



ONTARIO SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

COUNSEL SLIP/ENDORSEMENT

COURT FILE NO.: BK-24-03038619-0031 DATE: 20 March 2024

NO. ON LIST: 1

TITLE OF PROCEEDING: IN THE MATTER OF THE PROPOSAL OF BRR LOGISTICS LIMITED

BEFORE JUSTICE: KIMMEL

PARTICIPANT INFORMATION

For Plaintiff, Applicant, Moving Party, Crown:

Name of Person Appearing	Name of Party	Contact Info
FAHEIM, MONICA AZEFF, GREGORY	BRR LOGISTICS LIMITED	mfaheim@millerthomson.com gazeff@millerthomson.com

For Defendant, Respondent, Responding Party, Defence:

Name of Person Appearing	Name of Party	Contact Info

For Other, Self-Represented:

Name of Person Appearing	Name of Party	Contact Info
PHOENIX, GRAHAM	SALLYPORT COMMERCIAL FINANCE	gphoenix@LN.law
LICI, MATILDA	BDO CANADA LIMITED	mlici@airdberlis.com
MCINTYRE, CAITLIN	WALMART CANADA CORP	caitlin.mcintyre@blakes.com

ENDORSEMENT OF JUSTICE KIMMEL:

1. BRR Logistics Limited ("BRR" or the "Company") seeks to schedule the following two motions:

- a. a motion for an expedited adjudication of a dispute with Wal-Mart Canada Corp. ("Walmart") in respect of a claimed receivable owing by Walmart to the Company and Walmart's claim that it overpaid prior invoices (the "Walmart Motion"); and
- b. a motion for advice and directions in respect of certain goods of customers/suppliers being held by the Company (the "Inventory Motion").

The Inventory Motion

2. The Company must vacate its current warehouse premises by March 31, 2024. This has created some urgency, at least for an initial appearance and preliminary order and directions.
3. The Company is consulting with the Proposal Trustee and considering its options regarding the storage and warehousing services that it provides to its customers, many of whom are also suppliers. The Company has compiled a list of affected customers/suppliers.
4. There are potential set-off issues as between the Company and some of these customers/suppliers. This situation is further complicated by the fact that the Company's accounts receivable has been purchased by its senior secured creditor, Sallyport Commercial Finance ULC ("Sallyport").
5. On the Inventory Motion, the Company will be seeking advice and directions from the Court regarding the continued storage (at another location) and/or disposition of the inventory. Due to its urgency, an initial return date has been scheduled for the Inventory Motion on March 26, 2024 for 90 minutes. The following timetable shall be adhered to in respect of this first return date for the Inventory Motion:
 - a. The Company shall serve its motion materials, together with a copy of this endorsement, on all interested stakeholders and its general service list by the close of business on March 21, 2024.
 - b. The Proposal Trustee shall serve its report in respect of this Inventory Motion by the close of business on March 22, 2024.
 - c. Any stakeholder who intends to participate and take a position on this motion shall advise the Company of such intention and provide a brief outline of its position by 2 p.m. on March 25, 2024.
 - d. The Company shall deliver a factum or Aide Memoire by the close of business on March 25, 2024.
 - e. All material for the March 25, 2024 first return of the Inventory Motion shall have been served, filed and uploaded into CaseLines by no later than 6 p.m. on March 25, 2024.

The Walmart Motion

6. The Company first sought to schedule the Walmart Motion on February 27, 2024 when appearing before Conway J. on the initial order in this matter. At that time, the Company was aware of, and disclosed to the court, that there appeared to be a disagreement with Walmart both in terms of the accounting for outstanding accounts receivable arising prior to the January 31, 2024 Filing Date and in respect of an overpayment that Walmart claimed to have made on earlier invoices and was seeking to set off. The parties have been exchanging information since then, and Walmart has agreed to pay today an initial amount of \$425,000 in respect of amounts acknowledged to be owing.
7. Walmart says it will pay whatever is owing upon a final reconciliation, but the parties are not confident today that they will be able to reach agreement on that amount having regard to the current differences of opinion. While they continue to work towards an agreement, the Company and Sallyport asked that the motion be scheduled with a timetable that builds in time for continued negotiations on the front end.
8. The Walmart Motion has been scheduled for a half day on May 14, 2024. The parties shall adhere to the following timetable for pre-hearing steps:
 - a. The Company shall provide its response to outstanding information requests from Walmart by March 27, 2024.

- b. If no resolution can be reached, the Company shall serve its motion record for the Walmart Motion by April 12, 2024.
 - c. Walmart's responding motion record shall be served by April 19, 2024.
 - d. The Proposal Trustee's report, if any, shall be served by no later than May 7, 2024.
 - e. The parties shall agree upon a timetable for all other remaining pre-hearing steps such that all materials, including a reply factum if deemed appropriate by the Company, shall have been served, filed and uploaded into CaseLines by no later than 2:30 on May 13, 2024.
9. This endorsement and the orders and directions contained in it shall have the immediate effect of a court order without the necessity of a formal order being taken out.

A handwritten signature in cursive script that reads "Kimmel J." with a horizontal line under the "J".

KIMMEL J.