

**THE QUEEN'S BENCH
Winnipeg Centre
IN BANKRUPTCY AND INSOLVENCY**

**IN THE MATTER OF THE *BANKRUPTCY AND
INSOLVENCY ACT*, R.S.C. 1985,
c. B-3, AS AMENDED**

**AND IN THE MATTER OF THE PROPOSAL OF
5274398 MANITOBA LTD.**

**AFFIDAVIT OF JONATHAN DOERKSEN
SWORN SEPTEMBER 5, 2017
(First Extension Affidavit)**

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File No. 1702631

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I, Jonathan Doerksen, of The City of Winnipeg, in the Province of
Manitoba, businessman

MAKE OATH AND SAY THAT:

1. I am the President and a Director of 5274398 Manitoba Ltd. operating as Cross Country Manufacturing and as Cross Country Trailers ("**Cross Country**"), which is an insolvent person and the applicant, and as such have personal knowledge of the facts to which I depose, except where I have indicated that I have obtained facts from other sources, in which case I believe those facts to be true. Unless otherwise described herein, copies of documents attached and marked as exhibits hereto are true copies of the original documents. Where specimen or execution versions of

documents are attached as exhibits hereto, I believe that those documents have been fully signed by the parties thereto, delivered and in full force and effect.

I. OVERVIEW

2. Cross Country is a corporation, incorporated under the laws of Manitoba, which carries on the business of the “concept to finish” manufacture and sale by an approximately 60 dealer network throughout North America, of specialty trailers (including live bottom, multi-axle deck, step deck, aluminum deck, aluminum dump, flat deck and tag trailers) from owned manufacturing premises at Morden, Manitoba (the “**Morden Plant**”) and Blenheim, Ontario (the “**Blenheim Plant**”), having its head office in Morden, Manitoba. Cross Country carries on business under the names “Cross Country Manufacturing” and “Cross Country Trailers”.

3. Cross Country is a major original equipment manufacturer (“**OEM**”) in Canada and one of the largest Canadian trailer exporters to the United States, employing 172 people, with about 80 of those employees working at the Blenheim Plant. Cross Country manufactures and sells over 130 different trailer types, generally based on sophisticated, valuable three-

dimensional electronic “product drawings” (the “**Product Drawings**”) developed and owned by Cross Country. The Blenheim Plant and the Morden Plant are configured into production lines that manufacture and supply different types of trailers from each other, such that the production activities are readily divisible between the two plants. The business activities of Cross Country, as hereinafter more fully described, are referred to in this Affidavit as the “**Business**”.

4. Cross Country’s principal general secured lenders are Business Development Bank of Canada (“**BDC**”) and Bank of Montreal (“**BMO**”). BDC provides certain term credit facilities (the “**BDC Term Credits**”), and BMO provides a revolving operating credit facility (the “**BMO Operating Credit**”), as hereinafter more fully described.

5. Cross Country is insolvent and, prior to the commencement of the within proceedings, was unable to meet its obligations generally as they became due. Cross Country acquired the Blenheim Plant in 2013, and has suffered liquidity shortfalls largely as a result of subsequent significant delays and substantial unplanned capital investments required to develop and adapt the Blenheim Plant to meet and maximize Cross Country’s

production requirements, which costs were funded in part from then available operating credit.

6. As at the date of the commencement of these proceedings, there were substantial amounts in arrears to suppliers and other stakeholders, and Cross Country did not have access to sufficient working capital to address those arrears, or to continue to fund “catch up” payments to suppliers. As a result of its financial situation, Cross Country was required to source supply generally on a “COD” basis, and purchase certain common and key production components at unfavourable pricing, increasing costs of sales, reducing profit opportunities, exacerbating the “squeeze” on working capital and impacting Cross Country’s ability to fulfill its very substantial order book. As a result, Cross Country has a critical need for additional working capital, and for a solution to its financial distress.

7. Cross Country has commenced the within proceedings to enable the opportunity to, in an orderly manner, obtain additional working capital, endeavour to maximize production, sell the Blenheim Plant as a going concern, reduce its secured debt to BDC and BMO, and make a viable

proposal to its unsecured and other remaining creditors (based on the outcome of the sale of the Blenheim Plant) to permit Cross Country, going forward, to carry on business at the Morden Plant alone. Prior to the acquisition of the Blenheim Plant, operations at the Morden Plant were profitable.

8. To that end, to date:

- (a) in contemplation of the commencement of these proceedings, to assist with working capital needs, BMO, on certain conditions, agreed to waive the margin terms applicable to the BMO Operating Credit, to enable Cross Country to access credit to the full \$3.5 million limit of the BMO Operating Credit, and BDC agreed to interest-only payments on each of the BDC Term Credits, to be re-evaluated later this month;

- (b) On August 11, 2017, a Notice of Intention to Make a Proposal (“**NOI**”) was filed on behalf of Cross Country with the office of the Official Receiver in Manitoba, in Estate No. 21-2281867 and Court file no. BK 17-01-04509. Attached as **Exhibit "1"** hereto

is a copy of the Certificate of the Office of the Superintendent of Bankruptcy certifying receipt of the NOI, the NOI and the consent of Lazer Grant Inc. (the "**Proposal Trustee**") to act as proposal trustee;

- (c) Cross Country has engaged PricewaterhouseCoopers LLP (the "**Financial Advisor**") as financial advisor to conduct a process (the "**Sale Process**") for the sale of the Blenheim Plant and related assets. Attached and marked as **Exhibits "2"** and **"3"** respectively hereto are copies of the letter (the "**FA Engagement Letter**") setting out the terms of engagement for the Financial Advisor (with pricing terms redacted), and the Sale Process document. I am advised by Jeffrey Johnson, of the Financial Advisor, that the Financial Advisor considers the pricing terms of its engagement to be confidential and commercially sensitive, the public disclosure of which may advantage competitors in the financial advisory market generally to the detriment of the Financial Advisor. An unredacted copy of the FA Engagement Letter is to be attached

as an exhibit to an affidavit of Samantha Dunn and filed in these proceedings;

- (d) Discussions have ensued among Cross Country, BMO, BDC, their respective legal advisors and the Proposal Trustee with a view to obtaining an additional \$500,000.00 in interim or “DIP” financing to assist with working capital requirements needed to optimize production, meet supply obligations to customers on a timely basis to preserve the dealer network and order book, preserve employment opportunities for existing employees and meet payroll and other obligations otherwise over the course of the NOI proceedings, to maximize the opportunity for the best outcomes from the NOI process for employees, customers, suppliers and other creditors and Cross Country. At the time of executing this Affidavit, it appears that BMO and BDC will agree, subject to certain terms, to provide additional financing (“**DIP Loans**”) in the amounts of \$250,000.00 each, on terms which are presently in the course of being finalized but which, in respect of BDC, are likely to require court approval and the granting of an interim financing (DIP) charge by this Honourable

Court. It is my intention to try to confirm and finalize these loan arrangements prior to the hearing of this motion on September 7, 2017, and execute and file in this motion a supplemental "DIP Loan Affidavit" in respect thereof.

9. To complete the strategy that Cross Country wishes to implement, it remains to:

- (a) complete the DIP financing arrangements with BMO and BDC;
- (b) complete the Sale Process and close a sale transaction in respect of the Blenheim Plant, presently targeted for in or about mid-October, 2017; and
- (c) based on the amount and application of the proceeds of such sale, reduce Cross Country's indebtedness to BMO and BDC and develop, make and complete a proposal to unsecured creditors. In this regard, to date, BMO and BDC have both given initial indications that, subject to sufficient permanent debt reductions from Blenheim sale proceeds and other conditions

being met, they would consider continuing reduced credit facilities to Cross Country to support its Morden-only business plan following a successful proposal.

10. Cross Country is filing this Motion to seek an Order extending the time period within which the Proposal Trustee must file a proposal in respect of Cross Country to October 23, 2017 (the “**Extension Period**”), approving the FA Engagement Letter and Sale Process and, in contemplation of finalizing the DIP Loans, approving the DIP Loans together with granting a DIP Loan charge in favour of BDC (and BMO as may be required) and an administrative charge in favour of the professionals whose services are necessary to the conduct of these proceedings and the implementation of Cross Country’s plan to address its insolvency.

II. BACKGROUND

(a) Origins

11. It is my understanding that Cross Country began manufacturing on a small scale with 5 employees in 1997 outside of Morris, Manitoba. In 2000

Cross Country was sold to new owners who moved production to Gretna, Manitoba and then to Morden, Manitoba.

12. In 2006 I, together with my father (Doug Doerksen), a former Cross Country employee (Tim Klassen) and another person no longer actively involved in the Business purchased the assets of Cross Country through 5274398 Manitoba Ltd.

13. In 2008 Cross Country opened a small manufacturing facility in Southwestern Ontario to allow Cross Country access to multiple labour markets as the focus of the Ontario facility was to cut and bend steel to be used in the completion of trailers in Manitoba.

14. With the Morden Plant at capacity, Cross Country developed a new growth-oriented business plan in both the number of trailer models and volume of trailers to be produced and which included the acquisition of the Blenheim Plant in January of 2013. From 2006 to 2017 the number of employees grew to approximately 200 and the number of trailer models grew to more than 130 different trailer models.

(b) Overview of Operations

15. As discussed above, Cross Country manufactures its trailers at two manufacturing facilities overseen by the management team. More specifically:

(a) The Morden Plant is an approximately 50,000 square foot facility located on approximately 8 acres and produces trailers mainly for the gravel, logging and heavy haul industries. Sales of product produced at the Morden Plant for the years ended July 31, 2017 were approximately \$14,000,000.

(b) The Blenheim Plant is an approximately 120,000 square foot facility located on roughly 12 acres and produces trailers mainly for the asphalt construction, transportation and construction industries. It also is capable of producing steel and aluminum combo trailers. Sales of product produced at the Blenheim Plant for the year ended July 31, 2017 were approximately \$16,000,000.

16. All of Cross Country's trailers are sold through a dealer network that covers North America with up to 70% of the trailers being sold in Canada and the balance in the United States.

(c) Directors, Officers, Shareholders and Employees

17. Cross Country's current directors and officers are as follows:

- (a) Jonathan Doerksen – President;
- (b) Doug Doerksen – Treasurer; and
- (c) Tim Klassen – Secretary.

18. The shareholders of Cross Country are as follows:

- (a) Jonathan Doerksen – 61 Class A Common shares;
- (b) Doug Doerksen – 24 Class A Common shares; and
- (c) Tim Klassen – 15 Class A Common shares.

19. As at the date hereof, Cross Country has approximately 172 employees which roughly break down as follows:

- (a) Blenheim Plant – 80;
- (b) Morden Plant – 77; and
- (c) Head Office – 15.

20. Cross Country's payroll cost is currently approximately \$460,000 per month, (inclusive of benefits, source deductions and payroll tax). No employees are represented by unions or are subject to a collective bargaining agreement and there is no pension plan.

III. FINANCIAL POSITION

(a) Assets

21. The assets of Cross Country are generally located in Manitoba and Ontario, and include personal property and real property.

22. In respect of personal property, Cross Country has:

(a) Equipment and fixed assets having a total value (at original cost) of \$9,214,658 which breaks down between the manufacturing facilities as:

- i. Morden Plant - \$3,949,217; and
- ii. Blenheim Plant - \$5,265,441;

Net book value for equipment and fixed assets for the year ending July 31, 2017 has not been calculated, but would be significantly less than the amounts set forth above.

- (b) Inventory of \$4,153,730 counted at May 6, 2017;
- (c) Accounts receivable of \$1,417,115 as at May 6, 2017; and
- (d) Book orders totaling \$14.6 million as at June 14, 2017.
- (e) the Product Drawings.

Attached as **Exhibit "4"** hereto is a copy of the equipment and improvements spreadsheets for the Morden Plant and the Blenheim Plant.

23. Cross Country owns real property recently appraised at a total value of \$5,400,000. More specifically, Cross Country is the registered owner of lands and premises located at:

- (a) 418 South Railway Street, Morden, Manitoba (referred to herein as the Morden Plant), legally described in Title No. 2329556/4 as:

LOT 1 BLOCK 4 PLAN 1924 MLTO IN W 1/2 5-3-5 WPM

The estimated current market value of the Morden Plant as at June 12, 2017 is \$2,100,000. Attached as **Exhibit "5"** hereto is a copy of the appraisal of the Morden Plant; and

- (b) 1 Solvay Drive, Blenheim, Ontario (referred to herein as the Blenheim Plant), legally described in Title No. 0098-0617 as:

"Part of Lot 12, Concession 1, East Communication Road, Geographic Township of Harwich, Designated as Part 1, 24R3292 Except Part 1, 249801; Subject to Interest, if any, in 513921; Together with an Easement Over Part Lot 12, Con. 1, ECR, Harwich Designated as Part 2, 24R3292 as in 492487".

The estimated current market value of the Blenheim Plant as at July 15, 2017 is \$3,300,000. Attached as **Exhibit "6"** hereto is a copy of the appraisal of the Blenheim Plant.

In addition, there have been substantial investments in both facilities in building improvements some of which may not reflected in the appraisal of the Blenheim, but are meaningful value to producers.

24. Cross Country leases approximately 20,000 square feet of the Blenheim Plant to Thompsons Limited for the purposes of a maintenance and repair shop, which lease expires January 31, 2018 without a right of renewal.

(b) Unsecured Debt

25. The List of Creditors attached to the NOI (Exhibit "1") discloses Cross Country's unsecured liabilities of \$6,316,096 including liabilities to or for the following:

(a) Amounts owing to suppliers of approximately \$5,067,187;

- (b) Equipment lease and financing obligations of approximately \$760;
- (c) Employee obligations of approximately \$32,197;
- (d) Canada Revenue Agency obligations of approximately \$370,000;
- (e) Utility costs, primarily for the supply of electricity, in the total amount of approximately \$34,996;
- (f) Related party debt of approximately \$907,836, owed to Doug Doerksen or a corporation of which he is principal and which supplies products and services to Cross Country;
- (g) Professional costs of approximately \$49,352;
- (h) Warranty obligations of \$118,622; and
- (i) Other obligations of approximately \$105,144.

26. Cross Country is current in its payment of post-filing obligations to BDC, BMO, suppliers and other unsecured creditors.

(c) Secured Debt, Registrations and Priority

27. Attached as **Exhibit "7"** hereto is a copy of a Search Report ("**Search Report**") dated September 1, 2017 prepared Arlene Philips, a paralegal with Cross Country's solicitors MLT Aikins LLP ("**MLTA**") describing the results of searches as set out therein.

28. BMO provides the BMO Operating Credit to a limit of \$3.5 million pursuant and subject to the following loan agreement:

- (a) Operating Loan Agreement dated March 20, 2012;
- (b) Amendment Agreement dated January 4, 2013;
- (c) Amendment Agreement dated March 11, 2013;
- (d) Operating Loan Agreement dated September 3, 2015;
- (e) Amendment Agreement dated April 1, 2016; and
- (f) Amendment Agreement dated August 8, 2017;

(collectively the "**BMO Credit Agreement**"). Cross Country is presently consistently operating at or near the \$3.5 million limit of the BMO Operating Credit. Attached as **Exhibit "8"** hereto is a copy of the BMO Credit Agreement.

29. The BMO Operating Credit terms were amended on or about August 8, 2017 to remove margining conditions, to enable Cross Country to access up to the full amount of the \$3.5 million credit limit, providing Cross Country with substantial additional working capital. In consideration of this amendment, and to secure all obligations of Cross Country to BMO, Cross Country provided BMO with second-ranking real property mortgages in respect of the Morden Plant and the Blenheim Plant, ranking subordinate to mortgage security previously granted to BDC. In the result, Cross Country has to date provided the following security (the "**BMO Security**") to secure or guarantee timely payment and performance of the obligations of Cross Country to BMO in respect of the BMO Operating Credit:

- (a) General Security Agreement dated November 8, 2006 ("**BMO 2006 GSA**"), granting BMO security interests in all present and future equipment, inventory, debts, receivables, intangibles, proceeds and undertaking of Cross Country. Attached as **Exhibit "9"** hereto is a copy of the BMO 2006 GSA;
- (b) General Assignment of Debts dated November 8, 2006 ("**BMO 2006 GAD**") granting BMO security interests in all debts and

securities and all proceeds and other rights and benefits in respect thereof, all books and accounts, letter, invoices, papers and documents evidencing or relating to all or any of the debts and securities and rights of Cross Country. Attached as **Exhibit "10"** hereto is a copy of the BMO 2006 GAD;

- (c) Bank Act Security dated January 6, 2011 ("**BMO Bank Security**"). Attached as **Exhibit "11"** hereto is a copy of the BMO Bank Security;
- (d) Ontario General Security Agreement dated November 16, 2012 ("**BMO 2012 GSA**") granting BMO security interests in inventory, equipment, accounts and motor vehicles. Attached as **Exhibit "12"** hereto is a copy of the BMO 2012 GSA;
- (e) Mortgage of Land dated July 27, 2017 (the "**BMO Morden Mortgage**") registered at the Morden Land Titles Office ("**MLTO**") on August 3, 2017 as Mortgage No.1226678/4 against title to the Morden Plant. Attached as **Exhibit "13"** hereto is a copy of the BMO Morden Mortgage prior to filing;

- (f) Mortgage of Land dated on or about July 27, 2017 (the "**BMO Blenheim Mortgage**") registered at Ontario Land Title Office #24 ("**OLTO**") against title to the Blenheim Plant. At present I do not have further particulars as to the number and date of registration;
- (g) Promissory Note executed on or about July 27, 2017. Attached as **Exhibit "14"** hereto is a copy of the Promissory Note; and
- (h) Various joint and several guarantees including guarantees of the Jonathan Doerksen, Doug Doerksen and Tim Klassen.

30. Registrations have been made at The Personal Property Registry (Manitoba) ("**PPRM**") and with the Personal Property Security Registration System in Ontario ("**PPRO**") in respect of the BMO Security as disclosed in the Search Report.

31. BDC currently provides the BDC Term Credits on the basis of certain loan agreements (collectively the “**BDC Loan Agreements**”) to Cross Country:

- (a) Loan Account No. 040347-09 pursuant to a Letter of Offer dated August 20, 2012 and accepted by Cross Country on August 21, 2012 and amended on January 30, 2015 and March 15, 2016 (together, “**BDC Agreement No. 9**”). Attached as **Exhibit “15”** hereto is a copy of BDC Agreement No. 9;
- (b) Loan Account No. 040347-11 pursuant to a Letter of Offer dated August 20, 2012 and accepted by Cross Country on August 21, 2012 and amended on May 22, 2015 (together, “**BDC Agreement No. 11**”). Attached as **Exhibit “16”** hereto is a copy of BDC Agreement No. 11;
- (c) Loan Account No. 040347-12 pursuant to a Letter of Offer dated December 19, 2012 and accepted by Cross Country on December 20, 2012 and amended on December 20, 2012, on March 15, 2016, on July 18, 2014, January 30, 2015, and on

June 4, 2015 (together "**BDC Agreement No. 12**"). Attached as **Exhibit "17"** hereto is a copy of BDC Agreement No. 12;

- (d) Loan Account No. 040347-13 pursuant to a Letter of Offer dated March 21, 2014 and accepted by Cross Country on March 25, 2014 ("**BDC Agreement No. 13**"). Attached as **Exhibit "18"** hereto is a copy of BDC Agreement No. 13;
- (e) Loan Account No. 040347-14 pursuant to a Letter of Offer dated August 29, 2016 and accepted by Cross Country on August 29, 2016 and amended September 2, 2016 (together, "**BDC Agreement No. 14**"). Attached as **Exhibit "19"** hereto is a copy of BDC Agreement No. 14; and
- (f) Loan Account No. 040347-15 pursuant to a Letter of Offer dated June 23, 2016 and accepted by Cross Country on June 24, 2016 ("**BDC Agreement No. 15**"). Attached as **Exhibit "20"** hereto is a copy of BDC Agreement No. 15.

32. As at September 3, 2017 the total owing to BDC under the BDC Loan Agreements is \$4,423,434.75, as follows:

- (a) BDC Agreement No. 9 - \$810,812.70;
- (b) BDC Agreement No. 11 - \$216,618.70;
- (c) BDC Agreement No. 12 - \$1,119,947.70;
- (d) BDC Agreement No. 13 - \$533,387.70;
- (e) BDC Agreement No. 14 - \$750,000.00; and
- (f) BDC Agreement No. 15 - \$992,667.95.

33. Cross Country provided the following security (the “**BDC Security**”) to secure the timely payment and performance of obligations of Cross Country to BDC under the BDC Loan Agreements:

- (a) General Security Agreement dated September 29, 2006 (“**BDC 2006 GSA**”) granting security interests in all present and after acquired personal property, except consumer goods. The BDC 2006 GSA was confirmed by Cross Country by way of Confirmation and Acknowledgement dated January 15, 2013 (“**BDC Confirmation**”). Attached as **Exhibit “21”** hereto are copies of the BDC 2006 GSA and the BDC Confirmation;

- (b) General Security Agreement dated on or about January 15, 2013 ("**BDC 2013 GSA**") granting security interests in all present and after acquired personal property, except consumer goods. Attached as **Exhibit "22"** hereto is a copy of the BDC 2013 GSA;
- (c) Mortgage of Land dated September 26, 2008 registered October 10, 2008 at the MLTO against title to the Morden Plant as Mortgage No. 1129348/4 on October 10, 2008 on the Morden Plant ("**BDC Morden Mortgage**") and Mortgage Amending Agreement registered May 21, 2009 as No. 1136548/4 and Mortgage Amending Agreement dated January 15, 2013 registered January 21, 2013 as No. 1178300/4. Attached as **Exhibit "23"** hereto is a copy of the BDC Morden Mortgage. I do not have a copies of the Mortgage Amending Agreements; however, I understand that the Mortgage Amending Agreement dated January 15, 2013 had the effect of amending the principal amount of the BDC Morden Mortgage from \$650,000 to \$1,500,000;

- (d) Mortgage of Land dated January 14, 2013 (“**BDC Blenheim Mortgage**”) registered January 18, 2013 at the OLTO against title to the Blenheim Plant as Registration No. CK80204. Attached as **Exhibit “24”** hereto is a copy of the BDC Blenheim Mortgage; and
- (e) Various joint and several guarantees of the Jonathan Doerksen, Doug Doerksen and Tim Klassen.

Reference is made in certain BDC documentation to a further general security agreement in favour of BDC dated January 15, 2012. I do not have a copy of this document.

34. Registrations have been made at the PPRM and PPRO in respect of the BDC Security as disclosed in the Search Report.

35. BDC, BMO and Cross Country have entered into a certain Priority Agreement (the “**Priority Agreement**”) dated January 15, 2013, by which the BDC Security in accounts receivable and inventory (as defined in the Priority Agreement) have been postponed and subordinated to the BMO Security in respect thereof, and the BMO Security has been postponed and

subordinated to the BDC Security in respect of all other present and after-acquired personal property of Cross Country. Attached as **Exhibit "25"** hereto is a copy of the Priority Agreement.

36. The Search Report discloses the following registrations in Manitoba at the PPRM, or Ontario at the PPRO, as the case may be, by other parties (the "**Equipment Financiers**") claiming security interests in personal property of Cross Country in relation to specific collateral described in the said registrations:

- (a) by Blue Chip Leasing Corporation, claiming a purchase money security interest in collateral described as a certain leased server and related equipment. The balance outstanding to Blue Chip Leasing in respect of the said lease is approximately \$4,560.12;
- (b) by Royal Bank of Canada ("**RBC**"), claiming an interest in collateral described as a 2016 GMC Yukon motor vehicle and a 2015 GMC Sierra motor vehicle. The balances outstanding to

RBC in respect of the lease or financing of the two motor vehicles are approximately \$70,819 and \$19,174.88 respectively;

- (c) by Cooper Tire & Rubber Company ("**Cooper**"), claiming an interest in collateral described as Cooper tires, tubes and other rubber products supplied by Cooper to Cross Country. Cross Country no longer obtains supply from Cooper pursuant to the arrangements under which this registration was made. We are not in possession of any products supplied by Cooper and there is no balance outstanding to Cooper;

- (d) by Continental Tire Canada Inc. ("**Continental**"), claiming an interest in collateral described as tires, tubes and other products and inventory supplied by Continental pursuant to a certain Dealer Purchaser Inventory Agreement. Cross Country no longer obtains supply from Continental pursuant to the said agreement. We are not in possession of any products supplied by Continental and the balance outstanding to Continental is approximately \$133,342.86;

(e) by K.G. Industries Ltd. (“**KG**”), by means of a registration made against the name “Cross Country Manufacturing Ltd.”, claiming an interest in collateral described as certain equipment. Cross Country was previously in possession of certain equipment of KG, for sale on a consignment basis. The balance of any such equipment has been returned to KG, and there is a balance outstanding to KG of approximately \$150,000.

37. Attached as **Exhibit “26”** is a copy of a search result from the PPRO that discloses a registration by Hayworth Equipment Sales Inc. (“**Hayworth**”), claiming an interest in collateral described as three trailers, which is not included in the Search Report. The registration by Hayworth appears to have been made on or about August 20, 2017, after the filing of the NOI. Hayworth is a Cross Country dealer that, prior to the NOI filing, provided a deposit to Cross Country towards the production of three trailers. These trailers have not been manufactured and do not exist. I am not aware at present of the basis on which Hayworth claims a security interest.

38. The Search Report discloses the following registrations against title to the Morden Plant, in addition to the BMO Morden Mortgage and the BDC Morden Mortgage:

- (a) in favour of Rogers Wireless Inc., in respect of a certain telecom site lease dated April 1, 2005;
- (b) in favour of The Workers Compensation Board ("**WCB**"), in respect of a certain Certificate of Judgment in the amount of \$50,150.77, registered June 8, 2017. The said Certificate orders Cross Country to pay the sum of \$51,150.77 and orders its directors to pay the sum of \$50,150.77. WCB has also commenced action in the Court of Queen's Bench (Manitoba) in File No. CI 17-01-08429 to recover the said amounts. In that action, the amount of \$51,150.77 was garnished by WCB from the operating account of Cross Country at BMO and paid into Court prior to the filing of the NOI. The said sum continues to be held by the Court in respect of the said action. WCB has made a motion to have the said sum paid out to it, however, the

said motion was stayed by the NOI filing and has been adjourned *sine die*.

39. The Search Report discloses the registration against title to the Blenheim Plant of the BDC Blenheim Mortgage and certain orders, notices, plan references and transfers in the nature of “non-financial interests” that relate to the lease and subsequent transfer of a piece of land from Cross Country to The Corporation of the Municipality of Chatham-Kent, the closing of certain streets, the surrender of a certain lease by Solar Power Network 001 Inc., and a separate notice of lease in respect of Solar Power Network 001 Inc. relating to an arrangement to place a solar panels on the property which did not go forward.

40. Cross Country is presently in arrears in payment of real property taxes in relation to the Blenheim Plant and the Morden Plant in the amounts of approximately \$81,000 and \$61,000 respectively.

41. Cross Country is presently in arrears of remittance obligations to Canada Revenue Agency (“**CRA**”) in the amount of approximately \$370,000, principally in respect of unremitted employee source deductions.

42. An opinion from Cross Country's counsel as to the validity and effectiveness of the BDC Security, the BMO Security and the claims of the Equipment Financiers, and an assessment of the relative priorities of interests among those parties, WCB and CRA, has not been undertaken. However, I am advised by G. Bruce Taylor of MLTA, counsel to Cross Country that, assuming the validity and effectiveness of the BMO Security, the BDC Security and the claims of CRA and WCB, then generally:

- (a) CRA's interest in certain assets of Cross Country is likely to rank in priority to the claims of BMO, BDC and WCB in respect of certain of the amounts outstanding to CRA;
- (b) the mortgage interests of BDC in the Blenheim Plant and the Morden Plant rank in priority to the interests of BMO therein and, in relation to the Morden Plant, rank in priority to the interest of WCB therein;
- (c) the interest of WCB in the Morden Plant ranks in priority to the BMO Morden Mortgage;

- (d) as between BDC and BMO, BMO has prior ranking security interests in Cross Country's inventory and accounts receivable, and BDC has prior ranking security interests in all other Cross Country personal property;
- (e) real property tax arrears in respect of the Blenheim Plant will need to be paid in conjunction with a sale of the Blenheim Plant, if any; and
- (f) the priority of the claim of WCB may be affected by the NOI proceedings.

IV. FINANCIAL PERFORMANCE

43. Cross Country's fiscal year end is July 31. Attached as **Exhibits "27", "28" and "29"** respectively hereto are copies of Cross Country's Financial Statements (unaudited) for the fiscal years ended 2014, 2015 and 2016, which for the year ending July 31, 2016 disclose a net loss of \$960,028.

44. Attached as **Exhibit "30"** hereto is the draft Financial Statement for the period ended May 6, 2017, prepared by Cross Country with the

assistance of its accountants Krahn Friesen Neufeld, which discloses net income of \$640,038 before amortization and without considering significant capital investment.

45. The above financial statements are prepared on a consolidated basis for the Morden Plant and the Blenheim Plant.

V. SUPPLIERS

46. Cross Country has a large number of suppliers that supply goods and services to the Business, including a number of local businesses in the Morden and Blenheim areas.

47. Cross Country has a concentrated number of key suppliers who supply products or services that are crucial to the operation of the Business. This includes suppliers of axles, suspensions and specialty raw materials, utilities (such as water and electricity), fuel, propane and other goods and services. Given the nature of the Business, the ongoing and uninterrupted availability of these supplies and services is essential to the continued operation of the Business.

48. Over the course of Cross Country's financial challenges, suppliers have been generally supportive, however, payment delays resulted in reduced or capped credit terms or supply on a COD basis, prior to the NOI filing. In this period, Cross Country was not able to access "Tier 1" preferred supplier pricing and supply terms, which impacted costs of sale. As well, a number of key suppliers required that, with payment for each current order, additional amounts ("**Add-on Payments**") were also paid to try to "catch up" on overdue accounts. While understandable, these "catch up" payments had the effect of further limiting Cross Country's ability to use its available cash most effectively to maximize current operations.

49. Since the NOI filing, Cross Country has communicated its situation and strategy to suppliers and they, including key suppliers, have generally continued to be supportive, supplying Cross Country on COD terms. With the availability of increased liquidity from the removal of the BMO margin conditions, and assuming availability of the DIP Loans and no longer being required to make the Add-on Payments, I expect that there will be opportunities for Cross Country to access Tier 1 pricing for certain supply, reduce costs of sales and increase production at both plants.

VI. DEALERS

50. Cross Country sells its products to dealers, who in turn sell to end users. In general, dealers place orders with Cross Country for our trailer products, which are modelled and produced for them based on our extensive set of electronic Product Drawings. Payment terms are short - typically 5 to 7 days after delivery, although in some cases, deposits are provided in advance of either production or payment in full is required prior to delivery.

51. Cross Country has had a very strong and valuable order book, and, while recently a significant order was purportedly cancelled, dealers have generally continued to support Cross Country. Since the NOI filing, Cross Country has communicated its situation and strategy to its dealers, and the response has been generally positive. At present, Cross Country has an order book (including the purportedly cancelled order) totaling approximately \$12,000,000 for supply over a period of the next 5 months. The ability to maintain relationships with and orders from dealers over the course of the Sale Process will depend on Cross Country's ability to increase its production to produce and deliver those orders on a timely

basis, which, in turn, depends on obtaining additional working capital from the DIP Loans.

VII. EMPLOYEES

52. Since the NOI filing, Cross Country has communicated its situation and strategy to its employees, who have been generally supportive. Cross Country has many key, skilled employees, whose skills are in demand from other industries operating in or near both the Blenheim Plant and the Morden Plant. To manage its working capital, Cross Country has had to manage its production lines and shift times to work with available supplies, reducing work hours. This has a significant negative effect on employees and their confidence in their job security. So, it is critical to maximize working capital to allow us to maximize production and the meaningful utilization of our workforce, to protect their jobs and protect valuable employees both to support a going concern sale of the Blenheim Plant and the opportunity to carry on the Morden Plant.

VIII. CASH FLOW PROJECTIONS

53. With the assistance of the Proposal Trustee, Cross Country prepared and filed the cash flow statement ("**Cash Flow**") and the Report on the

Cash Flow Statement ("**Report**") dated August 18, 2017 as required pursuant to the BIA. Attached as **Exhibit "31"** hereto are copies of the Cash Flow and Report. The Cash Flow is prepared on the basis that the DIP Loans are made available and approved.

54. The Cash Flow is based on certain assumptions as more particularly described therein, which I believe to be reasonable and supportable assumptions.

55. The Cash Flow has been updated ("**Updated Cash Flow**") to extend projections to October 27, 2017. Based on the assumptions made in respect thereof, the Updated Cash Flow demonstrates that Cross Country will have sufficient cash to meet obligations incurred over the course of the Extension Period. The Updated Cash Flow is based, in part, on the assumption that the DIP Loans are made, approved and disbursed to Cross Country in the weeks ending September 8 and September 15, 2017. Attached as **Exhibit "32"** hereto is a copy of the Updated Cash Flow.

IX. SALE PROCESS

56. As indicated above, Cross Country has determined that in order to optimize outcomes for all stakeholders, it will conduct a formal process to sell the Blenheim Plant as a going concern. Cross Country has land and plants, equipment, Product Drawings and other assets of substantial value. The directors of Cross Country believe that, properly marketed within the context of a transparent, result-oriented and court-sanctioned sale process in these proceedings, the proceeds that could be generated through a sale of the Blenheim Plant are likely to enable Cross Country to significantly permanently reduce its indebtedness to BDC and BMO, and contribute funds towards working capital for the Morden Plant going forward and towards a viable proposal to unsecured creditors, optimizing results for creditors and allowing the Business to be preserved (albeit with the Blenheim Plant under new ownership) to the benefit of employees, suppliers and other stakeholders.

57. In furtherance, of this strategy, in or about mid-June, 2017, Cross Country retained the services of Lazer Grant Corporate Finance Inc. (“**LGCFI**”) to help develop and conduct a sale process.

58. LGCFI took initial steps (including an initial “teaser” letter, the beginnings of a data room to which certain prospective purchasers had access after signing a confidentiality agreements and some communications with prospective purchasers), however, in late July, 2017 Cross Country, in consultation with LGCFI, ended the engagement of LGCFI and thereafter engaged PricewaterhouseCoopers LLP as Financial Advisor to develop and conduct a sale process, pursuant to the FA Engagement Letter.

59. I believe that the terms of the FA Engagement Letter are fair and reasonable. I have discussed with the said Jeffrey Johnson the Financial Advisor’s broad experience in manufacturing company sale mandates and I believe that the Financial Advisor can very capably conduct the process for the sale of the Blenheim Plant and related assets in a commercially reasonable manner, calculated to maximize the outcome from such a sale.

60. I believe that the Financial Advisor’s pricing terms are reasonable. The pricing terms include a structure involving a “success fee”, to reduce the impact of ongoing fees on cash flow over the course of the sale process. Mr. Johnson communicated to me that the Financial Advisor

would prefer an engagement based on usual hourly rates and hours of service, with regular payments weekly or bi-weekly. To accommodate cash flow considerations, the Financial Advisor instead agreed to the pricing and payment arrangements set forth in the FA Engagement Letter.

61. The Sale Process (Exhibit "3") has now been developed. Certain key elements of the Sale Process are:

- (a) preparation of a list of prospective buyers;
- (b) preparation and circulation of a Teaser Letter to prospective buyers;
- (c) preparation of a Confidential Information Memorandum ("**CIM**"), and population of an electronic Data Room;
- (d) preparing and requiring execution of a form of Confidentiality Agreement, as a pre-condition of receiving the CIM and obtaining access to the Data Room;

- (e) development of a form of Asset Purchase Agreement, to be circulated to prospective buyers as a form of offer document, to expedite closing matters
- (f) the Financial Advisor will manage all communications and conduct all negotiations with prospective buyers;
- (g) Qualified Offers are to be received by 5:00 p.m. on September 18, 2017, accompanied by a 10% deposit;
- (h) the Financial Advisor is to recommend a Qualified Offer on or before September 22, 2017;
- (i) closing of the transaction contemplated by the Recommended Offer is to be on or before October 13, 2017;
- (j) closing of a transaction is subject to Court approval and the granting of an Order vesting title appropriately; and
- (k) Cross Country is not obliged to accept the highest, best or any Qualified Offer.

62. Attached as **Exhibit “33”** hereto is a copy of the Teaser Letter. I understand that a copy of a report of the Financial Advisor updating progress on the Sale Process is intended to be attached to an Affidavit of Samantha Dunn, in respect of which a request to seal same will be made to this Honourable Court. I believe that the contents of such a report are commercially sensitive and that public disclosure of same at this point in the Sale Process will prejudice the Sale Process to the detriment of stakeholders.

63. To my knowledge, the Sale Process contains usual and expected elements, calculated to engender a competitive offer process and optimize price. The timing of the Sale Process provides a reasonable opportunity in the circumstances for sophisticated prospective purchasers in our industry, with knowledge of production and market, to conduct necessary due diligence, arrange financing (if required) and prepare and submit a Qualified Offer. It is necessary to extend the time within which a proposal must be made, to accommodate the timing of the Sale Process.

X. THE PROPOSED ORDER

(a) Need for the Extension

64. Due to Cross Country's financial difficulties and lack of liquidity, Cross Country is insolvent and a continued stay of proceedings is essential for the continued operations of the Business and for the purpose of enabling the opportunity to maximize outcomes for Cross Country's lenders, employees, suppliers, and other stakeholders.

65. Granting the relief requested will enable the Business to be carried on in the ordinary course and will preserve the value of the Business, customer relationships and ongoing employment. Stability is necessary to facilitate on-going customer, supplier and employee support that is critical to a successful restructuring or sale of the Blenheim Plant as a going concern.

66. By granting the extension requested herein thereby enabling the opportunity to complete the Sale Process, it is my belief that Cross Country may be able to make a viable proposal to its creditors.

67. Cross Country is acting and has acted in good faith and with due diligence in respect to this Motion and the matters described herein.

(b) Administration Charge

68. The proposed Order provides for the payment of certain advisors who will assist Cross Country throughout the process. Specifically, the proposed Order provides for payment of Cross Country's legal advisors (both in Manitoba and Ontario), the Proposal Trustee, the Proposal Trustee's legal advisors and the Financial Advisor, which I believe is necessary for their effective participation in these proceedings.

69. To secure payments described in paragraph 68, the proposed Order provides an Administration Charge (to the maximum amount of \$250,000). The maximum amount of this charge was established based on estimates provided by the various parties who benefit from this charge. The Proposal Trustee reviewed these estimates and has concluded that the quantum of the proposed charge is reasonable in light of those estimates.

(c) DIP Lenders' Charge

70. The proposed Order provides for a DIP Lenders' Charge in relation to the DIP Loans being considered by BDC and BMO, in the total amount of up to \$500,000 (the "**DIP Lenders' Charge**").

71. If the DIP Loans are made available a DIP Lenders' Charge would not secure any obligations to BDC and BMO that existed before the making of the Order.

72. The DIP Loans are essential for the BIA process that Cross Country believes will enhance the payment prospects for their creditors and, in any event, reflect Cross Country's critical need for working capital. I believe that a successful transaction can result from the Sale Process to be undertaken in these proceedings and that, in the circumstances the DIP Loans and the DIP Lenders' Charge would not materially prejudice any creditor.

(d) Priority of Charges

73. Secured creditors who are likely to be affected by the proposed Order in relation to the granting of the Administration Charge and any DIP Lenders' Charge have been provided with prior notice of this motion.

74. It is anticipated that the Administration Charge and the DIP Lenders' Charge will rank with the priority as set out in the proposed Order. There may be other obligations outstanding or that may arise that constitute secured claims that would also be "primed" by the Charges, however, the Charges do not affect the priority of claims of Equipment Lessors and Financiers, and claims for any amounts under the Wage Earners' Protection Program that are subject to a priority claim under the BIA, including source deductions from wages, employer health tax, workers compensation, vacation pay and banked overtime for employees, and any pension payment obligations that are subject to a priority claim pursuant to Section 81.5(1) of the BIA.

(e) Sealing Order

75. The information that I have referred to in this affidavit which I understand is to be included in the Affidavit of Samantha Dunn, to be filed includes sensitive commercial information respecting the Sale Process and information confidential to the Financial Advisor which, if disclosed in the public domain, would have a material adverse effect on the ability of Cross

Country to maximize the value of Cross Country's assets or may damage the Financial Advisor's commercial interests.

XI. OTHER MATTERS

76. It is expected that the period during which Cross Country will be subject to proposal proceedings is until early December. This period will be determined by the outcome of the Sale Process.

77. I have deposed herein to my belief, based on my experience and knowledge of Cross Country, that a Sale Process of the kind contemplated to be undertaken in these proceedings can result in proceeds sufficient to reduce amounts owing Cross Country's secured lenders and enable a viable proposal to be made to Cross Country's remaining creditors.

78. The business and financial affairs of Cross Country will be managed during the proceedings by its directors and officers, with monitoring by the Proposal Trustee in accordance with its statutory obligations.

79. Cross Country has the support of BDC and BMO in bringing this motion and carrying out the contemplated restructuring and sale in these proceedings.

80. Accordingly, the DIP Loans, if made available will enhance the prospects of a viable proposal being made in respect of Cross Country.

XII. CONCLUSION

81. I believe the extension and relief requested by Cross Country is appropriate, necessary and in the best interests of Cross Country and its stakeholders. If this Honourable Court should grant the relief sought by Cross Country herein, I believe that there would be no material prejudice to the position of the existing creditors when compared to the consequences if the stay and provision for interim financing, is not granted. To the extent that prejudice may be perceived by or in relation to any particular creditor, I believe that the prospective benefit of the BIA process to Cross Country's stakeholders generally outweighs consideration of such prejudice.

XIII. RELIEF REQUESTED

82. Accordingly, this affidavit is sworn in support of an application by Cross Country for an order pursuant to the BIA, among other things:

- (a) extending the stay of proceedings against Cross Country;
- (b) providing an Administration Charge;
- (c) approving the DIP Loans (if made available);
- (d) providing a DIP Lenders' Charge (if required);
- (e) Sealing the affidavit of Samantha Dunn; and
- (f) granting such other relief as may be appropriate.

SWORN BEFORE ME at)
the City of Winnipeg, in)
the Province of Manitoba,)
this 5th day of September, 2017)
)

A Notary Public in and for the
The Province of Manitoba



JONATHAN DOERKSEN

This is Exhibit "1" referred to in the
Affidavit of JONATHAN DOERKSEN
SWORN before me this 5TH day
of SEPTEMBER, A.D. 20 17

A Notary Public
in and for the Province of Manitoba


District of: Manitoba
Division No. 01 - Winnipeg Centre - In
Court No.
Estate No.

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

Take notice that:

1. 5274398 MANITOBA LTD. O/A CROSS COUNTRY MANUFACTURING, an insolvent person, states, pursuant to subsection 50.4(1) of the Act, that it intends to make a proposal to my creditors.
2. Lazer Grant Inc. of 300-309 McDermot Avenue, Winnipeg, MB, R3A 1T3, a licensed trustee, has consented to act as trustee under the proposal. A copy of the consent is attached.
3. A list of the names of the known creditors with claims of \$250 or more and the amounts of their claims is also attached.
4. Pursuant to section 69 of the Act, all proceedings against me are stayed as of the date of filing of this notice with the official receiver in my locality.

Dated at the City of Winnipeg in the Province of Manitoba, this 10th day of August, 2017.



5274398 MANITOBA LTD. O/A CROSS COUNTRY
MANUFACTURING
Insolvent Person

To be completed by Official Receiver:

Filing Date

Official Receiver

District of: Manitoba
 Division No. 01-
 Court No.
 Estate No.

FORM 78 -- Continued

List "A"
 Unsecured Creditors

5274398 MANITOBA LTD. O/A CROSS COUNTRY MANUFACTURING

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
1	1&1 Internet, Inc	701 Lee Road Chesterbrook PA 19087 United States	29.98	0.00	29.98
2	407 ETR	6300 Steeles Avenue West Woodbridge ON L4H 1J1	5,441.42	0.00	5,441.42
3	ABC Fire	800 Marion St Winnipeg MB R2J 0K4	339.00	0.00	339.00
4	Access Fire	P.O. Box 449 Tilbury ON N0P 2L0	3,926.75	0.00	3,926.75
5	Advanced Wheel Sales	1645 Westbelt Drive Columbus OH 43228 United States	134,446.04	0.00	134,446.04
6	Aero Industries, Inc	10305 South 144th Street Omaha NE 68138 United States	12,576.00	0.00	12,576.00
7	Air Liquide Canada	1700 Steeles Avenue East Bramalea ON L6T 1A6	31,786.27	0.00	31,786.27
8	All Canadian Tools	400 Richmond St. Chatham ON N7M 1P9	1,928.54	0.00	1,928.54
9	Allied Electronics	7151 Jack Newell Blvd. S. Fort Worth TX 76118 United States	38.17	0.00	38.17
10	Allied Fire & Safety	517 Green Grove Road Neptune NJ 07754 United States	284.44	0.00	284.44
11	AMG Peterbilt Group	2888 Natlonwide Parkway Brunswick OH 44212 United States	900.00	0.00	900.00
12	Ancra Canada	PO Box 8713, Stn. A Toronto ON M5W 3C2	20,311.78	0.00	20,311.78
13	Annadale Finishing System	1201 Franklin Blvd Cambridge ON N1R 6R7	60.11	0.00	60.11
14	Answer Trailer Rentals & Sales Ltd	Box 3693, 450 Diamond Ave Spruce Grove AB T7X3A9	1.00	0.00	1.00
15	Apollo Property Management	186 Chatham Street N. Blenheim ON N0P 1A0	1.00	0.00	1.00
16	Applied Industrial Technologies	930 Richmond St Unit 1 Chatham ON N7M5J5	445.00	0.00	445.00
17	Arcotech Welding Machining	Box 6278 Fort St John BC V1J 4H7	7,664.20	0.00	7,664.20
18	ASA Alloys	61 Paramount Rd. Winnipeg MB R3E 2X7	8,485.99	0.00	8,485.99
19	Automated Cutting Machinery Inc.	2302 Dumfries Rd. Unit A7 Cambridge ON N1R 5S3	3,705.73	0.00	3,705.73
20	AXN Heavy Duty	5534 National Turnpike Louisville KY 40214 United States	85,795.00	0.00	85,795.00
21	B.G. Auto Shop	820 Main Street Winkler MB R6W 0M6	12,559.45	0.00	12,559.45
22	Baker & McKenzie LLP	181 Bay Street, Suite 2100 Toronto ON M5J 2T3	7,897.37	0.00	7,897.37
23	Beech Hill Freight Brokerage Inc	101 Woodborough Road Guelph ON N1G 3L7	1.00	0.00	1.00
24	Bell and Mackenzie	PO Box 844 LCD #1 Hamilton ON L8N3N9	3,679.95	0.00	3,679.95

10-Aug-2017

Date

JONATHAN DOERKSEN

District of: Manitoba
 Division No. 01-
 Court No.
 Estate No.

FORM 78 -- Continued

List "A"
 Unsecured Creditors

5274398 MANITOBA LTD. O/A CROSS COUNTRY MANUFACTURING

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
25	Bell Canada Phone	Box 9000 Stn Don Mills North York ON M3C 2X7	708.19	0.00	708.19
26	Bellhop Express Corp Oshawa Court No. 914/17	c/o 300-309 McDermot Avenue Winnipeg MB R3A 1T3	1.00	0.00	1.00
27	Bellerra	35 Bury Court Unit 1 & 2 Brantford ON N3S 0A9	1,175.20	0.00	1,175.20
28	Big and Colourful	Box 39 Stonewall MB R0C 2Z0	1,223.25	0.00	1,223.25
29	Blenheim Chevrolet	P.O. 970 Blenheim ON N0P 1A0	1,311.55	0.00	1,311.55
30	Blue Chip Leasing	Duncan Mill Road, #16 Toronto ON M3B 3N2	760.02	0.00	760.02
31	Bolt Plus	101 Sheldon Dr Cambridge ON N1R 6T6	765.82	0.00	765.82
32	Bondy's Hydraulic Supply Co.	70 Richmond St. Chatham ON N7M1N7	1.00	0.00	1.00
33	Borderland Manufacturing	Pembina Colony Darlingford MB R0G 0L0	32,835.84	0.00	32,835.84
34	Brantford Hydraulics INC.	41 Empey Street Brantford ON N3S 7P9	94,607.39	0.00	94,607.39
35	Brunswick Steel	125 Bismarck Street Winnipeg MB R2C 2Z2	2,319.53	0.00	2,319.53
36	Buyers	P.O. Box 74237 Cleveland OH 44194 United States	113.40	0.00	113.40
37	BWG Logistics Inc.	Box 436 Winkler MB R6W 4A6	2,300.00	0.00	2,300.00
38	Cadillac Truck Service	PO Box 304 Cadillac MI 49601	5,330.47	0.00	5,330.47
39	Canada Worldwide Inc.	7699 Bath Road Mississauga ON L4T 3T1	500.00	0.00	500.00
40	Canadian Bearings Ltd.	1600 Drew Rd Mississauga ON L5S 1S5	95,936.65	0.00	95,936.65
41	Canadian Linen	1860 King Edward St. Winnipeg MB R2R 0N2	11,659.89	0.00	11,659.89
42	Canadian Linen - Ontario	Box 51059 RPO Tyndall Winnipeg MB R2X 3C9	6,140.57	0.00	6,140.57
43	Canadian Lumber	139 North Railway Ave Winkler MB R6W 1J4	751.37	0.00	751.37
44	Canadian Transport Equipment Association	505-4510 Rhodes Drive Windsor ON N8W 5K5	960.50	0.00	960.50
45	Carey Leasing Ltd.	25 Graham Street, PO Box 1259 Blenheim ON N0P 1A0	1.00	0.00	1.00
46	Cascadia Metals	Site 410 Box 7 RR4 Brandon MB R7A 5Y4	18,835.04	0.00	18,835.04
47	CBRE Limited	145 King Street West, Suite 600 Toronto ON M5H 1J8	1,491.60	0.00	1,491.60
48	Centennial Supply	526 Centennial St. Winkler MB R6W 4B4	79.42	0.00	79.42

10-Aug-2017

Date

JONATHAN DOERKSEN

District of: Manitoba
 Division No. 01-
 Court No.
 Estate No.

FORM 78 -- Continued

List "A"
 Unsecured Creditors

5274398 MANITOBA LTD. O/A CROSS COUNTRY MANUFACTURING

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
49	Certified Power Solutions	26495-A South Point Road Perrysburg OH 43551 United States	6,046.96	0.00	6,046.96
50	Charlie's Place	825 Western Ave, Unit 11 Glendale CA 91201 United States	258.09	0.00	258.09
51	Chatham Towing Services	1045 Richmond Street Chatham ON N7M 5J5	423.75	0.00	423.75
52	Checker Signs	222 South Railway St. Morden MB R6M 1G7	2,683.21	0.00	2,683.21
53	Class 8 MFG	147 Citation Drive Unit 37 Vaughan ON L4K 1P8	22,877.09	0.00	22,877.09
54	Continental Tire	PO Box 1929 STN A Toronto ON M5W 1W9	133,342.86	0.00	133,342.86
55	Custom Hoists Inc.	Box 98 Rt. 30A West Hayesville OH 44838 United States	77,706.65	0.00	77,706.65
56	DA Loewen	Box 1240 Winkler MB R6W 4B3	1,808.55	0.00	1,808.55
57	Darling and Sons Intl	PO Box 1838 Woodinville WA 98072 United States	1,247.75	0.00	1,247.75
58	Davco Ind.	101 Amber Street, Unit 9 Markham ON L3R 3B2	265.78	0.00	265.78
59	Dowler Kam Fuels	24151 St. Clair Road RR2 Chatham ON N7M 5J2	20,478.21	0.00	20,478.21
60	Drive Products	1665 Shawson Drive Mississauga ON L4W 1T7	381.36	0.00	381.36
61	DuCharm, McMillen	7405 East Danbro Crescent Mississauga ON L5N 6P8	15,356.51	0.00	15,356.51
62	Eagle Rock Freight	1923 Delta Waters Road Medford OR 97504 United States	7,200.00	0.00	7,200.00
63	Egnyte	1890 N Shoreline Blvd. Mountain View CA 94043 United States	1.00	0.00	1.00
64	Encore Envelope	115 Hutchens St Winnipeg MB R2X 2V4	1.00	0.00	1.00
65	Entegrus	PO Box 70 Chatham ON N7M 5K2	17,805.22	0.00	17,805.22
66	Excellence In Manufac	Owen Sound, ON N4K 5P7 Owen Sound ON N4K 5P7	1,356.00	0.00	1,356.00
67	Fairview Fittings &	310 Keewatin Road Winnipeg MB R2X 2R9	43,612.45	0.00	43,612.45
68	Fastenal	860 Trillium Drive, Suite 117 Kitchener ON N2R 1K4	14.70	0.00	14.70
69	Fedex	PO Box 4626 Toronto Stn A Toronto ON M5W 5B4	383.97	0.00	383.97
70	Fehrway Feeds	RR1, Box 80 Winkler MB R6W 4A1	3,021.77	0.00	3,021.77
71	Fifth Wheel Solutions	PO BOX 24022 Brantford ON N3R 7X3	932.25	0.00	932.25
72	Fleetstop Trailers	8010 44 Street SE Calgary AB T2C 4L2	21,203.24	0.00	21,203.24

10-Aug-2017

Date

JONATHAN DOERKSEN

District of: Manitoba
 Division No. 01-
 Court No.
 Estate No.

FORM 78 -- Continued

List "A"
 Unsecured Creditors

5274398 MANITOBA LTD. O/A CROSS COUNTRY MANUFACTURING

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
73	Freund's Auto Parts	4 Glencross Crescent Morden MB R6M 1P6	88.83	0.00	88.83
74	Friesen Plastic Inc.	2926-7th Avenue North Lethbridge AB T1H 5C6	20,608.23	0.00	20,608.23
75	G&K Services	9085 Twin Oaks Drive Windsor ON N8N 5B8	11,684.41	0.00	11,684.41
76	Gateway Freight Systems Inc.	PO Box 9411 Station A Toronto ON M5W 4E1	3,894.50	0.00	3,894.50
77	General Metal	269 Manitoba Rd Winkler MB R6W 4A9	3,496.16	0.00	3,496.16
78	Gerry's Trailer Sales	Box 11201 Edmonton AB T5J 3K5	1.00	0.00	1.00
79	Giesbrecht Machining	Box 2339 Altona MB R0G 0B0	1.00	0.00	1.00
80	Golden West Trailer	P.O.Box 225 Moose Jaw SK S6H 4N8	2,635.44	0.00	2,635.44
81	Great West Life	P.O. Box 1053 Winnipeg MB R3C 2X4	32,196.07	0.00	32,196.07
82	Green Line	10 - 1650 Notre Dame Avenue Winnipeg MB R3H 1H6	1,410.36	0.00	1,410.36
83	Grote Industries	230 Travail Rd. Markham ON L3S 3J1	19,959.03	0.00	19,959.03
84	H Paulin & Co. Limited	55 Milne Avenue, Scarborough ON M1L 4N3	29,301.88	0.00	29,301.88
85	Hanover Doors	105 Commerce Drive Steinbach MB R5G 1W6	29.70	0.00	29.70
86	Hayworth Equipment	#202 26229 TWP 531A Acheson AB R7X 6A4	22,974.34	0.00	22,974.34
87	Hendrickson Canada	250 Chrysler Drive Brampton ON L6S 6B6	150,710.39	0.00	150,710.39
88	Hendrickson Truck	800 South Frontage Road Woodridge IL 60517-4904 United States	838.40	0.00	838.40
89	Higginson Equipment	1175 Corporate Dr. Unit 1 Burlington ON L7L 5V5	56,609.17	0.00	56,609.17
90	High Strength Plates & Profiles	7464 Tranmere Drive Mississauga ON L5S 1K4	62,262.68	0.00	62,262.68
91	Home Hardware Building Centre	124 Keil Drive South Chatham ON N7M 3H1	1,261.38	0.00	1,261.38
92	Hunter Steel Sales	1045 Pattullo Ave Woodstock ON N4V 1C8	33,444.27	0.00	33,444.27
93	Hyva	1070 Thorndale Ave Bensenville IL 60106 United States	21,983.85	0.00	21,983.85
94	Iconic Elements	330 Sheldon Drive Cambridge ON N1T 1A9	5,665.57	0.00	5,665.57
95	IFS Financial	250 Brownlow Avenue Dartmouth NS B3B 1W9	1.00	0.00	1.00
96	Imco	4565 E 74th Ave. Commerce City CO 8022-1420 United States	1,114.75	0.00	1,114.75

10-Aug-2017

Date

JONATHAN DOERKSEN

District of: Manitoba
 Division No. 01-
 Court No.
 Estate No.

FORM 78 -- Continued

List "A"
 Unsecured Creditors

5274398 MANITOBA LTD. O/A CROSS COUNTRY MANUFACTURING

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
97	Ingenial	1000 E 1st St Sanford FL 32771 United States	760.00	0.00	760.00
98	Ingersoll Rand	51 Worcester Road Toronto ON M9W 4K2	1,487.27	0.00	1,487.27
99	Intact Insurance	Accounts Department Toronto ON M5G 0A1	35.00	0.00	35.00
100	International Security Products	1760 Commerce Way Paso Robles CA 93446 United States	296.97	0.00	296.97
101	Intersteel Industries Ltd.	Box 1451 Morden MB R6M 1B3	1.00	0.00	1.00
102	Ironworks Industries Inc.	152 - PTH #2 Box 457 St. Claude MB R0G 1Z0	203.78	0.00	203.78
103	J. Adams Industrial Forklifts Corp.	987 Richmond Street Chatham ON N7M 5J5	3,415.01	0.00	3,415.01
104	Jade Traller Repairs Ltd.	12810 - 163 Street Edmonton AB T5V 1K6	8,227.29	0.00	8,227.29
105	James Western Star	5239 Continental Way Prince George BC V2N 5S5	10,273.35	0.00	10,273.35
106	Janzen Pontiac	Box 1599 Winkler MB R6W 4B5	715.91	0.00	715.91
107	Joe Haley	c/o 300-309 McDermot Avenue Winnipeg MB R3A 1T3	1.00	0.00	1.00
108	Johnston Bros. (Bothwell) Ltd.	P.O. Box 220 Bothwell ON NDP 1C0	4,760.31	0.00	4,760.31
109	Johnston Industrial Plastics	81 Paramount Road Winnipeg MB R2X 2W6	96.58	0.00	96.58
110	Jonathan Doerksen.	c/o 300-309 McDermot Avenue Winnipeg MB R3A 1T3	77,671.30	0.00	77,671.30
111	Jost International	1770 Hayes Street Grand Haven MI 49417 United States	72,941.19	0.00	72,941.19
112	JR Bearing & Power Ltd	469 Manitoba Road Winkler MB R6W 4A9	914.56	0.00	914.56
113	Just Ship It Logistics	60 Prince William Way Barrie ON L4N 0Y9	46,545.75	0.00	46,545.75
114	Kent Fabricators Ltd.	105 Industrial Ave. Blenheim ON N0P1A0	40.52	0.00	40.52
115	Kent Farm Supplies	9224 Allison Line Blenheim ON N0P1A0	673.66	0.00	673.66
116	KG Industries Ltd.	P.O Box 1157 Osoyoos BC V0H 1V0	118,452.17	0.00	118,452.17
117	KIC Holdings Inc	3800 Fruit Valley Road Vancouver WA 98660 United States	54,643.35	0.00	54,643.35
118	Kindersley Transport	PO Box 7290 Saskatoon SK S7K 4J2	1.00	0.00	1.00
119	Kinedyne	c/o 300-309 McDermot Avenue Winnipeg MB R3A 1T8	5,730.62	0.00	5,730.62
120	Kooli Trucking Inc.	P.O. Box 970 Waterford ON N0E 1Y0	2,316.50	0.00	2,316.50

10-Aug-2017

Date

JONATHAN DOERKSEN

District of: Manitoba
 Division No. 01 -
 Court No.
 Estate No.

FORM 78 -- Continued

List "A"
 Unsecured Creditors

5274398 MANITOBA LTD. O/A CROSS COUNTRY MANUFACTURING

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
121	Koolers Refrigeration	1-249 Manitoba Road Winkler MB R6W 0J8	213.32	0.00	213.32
122	Krahn & Friesen	286 Stephen Street Morden MB R6M 1T4	22,933.35	0.00	22,933.35
123	Landstar Ligon Inc.	Drawer CS 100733 Atlanta GA 30384-0733 United States	2,850.00	0.00	2,850.00
124	Lenmar	6614 Snow Goose Lanes Mississauga ON L5N 5H5	3,164.00	0.00	3,164.00
125	Libby Manufacturing	POBox 1240, 19376 Gore Rd Blenhelm ON N0P 1A0	391.16	0.00	391.16
126	Livingston	PO Box 5640 Terminal A Toronto ON M5W 1P1	1,201.52	0.00	1,201.52
127	Livingston - NGJ	P.O. Box 5640, Terminal A Toronto ON M5W 1P1	13,390.27	0.00	13,390.27
128	LSI Supply Inc.	135 Oak Street W Leamington ON N8H 2B8	24.92	0.00	24.92
129	MacKay's Truck & Trailer	124 Lower Truro Road Truro NS B2N 1B1	4,651.51	0.00	4,651.51
130	MacMor Industries Ltd.	1175 Sherwin Road Winnipeg MB R3H 0V1	387.65	0.00	387.65
131	Magnum Signs Inc.	9436 McNaughton Line Chatham ON N7M 5J7	180.80	0.00	180.80
132	Maintenance Welding	59 Bannister Rd Winnipeg MB R2R0P2	907,836.25	0.00	907,836.25
133	Manitoba Hydro	360 Portage Avenue - 5th floor Winnipeg MB R3C 0G8	9,050.99	0.00	9,050.99
134	Margaret Klassen	264 Red Hawk Trail Winkler MB R6W 0C5	750.00	0.00	750.00
135	Marmon / Keystone	79 Routledge Ave. Headingly MB R4H 0A9	5,007.87	0.00	5,007.87
136	Mast Electric Ltd.	R.R. #2 9916 Darrell Line Chatham ON N7M 5J2	158.20	0.00	158.20
137	McNeilus Steel	P.O. Box 249 Dodge Center MN 55927 United States	68,629.55	0.00	68,629.55
138	McTague Law Firm	455 Pellssier Street Windsor ON N9A 6Z9	1.00	0.00	1.00
139	Meritor	88 Steadmantown Lane Frankfort KY 40601 United States	28,800.00	0.00	28,800.00
140	Metro Industries, Inc.	4018 East, 137th Terrace Grandview MO 64030 United States	296.68	0.00	296.68
141	Michel's Industries	PO Box 119 St. Gregor SK S0K 3X0	106,801.39	0.00	106,801.39
142	Mid-Atlantic Rubber Company	2900 Whittington Ave Baltimore MD 21230 United States	283.36	0.00	283.36
143	Minister of Finance	c/o 300-309 McDermot Avenue Winnipeg MB R3A 1T3	1.00	0.00	1.00
144	Motion Canada	PO Box 8046, Postal Station A Toronto ON M5W 3W5	1,652.40	0.00	1,652.40

10-Aug-2017

Date

JONATHAN DOERKSEN

District of: Manitoba
 Division No. 01-
 Court No.
 Estate No.

FORM 78 -- Continued

List "A"
 Unsecured Creditors

5274398 MANITOBA LTD. O/A CROSS COUNTRY MANUFACTURING

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
145	MTS	Box 7500 Winnipeg MB R3C 3B5	2,459.19	0.00	2,459.19
146	Natco	1456 Church Ave Winnipeg MB R2X 2W3	605.51	0.00	605.51
147	Neil Mulder	c/o 300-309 McDermot Avenue Winnipeg MB R3A 1T3	1.00	0.00	1.00
148	New Hampshire	11 Navigator Rd Londonderry NH 03053 United States	1.00	0.00	1.00
149	North American Box Co.	Box 79 Plum Coulee MB R0G 1R0	342.25	0.00	342.25
150	NTDA	9864 E Grand River Avenue Brighton MI 48116 United States	799.00	0.00	799.00
151	Nuera Industrial	1980, bould. Dagenais Ouest Laval QC H7L 5W2	41,242.40	0.00	41,242.40
152	Occupational Safety Group Inc.	3330 Dingman Drive London ON N6E 3W8	2,090.50	0.00	2,090.50
153	Oil Rite	4325 Clipper Drive Manitowoc WI 54221-1207 United States	322.34	0.00	322.34
154	Oliver Lumber	9184 Twiss Road Campbellville ON L0P 1B0	63,667.38	0.00	63,667.38
155	Parcels 'N' More Express	310-555 Hervo Street Winnipeg MB R3T 3L6	28.85	0.00	28.85
156	Partner Ship	500 East Lorain Street Oberlin OH 44074 United States	1.00	0.00	1.00
157	Peavey Mart	995 Navigator Road Winkler MB R6W 4A9	14.58	0.00	14.58
158	Pembina Valley Canvas Ltd.	Box 897 Winkler MB R6W 4A9	15,113.25	0.00	15,113.25
159	Pembina Valley Containers	160 Grant St. Morden MB R6M 1Y4	1,687.56	0.00	1,687.56
160	Peter T.	PO Box 1172 Morden MB R6M 1B1	1.00	0.00	1.00
161	Peterbilt Sparks	PO Box 50610 Sparks NV 89435 United States	1.00	0.00	1.00
162	Pete's General Freight Inc.	Box 40 Morris MB R0G 1K0	3,100.00	0.00	3,100.00
163	Pinwood Truck Parts	9557 Longwoods RD Chatham ON N7M 5J1	52,954.37	0.00	52,954.37
164	PMC Desaulniers Insurance	J-390 Provencher, Boulevar Winnipeg MB R2H 0H1	1.00	0.00	1.00
165	Polaris Global Logistics	7099 Torbram Road Mississauga ON L4T 1G7	550.00	0.00	550.00
166	Postma Heating and Cooling	22132 Charing Cross Road Chatham ON N7M 5J3	4.94	0.00	4.94
167	Power Link Inc.	5405 J-A Bombardier St. Hubert QC J3Z 1K3	53,467.68	0.00	53,467.68
168	PPG Canada Inc.	P.O. Box 9457 Toronto ON M5W 4E1	504,102.89	0.00	504,102.89

10-Aug-2017

Date

JONATHAN DOERKSEN

District of: Manitoba
 Division No. 01-
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FORM 78 -- Continued

List "A"
 Unsecured Creditors

5274398 MANITOBA LTD. O/A CROSS COUNTRY MANUFACTURING

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
169	Prince Manufacturing Co.	612 North Derby Lane North Sioux City SD 57049-5170 United States	553.00	0.00	553.00
170	Pryde Industrial	187 Exeter Road London ON N6L 1A4	666.42	0.00	666.42
171	PTM Industries	1111 Flint RD. Unit 16 Toronto ON M3J 3C7	666.70	0.00	666.70
172	Purolator Courier Ltd.	PO Box 1100 Etobicoke Postal Stn A. Etobicoke ON M9C 5K2	27,797.42	0.00	27,797.42
173	Q-Line Trucking	Box 110-B, RR 4 Saskatoon SK S7K 3J7	1,575.00	0.00	1,575.00
174	Quality Trailers Ltd.	Box 66, GRP 200 RR2 Winnipeg MB R3C 2E6	810.81	0.00	810.81
175	Quickbooks	c/o 300-309 McDermot Avenue Winnipeg MB R3A 1T3	1.00	0.00	1.00
176	R.T. Systems Inc.	35 Sharp Road Brantford ON N3T 5L8	8,425.14	0.00	8,425.14
177	Ray's Septic Service	Box 561 Winkler MB R6W 4A7	661.50	0.00	661.50
178	RDO Equipment	700 7th St S Fargo ND 58103 United States	2,440.10	0.00	2,440.10
179	Remorque Labelle	545, Lindbergh Laval QC H7P 2N8	11,620.44	0.00	11,620.44
180	Remorques Lewis	499 Chemin du Grand Rang La Presentation QC J0H 1B0	2,731.16	0.00	2,731.16
181	Ride Air Controls Inc	1235 MID-WAY BLVD. Mississauga ON L5T 2C1	519,920.79	0.00	519,920.79
182	Ringball Corporation	190 Omands Creek Blv Winnipeg MB R2R 1V7	12,348.13	0.00	12,348.13
183	Rite-Way Rentals	235 Manitoba Road Winkler MB R6W 0J8	1,627.57	0.00	1,627.57
184	Rochling Engineering Plastics	21 Tidemand Drive Orangeville ON L9W 3K3	914.95	0.00	914.95
185	Rocky Mountain	Box 1387 Winkler MB R6W4B4	448.84	0.00	448.84
186	Rogers	Box 9100 Don Mills ON M3C 3P9	2,369.02	0.00	2,369.02
187	Roll Rite LLC	2574 School Road Alger MI 48610 United States	29,811.64	0.00	29,811.64
188	RPT Industrial	1426, boul. Industriel Magog QC J1X 4V9	3,366.84	0.00	3,366.84
189	Russel Metals Inc.	Box 39 Winnipeg MB R3C 2G3	216,134.43	0.00	216,134.43
190	Samuel Packaging Systems Group	2360 Dixie Road Mississauga ON L4Y 1Z7	110,715.40	0.00	110,715.40
191	Schmidts Auto	Box 190 Winkler MB R6W 4A5	4,115.82	0.00	4,115.82
192	Securi Trim	9200 5th Ave Saint-Georges QC G5Y 2A9	1,659.01	0.00	1,659.01

10-Aug-2017

Date

JONATHAN DOERKSEN

District of: Manitoba
 Division No. 01 -
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FORM 78 -- Continued

List "A"
 Unsecured Creditors

5274398 MANITOBA LTD. O/A CROSS COUNTRY MANUFACTURING

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
193	Semi Service.	c/o 300-309 McDermot Avenue Winnipeg MB R3A 1T3	5,856.35	0.00	5,856.35
194	Sharpline	1520 S Tyler Rd. Wichita KS 67209 United States	28.42	0.00	28.42
195	Ship Pallets Logistics	Unit 18 - 3980 Fraserwood Court Burnaby BC V5J 5H7	9,430.00	0.00	9,430.00
196	SigmaTEK Canada, LLC	PO Box 56066, STN A Toronto ON M5W 4L1	1,000.00	0.00	1,000.00
197	Skeans Air Inc.	107 Paramount Rd Winnipeg MB R2X 2W6	28,117.46	0.00	28,117.46
198	Southern Performance & Repair	320 Cargill Road Winkler MB R6W 2R8	170.63	0.00	170.63
199	Southman Plastics	Box 690 Winkler MB R6W 4A8	3,553.20	0.00	3,553.20
200	Spectrum Coatings.	1368 Border Street Winnipeg MB R3H 0M9	358,958.31	0.00	358,958.31
201	SSAB	801 Warrenville Road Lisle IL 60532 United States	88,506.91	0.00	88,506.91
202	Start-N-Charge	Box 568 Winkler MB R6W 4A7	583.08	0.00	583.08
203	Station Park Logistics	28 Majestic Court St. Thomas ON N5R 0B9	33,099.85	0.00	33,099.85
204	Summit Roofing and Sheet Metal	P.O. Box 1256 Blenheim ON N0P 1A0	562.74	0.00	562.74
205	Sun Life	PO Box 1622 Stn Waterloo Waterloo ON N2J 4M8	1.00	0.00	1.00
206	Sunset Express Ltd.	500 Cargill Road Winkler MB R6W 0K4	525.00	0.00	525.00
207	Sunvalley Tire	375 Kimberly Road Winkler MB R6W 0H7	218,565.78	0.00	218,565.78
208	Superior Propane	Box 4568, Station A Toronto ON M5W 0J5	7,461.30	0.00	7,461.30
209	TekSavvy Solutions Inc.	800 Richmond Street Chatham ON N7M 5J5	343.46	0.00	343.46
210	Terry Boom	c/o 300-309 McDermot Avenue Winnipeg MB R3A 1T3	1.00	0.00	1.00
211	Think Lighting Ontario	RR1, 173 Concession 6 Chepstow ON N0G 1K0	1.00	0.00	1.00
212	Tilbury Steel Service	159 Queen Street N. Tilbury ON N0P 2L0	233,046.98	0.00	233,046.98
213	Tirecraft	370 Richmond St. Chatham ON N7M 1P9	181,256.24	0.00	181,256.24
214	TNT Tank & Trailer Repair	Box 10676 RPO 10 Lloydminster AB T9V 3A7	1.00	0.00	1.00
215	Town & Country Lumber	Hwy #3 Blenheim ON N0P 1A0	169.49	0.00	169.49
216	Townsend Lumber	1300 Jackson Sideroad Ontario Canada ON N4G 4G7	1.00	0.00	1.00

10-Aug-2017

Date

JONATHAN DOERKSEN

District of: Manitoba
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FORM 78 -- Continued

List "A"
 Unsecured Creditors

5274398 MANITOBA LTD. O/A CROSS COUNTRY MANUFACTURING

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
217	TQL	PO Box 634558 Cincinnati OH 45263-4558 United States	15,802.90	0.00	15,802.90
218	Traction Heavy Duty - Ontario	6895 Menway Court Mississauga ON L5S 1W2	97,904.74	0.00	97,904.74
219	Traction Heavy Duty - Winnipeg	200 Oak Point Hwy Winnipeg MB R2R 1V1	5,919.40	0.00	5,919.40
220	Trailer Hitch Center Ltd.	1933 Gore Rd London ON N5W 6B9	90.40	0.00	90.40
221	Trans-East Trailers	368 Urquhart Ave. Moncton NB E1H 2R6	13,374.05	0.00	13,374.05
222	Transport Trailer	8085 Esquesing Line - Fourth Line Milton ON L9T 2X9	23,701.61	0.00	23,701.61
223	Tri-Form Poly Inc.	Box 1029 Morris MB R0G 1K0	31,206.00	0.00	31,206.00
224	Trison Tarps Inc.	33 Kippax Court Brantford ON N3S 0E5	339.21	0.00	339.21
225	Truck-Lite	P.O Box 4557 Toronto ON M5W 4S5	5,998.52	0.00	5,998.52
226	TST Overland Express	P.O. Box 3030 Mississauga ON L5A 3S3	3,849.02	0.00	3,849.02
227	Tsubaki	1630 Drew Road Mississauga ON L5S 1J6	4,018.30	0.00	4,018.30
228	Union Gas Limited	PO Box 4001 STN A Toronto ON M5W 0G2	1,579.41	0.00	1,579.41
229	Uniropo Limited	3070 Universal Drive Mississauga ON L4X2C8	50.96	0.00	50.96
230	United Chemical	Box 220, 708 Greenwood Avenue Selkirk MB R1A 2B2	3,498.68	0.00	3,498.68
231	UPS Canada	P.O. Box 4900, Station A Toronto ON M5W 0A7	8,372.66	0.00	8,372.66
232	VISP	570 Roblin East Winkler MB R6W 0H2	1,023.78	0.00	1,023.78
233	Wainbee	5789 Coopers Ave. Mississauga ON L4Z 3S6	76,015.90	0.00	76,015.90
234	Wajax Industrial	Bldg 300 - Unit 310 Windsor ON N9C 2L8	11,439.65	0.00	11,439.65
235	Wallace Machinery	151 Agri Park Road Oak Bluff MB R4G 0A5	904.00	0.00	904.00
236	Wallace-Kent Sprinkler Systems Inc.	304 Arnold Street Unit A Wallaceburg ON N8A 3P5	2,251.32	0.00	2,251.32
237	Waltron Trailers Inc	P.O Box 99 Ridgetown ON N0P 2C0	83.79	0.00	83.79
238	Waste Connections of Canada Inc.	5000 8th Concession, RR#3 Maidstone ON N0R 1K0	2,002.57	0.00	2,002.57
239	WD Industrial Group	1036 Waverley Street Winnipeg MB R3T 0P3	575.45	0.00	575.45
240	Winkler Co-op	Box 1120 Winkler MB R6W 4B2	56,667.87	0.00	56,667.87

10-Aug-2017

Date

JONATHAN DOERKSEN

District of: Manitoba
Division No. 01-
Court No.
Estate No.

FORM 78 -- Continued

List "A"
Unsecured Creditors

5274398 MANITOBA LTD. O/A CROSS COUNTRY MANUFACTURING

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
241	Winkler Forklift	Box 89 Winkler MB R6W 4A4	576.30	0.00	576.30
242	Wolverine Industries	380 Airport Drive Winkler MB R6W 4A8	88.87	0.00	88.87
243	Workers Compensation Board	333 Broadway Winnipeg MB R3C 4W3	1.00	0.00	1.00
244	WSIB	P.O. Box 4115, Station A Toronto ON M5W 2V3	1.00	0.00	1.00
245	Yellowhouse	11500 E Interstate 40 Amarillo TX 79120 United States	728.36	0.00	728.36
246	YRC Reimer Express	PO Box 3531, Station A Toronto ON M5W 3G4	1.00	0.00	1.00
247	Zelus Material Handling	730 South Service Road, Unit F5 Stoney Creek ON L8E 5S7	1,294.98	0.00	1,294.98
Total:			6,316,096.67	0.00	6,316,096.67

10-Aug-2017

Date

JONATHAN DOERKSEN

District of: Manitoba
 Division No. 01-
 Court No.
 Estate No. 21-2281867

FORM 78 -- Continued

List "B"
 Secured Creditors

5274398 Manitoba Ltd.

No.	Name of creditor	Address	Amount of claim	Particulars of security	When given	Estimated value of security	Estimated surplus from security	Balance of claim
1	Bank of Montreal	2nd Floor 335 Main Street Winnipeg MB R2C 1C2	3,500,000.00	Business Assets - Stock In Trade - Inventory		3,500,000.00		
2	Business Development Bank of Canada Attn: Valerie Lock	110 Barclay Centre Calgary AB	4,400,000.00	Real Property or Immovable - Building and Land - Blenheim - 1 Solway Dr Business Assets - Machinery - Manufacturing Equipment and vehicles Real Property or Immovable - Building and Land - Morden - 418 South Railway		2,400,000.00 2,000,000.00 0.00		
3	Canada Revenue Agency Source Deductions - deemed trust	Pacific Insolvency Intake Centre 9755 King George Boulevard Surrey BC V3T 5E1	370,000.00	Real Property or Immovable - Building and Land - Blenheim - 1 Solway Dr Real Property or Immovable - Building and Land - Morden - 418 South Railway		370,000.00 0.00		
4	City of Morden	100-195 Stephen Street Morden MB R6M 1V3	61,113.08	Real Property or Immovable - Building and Land - Morden - 418 South Railway		61,113.08	1,838,886.92	
5	Municipality of Chatham-Kent	PO Box 640 Chatham ON N7M 5K8	81,881.98	Real Property or Immovable - Building and Land - Blenheim - 1 Solway Dr		81,881.98	148,118.02	
6	RBC Royal Bank Attn: Alison Houston	c/o P.O. Box 57100 Etobicoke ON M8Y 3Y2	40,000.00	Motor Vehicles - Automobile - 2011 - GMC - SIERRA		40,000.00		
7	RBC Royal Bank Attn: Alison Houston	c/o P.O. Box 57100 Etobicoke ON M8Y 3Y2	40,000.00	Motor Vehicles - Automobile - 2015 - GMC - SIERRA - 8906		40,000.00		
Total:			8,492,995.06			8,492,995.06	1,987,004.94	0.00

16-Aug-2017

Date

JONATHAN DOERKSEN

NOTICE OF INTENTION TO MAKE A PROPOSAL

5274398 MANITOBA LTD. O/A CROSS COUNTRY MANUFACTURING

CONSENT OF TRUSTEE

Lazer Grant Inc., licensed by the Superintendent of Bankruptcy as a Licensed Insolvency Trustee, hereby consents to act as the Proposal Trustee in the above matter if so appointed.

DATED at Winnipeg, this 10th day of August, 2017.

LAZER GRANT INC.
LICENSED INSOLVENCY TRUSTEE
PER:

A handwritten signature in black ink, appearing to read "Cheryl", is written above a horizontal line.

This is Exhibit " 2 " referred to in the
Affidavit of JONATHAN DOERKSEN
SWORN before me this 5TH day
of SEPTEMBER, A.D. 20 17

A Notary Public
in and for the Province of Manitoba



Strictly Private & Confidential

August 3, 2017

5274398 Manitoba Ltd. d/b/a Cross Country Manufacturing
418 South Railway St.
Morden MB R6M 2G2

Attention: Jonathan Doerksen, President

Dear Mr. Doerksen

Subject: Cross Country Manufacturing – Sale of Blenheim Facility

Introduction

Thank you for requesting the services of PricewaterhouseCoopers LLP (“PwC”). This letter confirms our engagement by 5274398 Manitoba Ltd. d/b/a Cross Country Manufacturing (the “Company” or “you”) in connection with the proposed divestiture, as outlined below (the “Services”).

The contemplated divestiture is expected to be a sale of assets, however, it may be a sale of shares, a sale of assets, or a merger, consolidation or other business combination. If the divestiture is by way of a share sale, all of your rights and obligations hereunder shall be rights and obligations of the Shareholders of the Company. If the sale is by way of an asset sale or business combination, all such rights and obligations shall be rights and obligations of the Company.

The purpose of this engagement letter, together with the Standard Terms and Conditions attached hereto, is to confirm our understanding of the terms of our engagement. Unless otherwise defined hereinafter, capitalized terms used herein shall have the meaning ascribed to them in the attached Standard Terms and Condition

Our Understanding of the Current Situation

You have advised us that you intend to file a Notice of Intention (“NOI”) and, subsequently, a Proposal to creditors and that you propose to name Lazer Grant Inc. as Trustee under such Notice of Intention and Proposal.

In relation to the filing of your NOI, you have indicated you are in discussions with Bank of Montreal (“BMO”) and Business Development Bank of Canada (“BDC”) regarding a potential lending agreement that will provide you with an interim credit facility that will support current operations and provide funding for the NOI process and a structured sale process. In this regard, we understand you will be asking the Court to approve the interim credit facility, the structured sale process and related engagement of PwC, as well as an Administrative Charge, a portion of which will cover the fees associated with the structured sale process.

*PricewaterhouseCoopers LLP
Richardson Building, One Lombard Place, Suite 2300, Winnipeg, Manitoba, Canada R3B 0X6
T: +1 204 926 2400, F: +1 204 944 1020, www.pwc.com/ca*

PwC refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership, which is a member firm of PricewaterhouseCoopers International Limited, each member firm of which is a separate legal entity.



5274398 Manitoba Ltd. d/b/a/ Cross Country Manufacturing
August 3, 2017

We understand that the proposed divestiture relates to the business, assets and facilities of the Company's operation located in Blenheim, Ontario (the "Transaction") and as such, it is expected that the Transaction will be an asset sale.

You agree to retain PwC as your exclusive financial advisor in this regard. In connection with the NOI process, we understand that any Transaction will require the approval of the Court and we may be required to provide our own report to the Court on our sale process and any related recommendations.

This letter outlines the services to be provided by us to you as described herein (the "Services") and the fees to be paid in respect of the Services.

Scope of Our Services

The transaction approach will be adapted to fit the situation as it evolves. The scope of our services may include:

TRANSACTION PROCESS DESCRIPTION
PHASE 1 - Preparation and Market Canvassing
Preparation <ul style="list-style-type: none">• Perform analysis for determining how to best position for sale• Developing marketing strategy• Developing the structured sale process in conjunction with Company legal counsel• Prepare Information Summary Document ("Teaser")• Finalize list of buyers to contact• Prepare Confidential Information Memorandum ("CIM")• Prepare a Non-Disclosure Agreement ("NDA")• Prepare Bid Process Instructions and non-binding Letter of Intent template ("Offer Docs")• Establish electronic data-room and related development and population of information
Marketing <ul style="list-style-type: none">• Contact buyers• Distribute NDA and Teaser• Assisting in the development of a management presentation
Management Presentation and Site Tour <ul style="list-style-type: none">• Coordinate visits and management presentations, as appropriate.• Provide supplemental information as appropriate so that parties can properly assess the Transaction opportunity• Obtain, analyze and evaluate non-binding Letters of Intent ("LOIs")



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TRANSACTION PROCESS DESCRIPTION
Phase 2 - Preliminary Negotiation, Buyer Due Diligence, Final Negotiation and Closing
Preliminary Negotiation <ul style="list-style-type: none">• Advise on the pricing, form and structure of the Transaction• Advise on selection of Phase 2 bidders• Assist counsel in preparing a template Asset Purchase Agreement and other definitive agreements as appropriate to be provided to Phase 2 bidders• Conduct preliminary negotiation, under your instructions, of the Transaction
Buyer Due Diligence and Final Negotiation <ul style="list-style-type: none">• Facilitate additional confirmatory due diligence requests and respond to clarification queries and requests for additional information• Coordinate data-room, site visits and facilitate Transaction process• Negotiate, under your instructions, and provide advice on the Transaction up to the definitive agreement
Closing <ul style="list-style-type: none">• Assist and advise together with legal counsel and management in the negotiation of a definitive agreement for the Transaction and related agreements including Court filings.• Assist in resolving issues in moving the process to a successful closing

Client Responsibilities

We will have no management responsibility or control over the Company's operations and will take no responsibility for any decisions or actions by or on the part of the Company; such responsibilities remain with the Company.

Timetable

We are prepared to begin immediately and will use all reasonable efforts to complete the various segments of our work in a prompt fashion, assuming management co-operation and timely availability of data.

Staffing

Jeff Johnson will be the Partner in-charge of the Services contributing advice, overseeing the provision of the Services and attending key meetings. Brooke Valentine, Managing Director, will act as Second Partner on the engagement. Gurpreet Brar will act as project manager calling upon other specialist staff, as we deem appropriate. We reserve the right to change staff but will only change the named staff after discussion with you.



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Fees

Our fees are based on the hours actually incurred by each staff member and the discounted hourly rate for that individual, which are as follows:

Staff Member	Rate/hr
Partner / Managing Director	350
Director / VP	285
Assistant VP / Manager	235
Senior Associate	150

Recognizing the need and benefit of conserving cash for ongoing operational purposes, we are agreeable to a combination discounted hourly rates / success fee basis for structuring our fees, with agreed upon monthly payments that provide cash-flow certainty, as follows:

1. We will invoice our fees weekly based on the actual fees (per the rates set out above) and disbursements incurred, however, we will accept weekly payments of a set amount of _____ us taxes and disbursements;
2. On the closing of the Transaction, we would be paid the greater of a) the actual fees based on the discounted rates set out above; b) a minimum transaction fee of _____ and c) success fee based on the enterprise value achieved on a debt and cash free basis (for clarity, amounts to be paid are reduced by fees already received);
3. In the event a transaction does not close, our fees will be paid based on actual time incurred at our discounted rates and any unpaid amount is recoverable from the portion of the Administrative Charge applicable to the sales process;

In addition to the fees outlined above, we shall bill for all reasonable expenses. Direct costs, including but not limited to travel, meals and accommodation, will be charged as incurred. An amount of 5% of fees billed will be charged to cover costs such as photocopying, telephone, faxes and postage. In addition to our fees, expenses and other charges payable pursuant to the engagement, we shall bill for all applicable taxes.

Invoices for our fees and disbursements will be rendered on a weekly basis. Payment as per above noted arrangements is due weekly.

At the time of your acceptance of this engagement, you will provide us with a retainer in the sum of _____ plus GST and to be held by us pending completion of the engagement. We may apply such retainer to any outstanding fees and expenses not otherwise paid by the Company. Any unused retainer will be refunded to you at the conclusion of our engagement.

Exclusivity

In order for us coordinate the divestiture process effectively, you agree that we shall act as your sole and exclusive financial advisor in connection with the divestiture. You agree that neither the Company, management, affiliates nor other advisors will initiate any discussions regarding the Company with prospective purchasers without first notifying PwC. In the event you or your management receives an inquiry from any party concerning the divestiture of the Company, you shall promptly inform us of such party and its interest in order that PwC can effectively render the Services provided for in this Agreement.



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Advocacy and Independence

PwC will not have any executory authority on your behalf and you are responsible for making all decisions. Our role is as a financial advisor and not a promoter, broker, representative or agent for purposes of your commercial negotiations. Where we are to be involved in meetings related to commercial negotiations, you are responsible for finalizing your negotiating position. We will only attend meetings with third parties (other than your own advisors) if you are either in attendance at the meeting or, if not, you provide sufficient instruction to us on the detail of the issues being negotiated.

Standard Terms and Conditions

The Standard Terms and Conditions attached hereto are an integral part of this Agreement. The Engagement Letter should be read in conjunction with the Standard Terms and Conditions. In the event of conflict or inconsistency between the terms and conditions set forth in this Engagement Letter and the Standard Terms and Conditions, the terms and conditions in this Engagement Letter shall take precedence.

Governing Law and Jurisdiction

This Agreement shall be governed by and interpreted in accordance with the laws of the Province of Manitoba and the federal laws of Canada applicable therein.

Acknowledgement and Acceptance

You hereby acknowledge that PwC has not made any warranties or guarantees of any nature with respect of the success or satisfactory conclusion of the Divestiture transaction or as to the economic, financial or other results which may be obtained or experienced by you as a result of any such divestiture.

We are pleased to have the opportunity to provide our services to Cross Country Manufacturing and appreciate your confidence in us. If you have any questions, please call Jeff Johnson, Partner, at (204) 926-2441, or Gurpreet Brar, Director, at (204) 926-2487. If the services outlined herein are in accordance with your requirements and if the above terms are acceptable to you, please have one copy of this letter signed in the space provided below and return it to us.

Yours very truly,

PricewaterhouseCoopers LLP

A handwritten signature in black ink, appearing to read "B. Jeffrey Johnson".

B. Jeffrey Johnson, CPA, CIRP, LIT
Partner

BJJ:ldl



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Confirmation of Terms of Engagement

Having read both the Engagement Letter and the Standard Terms and Conditions attached thereto, we agree to engage PricewaterhouseCoopers LLP upon the terms set out therein.

Cross Country Manufacturing Ltd.

By:

Jonathan Doerksen

President

(Date)

Jonathan Doerksen
Jonathan Doerksen

Treasurer

Aug. 11 / 2017

STANDARD TERMS AND CONDITIONS CORPORATE FINANCE ENGAGEMENTS

The engagement letter and exhibits, and any amendments thereto (collectively, the "Engagement Letter") together with these Standard Terms and Conditions (collectively, the "Agreement" or the "Contract") shall, once the Engagement Letter is executed by both parties, constitute the entire agreement between the client to which such Engagement Letter is addressed and PricewaterhouseCoopers LLP, regarding the services (the "Services") and deliverables (the "Deliverables") described in the Engagement Letter. It replaces and supersedes any previous proposals, correspondence, understandings or other communications, whether written or oral, regarding the Services and Deliverables.

1. Definitions

The following terms shall have the meaning prescribed herein both in these Standard Terms and Conditions and the Engagement Letter:

- 1.1 "PricewaterhouseCoopers", "PwC", "we", "us", or "our" shall mean PricewaterhouseCoopers LLP and other PricewaterhouseCoopers entities involved in the provision of Services.
- 1.2 "Client" or "you" shall mean the party engaging PricewaterhouseCoopers LLP, including all subsidiaries, and affiliates.
- 1.3 "consideration", for the purpose of calculating any success fee, contingency fee, or similar performance based fee upon successful completion of the Services, shall include the total consideration or funds received on a before tax basis including but not limited to cash; notes payable or other forms of vendor takeback financing; assumed debt, earnout notes or payments based on future results; shares of the purchaser or investor and any corporate distributions that might be received by the shareholders of you immediately prior to the completion of the sale.

2. The Services/Deliverables

- 2.1 **Reliance on drafts** – during the engagement we may provide oral comments, or written reports, letters, schedules or hard or soft copies of electronic work products in draft form. As these represent work in progress and not our final report, we do not assume any responsibility in respect of them. The final results of our work will be contained in our final written report. If oral advice is being provided in lieu of written reports, PwC cannot be held responsible for such advice unless we confirm such advice in writing.
- 2.2 **Use and purpose of advice and reports** – any advice given or report issued by us is provided solely for your use and benefit and only in connection with the purpose in respect of which the Services or Deliverables are provided. Unless required by law, you shall not provide such report to any third party or refer to us or the Services or Deliverables without our prior written consent, which we may at our discretion grant, withhold or grant subject to conditions. In no event, regardless of whether consent has been provided, shall we assume any responsibility whatsoever to any third party to which any advice or report is disclosed or otherwise made available.

3. Information and Assistance

- 3.1 **Provision of information and assistance** – our performance of the Services and provision of Deliverables is dependent upon you providing us with such information, facilities and assistance as we may reasonably require from time to time, and otherwise performing your obligations hereunder.
- 3.2 **Punctual and accurate information** – you shall use reasonable skill, care and attention to ensure that all information we may reasonably require is provided on a timely basis and is accurate and complete and

you acknowledge that we will be relying on the information that you provide to us. You shall also notify us if you subsequently learn that the information provided is inaccurate or incomplete or otherwise should not be relied upon. Furthermore, if during the engagement new information arises that is reasonably relevant to the Services or Deliverables, you will promptly notify us and provide us with all such information.

- 3.3 **Your responsibility for information provided** – any reports issued or advice provided by us may be based upon information provided by and on your behalf. While the Services and Deliverables may involve an analysis of financial information, the Services and Deliverables do not include an audit in accordance with generally accepted auditing standards of your existing business records. Where the Services or Deliverables include consideration of future-oriented financial information, our work will not constitute an examination, compilation or specified procedures in accordance with standards established by the Chartered Professional Accountants of Canada. Accordingly, we assume no responsibility and make no representations with respect to a) the accuracy or completeness of any information provided by and on your behalf, or b) any reports issued or advice provided by us to the extent based on inaccurate or incomplete information provided by you or on your behalf.

- 3.4 **Provision of legal counsel** – with your prior approval, if we require legal counsel, we will consult your counsel and you agree that any fees for your counsel's assistance will be charged directly to you. Should independent counsel be required, with your approval, we shall retain such counsel, who shall be reasonably satisfactory to you, and you agree to pay the reasonable fees and disbursements of such counsel.

4. Ownership

- 4.1 You shall own the copyright in all Deliverables, being written materials, delivered to you under this Agreement. However, to the extent such Deliverables incorporate the intellectual property of PwC, PwC will provide you with an irrevocable, royalty free, non-transferable license to use same as incorporated in the Deliverables. Our working papers, internal documentation created during the performance of the Services and PwC Confidential Information (as defined in Subsection 5.1) belong exclusively to PwC, and other than in respect to the copyright in the Deliverables as noted above and your Confidential Information, all intellectual property, ideas, concepts, know-how, techniques, inventions, discoveries, and improvements developed prior to or during the course of this Agreement by us, with or without the assistance of Client personnel, belong to and may be used by PwC in any way we deem appropriate, including without limitation for internal or administrative purposes and by or for our clients or customers, without an obligation to account to you notwithstanding any provision in this Agreement to the contrary. PwC is in the business of providing advisory services for a wide variety of clients and you understand that we will continue these activities. Accordingly, nothing in this Agreement shall preclude or limit us from providing services for ourselves or other clients, irrespective of the possible similarity of materials which might be delivered to you.
- 4.2 On termination or completion of the Contract, we may retain one copy of any documentation or software prepared by us or any other documentation upon which our Services or Deliverables are based to enable us to maintain a professional record of our involvement.