

ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST

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

AND IN THE MATTER OF A PROPOSED PLAN OF COMPROMISE OR  
ARRANGEMENT OF W.C. WOOD CORPORATION, LTD., W.C. WOOD  
CORPORATION, INC. AND W.C. WOOD HOLDINGS, INC.  
(together the "Applicants")

**SIXTH REPORT OF BDO DUNWOODY LIMITED IN ITS CAPACITY AS  
MONITOR**

Dated September 24, 2009

**INTRODUCTION**

1. By Order of this Honourable Court dated May 19, 2009 (the "Initial Order"), W.C. Wood Corporation Ltd., the Canadian operating company ("Wood Canada"), and W.C. Wood Corporation, Inc., the United States operating company and parent of Wood Canada, ("Wood US") (together the "Companies"), obtained protection from their creditors under the *Companies' Creditors Arrangement Act*, ("CCAA Proceedings").
2. On May 25, 2009, this Honourable Court issued an amendment to the Initial Order adding W.C. Wood Holdings, Inc., the parent of Wood US, to the CCAA Proceedings and approving a debtor in possession credit facility (the "DIP Facility") to be provided by the Applicants' current lenders (the "DIP Lenders") in order to finance the working capital requirements of the Companies.
3. On May 29, 2009, the Monitor filed petitions with the United States Bankruptcy Court (the "US Court") for each of the Applicants for the entry of an order recognizing the CCAA Proceedings as "foreign main proceedings," or in the alternative, "foreign non-main proceedings" pursuant to Chapter 15 of the United States Bankruptcy Code (the "Chapter 15 Proceedings").
4. On June 18, 2009, the US Court entered an Order recognizing the CCAA Proceedings as foreign main proceedings, giving the Initial Order and the Amended Initial Order full force and effect in the US, including,
  - (a) approving of the DIP Facility; and

- (b) extending the stay of proceedings against the Monitor, the Applicants and the Applicants' former, current or future officers and directors in the US.
- 5. By Order of this Honourable Court dated June 19, 2009, revisions to the DIP Facility were approved.
- 6. By Order dated July 28, 2009, this Honourable Court approved of a sale of the interest of Wood US in the Mexican Business (as defined below) and revisions to the DIP Facility (the "Revised DIP Facility").
- 7. By two Orders of this Honourable Court both dated August 28, 2009 (the "August 28 Orders"):
  - (a) the Initial Order was further amended to, among other things;
    - (i) halt the Mexican Business sale process;
    - (ii) increase the Monitor's powers to include, without limitation, the power to control the Companies' receipts and disbursements and deal with the sale of the Companies' assets;
    - (iii) create a fifth-ranking charge in favour of the Monitor; and
    - (iv) provide broader protection to the Companies' current and former officers and directors;
  - (b) the stay period was extended until September 30, 2009;
  - (c) the First Report of the Monitor dated May 24, 2009, the Second Report of the Monitor dated June 16, 2009 (the "Second Report"), the Third Report of the Monitor dated July 22, 2009 (the "Third Report"), the Fourth Report of the Monitor dated August 25, 2009, and the Monitor's activities set out therein, were approved; and
  - (d) the fees of the Monitor and its counsel through August 14, 2009 and August 15, 2009, respectively, were approved.
- 8. The purpose of this Report is to provide this Honourable Court with information in respect of the:
  - (i) Companies' cash flow results relative to forecast;
  - (ii) sale of the Companies' non-core businesses;
  - (iii) Going Concern Sales Process (as defined below);
  - (iv) Companies' revised cash flow forecasts; and
  - (v) proposed extension to the CCAA Proceedings.

## CASH FLOW RESULTS RELATIVE TO FORECAST

9. Attached as Schedule “A” to this Report is a detailed schedule of the Companies’ cash receipts and disbursements for the period from May 19, 2009 to September 19, 2009 with a comparison to the cumulative total of cash flow forecasts, which consist of:
- the cash flow forecasts filed with this Honourable Court in connection with the commencement of the CCAA Proceedings;
  - the first revised cash flow forecasts prepared on July 1, 2009 (the “First Revised Cash Flow Forecasts”) included in the Third Report; and
  - the third revised cash flow forecasts (the “Third Revised Cash Flow Forecasts”) that were revised versions of the second revised cash flow forecasts (see below), which were included in the Fifth Report of the Monitor dated August 27, 2009 (the “Fifth Report”). A copy of the Third Revised Cash Flow Forecasts is attached as Schedule “B”.
10. A summary of the cash receipts and disbursements and DIP Facility loan balances for Wood Canada and Wood US for the period August 16, 2009 to September 19, 2009 is presented below.

Schedule of Actual Cash Flow Compared to Forecast					
August 16th to Sept 19th					
	CANADA		US		
	Actual	Forecast	Actual	Forecast	
	CAD\$ '000		US\$ '000		
Total Receipts	\$ 5,977	\$ 5,541	\$ 4,491	\$ 4,986	
Total Disbursements	\$ 3,918	\$ 5,104	\$ 2,926	\$ 4,226	
Cash Surplus (Deficit)	\$ 2,059	\$ 437	\$ 1,564	\$ 760	
DIP Loan Balance	\$ 4,424	\$ 5,222	\$ 4,571	\$ 5,754	

11. Overall net cash inflow exceeded forecast by \$1.62 million in Canada and US\$804,000 in the US. The material components of these overall variances are outlined below.

### *Accounts Receivable Collections*

12. Collections from customers were below forecast by \$75,000 in Canada, and by US\$63,000 in the US due to timing differences. Due to the lack of loan availability to purchase material inputs, actual sales to date in both Canada and the US have been significantly lower than forecast, which will impact the amount of future collections.

### ***Material purchases***

13. Due to the lack of loan availability, purchases of materials were below forecast by \$884,000 in Canada and US\$1,055,000 in the US.

### ***Production Risk Payments***

14. Production risk payments represent non-refundable deposits paid to key suppliers to order materials requiring long term lead times. Payments are applied towards the total purchase price as suppliers manufacture materials specifically for the Companies. Production risk payments were below forecast by \$114,000 in Canada and US\$67,000 in the US. The positive variances in production risk payments are the result of arrangements made with suppliers to defer such payments until the Companies have sufficient loan availability.

### ***Overhead Costs***

15. Overhead costs were below forecast by \$263,000 in Canada and exceeded forecast by US\$88,000 in the US. The positive variance in Canada was due to timing differences in payments for utilities and warranty, net of higher than expected freight costs. The negative variance in the US was due to timing differences on royalty payments.

## **MARKETING OF THE APPLICANTS' BUSINESSES OR ASSETS**

### **Sale of Ohio Real Property**

16. As reported in the Second Report, on June 8, 2009, with the approval of the Monitor and the DIP Lenders, Wood US entered into a realty listing agreement with a commercial realty broker to sell the Companies' Ohio real property in a sale/leaseback transaction. The property is listed for US\$8.8 million.
17. As reported in the Fifth Report, the Monitor has been advised that a term sheet was received from one party, which was conditional on Wood US successfully exiting from the CCAA Proceedings and a guaranteed lease term of at least two years. The Companies have decided not to deal further with this offer pending the outcome of the Going Concern Sales Process.

### **Sale of Guelph Property**

18. As reported in the Fifth Report, the Companies' management ("Management") signed a listing agreement with a commercial realty broker on July 14, 2009 to list the Companies' Guelph real property. The property was listed at a price of CAD\$4 million. The realtor has prepared marketing materials and advertised the property. Two offers were received during the week of September 14, 2009. With the Monitor's approval, the Companies have decided not to pursue these offers until the intentions of bidders in the Going Concern Sale Process are better known.

### **Sale of Non-core Businesses**

19. As reported in the Fifth Report, the Companies have retained an investment advisor to manage a sales process to sell two of Wood Canada's non-core businesses. These businesses consist of a self contained manufacturing and sales operation for its dehumidifier products (the "Dehumidifier Business") and a manufacturing and sales operation of a commercial freezer product line (the "Coldtech Business"), which is complementary to the Companies' current freezer manufacturing operation. These businesses represented approximately 10% of the Companies' sales revenues in 2008. The results of the sales processes are described below.

### **Dehumidifier Business**

20. Two parties submitted offers to purchase the Dehumidifier Business and an Asset Purchase Agreement is currently being negotiated with one of these parties, with an anticipated closing date of no later than September 30, 2009, subject to Court approval.

### **Coldtech Business**

21. A decision was made by Management, in consultation with the Monitor, to cease pursuing the sale of the Coldtech Business as a separate entity. It will continue to be included in the Going Concern Sales Process.

### **Going Concern Sales Process**

22. As reported in the Fifth Report, on July 19, 2009 the Companies retained an investment advisor to manage a going concern sales process (the "Going Concern Sale Process") for the core business operations. Originally, the process had been anticipated to take place over eight to twelve weeks. However, as a result of the failure to complete the sale of the Mexican Business and the resulting constraints on the Companies' cash flow, all efforts have been made to condense the process over a four to six week period. The investment advisor advises that a sales teaser was sent out to approximately 100 identified parties. A confidential information memorandum was completed and sent out to approximately 40 parties who had signed a confidentiality agreement. An electronic data room was prepared on CD and sent to interested parties and Management prepared an 18 month business plan which was sent out to interested parties on August 21, 2009. Seven parties submitted inquiries and engaged in discussions with Management. Two letters of intent were received during the week of September 21, 2009: one from a party solicited by the investment advisor and one from a party contacted by the DIP Lenders and referred to the investment advisor. Both letters of intent contemplate a closing by or shortly after October 31, 2009.

## Liquidation Proposals

23. In order to establish a liquidation value of the Companies, six liquidators were asked to inspect the Companies' inventory and equipment in Canada and the US and submit proposals. Four proposals were received and have been shared with the DIP Lenders.

## REVISED CASH FLOW FORECASTS

24. The cash flow forecasts filed with this Honourable Court in connection with the commencement of the CCAA Proceedings, the First Revised Cash Flow Forecasts, and the Second Revised Cash Flow Forecasts covered periods ending October 3, 2009.
25. As reported in the Fifth Report, the Second Revised Cash Flow Forecasts were prepared by the Monitor based on revised cash flow forecasts prepared by Management included the settlement of certain accounts between the Companies, which settlements were not acceptable to the DIP Lenders. As a result, the Second Revised Cash Flow Forecasts had, at the time of the Fifth Report, not yet been agreed to by the DIP Lenders, leading to the preparation of the Third Revised Cash Flow Forecasts.
26. On September 23, 2009, Management, with the Monitor's input, prepared further revised cash flow forecasts for the Companies the period September 20 to October 31, 2009 (the "Fourth Revised Cash Flow Forecasts") copies which are attached to this Report as Schedule "C".
27. A summary of the forecast changes in cash use, loan balance, loan availability, accounts receivable and inventory over the cash flow period are summarized as follows:

	Canada (CAD\$)		US (US\$)	
	Actual Sept 19	Forecast Oct 31	Actual Sept 19	Forecast Oct 31
Loan Balance	\$ 4,424,132	\$ 3,818,233	\$ 4,571,314	\$ 4,582,654
Net Accounts Receivable	\$ 3,245,828	\$ 1,665,610	\$ 2,822,695	\$ 2,341,047
Net Inventory	\$ 6,885,623	\$ 7,041,125	\$ 5,234,681	\$ 5,289,090
Ending Availability	\$ 1,175,606	\$ (127,758)	\$ 918,944	\$ 444,540

28. In Canada, the loan balance is forecast to decrease by approximately \$0.6 million, with a decrease in accounts receivable of approximately \$1.6 million, and an

increase in inventory of approximately \$150,000. In the US, the loan balance is forecast to remain approximately the same, with a decrease of approximately \$480,000 in accounts receivable, and no significant change in inventory. The reduction in accounts receivable and inventory total approximately \$1.9 million, which may result in a significant working capital adjustment to a final offer in the Going Concern Sales Process. At the same time, by the week ending October 31, 2009, Wood Canada will have no loan availability and will require an overadvance from the DIP Lenders to pay its obligations.

29. Management did prepare an alternative scenario of the Fourth Revised Cash Flow Forecasts assuming that the net proceeds are realized from the sale of the Dehumidifier business. Due to the uncertainty of the timing of the sale, this alternative scenario has not been presented. The changes to accounts receivable and inventory not related to the Dehumidifier Business will be the same. The net proceeds from the sale will be used to pay down the DIP Loan owing by Wood Canada, with a corresponding decrease in the raw material and finished goods related to the Dehumidifier business. Management estimates that net proceeds will exceed the reduction in the borrowing base for the inventory sold, and therefore this will produce positive loan availability in Wood Canada throughout the forecast period.

#### **EXTENSION TO CCAA PROCEEDINGS**

30. The stay provided by the August 28 Orders expires on September 30, 2009.
31. There have been two letters of intent received in the Consolidated Sales Process, both contemplating a closing by or shortly after October 31, 2009.
32. The Revised DIP Facility expires on September 30, 2009. The DIP Lenders are supportive of the Companies continuing the Going Concern Sales Process as long as the risk to their collateral is minimized by continuing operations on a limited basis.
33. The best outcome for the DIP Lenders and the Companies' employees and unsecured creditors would be to complete a going concern sale of the Companies.
34. A continuation of the CCAA Proceedings and the Chapter 15 Proceedings for a 30 day period would allow the Companies to continue to operate while it attempts to complete a going concern sale.
35. The current cash flows indicate that the Companies will run out of loan availability by the proposed extension of October 30<sup>th</sup>. Accordingly, the Monitor views it as being important that the Going Concern Sales Process be concluded by that date. It has been proposed by the DIP Lenders that the Going Concern Sales Process be brought to a conclusion on a timetable whereby an Agreement of Purchase and Sale was signed and deposit received by October 9<sup>th</sup>, conditions are required to be waived by October 23<sup>rd</sup>, and the closing is scheduled for no later

than October 30<sup>th</sup>. In the circumstances the Monitor supports and recommends this compressed time table as opposed to any lengthier sales process.

**RECOMMENDATION**

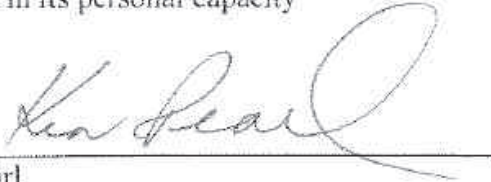
36. The Monitor respectfully recommends that this Honourable Court grant an Order extending the stay period until October 30, 2009, subject to Management and the DIP Lenders agreeing to a funding arrangement.

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Dated September 24, 2009

BDO DUNWOODY LIMITED,  
in its capacity as Court-Appointed Monitor of  
W.C. WOOD CORPORATION, LTD.,  
W.C. WOOD CORPORATION, INC. and  
W.C. WOOD HOLDINGS, INC.  
And not in its personal capacity

Per:

A handwritten signature in cursive script, appearing to read "Ken Pearl", written over a horizontal line.

Ken Pearl  
Vice President

## Schedule "A" to the Sixth Report of the Monitor

WC WOOD - CANADA  
Cash Flow Variance Analysis  
For Period May 15th to Sept 19th, 2009

	May 15 to August 15			August 16 to Sept 19			May 19 to Sept 19		
	Actual	Forecast	Variance \$	Actual	Forecast	Variance \$	Actual	Forecast	Variance \$
<b>Receipts</b>									
AR Collections	11,806,782	11,816,207	\$ 145,541	5,945,736	6,020,885	\$ (75,149)	\$ 17,625,518	\$ 17,637,162	\$ (10,644)
Non Operating Sources	165,180	-	165,180	14,873	-	14,873	160,958	-	160,958
Intercompany In-Out	-	11,111	(11,111)	18,706	75,308	(56,602)	60,620	60,620	(60,614)
Change in Interco	-	(277,778)	277,778	-	(552,556)	552,556	(533,334)	(533,334)	833,334
Equity/LT Debt Funding	535,856	525,000	5,856	-	-	-	539,695	525,000	5,695
<b>Total Receipts</b>	<b>12,375,824</b>	<b>11,814,600</b>	<b>224,445</b>	<b>5,977,316</b>	<b>5,540,848</b>	<b>436,468</b>	<b>18,154,139</b>	<b>17,415,448</b>	<b>938,691</b>
<b>Disbursements</b>									
Payroll	4,286,873	3,733,422	(553,251)	1,913,815	1,427,152	(486,663)	3,790,686	5,160,574	(1,369,114)
<b>Material Purchases</b>									
Steel	956,531	864,000	92,531	143,857	168,032	(24,175)	1,100,346	1,032,032	(68,305)
Compressor	1,020,952	1,085,417	64,565	159,362	263,515	(104,151)	1,180,213	1,368,930	(188,717)
Paint	124,569	225,000	100,431	43,842	70,000	26,158	180,481	285,000	(104,519)
Plastic	808,539	886,000	77,461	121,049	190,000	68,951	626,628	775,000	(148,372)
Floors	429,728	562,500	132,772	126,276	160,000	33,724	550,000	722,500	(172,500)
Carboard	268,308	114,000	154,308	44,065	70,000	25,945	282,353	184,000	(98,353)
All Other Vendors	2,369,707	4,297,369	1,927,662	425,843	586,391	(160,548)	2,725,350	5,193,700	(2,418,351)
<b>Total Material Purchases</b>	<b>5,609,253</b>	<b>7,943,296</b>	<b>(2,334,043)</b>	<b>1,644,177</b>	<b>1,597,936</b>	<b>46,241</b>	<b>6,653,431</b>	<b>9,371,162</b>	<b>(2,717,731)</b>
<b>Production Risk Payments</b>									
Steel	116,985	105,000	11,985	91,788	106,000	(14,212)	210,761	216,000	(5,239)
Compressor	38,976	257,250	(218,274)	90,212	107,051	(16,839)	125,191	444,331	(319,140)
<b>Total Production Risk Payments</b>	<b>157,964</b>	<b>366,250</b>	<b>(208,286)</b>	<b>182,000</b>	<b>246,051</b>	<b>(64,051)</b>	<b>339,952</b>	<b>662,331</b>	<b>(322,349)</b>
<b>Overhead Costs</b>									
Litres	305,884	236,685	69,199	87,634	266,075	(178,439)	383,248	501,658	(118,410)
Rent Estate and Property taxes	119,192	39,219	79,973	17,509	17,500	99	119,192	175,910	(56,718)
Maintenance	85,089	156,802	(71,713)	16,353	50,446	(34,113)	102,302	207,048	(104,746)
Manufacturing Supplies	38,160	26,000	12,160	12,812	21,630	(8,818)	50,871	86,087	(35,216)
Scrap	-	30,500	30,500	-	-	-	-	25,000	25,000
Warranty	254,636	266,714	(12,078)	12,018	145,230	(133,212)	266,656	421,944	(155,288)
Variable Marketing	125,083	339,261	(214,178)	34,516	45,000	(10,484)	163,598	384,261	(220,663)
Royalties - int'l only	17,229	38,733	(21,504)	34,465	15,000	(19,465)	31,684	53,753	(22,069)
Freight	1,414,452	635,841	778,611	857,381	440,722	(416,659)	1,690,633	1,082,565	(608,068)
Rebate	-	300,000	300,000	-	-	-	-	300,000	300,000
<b>Total Overhead Costs</b>	<b>2,091,505</b>	<b>2,221,384</b>	<b>(129,879)</b>	<b>755,169</b>	<b>1,617,609</b>	<b>(862,440)</b>	<b>2,846,954</b>	<b>3,239,203</b>	<b>(392,249)</b>
<b>Administrative</b>									
Travel	12,839	50,251	(37,412)	24,146	24,146	-	12,839	74,367	(61,528)
Professional Fees under Admin Charge*	279,132	202,500	76,632	54,011	137,187	(83,176)	333,143	339,687	(6,544)
Professional Fees and Advisors	354,282	416,208	(61,926)	79,362	59,600	(19,238)	433,944	489,209	(55,265)
Marketing	-	101,069	101,069	165,260	20,697	(144,563)	-	101,689	101,689
PS17G517G51	464,125	-	464,125	-	-	-	527,389	20,887	(506,488)
Other BGA	214,542	177,108	37,434	63,614	123,530	(59,916)	286,565	300,638	(14,073)
Interest expense	180,380	167,703	12,677	43,246	70,534	(27,288)	153,658	239,237	(85,579)
<b>Total Administrative</b>	<b>1,475,730</b>	<b>1,109,459</b>	<b>366,271</b>	<b>423,693</b>	<b>435,394</b>	<b>(11,691)</b>	<b>1,899,203</b>	<b>1,944,753</b>	<b>(45,550)</b>
<b>Floor - pre filing disbursements</b>									
		300,000	300,000		300,000			300,000	
<b>Total Disbursements</b>	<b>13,621,085</b>	<b>15,073,751</b>	<b>(1,452,666)</b>	<b>3,917,863</b>	<b>5,104,242</b>	<b>(1,186,379)</b>	<b>17,538,938</b>	<b>20,477,983</b>	<b>(2,939,045)</b>
<b>Net Cash Flow</b>	<b>\$ (1,244,261)</b>	<b>\$ (3,499,150)</b>	<b>\$ 2,254,889</b>	<b>\$ 2,059,453</b>	<b>\$ 436,606</b>	<b>\$ 1,622,857</b>	<b>\$ 915,201</b>	<b>\$ (3,062,545)</b>	<b>\$ 3,877,746</b>

WC WOOD - US  
Cash Flow Variance Analysis  
For Period May 18th to Sept 19th, 2009

	May 18 to August 15			August 16 to Sept 19			May 18 to Sept 19		
	Actual	Forecast	Variance	Actual	Forecast	Variance	Actual	Forecast	Variance
<b>Receipts</b>									
AR Collections	\$ 10,752,771	\$ 13,843,111	\$(3,090,340)	\$ 4,443,130	\$ 4,599,149	\$(63,019)	\$ 15,195,901	\$ 18,348,260	\$(3,153,359)
Non-Oper Sources	566,273	48,000	518,273	47,486		47,486	613,771	48,000	565,771
Discounts	-	205,000	(205,000)	-	500,000	(500,000)	-	705,000	(705,000)
Intercompany IN & OUT	-	(10,000)	10,000	-	(20,000)	20,000	-	(30,000)	30,000
Change in Intercompany	500,000	2,700,000	(2,200,000)	-	-	-	500,000	2,700,000	(2,200,000)
Equity/L Debt Funding	-	-	-	-	-	-	-	-	-
<b>Total Receipts</b>	<b>11,819,044</b>	<b>16,786,111</b>	<b>(4,967,067)</b>	<b>4,490,616</b>	<b>4,906,149</b>	<b>(415,533)</b>	<b>16,309,672</b>	<b>21,772,260</b>	<b>(5,462,588)</b>
<b>Disbursements</b>									
Payroll	2,846,050	3,131,444	285,394	862,397	922,646	40,249	3,728,457	4,054,000	325,543
<b>Material Purchases</b>									
Steel	457,015	476,671	(20,344)	48,737	145,310	96,573	505,752	551,981	76,229
Compressor	80,143	894,511	814,368	91,213	301,439	210,226	171,381	1,049,940	878,559
Paint	122,162	410,000	287,838	10,478	60,000	49,522	132,970	470,000	337,030
Plastic	358,120	585,000	246,874	62,845	140,000	77,155	420,971	725,000	304,029
Foams	401,777	593,000	191,223	40,000	110,000	70,000	441,777	713,000	271,223
Cardboard	211,482	289,000	68,518	-	80,000	80,000	211,482	306,000	144,518
All Other Vendors	2,500,569	4,445,425	1,944,436	763,471	944,637	681,208	2,754,420	5,390,002	2,635,642
<b>Total Material Purchases</b>	<b>4,111,729</b>	<b>7,724,607</b>	<b>3,612,878</b>	<b>526,704</b>	<b>1,581,386</b>	<b>1,054,682</b>	<b>4,638,439</b>	<b>9,305,993</b>	<b>4,667,560</b>
<b>Production Risk Payments</b>									
Steel	105,424	417,502	312,158	55,000	55,000	55,000	105,424	472,502	367,158
Compressor	43,110	34,710	(8,400)	101,716	113,978	11,862	144,826	148,080	3,262
<b>Total Production Risk Payments</b>	<b>148,534</b>	<b>452,212</b>	<b>303,758</b>	<b>161,716</b>	<b>168,378</b>	<b>66,662</b>	<b>250,250</b>	<b>620,670</b>	<b>370,420</b>
<b>Overhead Costs</b>									
Utilities	168,825	226,100	37,275	68,383	115,000	46,617	257,206	341,100	83,892
Real Estate and Property Taxes, Insurance	112,695	113,190	495	39,588	38,988	7,500	143,173	151,168	7,995
Maintenance	58,282	63,939	4,857	46,710	29,760	(16,950)	104,662	93,000	(11,662)
Manufacturing Supplies	21,553	55,388	33,835	25	11,700	11,675	21,578	67,088	45,510
Scrap	-	10,760	10,760	-	-	-	-	10,760	10,760
Warranty	274,421	895,068	531,647	389,732	378,400	36,688	614,453	1,182,468	568,315
Variable Marketing	215,603	420,124	214,322	14,294	(14,294)	-	230,096	428,124	198,028
Royalties - pd only	225,651	597,971	372,320	279,226	73,441	(204,785)	503,877	551,412	77,535
Freight	319,720	694,069	374,349	366,511	343,176	(33,335)	1,246,231	1,042,565	(193,368)
Rebate	271,449	393,000	121,551	2,893	60,000	57,107	273,542	455,000	181,458
<b>Total Overhead Costs</b>	<b>2,249,208</b>	<b>3,391,139</b>	<b>1,091,931</b>	<b>1,145,942</b>	<b>1,097,945</b>	<b>(67,971)</b>	<b>3,394,650</b>	<b>4,358,064</b>	<b>963,333</b>
<b>Administrative</b>									
Travel	17,774	103,467	85,693	-	14,500	14,500	17,774	117,967	100,193
Professional Fees under Admin Charge*	299,925	271,300	(28,625)	100,072	175,292	66,220	405,697	446,282	40,585
Professional Fees and Advisors	308,690	397,792	89,102	53,206	42,500	(10,706)	363,185	440,292	77,107
Marketing	10,669	203,065	192,396	42,485	42,485	-	10,589	246,120	235,531
Other SGA	173,735	178,263	4,528	67,421	104,631	37,210	241,159	282,884	41,725
Interest expense	172,892	208,580	36,688	43,303	117,145	73,842	215,895	325,705	109,711
<b>Total Administrative</b>	<b>994,957</b>	<b>1,352,748</b>	<b>378,151</b>	<b>270,092</b>	<b>496,525</b>	<b>226,411</b>	<b>1,264,678</b>	<b>1,869,271</b>	<b>604,593</b>
Fixed - Pre filing disbursements	-	200,000	200,000	-	-	-	-	200,000	200,000
<b>Total Disbursements</b>	<b>10,340,257</b>	<b>16,972,230</b>	<b>6,631,972</b>	<b>2,926,441</b>	<b>4,226,478</b>	<b>1,300,037</b>	<b>13,266,699</b>	<b>20,398,768</b>	<b>7,132,069</b>
<b>Net Cash Flow</b>	<b>\$ 1,478,787</b>	<b>\$ 613,882</b>	<b>\$ 864,905</b>	<b>\$ 1,564,177</b>	<b>\$ 739,671</b>	<b>\$ 804,516</b>	<b>\$ 3,042,973</b>	<b>\$ 1,373,552</b>	<b>\$ 1,699,421</b>

**Schedule "B" to the Sixth Report of the Monitor**

**W.C. Wood (USA)  
14 WEEK CASH FLOW**

	Actual 01-Aug	Actual 08-Aug	Actual 15-Aug	Actual 22-Aug	Actual 29-Aug	1	2	3	4	5	6	7	8	9	10	11
						05-Sep	12-Sep	19-Sep	26-Sep	03-Oct	10-Oct	17-Oct	24-Oct	31-Oct	07-Nov	14-Nov
<b>Cash Receipts</b>	982,403	896,296	1,040,360	871,064	813,547	729,008	839,352	824,983	587,035	776,974	551,203	754,409	933,927	1,200,313	891,333	1,275,250
A/R collections																
Non-operational sources	1,071	27,676	59,734	2,745	286											
Asset proceeds																
Discounts																
Intercompany settlements																
Equity/LT Debt financing	983,474	1,022,972	1,100,114	875,810	813,833	729,008	839,352	824,983	587,035	776,974	551,203	754,409	933,927	1,200,313	891,333	1,275,250
<b>Cash Disbursements</b>																
Payroll																
Wages	52,278	124,026	136,073	43,600	166,010	59,000	134,248	55,000	134,248	134,248	134,248	134,248	134,248	134,248	134,248	134,248
Taxes	18,080	47,988	49,311	19,130	95,083	20,000	84,576	20,000	84,576	84,576	84,576	129,576	129,576	129,576	129,576	129,576
Benefits	42,692	41,335	28,637	69,878	9,454	25,020	40,000	35,000								
Other employee costs				350	2,207	64,000										
Outsourcing																
Employee expenses	113,050	213,350	216,757	133,282	272,755	171,000	261,823	113,000	221,821	221,823	221,823	266,823	266,823	266,823	263,823	263,823
Material																
Steel - Arcon/Mittal (Dofasco)	52,664		37,483		23,350		99,663	43,369	46,369	47,182	47,613	52,154	30,000	30,000	47,613	52,154
Compressors	7,387	454			32,173		35,000			86,850	84,960	30,000	30,000	30,000	30,000	30,000
Paint - PPG	17,908	23,940			4,673		30,000			30,000						
Plastic components - Sturgis	28,574	16,884	18,104	12,855	46,960		50,000	20,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Foam - Huntsman	40,000		34,177				35,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000
Shipping material - Norampac	2,660		13,204				20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Mexico Inventory																
All other vendors	298,877	87,041	400,124	71,382	321,750	19,545	174,215	240,287	130,511	(4,538)	68,438	184,437	176,890	95,811	223,738	259,457
Production risk payments	43,870	128,319	503,082	84,208	228,900	19,545	358,878	358,656	286,860	229,494	305,992	336,591	351,890	225,813	376,351	451,621
Steel - Arcon/Mittal (Dofasco)																
Compressors	14,175	55,424	50,000	21,135	37,118	35,295	8,168	13,990	16,337				41,850	49,010		
Other	14,175	59,584	64,475	21,135	37,118	35,295	8,168	13,990	16,337				41,850	49,010		
Factory and channel costs																
Utilities	15,251		59,649	1,982	1,429		45,000		3,000		45,000	119,000				
Real Estate Taxes and Insurance	30,568						7,900				32,000					
Maintenance	1,328	1,761	20,128	6,862	6,502	13,260	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750
Manufacturing Supplies	8,024	76,557	58,136	36,721	40,352	93,540	80,250	80,250	80,150	35,250	85,250	35,250	61,180	61,180	111,180	61,180
Variable Marketing			15,287					73,441				75,000				
Royalty	14,608	79,695	113,763	169,698	85,296			73,441			99,141	43,687	87,374	87,374	37,449	62,415
Freight	1,500		58,859	98,300			60,000				60,000				70,000	
Rebates	71,279	180,413	326,532	313,563	133,579	220,644	240,135	298,082	140,549	159,641	326,641	278,187	153,804	153,804	223,879	128,845
SG&A																
Travel						1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500
Professional Fees						30,792	73,500	33,500	33,500	43,500	58,500	33,500	33,500	33,500	20,000	20,000
Marketing						1,099	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Other SGA						6,231	24,200	24,200	24,200	24,200	24,200	24,200	24,200	24,200	24,200	24,200
Taxes (not income)																
Interest expense						43,302						53,250			46,700	96,950
Total Uses	85,372	47,896	98,918	63,764	61,534	82,924	100,200	60,200	60,200	70,200	85,200	113,450	60,200	60,200	46,700	96,950
Net source (use) of cash	731,546	670,583	1,174,020	629,848	733,892	529,408	969,204	803,888	725,789	661,158	939,656	995,051	874,568	755,648	910,753	1,275,250
<b>Cash Summary</b>																
Receipts	983,474	1,022,972	1,100,114	875,810	813,833	729,008	839,352	824,983	587,035	776,974	551,203	754,409	933,927	1,200,313	891,333	1,275,250
Disbursements	731,546	670,583	1,174,020	629,848	733,892	529,408	969,204	803,888	725,789	661,158	939,656	995,051	874,568	755,648	910,753	1,275,250
Net source (use) of cash	251,928	352,389	(73,906)	245,962	79,941	199,600	(129,853)	21,095	(138,755)	60,815	(388,453)	(240,642)	99,359	444,665	(19,421)	334,010
<b>Summary</b>																
Loan balance	6,445,046	6,093,970	6,169,429	5,923,619	5,843,786	5,644,778	5,775,427	5,764,443	5,893,409	5,828,435	6,217,232	6,458,828	6,399,896	5,955,584	5,975,251	5,642,001
Availability	615,762	1,222,050	597,635	720,156	509,194	512,473	996,340	233,673	449,963	990,176	738,241	633,928	451,987	458,627	52,754	(262,790)

W.C. Wood (CANADA)  
14 WEEK CASH FLOW

	Actual 22-Aug	Actual 29-Aug	1	2	3	4	5	6	7	8	9	10	11
			05-Sep	12-Sep	19-Sep	26-Sep	03-Oct	10-Oct	17-Oct	24-Oct	31-Oct	07-Nov	14-Nov
<b>Cash Receipts</b>	1,699,510	678,947	955,830	870,006	1,792,334	780,114	914,170	844,065	1,035,269	1,018,545	986,914	1,027,918	1,108,939
AIR collections		73				31,646							
Non-operational sources													
Asset proceeds													
Discounts													
Intercompany settlements													
Intercompany settlements (Profession)													
Equity & Debt Financing													
<b>Cash Disbursements</b>	1,702,476	679,022	981,117	884,006	1,806,334	827,760	938,170	853,065	1,039,269	1,032,545	900,914	1,027,918	1,108,939
Payroll													
Wages	249,756	113,157	250,000	135,000	205,000	135,000	250,000	125,000	250,000	125,000	250,000	125,000	250,000
Taxes	105,231	55,949	71,000	30,000	50,000	30,000	77,000	30,000	75,000	30,000	75,000	30,000	75,000
Benefits	14,190	40,971	43,857	43,857	38,357	43,857	43,857	43,857	43,857	43,857	43,857	43,857	43,857
Other employee costs													
Outsourcing													
Employee expenses	2,873	713	905	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Material	372,000	210,790	373,762	203,857	296,357	203,857	375,857	203,857	373,857	203,857	373,857	203,857	373,857
Steel - ArcelorMittal (Doraso)													
Compressors	89,642	64,138	44,663	43,369	69,264	66,456	47,182	47,613	52,154	30,000	30,000	30,000	30,000
Paint - PPG	13,862		137,830	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000
Plastic components - Sturgis	36,295	53,197		30,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Foam - Huntsleigh	85,270	41,009		75,000	75,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Shipping material - Norampac	13,645	17,255		20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Mexico Inventory				21,000	27,000								
All other vendors	128,621	45,883	80,646	136,224	140,600	386,227	110,742	224,058	347,852	370,006	99,624	282,706	329,247
Production risk payments	452,384	221,482	80,646	409,718	455,342	569,062	329,564	416,672	500,006	500,006	229,624	382,706	459,247
Production risk payments													
Steel - ArcelorMittal (Doraso)	53,996	37,800											
Compressors	16,921	30,639	25,065		15,336					49,010			
Other	70,916	68,439	25,065		16,336					49,010			
Factory and channel costs													
Utilities			4,073	56,000			65,000	64,400			60,000	70,000	
Real Estate Taxes and Insurance			3,916	10,673	10,673	10,673	10,673	10,673	17,500	10,673	10,673	10,673	10,673
Maintenance			1,214	5,083	5,083	5,083	5,083	5,083	5,083	5,083	5,083	5,083	5,083
Manufacturing Supplies			771	75,000			75,000	75,000		75,000			
Warranty				45,000				40,000				40,000	
Variable Marketing					15,000				15,000				15,000
Roughly			94,716	102,636	92,372	102,636	128,295	59,503	99,171	119,006	119,006	56,394	93,874
Freight													
Retailers			109,149	294,392	140,628	116,392	269,584	254,659	147,427	209,762	194,762	382,080	124,630
SG&A				1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500
Travel			30,187	37,500	37,500	37,500	37,500	45,000	40,000	40,000	40,000	25,000	25,000
Marketing			19,650	30,345	12,845	30,345	30,345	30,345	12,845	30,345	30,345	30,345	30,345
Other SGA					20,897	85,000							
GST, PST, QST													
Taxes (not income)													
Interest expense			58,837	65,345	72,742	154,345	127,104	76,845	54,345	71,845	246,845	56,845	56,845
Total Uses	1,180,857	804,560	647,460	977,312	981,305	1,045,647	1,122,110	952,033	1,075,636	1,034,480	1,045,083	825,489	1,014,580
<b>Cash Summary</b>													
Receipts	1,702,476	679,022	981,117	884,006	1,806,334	827,760	928,170	853,065	1,035,269	1,032,545	900,914	1,027,918	1,108,939
Disbursements	1,180,857	804,560	647,460	977,312	981,305	1,045,647	1,122,110	952,033	1,075,636	1,034,480	1,045,083	825,489	1,014,580
Net source (use) of cash	521,619	(125,538)	333,657	(93,306)	825,029	(217,886)	(193,940)	(93,968)	(36,367)	(3,935)	(144,174)	202,429	94,360
<b>Summary</b>													
Loan balance	6,149,055	6,285,796	5,952,678	6,046,672	5,222,338	5,440,578	5,635,408	5,730,343	5,767,074	5,769,529	5,914,615	5,712,697	5,618,757
Availability	753,379	514,204	703,097	626,630	858,778	752,286	788,537	826,540	906,229	903,774	758,688	546,358	489,769

## Schedule "C" to the Sixth Report of the Monitor

### J.C. Wood (CANADA)

#### WEEK CASH FLOW FORECAST

	Actual 19-Sep	1 26-Sep	2 03-Oct	3 10-Oct	4 17-Oct	5 24-Oct	6 31-Oct
<b>ash Receipts</b>							
A/R collections	2,407,461	930,466	754,532	559,913	932,433	846,592	766,318
Non-operational sources	3,146	33,646	-	-	-	-	-
Intercompany settlements	-	14,000	14,000	14,000	14,000	14,000	14,000
	2,410,607	978,112	768,532	573,913	946,433	860,592	780,318
<b>ash Disbursements</b>							
<b>Payroll</b>							
Wages	227,572	89,078	214,804	89,078	214,804	89,078	214,804
Taxes	87,396	26,723	70,885	29,396	70,885	29,396	70,885
Benefits	32,589	22,270	64,441	26,723	64,441	26,723	64,441
Employee expenses	1,045	1,500	1,500	1,500	1,500	1,500	1,500
	353,097	139,571	351,631	146,697	351,631	146,697	351,631
<b>Material</b>							
Steel	24,690	25,000	25,000	25,000	25,000	25,000	25,000
Compressors	38,566	66,456	71,640	45,000	-	-	-
Paint	-	15,000	-	15,000	-	15,000	-
Plastic components	8,556	25,000	25,000	25,000	25,000	25,000	25,000
Foam	-	-	40,000	-	-	40,000	-
Shipping material	6,239	20,000	20,000	20,000	20,000	20,000	20,000
All other vendors	109,723	76,165	35,029	70,003	130,003	58,336	113,699
	187,773	227,621	216,669	200,003	200,003	183,336	183,699
<b>Production risk payments</b>							
Compressors	17,476	-	-	-	-	49,010	-
	17,476	-	-	-	-	49,010	-
<b>Factory and channel costs</b>							
Utilities	551	52,303	65,000	64,400	-	-	65,000
Real Estate Taxes and Insurance	-	17,500	60,533	-	17,500	-	-
Maintenance	937	7,500	7,500	7,500	7,500	7,500	7,500
Manufacturing Supplies	3,076	4,500	4,500	4,500	4,500	4,500	4,500
Warranty	8,005	70,000	-	-	-	70,000	-
Variable Marketing	(1,966)	-	-	40,000	-	-	-
Royalty	15,150	-	-	-	15,000	-	-
Freight	125,095	56,450	51,318	51,569	47,602	47,602	43,635
	148,848	208,253	188,851	167,969	92,102	129,602	120,635
<b>SG&amp;A</b>							
Travel	-	250	250	250	250	250	250
Professional Fees	19,039	35,000	35,000	45,000	35,000	35,000	35,000
Other SGA	38,125	25,000	25,000	25,000	25,000	25,000	25,000
GST, PST, QST	20,897	85,000	-	-	-	-	85,000
Interest expense	-	-	52,759	-	-	-	50,000
	76,062	145,250	113,009	70,250	60,250	60,250	196,250
<b>Total Uses</b>	<b>783,256</b>	<b>720,694</b>	<b>870,161</b>	<b>584,919</b>	<b>703,986</b>	<b>568,895</b>	<b>851,215</b>
<b>Cash Summary</b>							
Receipts	2,410,607	978,112	768,532	573,913	946,433	860,592	780,318
Disbursements	783,256	720,694	870,161	584,919	703,986	568,895	851,215
Net source (use) of cash	1,627,351	257,418	(101,629)	(11,006)	242,447	291,697	(70,897)
<b>Summary</b>							
Loan balance	4,424,132	4,167,020	4,269,488	4,280,575	4,038,143	3,746,551	3,818,233
Availability	1,175,605	927,768	544,734	823,897	1,004,896	899,811	(127,758)

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