

C A N A D A  
PROVINCE OF QUEBEC  
DISTRICT OF MONTREAL  
COURT. No.: 500-11-041305-117

S U P E R I O R C O U R T  
Commercial Division

**IN THE MATTER OF THE PLAN OF  
COMPROMISE OR ARRANGEMENT OF: 1810040 ALBERTA LTD.** (formerly known as  
**HOMBURG INVEST INC. and HOMBURG  
SHARECO INC.)**

Debtor

- and -

**HOMCO REALTY FUND (61) LIMITED  
PARTNERSHIP**

Mise en cause

- and -

**DELOITTE RESTRUCTURING INC.** (formerly  
known as **SAMSON BÉLAIR/DELOITTE &  
TOUCHE INC.)**

Monitor

**FIFTY-SIXTH REPORT TO THE COURT  
SUBMITTED BY DELOITTE RESTRUCTURING INC.  
IN ITS CAPACITY AS MONITOR**

*(Companies' Creditors Arrangement Act, R.S.C. 1985, c. C-36, as amended)*

## **INTRODUCTION**

1. On September 9, 2011, 1810040 Alberta Ltd. (formerly known as Homburg Invest Inc. and Homburg Shareco Inc.) ("**HII**") and certain related entities (collectively, the "**Debtors**") filed and obtained protection from their respective creditors under the *Companies' Creditors Arrangement Act* (the "**CCAA**") pursuant to an Order rendered by the Superior Court of Québec (as amended and extended from time to time, the "**Initial Order**").
2. Pursuant to the Initial Order (as amended), the Stay was extended to numerous other debtors and partnerships. As of this date, only Homco 61 is left as an "Applicant Partnership" (together with HII, the "**HII Parties**").
3. Deloitte Restructuring Inc. (formerly known as Samson Bélaire/Deloitte & Touche Inc.) was appointed as monitor (the "**Monitor**") under the CCAA.

4. Pursuant to the Initial Order, an initial stay of proceedings (the "**Stay**") was granted until October 7, 2011 in favour of the HII Parties, which Stay has been extended from time to time by order of the Court. Most recently in November 2020, the Court extended the Stay up to and including April 15, 2021 (the "**Stay Period**").
5. Since the Initial Order, the Monitor has filed reports with the Court and served same to the Service List from time to time. The Monitor filed fifty-five such Monitor's reports (as well as some supplemental reports) prior to this fifty-sixth report of the Monitor (the "**Fifty-Sixth Report**"). Copies of all of the Monitor's reports are available on the Monitor's website at [www.insolvencies.deloitte.ca](http://www.insolvencies.deloitte.ca) under the Homburg Invest Inc. link. The Monitor has also established a toll-free number that is referenced on the Monitor's website so that parties may contact the Monitor if they have questions with respect to the HII Parties' restructuring under the CCAA.

#### **PURPOSE OF THE FIFTY-SIXTH REPORT**

6. This Fifty-Sixth Report is intended to provide an update on the progress of the HII Parties' restructuring process and related steps in connection with the execution of the HII/Shareco Plan and the Homco 61 Plan (collectively, the "**Plans**") and confirm the support of the Monitor to the Debtor's Application for an extension of the Stay Period dated April 12, 2021 (the "**Debtor's Application**"). This report also outlines the current and projected cash positions of the Debtor, the status of the orderly liquidation initiatives and the details of the final distributions under the Plans (the "**Final Distribution**") to occur on the Final Distribution Date, which is expected to be on or after April 27, 2021 and within the Stay Period extension sought by the Debtor.
7. This Fifty-Sixth Report is structured as follows:
  - I- Updates on the Execution of the Plans and the Distributions;
  - II- Expected Final Distribution;
  - III- Final recovery rates;
  - IV- Debtor's Cash Flows;
  - V- Activities of the Monitor;
  - VI- Extension of the Stay Period; and,
  - VII- Conclusions and Recommendations.

#### **TERMS OF REFERENCE**

8. In preparing this Fifty-Sixth Report, the Monitor has relied upon unaudited financial information, the HII Parties' records, the amended motion for an Initial Order dated September 9, 2011, and all subsequent motions and applications filed with the Court and exhibits in support of same, its discussions with management of the HII Parties ("**Management**") and the HII Parties' and the Monitor's legal advisors. While the Monitor has analyzed the information, some in draft form, the Monitor has not performed an audit or otherwise verified such information. Forward-looking financial information included in this Fifty-Sixth Report is based on assumptions of Management regarding future events, and actual results achieved will vary from this information and such variations could be material.
9. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian dollars. Capitalized terms not otherwise defined in this Fifty-Sixth Report are as defined in the previous reports of the Monitor and the HII/Shareco Plan.

## **I. UPDATE ON THE EXECUTION OF THE PLANS AND THE DISTRIBUTIONS**

10. On March 27, 2014, in conformity with the Plans, the Monitor issued certificates confirming that the Plan Implementation Date ("**PID**") took place from March 24, 2014 to March 27, 2014 and that the Homco 61 Plan Implementation Date occurred on March 27, 2014. Since PID and in conformity with the Plans, the Monitor has proceeded to several distributions to the Affected Creditors and has continued to monitor the execution of the Plans, with the objective to proceed ultimately with a Final Distribution to the Affected Creditors and the Homco 61 Affected Creditors. As mentioned in previous reports, delays regarding the disposition of the last remaining non-core asset, namely a real estate property held by Homco 123, for which realization proceeds were expected to be significant for HII (for the ultimate benefit of the Affected Creditors as they will form part of the Final Distribution), explained mainly why the Final Distribution and the closing of the file had been postponed from time to time. The sale of the real estate property held by Homco 123 has now closed and the excess proceeds received by HII, allowing for the Final Distribution to take place.

### **HOMCO 123**

11. Further to a lengthy sale process and several delays over the course of the previous years explained in previous monitor reports (including permits to be obtained, issues with tenant, COVID-19, repairs to be made to the property) and months of negotiations with the proposed buyer, the sale of the property held by Homco 123 was closed on December 15, 2020.
12. This transaction was approved by the Liquidation Advisory Committee, in accordance with the HII/Shareco Plan.
13. The property was sold for an amount of 5.75M Euros. Considering the cash balance of Homco 123 at the time of the transaction, and following the various sale adjustments, the repayment of the secured creditors and the payment of the amounts due to specific suppliers, an amount of approximately 2.9M Euros was finally repaid to HII, in January 2021, as partial repayment of the debt due by Homco 123 to HII, for the benefit of the Affected Creditors and the Homco 61 Affected Creditors.

### **RESOLUTION OF DISPUTED CLAIMS**

14. Since the Fifty-Fifth Report, and given the receipt of the last Non-Core Business Assets Net Proceeds, coming from the sale of the Homco 123 property, the Monitor is now able to determine the last Disputed Claim still outstanding. As indicated in the Fifty-Fifth Report, the sole Disputed Claim related to the claims of the Bond 6 Claim Holders (i.e. the Bond 6 HII Deficiency Claim that can only be determined at the time of the Final Distribution).
15. The Bond 6 Claim Holders, benefited from a guarantee from Homco 61 in order to guarantee their Bond 6 HII Claim against HII/Shareco. Homco 61 has the Homco 61 Net Intercompany Claim against HII, for which the distributions under the HII/Shareco Plan are redirected to the Homco 61 Affected Creditors, principally the Bond 6 Claim Holders, pursuant to the Homco 61 Plan. The Bond 6 HII Deficiency Claim under the HII/Shareco Plan is established as being their total Bond 6 HII Claim less their aggregate recovery pursuant to the Homco 61 Plan (i.e. the Bond 6 Homco 61 Recovered Amount). Given that the final recovery under the Homco 61 Plan could not be determined before the Final Distribution to the Affected Creditors as it is directly linked to the HII distributions, the Monitor, in accordance with the Plans, has been holding since PID a specific reserve, pending the final determination of the Bond 6 HII Deficiency Claim.

16. The Monitor will be in a position to determine the final Bond 6 HII Deficiency Claim, based on the Final Distribution amounts that will provide for the exact Bond 6 Homco 61 Recovered Amount, which could not be known until the Final Distribution.

### **BANKRUPTCY AND WINDING-UP OF NON-CORE BUSINESS ENTITIES**

17. Since the Fifty-Fifth Report, the Monitor, with the approval of the Liquidation Advisory Committee, proceeded with the bankruptcy filing of 6 Non-Core Business Entities, including Homco 123 GP and Homco 123 LP. The trustee to these bankruptcies is Deloitte Restructuring Inc..
18. In total, since PID, more than 120 Non-Core Business Entities have either being filed into bankruptcy or liquidated. As of the date of this report, only three Non-Core Business Entities based in the Netherlands remain to be liquidated, and the work in this respect is in progress.
19. In addition to the work which remains to be performed in connection with the liquidation of these three Non-Core Business Entities, various tasks remain in respect of the final wind-down of the HII Group, including within the administration of the bankruptcies of certain Non-Core Business Entities, which will namely include a final distribution to the creditors of Churchill and the discharge of the trustee in the bankruptcies for which this has not yet taken place.
20. However, as the work to be performed can be planned in advance and fees reserved accordingly, it is not expected that these administrative steps will cause any delays to the Final Distribution.

### **NOTICE OF FINAL DISTRIBUTION**

21. Since PID, the Monitor proceeded with several distributions to the Affected Creditors and Homco 61 Affected Creditors under the respective Plans. Since the filing of the Fifty-Fifth Report on November 23, 2020, at the time of the request for the Thirty-Sixth Extension, the Monitor has not proceeded with any additional distributions to all Affected Creditors or all Homco 61 Affected Creditors.
22. On March 25, 2021, the Monitor published the Notice of Final Distribution pursuant to and in accordance with the terms of the Plans and the HII/Shareco Sanction and Vesting Order issued by the Court on June 5, 2013, advising that the Monitor will proceed with the Final Distributions under the Plans on or after April 27, 2021 (the "**Final Distribution Date**").
23. Copies of the Notice of Final Distribution, as published in English and in Dutch, are attached as Appendix C of this Fifty-Sixth Report.
24. The Notice of Final Distribution, as required by the Plans, was published on March 25, 2021 in the following newspapers:
  - i. Globe and Mail
  - ii. Calgary Herald
  - iii. Halifax Chronicle Herald
  - iv. The Guardian (Charlottetown)
  - v. De Volkskrant
  - vi. De Telegraaf
  - vii. The NRC
  - viii. Het Financieele Dagblad

25. Over the years, the Monitor has actively been communicating with the few hundreds of Affected Creditors (out of approximately 9,000) for which banking information was missing or erroneous, resulting in them not having received their distributions under the Plans. The vast majority of issues of this nature were resolved over the years, such that, as of the time of the publication of the Notice of Final Distribution, only 1 Affected Creditors has not received his distribution under the Plans, despite the multiple communications and measures to attempt to obtain his correct banking information. In accordance with the HII/Shareco Plan and the Notice of Final Distribution, should the Monitor not receive communications from him by April 26, 2021, the distributions reserved for this Affected Creditor will be treated as undeliverable distributions and re-allocated to the distribution of all the Affected Creditors.
26. Also, any Affected Creditor has until April 26, 2021 to provide to the Monitor an update of its, his or her personal information (or, in some cases, of the succession of the Affected Creditor), if necessary. If no updated personal information is received, the Monitor will proceed with the Final Distribution based on information actually on record. Given the time elapsed and the composition of the group of Affected Creditors (including principally the Bondholders in a number of approximately 9,000, mostly individuals and many being retired), it is expected that several wire transfers pertaining to the Final Distribution might bounce, and the Monitor, following the Final Distribution, will deal with them on a case by case basis and in collaboration with the trustee Stichting Homburg Bonds in order to attempt to locate those Bondholders for them to receive their portion of the Final Distribution. The Monitor will report on these elements at the time it will seek its discharge as Monitor.

## **II. EXPECTED FINAL DISTRIBUTION**

27. Now that the Non-Core Business Assets Net Proceeds have now been realized and all of the Disputed Claims can be resolved, the Monitor determined that it is in position to proceed with the Final Distribution, which distribution is planned to take place on or after April 27, 2021 and within the Stay Period extension sought by the Debtor.

### *Litigation Reserve*

28. At PID, a Litigation Reserve was set-up to cover any Litigation Reserve Costs, namely professional fees, disbursements, judicial or extrajudicial costs or solicitor client costs of the Monitor relating to the investigation and assessment of Creditor Causes of Action or Litigation Claims and the litigation or settlement of Litigation Claims. The Litigation Reserve was initially for an amount of \$500K, which now totals approximately \$533K, with interest earned.
29. PID took place in 2014, after potential claims had been revised and assessed by the Monitor, including namely as part of a forensic analysis conducted in 2013 and a presentation to the Bondholders on the result of same.
30. Since PID, in consultation with the Liquidation Advisory Committee and with Stichting Homburg Bonds, it had been determined that no costs relating to further investigations or assessments would be justified, such that the amount in the Litigation Reserve has not been used.
31. In February 2021, a group of four bondholders advised the Monitor that, in its view, some potential claims could be made against Mr. Richard Homburg or some entities related to him, and that the Monitor should consider using the Litigation Reserve for that purpose. One member of this group of four bondholders had already made that

suggestion several times over the years since PID, including by writing to the CCAA Court on this aspect. While Stichting Homburg Bonds, which represents all of the Bondholders, did not share this view of this group of four bondholders, it asked the Monitor to review the potential claims raised by it.

32. The Monitor conducted that review and realized that, while the potential claims were not detailed, they pertained to elements that had already been looked at by the Monitor as part of the 2013 forensic analysis or in other contexts and for which the Monitor had reported to Stichting Homburg Bonds, and that it did not change its view that these potential claims do not seem to justify the use of the Litigation Reserve to incur further fees and delays as part of the CCAA proceedings. The Monitor answered accordingly to Stichting Homburg Bonds in early April 2021; the confidential note of the Monitor provided to Stichting Homburg Bonds and shared with the group of four bondholders on April 7, 2021 is attached as Appendix D (under seal) of the Fifty-Sixth Report.
33. The Monitor reported on this situation to the Liquidation Advisory Committee and, in accordance with the HII/Shareco Plan, will be seeking the approval of the Liquidation Advisory Committee to contribute of the amount in the Litigation Reserve to the Cash Pool for distribution to Affected Creditors.

*Directors' Charge – reserve in Monitor's trust account*

34. Since PID, as reported in the various Monitor's reports, an amount of \$2M has been kept in a separate bank account by the Monitor, in connection with the Directors' Charge provided by the Initial Order which has been preserved against all property and assets, other than the Core Business Assets vested in Geneva.
35. This specific reserve has not been utilized. Consequently, the full amount, including interest earned, is expected to be transferred to the Cash Pool and to increase accordingly the Final Distribution to the Affected Creditors and Homco 61 Affected Creditors.

*Summary of estimated Final Distribution (aggregate)*

36. The following table summarizes the Final Distribution amount to Affected Creditors, established to \$9.25M:

<b>Deloitte HII trust accounts</b>	<b>April 7, 2021 (In CAD \$)</b>
Cash-Pool & Asset Realization Cash Pool	6 785 269
Litigation Reserve	533 635
Directos' Charge Reserve	2 118 353
Bond 6 circular Disputed Claims reversal	164 134
Administrative Reserve	1 200
<b>Total cash as of April 7, 2021</b>	<b>9 602 592</b>
Provision - completion of the administration of the file	(352 592)
<b>Final Distribution</b>	<b>9 250 000</b>

37. An amount of approximately \$350K was determined by the Monitor to be necessary to be kept, from the cash available on April 7, 2021 in the various trusts accounts (in addition to a retainer amount of \$250K received by Deloitte prior to the initiation of the CCAA proceedings), for the Administrative Reserve to cover the costs and expenses incurred and to be incurred to proceed with the Final Distribution, and to complete the administration of the file, as further explained in this Fifty-Sixth Report.

38. One should note that the Final Distribution is a distribution that is wholly in cash, and no Newco Common Shares (Geneba shares) are being distributed or cancelled as the HII/Shareco Plan originally contemplated, since the Monitor is no longer holding any Newco Common Shares. Indeed, in the summer of 2017, several years following PID and the issuance of the Newco Common Shares to the Affected Creditors and the Homco 61 Affected Creditors, Frasers Property Investments Holland B.V. made a one-time all-cash offer for the outstanding Newco Common Shares (the "**2017 One-Time Cash Offer**"), the whole as further detailed in the Monitor's Application to Authorize the Monitor to Tender Some or All of the Newco Common Shares Held in the Disputed Claims (Newco Shares) Reserve dated August 31, 2017. Pursuant to the order of the CCAA Court rendered on such Application on September 6, 2017, the Monitor had thereafter tendered the Newco Common Shares it continued to hold under the One-Time Cash Offer, and has since been holding cash in replacement of such shares.

### **III. FINAL RECOVERY RATES**

39. At the time of the filing of the Plans, the Monitor had filed the *Twenty-Third Report of the Monitor to the Court to the Affected Creditors on the Plan*, dated May 8, 2013 (the "**Report on the Plan**").
40. The Report of the Plan namely contained a detailed summary of the restructuring matters undertaken as part of the CCAA proceedings, an overview of the Plans and the estimated recovery rates of the Affected Creditors and Homco 61 Affected Creditors pursuant to the Plans.
41. As indicated in the Report on the Plan, the estimated ranges of recoveries were based on certain variables and on assumptions and estimates that were inherently uncertain and, though considered reasonable by the HII Group and the Monitor, were subject to a wide variety of significant business, economic, market, timing, financial and competitive risks, uncertainties and contingencies, and readers were warned to read carefully the Information Circular issued by the HII Group and, more specifically, the section under the heading "Risk Factors" in same.
42. Now that the Final Distribution is upcoming, the Monitor has prepared the final recovery rates, based on the actual preliminary and interim distributions made under the Plans and the upcoming estimated Final Distribution.
43. The final recovery rate of Affected Creditors and Homco 61 Affected Creditors represent their respective recovery rate as per the Plans being composed of the distributions received or to be received from the Cash Pool, the Asset Realization Cash Pool and the Newco Common Shares. For the Non-Electing Creditors who received Newco Common Shares (Geneba shares), the value used is the value that was used at PID, based on the most recent valuation of the Core Business Assets available at PID, namely September 30, 2013, based on independent valuations obtained at the time. This initial per share value of approximately Euro 5.00 per share was established at the time of the initial distribution.
44. The final recovery rates, presented in the following tables, take into consideration the following:
- i. the Taberna Claim is subordinated to payment in full of the Mortgage Bond Claims and the Corporate Bonds Claims, such that any distribution allocated to the Taberna Claim would be turned over the holders of the Mortgage Bond Claims and the Corporate Bond Claims, the whole in accordance with the final court first instance and appeal court decisions that have been rendered on this issue after PID; and,

- ii. the Mortgage Bond Claims secured portion of their respective distributions.

**Final recovery rates of Affected Creditors and Homco 61 Affected Creditors (who are not Electing Creditors – received Geneva shares)**

Final recovery rates of Affected Creditors (non-electing creditors)	Total Final Distribution	23th Monitor Report%	
		Low	Low
HB4	55,56%	56.71%	67.29%
HB5	52,69%	51.69%	56.44%
HB6	78,30%	75.50%	80.97%
HB7	74,96%	65.60%	76.52%
Non-asset backed bonds	45,92%	45.68%	51.02%
Unsecured creditors	41,51%	41.36%	46.08%
<b>Homco 61 - Plan</b>			
Unsecured creditors			
Total	54,77%	52.13%	55.90%

**Final recovery rates of Electing Creditors (Catalyst option, or "Newco Common Shares Cash-Out Option")**

45. As detailed in the Plans and explained in the Report on the Plan, the Newco Common Shares Cash-Out Option gave Affected Creditors a choice, at PID, to receive an early cash payment, funded by Catalyst, in replacement to the Newco Common Shares to which they were entitled. This early cash payment was established at discount compared to the equity value of Newco.
46. Since the Newco Common Shares Cash-out Option only pertained to the right of Affected Creditors in respect of Newco Common Shares, the Newco Common Shares Cash-Out Option Election did not affect the recovery of Affected Creditors with regard to the Cash Pool and the Asset Realization Cash Pool.
47. The following table demonstrates the final dividend for unsecured creditors, all in cash, that did select the Newco Common Shares Cash-Out Option Election:

Final recovery Rates of Affected Creditors (electing creditors)	Total Final Distribution	23th Monitor Report%	
		Low	Low
HB4	44,38%	46.32%	58.31%
HB5	40,79%	40.11%	44.48%
HB6	55,11%	53.96%	59.61%
HB7	68,65%	57.35%	70.07%
Non-asset backed bonds	32,32%	32.65%	37.56%
Unsecured creditors	29,22%	29.56%	33.93%
<b>Homco 61 - Plan</b>			
Unsecured creditors			
Total	38,55%	37.26%	41.15%

*Observation on the final recovery rates*

48. As complementary information, the Monitor notes that, for a Non-Electing Creditor who would have held its Newco Common Shares distributed at PID and tender them under the 2017 One-Time Cash Offer, its recovery has been approximately 20% higher than an Electing Creditor who exercised the Cash-Out Option at PID funded by Catalyst at PID.
49. As the tables above highlight, while the estimated ranges of recovery at the time of the Report on the Plan contained many uncertainties, the actual final recoveries of the Affected Creditors and Homco 61 Affected Creditors are within the estimated ranges, or very close.

#### IV. DEBTOR'S CASH FLOWS

50. The purpose of this section is as follows:
- i. Provide budget-to-actual analysis highlights for the period from November 14, 2020 to April 7, 2021; and,
  - ii. Provide explanations or comments on the variances.

#### OVERVIEW

51. The following table provides an overview of the opening cash balances, the closing cash balances, and the cash variations of HII for the period from November 14, 2020 to April 7, 2021:

Cash variation for the period from November 14, 2020 to April 7, 2021 (C\$000)						
Petitioner	Opening cash balance	Total variance	Subtotal	FX Gain	Adjusted ending cash balance	
1810040 Alberta Ltd.	582	(347)	235	(20)	215	

For the budget to actual cash flow forecast analysis of HII, for the period from November 14, 2020 to April 7, 2021, and commentaries in respect of the analysis performed, please refer to Appendix A of this Fifty-Sixth Report.

52. As of the date of this report, all appropriate and approved post-filing expenses have been paid and will continue to be paid, in the normal course, out of the Administrative Reserve.

#### V. ACTIVITIES OF THE MONITOR

53. This section summarizes other activities of the Monitor which are not specifically addressed in the previous sections.

#### CASH FLOW MONITORING

54. On a regular basis, the Monitor has continued to analyze the Debtor's cash flows. As explained in the previous section of this Fifty-Sixth Report, a budget-to-actual cash flow analysis of the Debtor for the period from November 14, 2020 to April 7, 2021 has been prepared together with commentaries on cash variances, as presented in Appendix A of this Fifty-Sixth Report.
55. As part of this process, the Monitor has also analyzed cash inflows and cash outflows from all of the bank accounts of HII Group Entities which have been neither liquidated nor bankrupted. All disbursements for services rendered to the HII Parties have been presented to the Monitor for review.

#### NOTIFYING AND REPORTING DUTIES PERFORMED BY THE MONITOR

56. The Monitor has continued to post on its website all public information and documentation related to the HII Parties' restructuring process, including the Notice of Final Distribution published by the Monitor on March 25, 2020.

## **COMMUNICATIONS WITH CREDITORS**

Since September 2011, the Monitor has made available a toll-free number and a mailbox in order to assist its communications with Affected Creditors and Homco 61 Affected Creditors. The Monitor has responded and continues to respond to each query in a timely manner.

## **VI. EXTENSION OF THE STAY PERIOD**

### **OVERVIEW**

57. Pursuant to the Thirty-Sixth Extension Order, the Stay Period was extended up to and including April 15, 2021.
58. The Debtor's Application is seeking a thirty-seventh extension of the Stay Period until July 15, 2021 (the "**Thirty-Seventh Extension Period**"). This extension will allow mainly for the following:
  - i. Proceed with the planning and the execution of the Final Distributions to the Affected Creditors and Homco 61 Affected Creditors pursuant to the Plans and complete all steps necessary in connection thereto. The Final Distributions should occur on or after April 27, 2021;
  - ii. Deal with the payments of the Final Distributions that will bounce. Considering that the Affected Creditors and Homco 61 Affected Creditors are mainly retail bondholders, and considering that the last Cash-Pool distribution occurred approximately 4 years ago, it is expected that several wire transfers (between 150 and 250, out of 9000, is the estimate, based on past experience and consultation with Stichting Homburg Bonds) could bounce and reasonable efforts will have to be made to trace back the right information to complete the bounced distributions; and,
  - iii. Continue to keep creditors and other stakeholders informed and answer their queries.
59. It is the Monitor's view that it is in the best interests of the stakeholders to provide the HII Parties with the Thirty-Seventh Extension Period in order to allow the HII Parties and the Monitor to continue their progress towards finalizing the remaining steps provided in the Plans and exit the CCAA proceedings.

### **EXTENDED 75-DAYS CASH FLOW FORECASTS**

60. The Debtors, with the support of the Monitor, prepared new cash flow forecasts for the Thirty-Seventh Extension Period, adjusting the projected cash flows for an extended period ending on July 15, 2021.
61. The extended 75-days cash flow forecasts for HII as well as additional comments identifying the primary assumptions are attached as Appendix B.

62. Presented in the table below is a summary of the forecasted cash variations for HII:

Extension - period ending July 15, 2021 (Appendix B)			
(C\$000)	Opening cash balance as of April 8, 2021	Forecasted cash variation for the period	Forecasted closing cash balance as at July 15, 2021
1810040 Alberta Ltd.	215 000	(465 000)	(250 000)

*The ending balance of negative \$250K will be funded from a deposit currently held in the Monitor trust account, since 2011.*

1810040 Alberta Ltd. (formerly Homburg Invest Inc. and Homburg Shareco Inc.)

63. Payroll is expected to decrease during the period to reflect the expected workload of the remaining employees paid based on hourly fees to keep accounting and tax records updated. The sole remaining director and officer of HII is paid on a fixed monthly fee (reduced since the beginning of 2019). It is anticipated that the sole remaining director will resign shortly after the Final Distribution.
64. Rent expense is expected to be incurred during all the period, as the small office is required to support the remaining employees. By the end of the Thirty-Seventh Extension, it is anticipated that the small office will not be necessary anymore, and all the books and records of HII will be archived. The archive fees for the next seven (7) years will be paid upfront, as well as the destruction of the documents at the end of this specific period.
65. Professional fees are expected to mainly relate to the work required to proceed with the Final Distribution, the completion of the administration and liquidation of the Non-Core Business Entities and of the CCAA matter, and the discharge of the Monitor. These professional fees will mainly be the fees and disbursements of the Monitor, and of Stichting Homburg Bonds to a lesser extent, in relation to the administration of the file, the Final Distribution, the tracing process related to the payments of the Final Distribution that will bounce and finally the completion of the administration of the last entities that were bankrupted. It also includes the legal fees expected to be incurred in relation to the current proceedings.
66. Office and administrative fees are expected to be at \$1K per month. However, additional expenses have also been forecast for the fees related to the multi years storage of the HII books and record, as well as the expected destruction fees at the end of the period.
67. At the time of this Fifty-Sixth Report, there is nothing that would lead the Monitor to believe that HII will need additional financing to meet its current obligations during the Thirty-Seventh Extension Period. The Monitor, with the assistance of the sole remaining director and different professionals involved in the CCAA proceeding, is in the process of confirming with each of them the anticipated fees to be incurred to complete the CCAA proceedings. As indicated previously in this Fifty-Sixth Report, a provision was taken from the Final Distribution in order to be able to cover these specific fees. In the situation where the fees incurred end up being less than the provision taken, the Monitor will report accordingly to the Court at the time of its discharge and, in consultation with the Liquidation Advisory Committee, will seek directions from the CCAA Court pertaining to any excess amount.

## **VII. CONCLUSIONS AND RECOMMENDATIONS**

68. It is the Monitor's view that the HII Parties have acted in good faith and with due diligence in accordance with the CCAA and the Initial Order and the subsequent orders rendered by the Court.
69. It is the Monitor's opinion that, for the reasons further elaborated in this Fifty-Sixth Report, the Thirty-Fourth Extension, up to July 15, 2021, should be granted to the HII Parties in order to allow the Monitor and the HII Parties to pursue their efforts towards completing the remaining steps provided by the Plans, proceed with the Final Distribution and exit the CCAA proceedings.
70. The Monitor respectfully submits this Fifty-Sixth Report to the Court.

DATED AT MONTREAL, this 13<sup>th</sup> day of April 2021.



Pierre Laporte, FCPA, FCA, CIRP, LIT  
Senior Vice-President

DELOITTE RESTRUCTURING INC.  
In its capacity as Court-Appointed Monitor

# Appendix A

## APPENDIX A

The following is the budget-to-actual cash flow analysis for 1810040 Alberta Ltd. (formerly Homburg Invest Inc. and Homburg Shareco Inc.) for the period noted:

**1810040 Alberta Ltd.**  
**Budget-to-Actual Cash Flow**  
**Unaudited**  
**(C\$000)**

	For the 4-month period from		
	November 14, 2020 to April 7, 2021		
	Actual	Budget	Variance
<b>Cash Inflows</b>			
Homco 123 net sale proceed	4 270	-	4 270
Other receipts	95	15	80
<b>Total Cash inflows</b>	<b>4 366</b>	<b>15</b>	<b>4 351</b>
<b>Cash outflows</b>			
Transfer to the Monitor Cash-Pool Account	4 470	-	(4 470)
Payroll	61	37	(25)
Rent expense	10	9	(1)
Professional fees	133	88	(46)
Office & administration	28	5	(23)
Others	10	-	(10)
<b>Total cash outflows</b>	<b>4 713</b>	<b>138</b>	<b>(4 575)</b>
<b>Opening cash balance</b>	<b>582</b>	<b>582</b>	<b>-</b>
Funding Homco 123	-	248	(248)
Variation in cash balance	(347)	(123)	(224)
FX	(20)	-	
<b>Ending cash balance</b>	<b>215</b>	<b>707</b>	<b>(472)</b>

### 1810040 Alberta Ltd. budget-to-actual commentaries

The Monitor's comments on HII's total cash inflow and outflow variances during the period noted are as follows:

#### **Ending cash balance**

- No funding from the Administrative Reserve was required during the period from the Monitor's trust accounts. As outlined in previous reports, at PID all HII cash was transferred to trust accounts controlled by the Monitor and accordingly, HII now submits funding requests to the Monitor. These funding requests are reviewed by the Monitor and funds are then transferred to HII to allow for the payment of post-PID expenses.

#### **Inflows**

- The property held by Homco 123 was sold for an amount of 5.75M Euros. Considering the cash balance of Homco 123 at the time of the transaction, and

following the various sale adjustments, the repayment of the secured creditors and the payment of the amounts due to specific suppliers, an amount of approximately \$4.2M was ultimately repaid to HII, in January 2021, as partial repayment of the debt due by Homco 123 to HII, for the benefit of the Affected Creditors and the Homco 61 Affected Creditors.

- Other receipts were \$95K compared to a budgeted amount of \$15K, resulting in a favorable variance of \$80K. The favorable variance is mainly due the refund of a retainer of \$75K provided by HII to its historic corporate counsel many years ago, which was not initially budgeted.

### **Outflows**

- HII wired back to the Monitor Cash-Pool distribution account an amount of approximately \$4.4M, following the cash inflows from the net proceed from the sale of Homco 123 property and the retainer refund.
- Payroll was \$61K compared to a budgeted amount of \$37K, resulting in an unfavorable variance of \$25K. This unfavorable variance is mainly due to a higher workload than originally anticipated, mostly related to tax-related work, planification of the dissolution of the remaining entities and closing the file.
- Restructuring related professional fees were \$133K compared to a budgeted amount of \$88K, resulting in an unfavorable variance of \$46K. This unfavorable variance is mainly due to additional work related to the follow up of the sale of Homco 123 property, the planification of the bankruptcy of the remaining entities to be bankrupt, communications with Stichting Homburg Bonds and certain Bondholders and the commencement of the preparation of the Final Distribution, as well as to certain accrued fees from the previous period.
- Office & Administrative expenses were \$28K compared to a budgeted amount of \$5K, resulting in an unfavorable variance of \$23K. This unfavorable variance is mainly due to expenses related to IT related costs, licenses renewal and work relating to winding down of the business while planning of the Final Distribution.
- Other costs are mainly related to bank charges and insurance fees that were not considered in the initial budget.
- In accordance with the Court Order dated February 17, 2012 and February 7, 2014, the payment of fees, disbursements and expenses of the Trustees of the Stichting Homburg Bonds and Stichting Homburg Capital Securities A (collectively, "**Stichting**") and their legal and financial advisors incurred since December 3, 2011 are to be advanced by HII (included in the professional fees). The following table presents a summary of the actual fees advanced to Stichting since the Court Order was implemented, which will be offset against any dividend payable to Stichting from HII (see table on next page):

Stichting Homburg invoice list		
Invoices	Date Range	Amount in \$ ('000')
Invoices 3 to 25	From Dec 5, 2011 to Dec 31, 2012	\$ 4 091
Invoices 26 to 49	Year 2013	\$ 4 511
Invoices 51 to 68	Year 2014	\$ 1 738
Invoices 69 to 80	year 2015	\$ 694
Invoices 81 to 92	Year 2016	\$ 349
Invoices 93 to 104	Year 2017	\$ 268
Invoices 105 to 116	Year 2018	\$ 151
Invoices 117 to 128	Year 2019	\$ 111
Invoices 129 to 140	Year 2020	\$ 182
Invoice 141 and 142	Year 2021	\$ 52
Various credit notes		\$ (117)
Total VAT refunds		\$ (1 414)
<b>TOTAL</b>		<b>\$ 10 563</b>

## Appendix B

**APPENDIX B**  
**1810040 Alberta Ltd. - Extended 75 days cash flow forecast (\$C)**

**Updated as of April 8, 2021**

1810040 Alberta Ltd. (formerly Homburg Invest Inc. and Shareco)  
 Extended cash flow statement from April 8, 2021 to July 15, 2021

	<b>55th Report Amended</b>		<b>56th Report</b>			
Beginning period: Ending period:	From April 8 to April 30, 2020	TOTAL	For the month of May 2021	For the month of June 2021	From July 1 to July 15, 2021	TOTAL Up to April 15, 2020
	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
<b>Cash inflows</b>						
GST/HST/VAT received	-	-	5 000	-	5 000	<b>10 000</b>
Other receipts	-	-	-	-	225 842	<b>225 842</b>
<b>Total cash inflows</b>	-	-	5 000	-	230 842	<b>235 842</b>
<b>Cash outflows</b>						
Payroll	3 250	<b>3 250</b>	7 500	7 500	7 500	<b>22 500</b>
Rent expense	-	-	2 000	2 000	2 000	<b>6 000</b>
Restructuring related professional fees	-	-	75 000	75 000	452 592	<b>602 592</b>
Directors & Officers Insurance	-	-	5 000	5 000	5 000	<b>15 000</b>
Office & administrative	500	<b>500</b>	1 000	15 000	15 000	<b>31 000</b>
Other expenditures	-	-	-	10 000	10 000	<b>20 000</b>
<b>Total cash outflows</b>	3 750	<b>3 750</b>	90 500	114 500	492 092	<b>697 092</b>
<b>Opening balance</b>	<b>215 000</b>	<b>215 000</b>	<b>211 250</b>	<b>125 750</b>	<b>11 250</b>	<b>211 250</b>
Payments in transit	-	-	-	-	-	-
Variation in cash balance (Petitioners)	(3 750)	<b>(3 750)</b>	(85 500)	(114 500)	(261 250)	<b>(461 250)</b>
<b>Adjusted ending cash balance</b>	<b>211 250</b>	<b>211 250</b>	<b>125 750</b>	<b>11 250</b>	<b>(250 000)</b>	<b>(250 000)</b>

The ending balance of negative \$250K will be funded from a deposit currently hold in the Monitor trust account, since 2011, that will be transfer back to the estate

**Notes:**

- 1) The opening cash balance reflects the opening cash balance as at April 8, 2021.
- 2) Payroll is expected to remain at \$7.5K per month to reflect the expected workload and agreement at a reduced amount with the sole director (in place since the beginning of 2019).
- 3) Rent expense is expected to be incurred during all the period as the office is required to support the employees.
- 4) Budgeted amounts for professional fees. These professional fees will mainly be the fees and disbursements of the Monitor, and of Stichting Homburg Bonds to a lesser extent, in relation to the administration of the file, the Final Distribution, the tracing process related to the payments of the Final Distribution that will bounce and finally the completion of the administration of the last entities that were bankrupted. It also includes the legal fees expected to be incurred in relation to the completion of the current proceedings.
- 5) Office and administrative fees are expected to be higher than previous months for the period as additional expenses will have to be incurred for multi years storage of the HII books and record, as well as the expected document destruction fees at the end of the period.

## **NOTES AND REPRESENTATIONS TO THE CASH FLOW STATEMENT**

### **NOTE A – PURPOSE AND WARNINGS**

The cash flow projections have been prepared solely for the purpose of the CCAA proceedings. Consequently, readers are cautioned that they may not be appropriate for other purposes.

Since the cash flow projections are based on assumptions regarding future events, actual results will vary from the information presented, and the variations may be material.

### **NOTE B – DEFINITIONS**

#### **CASH FLOW STATEMENT**

A statement indicating, on a monthly basis, the projected cash flow of 1810040 Alberta Ltd., based on probable and hypothetical assumptions that reflect 1810040 Alberta Ltd.'s planned course of action for the period covered.

#### **HYPOTHETICAL ASSUMPTIONS**

Meaning assumptions with respect to a set of economic conditions or courses of action which are not necessarily the most probable in 1810040 Alberta Ltd.'s judgment, but are consistent with the purpose of the Cash Flow Statement.

#### **PROBABLE ASSUMPTIONS**

Meaning assumptions that:

- (i) 1810040 Alberta Ltd.'s cash flow reflects the most probable set of economic conditions and planned courses of action, **Suitably Supported**, that are consistent with the plans of 1810040 Alberta Ltd.; and
- (ii) Provide a reasonable basis for the Cash Flow Statement.

#### **SUITABLY SUPPORTED**

Meaning that the assumptions are based on either one or more of the following factors:

- (i) The past performance of 1810040 Alberta Ltd.;
- (ii) The performance of other industry/market participants engaged in similar activities as 1810040 Alberta Ltd.;
- (iii) Feasibility studies;
- (iv) Marketing studies; or
- (v) Any other reliable source of information that provides objective corroboration of the reasonableness of the Assumptions.

The extent of detailed information supporting each assumption, and an assessment as to the reasonableness of each assumption, will vary according to circumstances and will be influenced by factors such as the significance of the assumption and the availability and quality of the supporting information.

## ASSUMPTIONS

Assumptions	Source	Probable Assumption	Hypothetical Assumption
<b><u>Opening cash balance</u></b>	Based on all closing cash balances as at April 7, 2021	X	
<b><u>Exchange rates</u></b>	All cash flows are in Canadian dollars		X
<b><u>Forecast cash receipts</u></b>			
Other receipts	No receipts are forecasted for the period	X	
<b><u>Forecast cash disbursements</u></b>			
Payroll	Based on updated salaries and payment of applicable severances	X	
Rent expense	Office space in Halifax	X	
Restructuring related professional fees	Represent fees of Deloitte, McCarthy Tétrault, Osler, Clifford Chance, Loyens & Loeff, Terrealis, stichting and others	X	
Office & administrative	Bank fees, travel, telephone, non-CCAA professional fees and other miscellaneous costs	X	
Other expenditures	Various costs related to the closing of the file	X	
<b><u>Ending cash balance</u></b>	Based on cash transactions	X	

# Appendix C

NOTICE OF FINAL DISTRIBUTION

CANADA  
PROVINCE OF QUÉBEC  
DISTRICT OF MONTRÉAL

SUPERIOR COURT  
(Commercial Division)  
(sitting as a Court designated pursuant to the  
*Companies' Creditors Arrangement Act*, R.S.C.  
1985, c. C-36, as amended)

No.: 500-11-041305-117

**IN THE MATTER OF THE PLAN OF  
COMPROMISE OR ARRANGEMENT OF:**

**1810040 ALBERTA LTD.** (formerly known as  
**HOMBURG INVEST INC.** and **HOMBURG  
SHARECO INC.**)

**Debtor**

-and-

**Homco Realty Fund (61) Limited Partnership**

**Mise-en-cause**

-and-

**Deloitte Restructuring Inc.** (formerly known as  
**Samson Bélair/Deloitte & Touche Inc.**)

**Monitor**

**NOTICE OF FINAL DISTRIBUTION**

All capitalized terms not otherwise defined in this Notice shall have the meanings ascribed thereto in the Fifth Joint Amended and Restated Plan of Compromise and Reorganization of 1810040 Alberta Ltd. (formerly known as Homburg Invest Inc. and Homburg Shareco Inc.) (“**HII**”) pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended, and the *Business Corporations Act* (Alberta), R.S.A. 2000, c. B-9, as amended, dated June 30, 2014 (the “**Plan**”), a copy of which is available at <http://www.deloitte.com/ca/homburg-invest>.

**TAKE NOTICE THAT** Deloitte Restructuring Inc., in its capacity as the Monitor of HII shall effect a final distribution under the Plan on or after April 27, 2021 (the “**Final Distribution Date**”) pursuant to and in accordance with the terms of the Plan and the HII/Shareco Sanction and Vesting Order issued by the Québec Superior Court (Commercial Division) on June 5, 2013.

**AND TAKE NOTICE THAT** the Plan provides that if the Monitor makes any distribution to an Affected Creditor by way of cheque or wire transfer pursuant to and in accordance with the Plan and such distribution is returned as undeliverable or is not cashed, the Monitor shall not make any further distributions to such Affected Creditor unless and until such Affected Creditor

notifies the Monitor of such Affected Creditor's current address or wire transfer particulars, at which time all such distributions shall be made to such Affected Creditor without interest.

**AND TAKE NOTICE THAT** all Affected Creditors who have not received a distribution from the Monitor in respect of their Proven Claims, or who hold one or more uncashed cheques from the Monitor in respect of distributions on account of such Proven Claims, must contact the Monitor at La Tour Deloitte, 1190 avenue des Canadiens-de-Montréal, Suite 500, Montreal, Québec, H3B 0M7 (Attention: Mr. Patrick Fillion), facsimile number: (514) 390-4103, or e-mail: [HomburgInvestCCAA@deloitte.ca](mailto:HomburgInvestCCAA@deloitte.ca) on or before 5:00 p.m. (Montréal time) on April 26, 2021 (the “**Distribution Deadline**”).

**AND TAKE NOTICE THAT**, after the Distribution Deadline, the Proven Claims of any Affected Creditor or successor of such Affected Creditor with respect to such unclaimed or uncashed distributions shall be forever discharged and forever barred, without any compensation therefor, notwithstanding any Applicable Laws to the contrary, and at such time the Cash amount held by the Monitor in relation to such Proven Claims shall be returned to the Cash Pool or the Asset Realization Cash Pool, as the case may be, pursuant to and in accordance with the Plan.

**DATED** at the City of Montreal in the Province of Quebec, Canada, this 25th day of March, 2021.

KENNISGEVING VAN DEFINITIEVE UITKERING

CANADA  
PROVINCE OF QUÉBEC  
DISTRICT OF MONTRÉAL

SUPERIOR COURT  
(Commercial Division)  
(gezeteld als rechtbank aangewezen krachtens de  
*Companies' Creditors Arrangement Act*, R.S.C.  
1985, c. C-36, zoals gewijzigd)

No.: 500-11-041305-117

**IN DE ZAAK VAN HET SCHIKKINGSPLAN OF DE  
REGELING VAN:**

**1810040 ALBERTA LTD.** (voorheen bekend als  
**HOMBURG INVEST INC.** en **HOMBURG  
SHARECO INC.**)

**Schuldenaar**

-en-

**Homco Realty Fund (61) Limited Partnership**

**Gedaagde**

-en-

**Deloitte Restructuring Inc.** (voorheen bekend als  
**Samson Bélair/Deloitte & Touche Inc.**)

**Monitor**

**KENNISGEVING VAN DEFINITIEVE UITKERING**

Alle met een hoofdletter geschreven termen die in deze mededeling niet anders zijn gedefinieerd, hebben de betekenis die daaraan is toegekend in het Vijfde Gezamenlijke gewijzigde en geherformuleerde Plan van Compromis en Reorganisatie van 1810040 Alberta Ltd. (voorheen bekend als Homburg Invest Inc. en Homburg Shareco Inc.) (“**HII**”) overeenkomstig de *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, zoals gewijzigd, en de *Business Corporations Act* (Alberta), R.S.A. 2000, c. B-9, zoals gewijzigd, gedateerd 30 juni 2014 (het “**Plan**”), waarvan een kopie beschikbaar is op <http://www.deloitte.com/ca/homburg-invest>. Dit document is slechts beschikbaar in het Engels.

**NEEM ER KENNIS VAN** dat Deloitte Restructuring Inc., in haar hoedanigheid als Monitor van HII, op of na 27 april 2021 (de “**Definitieve Uitkeringsdatum**”) een definitieve uitkering krachtens het Plan zal verrichten op grond van en in overeenstemming met de voorwaarden van het Plan en de HII/Shareco Sanction and Vesting Order die op 5 juni 2013 is uitgevaardigd door de Québec Superior Court (Commercial Division).

**EN NEEM ER KENNIS VAN** dat het Plan bepaalt dat indien de Monitor aan een Affected Creditor een uitkering doet bij wijze van cheque of bankoverschrijving op grond van en in

overeenstemming met het Plan en een dergelijke uitkering wordt geretourneerd als niet leverbaar of als deze niet wordt geïncasseerd, de Monitor geen verdere uitkeringen aan een dergelijke Affected Creditor zal doen tenzij en totdat een dergelijke Affected Creditor de Monitor in kennis stelt van het huidige adres van een dergelijke Affected Creditor of van de gegevens voor een dergelijke bankoverschrijving, waarna dergelijke uitkeringen zonder rente aan een dergelijke Affected Creditor zullen worden gedaan.

**EN NEEM ER KENNIS VAN** dat alle Affected Creditors die geen uitkering van de Monitor hebben ontvangen met betrekking tot hun Proven Claims, of die in het bezit zijn van een of meer niet-geïncasseerde cheques van de Monitor met betrekking tot uitkeringen op grond van dergelijke Proven Claims, contact dienen op te nemen met de Monitor via La Tour Deloitte, 1190 avenue des Canadiens-de-Montréal, Suite 500, Montréal, Québec, H3B 0M7 (ter attentie van de heer Patrick Fillion), faxnummer: (514) 390-4103, of e-mail: [HomburgInvestCCAA@deloitte.ca](mailto:HomburgInvestCCAA@deloitte.ca) op of vóór 17.00 uur (Montréal lokale tijd, EDT) op 26 april 2021 (de “**Uitkeringsdeadline**”).

**EN NEEM ER KENNIS VAN** dat, na de Uitkeringsdeadline, de Proven Claims van een Affected Creditor of opvolger van een dergelijke Affected Creditor met betrekking tot dergelijke niet-opgeëiste of niet-geïncasseerde uitkeringen voor altijd zullen worden kwijtgescholden en voor altijd zullen komen te vervallen, zonder enige compensatie daarvoor, niettegenstaande enige Applicable Laws die anders bepalen, en dat op dat moment het Cash bedrag dat door de Monitor wordt aangehouden met betrekking tot dergelijke Proven Claims zal worden teruggestort in de Cash Pool of de Asset Realization Cash Pool, al naar gelang het geval, op grond van en in overeenstemming met het Plan.

**GEDATEERD** te Montreal in de provincie Quebec, Canada, op 25 maart 2021.

## Appendix D (under seal)