WHITMOR INC.	8680 SWINNEA ROAD, D STE 103 SOUTHAVEN MS 38871 USA		19,694.80
WINSOME TRADING INC	108-8116 ALEXANDER ROAD DELTA BC V4G 1C8		8,729.25
Wolczyk, R.		2238	667.37
Wonderland Power Centre Inc. Vito Frija	75 Black Friars Street London ON N6H 1K8		43,080.87
WORLDWIDE HOMEFURNI	200 ROMINA DRIVE CONCORD ON L4K 4Z7		1,130.00
Yao, K.		9937	500.60
Yazdanpanah, Z.		2586	272.61

District of:
Division No. -
Court No.
Estate No.

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

In the matter of the proposal of
1348441 Ontario Inc. o/a Solutions Your Organized Living Store
of the city of Mississauga, in the Province of Ontario

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
Younus, M.		2510	2,476.95
Zarate, D.		6012	4,016.88
Zechmanis, G.		2661	788.11
Total			7,049,856.29


1348441 Ontario Inc. o/a Solutions Your Organized Living Store
Insolvent Person

Court No.

File No.

**In the matter of the proposal of
1348441 Ontario Inc. o/a Solutions Your Organized
Living Store
of the city of Mississauga, in the Province of Ontario**

**Form 33
Notice of Intention to Make a Proposal
(Subsection 50.4 (1) of the Act)**

Dodick Landau Inc. - Licensed Insolvency Trustee

**4846 Dufferin St., Suite 6
Toronto ON M3H 5S4
Phone: (416) 736-4357 Fax: (416) 649-7725**



Industry Canada

Office of the Superintendent
of Bankruptcy Canada

Industrie Canada

Bureau du surintendant
des faillites Canada

District of Ontario
Division No. 09 - Mississauga
Court No. 32-2634165
Estate No. 32-2634165

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

1348441 Ontario Inc.
Insolvent Person

DODICK LANDAU INC.
Licensed Insolvency Trustee

Date of the Notice of Intention: March 26, 2020

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.

E-File/Dépôt Electronique

Date: March 26, 2020, 15:45

Official Receiver

Federal Building - Hamilton, 55 Bay Street N, 9th Floor, Hamilton, Ontario, Canada, L8R3P7, (877)376-9902

Canada

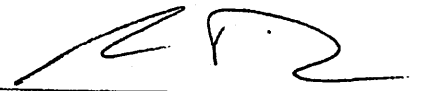
APPENDIX B

1348441 Ontario Inc. (o/a Solutions Your Organized Living Store)
 Weekly Cash Flow Forecast
 For the period from March 26, 2020 to June 21, 2020

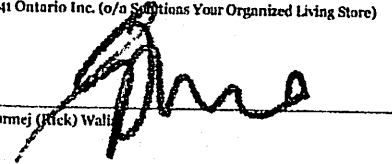
Week Ending	Notes	Mar-26-20 to 29-Mar-													TOTAL			
		20 1	05-Apr-20 2	12-Apr-20 3	19-Apr-20 4	26-Apr-20 5	03-May-20 6	10-May-20 7	17-May-20 8	24-May-20 9	31-May-20 10	07-Jun-20 11	14-Jun-20 12	21-Jun-20 13				
Receipts																		
Store Receipts (excluding taxes)	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Sales Taxes	3	-	-	-	-	-	-	-	-	-	-	-	-	66,385	69,311	79,689	215,385	
Total Receipts		-	-	-	-	-	-	-	-	-	-	-	-	66,385	69,311	79,689	215,385	
Disbursements																		
Cost of Sales	4	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Payroll	5	-	-	-	-	-	-	-	-	-	-	-	-	(33,193)	(13,862)	(15,938)	(62,993)	
Occupancy Costs (including HST)	6	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
HST payable	7	-	(131,110)	(9,900)	-	-	(131,110)	-	-	-	-	-	-	-	(29,226)	(7,767)	(35,993)	
Insurance	8	-	-	-	-	-	-	-	-	-	-	-	(131,110)	-	-	-	(403,228)	
Transportation	9	-	(2,000)	-	-	-	(2,000)	-	-	-	-	-	-	(2,000)	-	-	(5,000)	
Total Disbursements		-	(133,110)	(9,900)	-	-	(133,110)	-	-	-	-	-	-	(2,000)	-	-	(5,000)	
Net Cash flow from Operations (excl. restructuring costs)		-	(133,110)	(9,900)	-	-	(133,110)	-	-	-	-	-	-	(133,110)	(33,193)	(43,088)	(23,705)	(509,214)
Less: Restructuring Professional Fees & Disbursements	10	-	(10,848)	-	-	(37,290)	-	(4,520)	-	(25,990)	(4,520)	-	-	-	-	-	(32,770)	(115,938)
Net Cash flow from Operations (incl. restructuring costs)		-	(143,958)	(9,900)	-	(37,290)	(133,110)	(4,520)	-	(25,990)	(137,630)	-	-	-	-	-	(32,770)	(115,938)
Cash Balance																		
Opening Cash Balance		-	-	(143,958)	(153,857)	(153,857)	(191,147)	(324,257)	(328,777)	(328,777)	(354,767)	(492,396)	(450,574)	(415,340)	-	-	-	-
Add: Net Cash Flow from Operations		-	(143,958)	(9,900)	-	(37,290)	(133,110)	(4,520)	-	(25,990)	(137,630)	41,823	35,233	33,573	(381,767)	-	-	-
Closing Cash Balance from Operations (before DIP loan)		-	(143,958)	(153,857)	(153,857)	(191,147)	(324,257)	(328,777)	(328,777)	(354,767)	(492,396)	(450,574)	(415,340)	(381,767)	(381,767)	-	-	-
Add: DIP loan	11	-	143,958	153,857	153,857	191,147	324,257	328,777	328,777	354,767	492,396	450,574	415,340	381,767	381,767	-	-	-
Closing Cash Balance from Operations (after DIP loan)	13	-	143,958	153,857	153,857	191,147	324,257	328,777	328,777	354,767	492,396	450,574	415,340	381,767	381,767	-	-	-
Bank Loan Balance																		
Opening LOC Balance		6,006,744	6,008,519	6,011,626	6,014,735	6,017,845	6,020,957	6,024,070	6,027,185	6,030,302	6,033,420	6,036,540	6,039,661	6,042,784	6,045,909	6,045,909	-	-
Add: Interest	12	1,775	3,107	3,109	3,110	3,112	3,113	3,115	3,117	3,118	3,120	3,121	3,123	3,125	3,125	3,125	3,125	3,125
Less: Repayments	13	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Closing LOC Balance		6,008,519	6,011,626	6,014,735	6,017,845	6,020,957	6,024,070	6,027,185	6,030,302	6,033,420	6,036,540	6,039,661	6,042,784	6,045,909	6,045,909	6,045,909	-	-

This statement of forecast cash flow of 1348441 Ontario Inc. (o/a Solutions Your Organized Living Store) is prepared in accordance with section 50.4 (2) of the Bankruptcy and Insolvency Act and should be read in conjunction with the accompanying notes and Trustee's report on cash flow statement dated this 3rd day of April, 2020.

Dodick Landau Inc.

Per: 
 Mr. Rahn Dodick, CPA, CA, CIRP, LIT

1348441 Ontario Inc. (o/a Solutions Your Organized Living Store)

Per: 
 Mr. Gurmej (Rick) Wali

1348441 Ontario Inc. (“Solutions” or the “Company”)
Major Assumptions
Cash Flow Forecast
For the Period March 26, 2020 to June 21, 2020 (the “Period”)

1. The Company’s financial projections are based on the hypotheses that its stores will remain idled, due to the COVID-19 closures, until June 1, 2020, at which time only three of the twelve stores will re-open and will continue operating and the remaining nine stores will permanently close. The permanent closures are the result of poor sales due to increasing digital disruption and new competition, which has been exacerbated by the mandated COVID-19 closures as the Company’s stores were deemed to be non-essential workplaces by the Ontario Provincial Government. All twelve stores closed in the days prior to the filing of the Notice of Intention to Make a Proposal (“NOI”) in accordance with the mandated closures by the Ontario Provincial Government. Eleven of the twelve stores’ leases are in the name of a related company and one store lease is in the name of the Company.

By April 4, 2020, the Company will have transferred all inventory from the nine stores that will not reopen to the distribution center as it was no longer economical to operate those nine stores. In addition, the Company can’t afford to continue to pay rent for these stores during the Covid-19 closures while waiting for the Ontario Provincial Government to lift the mandated closures. The store closures will result in rent savings of over \$300,000 per month. The stores’ fixtures will not be transferred to the distribution center as their cost of removal, transport and storage is estimated to be greater than their net realizable value. As well, some of the store fixtures are specialized in nature and would be difficult to sell.

Receipts:

2. As described above, the three remaining stores are forecast to reopen on June 1, 2020. (Should the mandated store closures by the Ontario Provincial Government continue beyond June 1, 2020, the stores will require to remain closed.) Forecast store receipts were calculated by the district manager based on the average sales in the same three stores over the past three years during the same period. Store receipts were then discounted in the month of June 2020 by up to 30% to take into consideration that it will take time for sales to get back to normal. By July 2020 sales receipts are forecast to be back to normal and consistent with prior years’ sales in the same period. Store receipts are net of credit card merchant fees.
3. Sales taxes are collected on all store sales and remitted to the Canada Revenue Agency by the end of the following month net of Input Tax Credits.

Disbursements:

4. The Company intends to liquidate the inventory from the nine stores consolidated in its distribution center through the remaining three operating stores over a period of six to nine months. As such, the three remaining stores' cost of sales will be reduced in half to 20% after week 11 as only inventory purchases to augment the current inventory in the warehouse will be purchased. It is assumed that any new inventory purchased will need to be paid upon delivery or in advance, as vendors are expected not to provide credit terms as a result of the NOI proceeding and the non-payment of arrears.
5. Payroll includes amounts for salaried and hourly employees in the three remaining stores and the warehouse/head office and are paid bi-weekly. Other payroll costs include source deduction remittances to the Canada Revenue Agency ("CRA") which is also remitted on a bi-weekly basis during the Period. Up to the end of May 2020, it is assumed that all employees will remain on layoff and those needed to operate the three remaining stores will be hired back beginning June 1, 2020. The staff hired in April 2020 to assist with the packing and transfer of inventory from the nine permanently closed stores to the distribution center are being paid by the owner personally and, therefore, these payments are not reflected on the Company's cash flow forecast.
6. Occupancy expenses consist of the Company's rent in the three remaining stores beginning from the date the NOI was filed plus those stores' estimated utility costs. It is assumed rent will be paid when due for the period after the NOI was filed including during the closures. However, the Company is in the process of attempting to negotiate a reduction or deferral of rent with the landlords of the three remaining stores for the months of April and May 2020 due to the Covid-19 forced closures. The Company's head office and warehouse rent totals approximately \$28,000 per month and is payable to a related party that owns the real property. The related party has agreed to a rent holiday until July 2020 to assist the Company during the forced closure period.
7. The store closures resulted in the Company being in a net refund position until June 2020 which refund CRA will apply against the Company's HST payable totaling approximately \$35,000. As such, the Company will not be in a net HST payable position until July 2020.
8. Company insurance coverages have continued to be maintained by the Company at existing insurance limits. During the Period, the Company will consider whether a reduction in the number of stores will result in the need for lower insurance limits, thereby decreasing insurance premiums.
9. Costs to transport inventory from closed stores to the warehouse is currently being paid directly by the owner. The Company transports its own inventory to the stores from its warehouse.

10. Professional fees include fees for the Company's legal counsel, the Proposal Trustee and the Proposal Trustee's legal counsel for the Period. As well, it includes the cost of monitoring the Company for the Bank of Nova Scotia ("BNS") who is the sole secured creditor owed in excess of \$6.0 million.
11. Financing of the business is expected to be by way of a Debtor in Possession ("DIP") loan provided by a corporation related to the shareholder of the Company. According to the cash flow forecast, a cash flow deficit peak of approximately \$492,000 is forecast to be reached in the week-ending May 31, 2020, and will subsequently be repaid with net cash receipts over disbursements earned from the sale of inventory in the three remaining stores. Should the Ontario Provincial Government's mandated closures continue beyond June 1, 2020, the cash flow forecast deficit will increase and the Company will require a larger DIP loan.
12. Interest on the BNS outstanding loan is prime (2.45%) plus 0.25% for a total of 2.70%. The Company has not forecast payment of interest on the BNS loan during the Period.
13. As it is expected to take until the Fall of 2020 to repay the DIP loan, the Company has not forecast repayments of the BNS loan in the Period. Following repayment of the DIP loan by the Fall of 2020, the Company intends on commencing to repay the BNS loan with net proceeds from store sales. In addition, currently, efforts are being made by the Company to refinance the BNS loan in its entirety.