

NO. S-1810743
VANCOUVER REGISTRY

IN THE SUPREME COURT OF BRITISH COLUMBIA

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

AND

**IN THE MATTER OF THE *BUSINESS CORPORATIONS ACT*,
S.B.C. 2002, c.57, AS AMENDED**

AND

**IN THE MATTER OF THE *CANADA BUSINESS CORPORATIONS ACT*,
R.S.C. 1985, c.44, AS AMENDED**

AND

**IN THE MATTER OF A PLAN OR COMPROMISE AND ARRANGEMENT OF
PUREWAL BLUEBERRY FARMS LTD., 0726357 B.C. LTD., 0726365 B.C. LTD.,
0726368 B.C. LTD., PUREWAL FARMS PARTNERSHIP and 0740656 B.C. LTD.**

SEVENTEENTH REPORT OF THE MONITOR

September 3, 2021

INTRODUCTION

1. This report (this “**Seventeenth Report**”) has been prepared by FTI Consulting Canada Inc. (“**FTI**”) in its capacity as the court-appointed Monitor (the “**Monitor**”) pursuant to an order of the Supreme Court of British Columbia (the “**Court**”) pronounced October 11, 2018 (the “**Initial Order**”) pursuant to the *Companies’ Creditors Arrangement Act*, R.S.C. 1985 c. C-36, (the “**CCAA**”) as amended.
2. Purewal Blueberry Farms Ltd. (“**Purewal**”) commenced operations in 1981 for the purpose of producing, packing and marketing blueberries. Purewal was formed by three brothers: Malkiat Singh Purewal, Charan Singh Purewal and Gurjit Singh Purewal (the “**Brothers**”).
3. Since its inception, Purewal developed a reputation for quality blueberries, which it sold as fresh product predominantly through Safeway stores in Canada and the U.S.A, and in frozen form through an established network of North American fruit brokers.
4. As competition in the industry grew and profit margins declined, Purewal was slow to react and did not make the changes necessary to reduce its operating costs.
5. In 2007/2008, Purewal expanded its operations by planting 165 acres of blueberries on leasehold land in Pitt Meadows at a cost of approximately \$3 million, funded from its operating revenues.
6. As a result of these decisions, Purewal suffered a significant negative impact on its cash flow and liquidity leading to a loss of confidence by its supply chain and customers utilizing the capacity in its processing plant (the “**Processing Plant**”).
7. Due to increasing pressure from its secured lenders, suppliers and customers, Purewal commenced a process to reduce its financial obligations and restore its profitability.

8. In 2013 Purewal sold 368 acres of blueberry producing properties in Abbotsford, Coquitlam, Pitt Meadows and Richmond. Total proceeds from these land sales was approximately \$37 million which was primarily used to pay down long-term debt and bring the accounts payable current.
9. Since its inception Purewal was a family-run business with management and direction being provided by the Brothers. As the Brothers aged and began to withdraw from the business, a coordinated succession plan was not implemented.
10. Accordingly, the management of the business suffered, resulting in poor financial results and increasing pressure from the secured lender for either an exit strategy or a succession plan.
11. In the fall of 2017, the secured lender had become frustrated with management's indecision and commenced foreclosure proceedings. On January 11, 2018, the secured lender (Blueberry Holdings (GP) Ltd.) obtained an Order Nisi subject to a six-month redemption period expiring in July 2018.
12. After several discussions amongst the Brothers, it was decided by a majority vote to file a Notice of Intention to File a Proposal (“**NOI**”) on the basis that Purewal had significant value and an orderly process was required in order to maximize its value for all stakeholders.
13. Accordingly, on April 30, 2018, Purewal filed a NOI with the Superintendent of Bankruptcy pursuant to Part III, Division I of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended and FTI was appointed trustee under the NOI (the “**Proposal Trustee**”).

COURT PROCEEDINGS

14. Subsequent to filing its NOI, Purewal sought and obtained extensions of the time to file a proposal under its NOI and its corresponding stay of proceedings as follows:
 - (a) by order of the Court pronounced May 30, 2018 extending the time to July 13, 2018;
 - (b) by order of the Court pronounced July 5, 2018 extending the time to August 27, 2018; and
 - (c) by order of the Court pronounced August 24, 2018 extending the time to October 11, 2018.

15. Additional orders sought and obtained by Purewal in the NOI proceedings included:
 - (a) an order of the Court pronounced May 30, 2018 approving:
 - i. an interim financing facility from Blueberry Holding (GP) Ltd. (in such capacity, the “**DIP Lender**”) in the maximum principal amount of \$500,000; and
 - ii. an administrative charge to secure the fees and disbursements of Purewal’s legal counsel, the Proposal Trustee, and its legal counsel (the “**Administrative Charge**”) for an amount up to \$200,000; and
 - (b) two orders of the Court pronounced July 5, 2018 approving:
 - i. a claims process (the “**Initial Claims Process**”) by the Proposal Trustee to assist in identifying and understanding the quantum and extent of creditor’s claims against Purewal (the “**Initial Claims Process Order**”); and

- ii. a sale process (the “**Sale Process**”) for the Processing Plant in accordance with a proposed set of bidding procedures, to be administered by the Proposal Trustee (the “**Sale Process Order**”).
16. On October 11, 2018, the NOI proceedings were converted into these CCAA proceedings by the Initial Order, and all of the orders granted in the NOI proceedings, including but not limited to the Initial Claims Process Order and the Sale Process Order, were continued into these CCAA proceedings.
17. Three companies that were not included in the NOI proceedings were added to these CCAA proceedings; namely 0726357 B.C. Ltd. (“**6357**”), 0726365 B.C. Ltd. (“**6365**”) and 0726368 B.C. Ltd. (“**6368**”). 6357, 6365 and 6368 (collectively, the “**Brothers’ Companies**”) are holding companies owned by Malkiat, Charan and Gurjit Purewal, respectively.
18. Among other things, the Initial Order extended the Administrative Charge over the property of Purewal and the Brothers’ Companies.
19. On October 11, 2018, the Court made a further order approving an asset purchase agreement (the “**Stalking Horse Agreement**”) submitted by 0801226 B.C. Ltd. (a party related to the DIP Lender) in the Sale Process, as the stalking horse bidder in the Sale Process.
20. On November 2, 2018, the Petitioners sought and obtained an order of this Court extending the stay of proceedings provided in the Initial Order to December 14, 2018.
21. On December 12, 2018, the Petitioners sought and obtained two orders of this Court:
 - (a) the first order approved an Offer to Purchase and Agreement of Purchase and Sale dated November 21, 2018 (the “**PSA**”) between Purewal and 1176094 B.C. Ltd. (“**117**”) for the Processing Plant; and

- (b) the second order approved the extension of the stay of proceedings provided in the Initial Order to March 1, 2019 as well as increasing the Administrative Charge from a maximum aggregate of \$200,000 to \$300,000.
22. On February 6, 2019, the Petitioners sought and obtained two orders of this Court:
- (a) the first order approved an extension for the closing of the sale of the Processing Plant to March 8, 2019 or a date as agreed between the Monitor, on behalf of Purewal, and 117 to a date no later than 21 days after March 8, 2019; and
- (b) the second order approved the extension of the stay of proceedings provided in the Initial Order to April 15, 2019, increased the Administrative Charge from an aggregate of \$300,000 to \$450,000 and added Purewal Farms Partnership (the “**Partnership**”) as a petitioner to these CCAA proceedings (collectively with Purewal and the Brothers’ Companies, the “**Petitioners**”).
23. On February 6, 2019, the Monitor sought and obtained an order of this Court approving its fees and expenses for the period from April 1, 2018 to November 30, 2018 and approving the fees and expenses of its legal counsel for the period from June 1, 2018 to November 30, 2018.
24. On April 12, 2019, the Petitioners sought and obtained an order of the Court extending the stay of proceedings provided in the Initial Order to May 6, 2019.
25. On May 6, 2019, the Petitioners sought and obtained an order of the Court extending the stay of proceedings provided in the Initial Order to May 10, 2019.
26. On May 8, 2019, the Petitioners sought and obtained an order (the “**Expanded Powers Order**”) of the Court extending the stay of proceedings provided in the Initial Order to August 13, 2019 and expanding the Monitor’s powers.

27. On August 12, 2019, the Petitioners sought and obtained two orders of this Court:
- (a) the first order approved the sale of a property located at 13549 Hale Road, Pitt Meadows, the details of which were described in the Seventh Report of the Monitor, dated August 7, 2019; and
 - (b) the second order approved the extension of the stay of proceedings provided in the Initial Order to September 30, 2019 and authorized the Petitioners' legal counsel to distribute the surplus funds remaining from the sale of the Processing Plant to the Monitor after providing for certain holdbacks related to priority claims.
28. On September 30, 2019, the Petitioners sought and obtained an order of the Court extending the stay of proceedings provided in the Initial Order to January 15, 2020.
29. On January 8, 2020, the Petitioners sought and obtained three orders of the Court:
- (a) the first order approved an Amended and Restated Settlement Agreement dated December 2019 as between the Petitioners and Berar Farms Ltd. and provided a vesting order to facilitate the closing of the transaction;
 - (b) the second order extended the stay of proceedings provided in the Initial Order to March 18, 2020; and
 - (c) the third order compelled the purchaser of the Processing Plant to allow the Petitioners access to the server which was acquired in the sale of the Processing Plant for the purpose of making a copy of Purewal's electronic accounting records.
30. On January 8, 2020, counsel to the Monitor sought and obtained an order of the Court approving the Monitor's fees and expenses for the period from December 1, 2018 to June 30, 2019 and for the Monitor's legal counsel for its fees and expenses for the period from December 1, 2018 to December 23, 2019.

31. On March 6, 2020, the Petitioners sought and obtained an order of the Court extending the stay of proceedings provided in the Initial Order to June 19, 2020.
32. On June 17, 2020, the Petitioners sought and obtained an order of the Court extending the stay of proceedings provided in the Initial Order to August 19, 2020.
33. On August 19, 2020, the Petitioners sought and obtained an order of the Court extending the stay of proceedings provided in the Initial Order to September 30, 2020.
34. On September 28, 2020, the Petitioners sought and obtained an order of the Court extending the stay of proceedings provided in the Initial Order to October 2, 2020.
35. On October 2, 2020, the Petitioners sought and obtained an order of the Court extending the stay of proceedings provided in the Initial Order to November 30, 2020.
36. On November 25, 2020, the Petitioners sought and obtained two orders of the Court:
 - (a) the first order extended the stay of proceedings provided in the Initial Order to February 1, 2021; and
 - (b) the second order added 0740656 B.C. Ltd. (“**074**”) as a Petitioner to these CCAA proceedings.
37. On January 28, 2021, the Monitor sought and obtained an order of the Court extending the stay of proceedings provided in the Initial Order to June 30, 2021.
38. On June 23, 2021 (the “**June 2021 Application**”), the Monitor sought and obtained an order of the Court extending the stay of proceedings provided in the Initial Order to September 10, 2021.

39. The reports of the Proposal Trustee and the Monitor and other information in respect of these CCAA proceedings are posted on the Monitor's website at <http://cfcanada.fticonsulting.com/purewal/>.

PURPOSE

40. The purpose of this Seventeenth Report is to provide the Court with an update on the following:
- (a) the activities of the Monitor subsequent to the date of the Monitor's Sixteenth Report dated June 14, 2021;
 - (b) a summary of the cash receipts and disbursements of the Monitor for the period from November 15, 2018 to August 25, 2021;
 - (c) the Monitor's views and recommendations regarding the Petitioners' request for a consolidation of the estates of Purewal Blueberry Farms Ltd., 0726357 B.C. Ltd., 0726365 B.C. Ltd., 0726357 B.C. Ltd. and Purewal Farms Partnership for the purposes of a distribution to the unsecured creditors;
 - (d) a summary of the fees and expenses of the Monitor and its legal counsel from July 1, 2021 and an estimate of their fees to discharge
 - (e) a summary of the Monitor's proposed distribution to unsecured creditors;
and
 - (a) the Monitor's request for its discharge.

TERMS OF REFERENCE

41. In preparing this Seventeenth Report, the Monitor has relied upon unaudited financial information, other information available to the Monitor and, where appropriate, the Petitioners' books and records and discussions with various parties (collectively, the "Information").
42. The Monitor has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would comply with Generally Accepted Assurance Standards pursuant to the Chartered Professional Accountants of Canada Handbook.
43. The Monitor has not examined or reviewed financial forecasts and projections referred to in this Seventeenth Report in a manner that would comply with the procedures described in the Chartered Professional Accountants of Canada Handbook.
44. Future oriented financial information reported or relied on in preparing this Seventeenth Report is based on assumptions regarding future events; actual results may vary from forecast and such variations may be material.
45. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian Dollars.

THE ACTIVITIES OF THE PETITIONERS

46. As noted in the Fifteenth and Sixteenth Reports of the Monitor, the unresolved issue with the claim of the Canada Revenue Agency (“**CRA**”) had been resolved and CRA had confirmed that it would release the post-filing GST tax credits to the Monitor.
47. The Monitor confirms that subsequent to the Sixteenth Report of the Monitor, CRA released a GST refund (the “**GST Refund**”) cheque in the amount of \$51,046 which was deposited into the Monitor’s trust account.
48. The Monitor is also aware of an additional post-filing GST return that is currently the subject of an audit by CRA. The Monitor has spoken to the CRA auditor who indicated that they were looking for the GST business account number relating to the Berar settlement.
49. Accordingly, the Monitor contacted Berar and obtained its GST business account number.
50. The Monitor has advised CRA of Berar’s GST account number and confirmed with CRA that the amount of the additional refund is in the approximate amount of \$111,000 (the “**Additional Refund**”).
51. The Additional Refund is expected to be released to the Monitor within the next few weeks.

UPDATE ON THE PETITIONERS’ FUNDING

52. Subsequent to the Sixteenth Report, the only transactions recorded in the Monitor’s trust account were the receipt of the GST Refund, payment of professional fees and contractor fees and earned interest.
53. The following is a summary (the “**R&D Summary**”) of the receipts and disbursements in the Monitor’s trust account for the period from November 15, 2018 to August 25, 2021:

Summary of Receipts and Disbursements		
Receipts		
Advances pursuant to DIP Loan		265,000
Extension fee		150,000
Funds released from Clark Wilson		3,061,062
GST refund		51,046
Interest income		28,040
Total receipts		3,555,147
Disbursements		
DIP Lender fee		10,500
Insurance		93,279
Security		62,827
BC Hydro		73,267
Contractor fees and expenses		396,189
Payment to City of Pitt Meadows		51,080
Petitioners' legal counsel fees and disbursements		204,233
Monitor's fees and disbursements		332,051
Monitor's legal counsel fees and disbursements		194,678
Bank charges		159
Total disbursements		1,418,263
Excess of receipts over disbursements		\$ 2,136,884

54. As set out in the R&D Summary, the Monitor is holding funds totalling approximately \$2.1 million as at August 25, 2021.

THE PETITIONERS' APPLICATION FOR A CONSOLIDATION ORDER

55. The Monitor is aware that the Petitioners are bringing an application (the “**Consolidation Application**”) for an order (the “**Consolidation Order**”) consolidating the estates of Purewal, 6357, 6365, 6357 and the Partnership for the purposes of a distribution to the unsecured creditors.

56. In anticipation of the Consolidation Application, the Monitor has reviewed Affidavit No. 1 of Charan Singh Purewal dated November 6, 2020 and Affidavit No. 1 of Eboo Keshani dated November 9, 2020, which were previously filed by the Petitioners in these CCAA Proceedings and are relied upon in support of the Consolidation Order.
57. Pursuant to the Initial Claims Process Order, the Initial Claims Process was approved for Purewal. By further order of this Court dated May 19, 2019, a subsequent claims process (and, together with the Initial Claims Process, the “**Claims Process**”) was conducted in relation to the Partnership, 6357, 6365 and 6357, which had been added as Petitioners’ to these proceedings following the pronouncement of the Initial Claims Process Order.
58. In further support of the Consolidation Order, the Monitor notes the following in relation to the outcome of the Claims Process:
- (a) the total amount of proven claims of the Petitioners’ unsecured creditors is \$11.5 million, which consists of the following claims:
- i. one claim in the amount of \$185,000 was filed against 6357;
 - ii. one claim in the amount of \$89,000 was filed against the Brothers’ Companies;
 - iii. one claim in the amount of \$4,000 was filed against 6365;
 - iv. sixty-four claims in the amount of \$8.5 million were filed against Purewal;
 - v. one claim in the amount of \$624,000 was filed against Purewal and Charan Singh Purewal, Gurjit Singh Purewal and Malkiat Singh Purewal;

- vi. three claims in the amount of \$312,000 were filed against Purewal and the Brothers' Companies;
- vii. two claims in the amount of \$29,000 were filed against Purewal Blueberry Farms Ltd., the Brothers' Companies and Charan Singh Purewal;
- viii. one claim in the amount of \$29,000 was filed against Purewal, the Brothers' Companies and the Partnership; and
- ix. one claim in the amount of \$1.8 million was filed against Purewal, 1078429 B.C. Ltd. ("107") (a company owned by Gurjit Purewal) and 0740656 B.C. Ltd. ("074") (the "MOL Claim").

- (b) as indicated in the Fourteenth Report of the Monitor dated November 16, 2020, the MOL claim related to the unpaid wages of employees of 107 and 074; and
- (c) as further indicated in the Fourteenth Report of the Monitor, the unsecured claim of CRA relating to unremitted employee source deductions is comprised of a significant debt due by 074.

- 59. As indicated above, a significant portion of the unsecured claims were filed solely against Purewal, while several of the unsecured claims were filed against Purewal and one or more Petitioner entities.
- 60. Based on the Monitor's discussions with Susanna Wu, the former accountant of the Petitioners, ten claims filed against Purewal totalling \$686,000 related to farming operations and should have been claimed against the Partnership.
- 61. However, Ms. Wu advised the Monitor that most suppliers would not have known the difference between the Partnership and Purewal and would have issued their invoices to Purewal.

62. Accordingly, and based on all of the foregoing, the Monitor is of the view that the time and cost of attempting to allocate each of the claims and assets to each individual Petitioner could be significant. In addition, and based on the evidence submitted by Mr. Keshani and Mr. Charan Singh Purewal, as well as the outcome of the Claims Process and the Monitor's discussions with Ms. Wu, the Monitor is of the view that it would be reasonable to grant the Consolidation Order, subject to the following comments regarding the exclusion of 074, for the purposes of making a distribution.

Exclusion of 074 from Consolidation

63. By an order of this Court dated November 25, 2020, 074 was added as a Petitioner to these proceedings.

64. As detailed in the Fourteenth Report of the Monitor, the rationale for seeking to include 074 as a Petitioner in these proceedings was to allow the Monitor, with its authority under the Expanded Powers Order, to pursue a potential recovery for the Petitioners related to the transfer of the Airport Lease.

65. At the time of seeking this relief, the Monitor was of the view that given CRA and the Director of Employment Standards ("DES") had already filed claims against Purewal on a joint and several basis, that there would be no additional claims against 074.

66. However, subsequent to its addition as a Petitioner, the Monitor conducted a claims process for 074 which resulted in additional claims filed by CRA and DES.

67. The additional claims filed by CRA and the DES against 074 were significantly duplicative of the claims filed in the Claims Process, except for additional interest.

68. The Monitor and its legal counsel engaged in several calls with the CRA and its counsel as well as counsel to DES, and both parties indicated to the Monitor that they would not resile their additional claim in the event that the Monitor was unsuccessful in its efforts to seek a recovery in relation to the transfer of the Airport Lease.
69. Accordingly, as indicated in the Sixteenth Report of the Monitor the economics of pursuing the Airport Lease and consolidating all of the Petitioners changed to the detriment of the Petitioners' creditors with proven claims, excluding 074 (the "**Existing Creditors**").
70. The Monitor notes that the claims of both CRA and DES are largely included in the claims of Existing Creditors except for the additional interest claimed in 074's claim process.
71. The Monitor notes that CRA and DES are the two major creditors of 074 and have the right to pursue a recovery in relation to the transfer of the Airport Lease in their own capacity.
72. Accordingly, and based on all of the foregoing, the Monitor does not believe that 074 ought to be included in the Consolidation Order.

THE ACTION BY THE PURCHASER OF THE PROCESSING PLANT

73. The Monitor is currently holding funds in the amount of \$2,136,884, and had intended to seek an order authorizing it to make a *pro-rata* distribution to creditors at the June 2021 Application. However, prior to the hearing of the June 2021 Application, the Monitor and its counsel were advised by counsel to 117, that it would oppose such an order.
74. Further details regarding this issue are set out in the Sixteenth Report of the Monitor. In sum, on March 12, 2021, 117 served the Petitioners' legal counsel with a Notice of a Civil Claim (the "**117 Claim**") against each of the Petitioners and several other individuals in their personal capacity, including but not limited to, Gurjit Purewal, Charan Purewal, Malkiat Purewal and Gurdawar Purewal.
75. The 117 Claim seeks an unquantified amount for damages for breach of contract relating to assets alleged to have been owned by Purewal and removed from the Processing Plant prior to the Closing.
76. Prior to the hearing of the June 2021 Application, counsel to 117 advised the Monitor and its counsel that, if the allegations in the 117 Claim are proven, any damages would be a post-filing claim and, therefore: (i) the 117 Claim does not fall within the Claims Process Order; and (ii) it would oppose any distribution to creditors in respect of proven pre-filing claims prior to the determination and, if successful, the payment of the 117 Claim.
77. As a result of 117's stated opposition to a distribution, the Monitor did not seek such an order at the June 2021 Application, but brought this matter to the attention of the Court in the Sixteenth Report. As detailed further therein, the Monitor has the following concerns regarding the 117 Claim:

- (b) the Sale Process commenced on July 16, 2018, at which time a teaser document was forwarded to all known interested parties. The documents used in and throughout the Sale Process (the “**Sale Process Documents**”) did not include an equipment list, as the Petitioners’ records were not complete or up to date;
- (c) the Monitor first met with a representative of 117 on August 8, 2018, and immediately after that meeting sent the 117 representative a copy of the Sale Process Documents, together with a copy of a stalking horse offer (the “**Stalking Horse Offer**”) that had been executed prior to the commencement of the Sale Process. The Stalking Horse Offer also did not include a list of equipment to be included in the sale of the Processing Plant, only a reference to “All goods owned by the Vendor in respect of the lands”;
- (d) on August 15, 2018, the Monitor forwarded the Bidding Procedures, teaser document, and Stalking Horse Agreement to 117’s legal counsel;
- (e) on August 18, 2018, the Monitor forwarded additional information to 117’s legal counsel, with a note indicating that: (i) neither Purewal nor the Monitor had prepared an equipment list for or in respect of the Processing Plant; and (ii) 117 must do its own due diligence in respect of the Sale Process and the purchased assets. In this note, the Monitor also offered to arrange a tour of the Processing Plant for 117, which neither 117 nor its legal counsel accepted;
- (f) article 5 of the PSA provides that the sale of the Processing Plant was on an “as is and where is basis”, without any representations or warranty by Purewal (as the vendor). 117, as the purchaser thereunder, also acknowledged and represented that it entered into the PSA solely relying on its own due diligence investigations;

- (g) the Monitor understands that the Alleged Missing Assets consisted primarily of certain packing lines. The Monitor has explained to 117 that the packing lines were leased by Purewal from Pemberton Leasing Services Ltd (“**Pemberton Leasing**”), and that Pemberton Leasing had previously engaged a bailiff to remove its equipment prior to the commencement of the Sale Process; and
 - (h) subsequent to the execution of the PSA, 24-hour security was put in place and the security company has confirmed to the Monitor that there were no reports of assets being removed from the Processing Plant.
78. Subsequent to the date of the Sixteenth Report, neither the Monitor nor its legal counsel have received any further documentation or evidence from 117 or its counsel in support of the 117 Claim.
79. Accordingly, the Monitor continues to have serious reservations regarding the veracity of the 117 Claim and, in the absence of further information or documentation, that could assist the Monitor in reviewing and evaluating the 117 Claim, is supportive of the Distribution Application which would, if granted, authorize the Monitor to make a *pro rata* distribution to unsecured creditors and conclude these CCAA Proceedings.

APPROVAL OF THE MONITOR AND ITS COUNSEL’S FEES AND EXPENSES

80. The activities of the Monitor have largely been covered in its reports to this Court. As indicated previously, the Monitor has previously sought the approval of its fees and expenses as well as its legal counsel’s fees and expenses.
81. The Monitor’s fees and expenses have been approved for the period up to and including June 30, 2021.
82. The Monitor’s legal counsel’s fees and expenses have also been approved for the period up to and including June 30, 2021.

83. The primary activities of the Monitor and its legal counsel since the date of the last approval order include, *inter alia*, the following:
- (a) supervising the Contractor with respect to accounting services and completion of various regulatory filings;
 - (b) consulting with the Petitioners and their legal counsel with respect to strategic decisions;
 - (c) addressing issues related to the claims of CRA with respect to the Petitioners and 074;
 - (d) consulting with the Director of Employment Standards with respect to the potential claim against Phoenix Farms Ltd. relating to the Airport Lease;
 - (e) Finalizing the Claims Process, including the preparation of a claims register;
 - (f) Responding to creditor enquiries; and
 - (g) Reporting to this Honourable Court.
84. The Monitor and the Monitor's legal counsel have each sworn an affidavit which includes all of the details of their respective activities as well as their hourly rates.
85. In accordance with paragraph 30 of the Initial Order, the Monitor hereby seeks the approval of this Honourable Court for the Monitor's fees and expenses as presented and for the Monitor's legal counsel's fees and expenses as presented, including their respective estimates for completion costs.

THE PROPOSED DISTRIBUTION TO UNSECURED CREDITORS

86. Attached as Appendix A to this report, is a summary of the claims filed and accepted by the Petitioners which totals \$11,527,981.
87. As set out in the above R&D Summary, the Monitor is currently holding funds in the amount of \$2,136,884.
88. Assuming this Honourable Court approves the Consolidation Order and the Distribution Order sought by the Petitioners, the Monitor proposes to distribute the funds it is holding on a pro-rata basis to the unsecured creditors.
89. An estimate of the dividend to be distributed, on a pro-rata basis, to the unsecured creditors is as follows:

Proposed Distribution by Monitor		
Funds currently held by Monitor	\$	2,136,884
GST refund to be received		111,000
Less estimated costs to complete		(75,000)
Estimate to be distributed		<u>2,172,884</u>
Amount of proven claims		<u>11,527,981</u>
Estimated dividend		18.8%

MONITOR'S REQUEST TO EXTEND THE STAY OF PROCEEDINGS

90. Should this Court grant the Consolidation Order and the Distribution Order, the remaining activities will primarily consist of: (i) issuing cheques to the unsecured creditors, in accordance with and pursuant to the terms of the Distribution Order; (ii) receipt of the Additional Refund and distribution of same (collectively, the “Remaining Activities”).

91. Accordingly, the Monitor proposes a further extension of the Stay of Proceedings until such time as the Remaining Activities have been completed.
92. Upon the Monitor filing a certificate (the “**Monitor’s Certificate**”) with this Honourable Court, confirming receipt of the Additional Refund and completion of the distribution to the unsecured creditors, the Monitor would be discharged and these CCAA proceedings would be terminated.
93. As detailed further in its Sixteenth Report, the Monitor sought and obtained a brief extension of the stay of proceedings in respect of 074 in order to permit the creditors of 074 to consider whether to commence a claim in respect of the Airport Lease. Since no such claim was made, and since (i) 074 does not have any other assets; and (ii) is not included in the Consolidation Order, the Monitor does not believe that a further extension of the stay of proceedings is necessary in respect of 074, and therefore seeks no such extension.

MONITOR’S RECOMMENDATIONS

94. Based on all of the foregoing, the Monitor recommends that this Court grant the following Orders:
 - (a) approving the fees and disbursements of the Monitor and the Monitor’s counsel;
 - (b) approving the Consolidation Order and the Distribution Order;
 - (c) approving the Completion Costs of the Monitor and its legal counsel;
 - (d) approving this Seventeenth Report, and activities of the Monitor as set out herein; and
 - (e) upon the filing of the Monitor’s Certificate, discharging the Monitor as the Monitor of the Petitioners in the CCAA Proceedings, and terminating the stay of proceedings in favour of the Petitioners.

All of which is respectfully submitted this 3rd day of September, 2021.

FTI Consulting Canada Inc., in its capacity as
Monitor of Purewal Blueberry Farms Ltd.,
0726365 B.C. Ltd., 0726368 B.C. Ltd., 0726357
B.C. Ltd., Purewal Farms Partnership and
0740656 B.C. Ltd.



Name: Craig Munro
Title: Managing Director,
FTI Consulting Canada Inc.

APPENDIX A

Claims Process Register		Amount of	Claims related to
Creditor	Claim Against	Proven Claim	farming operations
0699840 BC Ltd	Purewal Blueberry Farms Ltd.	126,250.00	Yes
A&B Packing Equipment Inc.	Purewal Blueberry Farms Ltd.	750.09	
ABC Stationers Ltd.	Purewal Blueberry Farms Ltd.	42,694.22	
Advanced Mobile First Aid & Safety	Purewal Blueberry Farms Ltd.	1,452.59	
Argo Partners II LLC assigned from Bunzl Canada Inc	Purewal Blueberry Farms Ltd.	1,348,586.74	
Argo Partners II LLC assigned from Coastal Mountain Fuels	Purewal Blueberry Farms Ltd.	3,322.51	
Argo Partners II LLC assigned from Enviro Pallet Recovery Buy & Sell	Purewal Blueberry Farms Ltd.	21,156.80	
Argo Partners II LLC assigned from Fraser Valley Packers Inc	Purewal Blueberry Farms Ltd.	900,575.48	
Argo Partners II LLC assigned from BC Blueberry Council	Purewal Blueberry Farms Ltd.	73,389.24	
Argo Partners II LLC assigned from SUPER SAVE DISPOSAL	Purewal Blueberry Farms Ltd.	69,812.97	
Argo Partners II LLC assigned Thiara Brothers Ent. Ltd.	Purewal Blueberry Farms Ltd.	1,369,386.60	
Argo Partners II LLC assigned Vanderwal Equipment 89 Ltd.	Purewal Blueberry Farms Ltd.	38,870.43	
Argo Partners II LLC assigned from Kinder Sidhu & Associates Inc.	Purewal Blueberry Farms Ltd., 0726357 BC Ltd., 0726365 BC Ltd. and 0726368 BC Ltd.	61,198.49	
Argo Partners II LLC assigned from JRT Nurseries Inc.	Purewal Blueberry Farms Ltd., 0726357 BC Ltd., 0726365 BC Ltd. and 0726368 BC Ltd.	240,156.94	Yes
BC Hydro	Purewal Blueberry Farms Ltd.	10,870.35	
Bell Mobility	Purewal Blueberry Farms Ltd.	12,171.54	
BKS Blueberry Farm Ltd.	Purewal Blueberry Farms Ltd.	22,000.00	
BKS Enterprises Ltd.	Purewal Blueberry Farms Ltd.	26,250.00	
BKS Enterprises Ltd.	Purewal Blueberry Farms Ltd.	352,979.82	
Blueshore Transport Finance Ltd. - Lease # 1848-004	Purewal Blueberry Farms Ltd., 0726357 BC Ltd., 0726365 BC Ltd. and 0726368 BC Ltd., Charan Singh Purewal	8,992.87	Yes
Blueshore Leasing Ltd. - Lease # 1848-005	Purewal Blueberry Farms Ltd., 0726357 BC Ltd., 0726365 BC Ltd. and 0726368 BC Ltd., Charan Singh Purewal	19,889.81	Yes
Blueshore Leasing Ltd. - Lease # 1848-006	Purewal Blueberry Farms Ltd., 0726357 BC Ltd., 0726365 BC Ltd. and 0726368 BC Ltd.	10,927.06	Yes
Can American Enterprises Ltd.	Purewal Blueberry Farms Ltd.	4,400.00	
Her Majesty the Queen in Right of Canada as represented by CRA	Purewal Blueberry Farms Ltd., 0726357 BC Ltd., 0726365 BC Ltd. and 0726368 BC Ltd.	1,168,288.83	
Canadian Food Inspection Agency - CFIA	Purewal Blueberry Farms Ltd.	1,175.55	
Charan S Purewal	Purewal Blueberry Farms Ltd.	85,000.00	
Citi Cards Canada Inc	Purewal Blueberry Farms Ltd.	14,322.91	
Computerworks Ltd.	Purewal Blueberry Farms Ltd.	15,959.90	
David James Gemmell	Purewal Blueberry Farms Ltd.	36,868.73	
Dependable Pest Solutions	Purewal Blueberry Farms Ltd.	5,983.75	
Dhaliwal Farms	Purewal Blueberry Farms Ltd.	113,099.26	
Eboo Keshani	Purewal Blueberry Farms Ltd.	98,415.00	
Fasken Martineau DuMoulin LLP	Purewal Blueberry Farms Ltd.	25,012.40	
Glocalfert Inc	Purewal Blueberry Farms Ltd.	8,130.15	
Growers Supply Co.	0726357 BC Ltd., 0726365 BC Ltd., 0726368 BC Ltd. and Purewal Farm Partnership	89,151.51	Yes
Gurdawar Purewal	Purewal Blueberry Farms Ltd.	166,182.22	
Gurjit S Purewal	Purewal Blueberry Farms Ltd.	85,000.00	
Imran Ally Osman	Purewal Blueberry Farms Ltd.	12,500.00	
JL Munro Fire Protection	Purewal Blueberry Farms Ltd.	2,073.75	
Joginder Singh Ghag	Purewal Blueberry Farms Ltd. & Other (Charan Singh, Malkiat Singh and Gurjit Singh Purewal)	623,759.59	
JS Audit Group Inc. / Primus Auditing Ops	Purewal Blueberry Farms Ltd.	4,463.08	
Konica Minolta Premier Finance	Purewal Blueberry Farms Ltd.	6,975.16	
Malkiat S Purwal	Purewal Blueberry Farms Ltd.	85,000.00	
Metro-Pacific Cellular Inc	Purewal Blueberry Farms Ltd.	851.18	
Ministry of Labour - Director of Employment Standards - BC Gov't	Purewal Blueberry Farms Ltd., Other (1078429 BC Ltd. and 0740656 BC Ltd.)	1,764,750.53	
Moga Blueberry Farms Ltd.	Purewal Blueberry Farms Ltd.	26,592.79	
Nature's Blue Foods Ltd	Purewal Blueberry Farms Ltd.	20,245.22	
Nova Express Millennium Inc.	Purewal Blueberry Farms Ltd.	39.00	
Nutrien AG Solutions	Purewal Blueberry Farms Ltd.	68,895.65	Yes
Okanagan Fertilizer Ltd.	Purewal Blueberry Farms Ltd.	72,001.76	Yes
Pacific Blue Cross	Purewal Blueberry Farms Ltd.	4,511.26	
Palminder S Purewall	Purewal Blueberry Farms Ltd.	99,000.00	
Prices Alarms - Claim #1	Purewal Blueberry Farms Ltd.	422.10	
Prices Alarms - Claim #2	Purewal Blueberry Farms Ltd.	681.66	
Receiver General - Agricultural Credit Corp. - AMPA	0726357 BC Ltd.	184,923.89	
Shao Shan Wu	Purewal Blueberry Farms Ltd.	20,370.00	
Steve Dhaliwal	Purewal Blueberry Farms Ltd.	200,000.00	
Surjit Kaur Shokar	Purewal Blueberry Farms Ltd.	580,185.60	
Tajinder S Purewal	Purewal Blueberry Farms Ltd.	100,000.00	
Tiffany Gale	Purewal Blueberry Farms Ltd.	4,256.00	
Tom's Agri-Services Ltd	Purewal Blueberry Farms Ltd.	20,669.25	Yes
Total Quaility Logistics, LLC	Purewal Blueberry Farms Ltd.	25,744.96	
Vijay Dhillon	Purewal Blueberry Farms Ltd.	516,310.32	
A&L Farms	Purewal Blueberry Farms Ltd.	24,224.62	
Cal-San Enterprises Ltd. - Claim 1	Purewal Blueberry Farms Ltd.	25,536.56	
Cal-San Enterprises Ltd. - Claim 2	Purewal Blueberry Farms Ltd.	90,000.00	
Dulay Brothers	Purewal Blueberry Farms Ltd.	1,510.70	
Mason Lift Ltd.	Purewal Blueberry Farms Ltd.	122,495.13	
MINISTER OF FINANCE - PROVINCE OF BRITISH COLUMBIA	0726365 BC Ltd.	4,262.29	
Nagra Bros Plumbing and Heating Ltd	Purewal Blueberry Farms Ltd., 0726357 BC Ltd., 0726365 BC Ltd., 0726368 BC Ltd. and Purewal Farm Partnership	28,860.65	Yes
Sobha Singh Grewal and Sons Farms Ltd.	Purewal Blueberry Farms Ltd.	53,772.46	
Wiseworth Canada Industries (1996) Ltd.	Purewal Blueberry Farms Ltd.	7,754.01	
WorkSafe BC	Purewal Blueberry Farms Ltd.	45,666.78	
Total Claims Received: 73		\$ 11,527,980.71	
	Claims related to farming operations	685,795.50	