

COURT FILE NUMBER 1301-02432

COURT COURT OF QUEEN'S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY

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

AND IN THE MATTER OF A PLAN OF COMPROMISE  
OR ARRANGEMENT OF RS TECHNOLOGIES INC.

DOCUMENT **FOURTH REPORT OF FTI CONSULTING CANADA  
INC., IN ITS CAPACITY AS MONITOR OF RS  
TECHNOLOGIES INC.**

**July 25, 2013**

ADDRESS FOR SERVICE AND  
CONTACT INFORMATION OF  
PARTY FILING THIS  
DOCUMENT

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## INTRODUCTION

1. By Order of this Court dated March 14, 2013 (the “**Initial Order**”), RS Technologies Inc. (the “**Applicant**”, “**RS**” or the “**Company**”) obtained protection from its creditors under the *Companies' Creditors Arrangement Act, R.S.C. 1985, c. C-36*, as amended (the “**CCAA**”).
2. The Initial Order, among other things, granted a stay of proceedings until April 12, 2013, (the “**Stay Period**”), and appointed FTI Consulting Canada Inc. (“**FTI Consulting**”) as monitor (the “**Monitor**”) of the Applicant in these proceedings (the “**CCAA Proceedings**”).
3. On March 27, 2013 this Honourable Court granted orders: (i) approving a key employee retention plan; (ii) allowing RS with approval from the Monitor to make certain payments to critical suppliers on account of pre-filing obligations; (iii) approving a reverse claims procedure (the “**Reverse Claims Procedures**”); and (iv) approving the proposed sales and investor solicitation procedures (“**SISP**”) and accompanying asset and share purchase agreement (the “**Credit Bid Purchase Agreement**”) put forth by Werklund Capital Corporation (“**Werklund**”) and Melybe Skandinavia AS (“**Melbye**”) (collectively “**WM**” or the “**Stalking Horse Credit Bidder**”).
4. The Stay Period has been extended a number of times. Pursuant to the Order of this Court dated June 28, 2013 (the “**Stay Extension Order**”) the Applicant’s Stay Period was extended until and including July 31, 2013.
5. Further background information regarding the Applicant and the CCAA Proceeding (including Monitor’s reports and affidavits filed in support of the various applications by the Applicant) has been posted on the Monitor’s website for the CCAA Proceedings at <http://cfcanada.fticonsulting.com/RS>.

## PURPOSE OF THIS REPORT

6. The purpose of this fourth report of the Monitor (the “**Fourth Report**”) is to:
- (a) provide this Honourable Court with an update with respect to the operational and financial performance of RS since the third report of the Monitor, dated June 21, 2013 (“Third Report”), including the Applicant’s budget to actual cash flow results for the period from June 16, 2013 to July 20, 2013 (the “Reporting Period”);
  - (b) inform the Court of the Monitor’s comments and recommendations in respect of the motion of Armor Utility Pty Limited (“Armor”) in respect of the disclaimer of a distribution agreement dated March 30, 2012 (the “Distribution Agreement”) between Armor and RS, as more fully described below; and
  - (c) comment on the Applicant’s request to extend the stay of proceedings to August 31, 2013 and updated cash flow projections from July 21, 2013 to August 31, 2013.

## TERMS OF REFERENCE

7. In preparing this report, the Monitor has relied upon unaudited financial information of the Applicant, RS's books and records, certain financial information prepared by the Applicant and discussions with the Applicant’s management. The Monitor has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the information. Accordingly, the Monitor expresses no opinion or other form of assurance on the information contained in this report or relied on in its preparation. Future oriented financial information reported or relied on in preparing this report is based on management's assumptions regarding future events; actual results may vary from forecast and such variations may be material.

8. Capitalized terms not otherwise defined herein have the meaning given to them in the Elliott Initial Order Affidavit, Initial Order, Reverse Claims Order, SISP Approval Order and SISP.
9. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian dollars.

#### **UPDATE ON THE ACTIVITIES OF THE MONITOR**

10. Since the granting of the Stay Extension Order, the Applicant's operations have continued with no material changes. During the Reporting Period, the Applicant has been able to arrange for continuation of services from suppliers and the vast majority of the Applicant's employees and the majority of their suppliers have been supportive of RS's restructuring efforts. Throughout the CCAA Proceedings, RS has been in communication with its customers and to date RS has not experienced any significant delays or cancellation of customer orders.
11. The general support from RS's employees, suppliers and customers has allowed RS to operate in the normal course throughout the Reporting Period.
12. The Monitor continues to work closely with the Applicant's management and its legal counsel with respect to the continuation of this proceeding. The Monitor has been provided appropriate access to information relevant to the CCAA Proceedings to allow it to complete its duties as set out in the Initial Order. The Monitor continues to perform certain review procedures, as outlined in the Monitor's Fourth Report to ensure appropriate oversight over the Applicant's business.
13. RS has continued to work cooperatively with the Monitor.

**FINANCIAL UPDATE**

14. The table below summarizes receipts and disbursements from June 16, 2013 to July 22, 2013 as compared to the revised cash flow forecast presented in the Monitor's Third Report (the "First Stay Extension Cash Flow Forecast"):

<b>Period: June 16, 2013 to July 20, 2013</b>	<b>Forecast</b>	<b>Actual</b>	<b>Variance</b>
Opening Cash Balance	(900,910)	(900,911)	(1)
<b>Cash Receipts</b>	<b>541,209</b>	<b>587,598</b>	<b>46,389</b>
Overhead Expenses	(546,631)	(336,844)	209,787
Operating Expenses	(250,161)	(227,387)	22,774
Capital Expenditures	(72,000)	-	72,000
Material Costs	(687,583)	(282,732)	404,851
Debtor-in-Possession Fees	-	-	-
Professional/Legal Fees	(471,230)	(99,284)	371,946
Total Disbursements	<b>(2,027,605)</b>	<b>(946,247)</b>	<b>1,081,358</b>
Change in Cash	(1,486,396)	(358,649)	1,127,747
<b>Ending Cash Balance</b>	<b>(2,387,306)</b>	<b>(1,259,559)</b>	<b>1,127,747</b>
Interim Financing Beginning outstanding	1,150,000	1,900,000	750,000
Interim Financing draws	1,250,000	100,000	(1,150,000)
Interim Financing Ending outstanding	2,400,000	2,000,000	(400,000)
Total cash on hand including cash from financing	<b>12,694</b>	<b>740,441</b>	<b>727,747</b>

15. Actual cash receipts for the Reporting Period totaled \$587,598 which was approximately \$46,389 greater than projected cash receipts. The variance resulted from mainly from a timing difference whereby RS collected approximately \$171,000 from a customer in British Columbia and \$45,000 from customers overseas earlier than anticipated, this positive variance was offset by lower than expected sales in Ontario by approximately \$152,000 and slower than projected collections.

16. Actual cash disbursements for the Reporting Period totaled \$1,259,559 which was \$1,127,747 less than projected. The main reasons for the variance are as follows:
- (a) a positive variance in the overhead expenses category of \$209,787, this variance is due to timing as costs related to communications, office supplies, audit fees, travel and sales consultants have been incurred and accrued for however not yet paid;
  - (b) a positive variance in the capital expenditures category of \$72,000 mainly due to timing as capital items have been committed to and costs accrued however have not yet been paid for;
  - (c) a positive variance in the material costs category of \$404,851 due to timing of payments as material costs have been incurred but not yet paid for. RS anticipates paying approximately \$296,000 in material costs over the next two weeks, as demonstrated in the revised cash flow below; and
  - (d) a positive variance of \$371,946 in the professional fee category. The positive variance is due to timing and expected to reverse next week as \$175,210 in professional fees is expected to be paid the week ending July 27, 2013, as demonstrated in the revised cash flow below.
17. Overall as at July 20, 2013 RS's receipts less disbursements, excluding cash provided through the Interim Financing Facility, was \$1,127,747 greater than projected in the First Stay Extension Cash Flow Forecast. As of July 20, 2013 there had been \$2,000,000 drawn on the Interim Financing Facility.

## DISCLAIMED ARMOR CONTRACT

18. The details of the Distribution Agreement are described in the materials filed by the parties and are not repeated in detail here. However, in summary, the Distribution Agreement sets out an arrangement whereby Armor would act as a distributor for RS Poles on behalf of RS for the territories of Australia and New Zealand (the “**Territory**”). The Distribution Agreement was for a three year term commencing March 30, 2012 with such term automatically extending for a further three year term unless either party notifies the other of “its intent to terminate [the Distribution Agreement] ninety [90] days prior to the Term end”.
19. On April 5, 2012, RS, with the approval of the Monitor, provided Armor with notice of its intent to disclaim the Armor Agreement (the “**Disclaimer Notice**”). On April 22, 2013, Armor filed an application to oppose the disclaimer notice.

## THE MONITOR’S APPROVAL OF THE DISCLAIMER

20. The disclaimer of agreements is governed by Section 32 of the CCAA.
21. Section 32(1) of the CCAA states:

“**32. (1) Disclaimer or resiliation of agreements** – Subject to subsections (2) and (3), a debtor company may — on notice given in the prescribed form and manner to the other parties to the agreement and the monitor — disclaim or resiliate any agreement to which the company is a party on the day on which proceedings commence under this Act. The company may not give notice unless the monitor approves the proposed disclaimer or resiliation.”
22. Section 32(2) of the CCAA states:

“(2) Within 15 days after the day on which the company gives notice under subsection (1), a party to the agreement may, on notice to the other parties to the agreement and the monitor, apply to a court for an order that the agreement is not to be disclaimed or resiliated.”

23. Section 32(4) of the CCAA states:

“(4) In deciding whether to make the order, the court is to consider, among other things,

(a) whether the monitor approved the proposed disclaimer or resiliation;

(b) whether the disclaimer or resiliation would enhance the prospects of a viable compromise or arrangement being made in respect of the company; and

(c) whether the disclaimer or resiliation would likely cause significant financial hardship to a party to the agreement.”

24. Section 32(9) of the CCAA states:

“(9) This section does not apply in respect of

(a) an eligible financial contract;

(b) a collective agreement;

(c) a financing agreement if the company is the borrower; or

(d) a lease of real property or of an immovable if the company is the lessor.”

25. The interested parties (RS and Armor) have filed evidence and legal briefs and will present oral argument to the Court on the factors to be considered by the Court in respect of the disclaimer. The Monitor acknowledges and emphasizes that it is the Court, and not the Monitor, that will ultimately determine the matters in dispute.



26. However, whether the Monitor has approved the disclaimer is one of the factors to be considered by the Court and in this case it has done so. Furthermore, the Monitor believes it to be appropriate to describe to the Court the considerations that went into its decision to approve the issuance of the Disclaimer Notice.
27. Section 32(4)(a) does not provide guidance as to what factors the Monitor should consider in determining whether to approve the disclaimer. To the knowledge of the Monitor and its counsel, there have been three written decisions (2 from Quebec, 1 from Ontario) that have considered section 32 since coming into force in 2009. The Monitor and its counsel have taken cognizance of these cases (none of which are from Alberta and no cases have received review by an appellate court).
28. Additionally, the Canadian Association of Insolvency and Restructuring Professionals have issued Standards of Professional Practice which provide guidance to Monitor's on a number of issues, including the disclaimer of agreements (the "**Standards**"). The Standards provide that:
- “5.01 The Monitor should gain an understanding of the reason/purpose of the proposed disclaimer or resiliation, the benefits and costs to the Company resulting from such disclaimer or resiliation, and the impact of the disclaimer or resiliation, or the absence of such disclaimer or resiliation, as the case may be, on the Company and its proceedings under the Act.
- 5.02 The Monitor should consider whether the disclaimer or resiliation of an Agreement would enhance the prospects of a viable compromise or arrangement being made in respect of the Company or otherwise benefit the Company's stakeholders as a whole.”
29. In the Monitor's respectful view, in considering whether to approve and recommend the requested disclaimer, the Monitor should consider and inform itself of the facts relevant to the tests set out in the balance of section 32(4) of the CCAA, the factors identified in the Standards, other factors that may be relevant to the issue in the particular circumstances, the views of interested parties and whether any of the exceptions set out in section 32(9) of the CCAA apply.

30. The facts and commentary set out herein are provided to describe to the Court and other interested parties the basis and rationale for the Monitor's approval of the disclaimer, which are based on the information available to the Monitor. However, the views of the Monitor are in no way intended to be determinative of any legal issue before the Court.

#### **MONITOR'S UNDERSTANDING OF THE DISTRIBUTION AGREEMENT AT TIME OF THE DISCLAIMER NOTICE**

31. Prior to approving the Disclaimer Notice, the Monitor gained an understanding of the Distribution Agreement through discussions with RS's management and its legal counsel. The Monitor discussed, analyzed and considered the related benefits that would inure to RS if the Distribution Agreement were to be disclaimed.
32. In its approval of the Disclaimer Notice, the Monitor was advised by RS's senior management as follows:
- a. Armor's primary customer was ActewAGL ("**Actew**") and approximately 95% of the sales under the Distribution Agreement were to Actew;
  - b. A new tender was to be issued by Actew (the "**Actew Tender**"); and
  - c. Based on discussions between RS and representatives from Actew, the chance of Armor becoming the successful bidder on the Actew Tender was extremely low.
33. RS further advised the Monitor of its view that the Distribution Agreement needed to be disclaimed in order to preserve the ongoing sales of RS Poles to the Australian market which totaled approximately \$1.5 million in 2012. The Monitor notes that the total sales to Actew under the Distribution Agreement was 18% of RS's 2012 total sales of \$8.2 million.

34. Conversely, if the Distribution Agreement was not disclaimed, RS advised the Monitor that, based on the information available from discussions with Actew, it would experience a considerable reduction in future indirect sales to Actew.
35. The Monitor thus formed the view that the disclaimer would militate against the prospect of the loss of future material sales and related lost profits and would afford an opportunity to RS to grow its business in Australia and New Zealand and would thus enhance the RS's prospects of making a viable compromise or arrangement.
36. It is important to bear in mind the context in which the Monitor made its determination. At the time of the disclaimer, the SISP had just been approved with the result that RS was, with the assistance of and under the supervision of the Monitor, in the process of soliciting proposals including proposals from third parties to structure a transaction in a fashion that would be consummated by way of compromise and arrangement.
37. The Monitor has reviewed the materials filed in respect of the application by Armor for an order that the Distribution Agreement not be disclaimed. The Monitor is of the view that the facts that have come to light since its decision to approve the disclaimer are relevant and the Monitor thus sets out its understanding of such subsequent facts below.
38. The SISP has now been terminated and the Stalking Horse Credit Bidder, WM, is the successful acquirer of RS. WM has been in extensive discussions and negotiations with the subordinate secured creditors (the "**Guarantor Group**") relative to the basis upon which WM will consummate the transaction by way of share purchase which will require the Guarantor Group's affirmative support and vote in favour of a plan of arrangement under the CCAA. If WM is unable to obtain the support of the Guarantor Group, then a plan of arrangement will not be possible and the acquisition will proceed by way of asset purchase.

39. The Monitor remains of the view that the potential loss of sales in the Territory combined with the potential for RS to expand its business in the Territory beyond indirect sales to Actew mandates that the disclaimer will enhance the prospects of RS making a viable compromise or arrangement. Having said this, the Monitor notes that the present dynamic of the negotiations between WM and the Guarantor Group is such that the value and treatment of Armor's claim in any plan, should the disclaimer be upheld, remains a significant point of contention between WM and the Guarantor Group. This fact could lead to the conclusion that, on the basis of the facts now known, the prospects of a viable plan being made will actually be enhanced if the Distribution Agreement is *not* disclaimed. The Monitor cautions, however, against such a conclusion being made given that: (a) it is not known whether WM will proceed with a share purchase if the Distribution Agreement is not disclaimed in preference to proceeding with an asset purchase (in this regard, the Monitor has enquired of WM as to its position on whether it will proceed via plan or asset purchase if the Distribution Agreement is not disclaimed and WM has, understandably, deferred on making a decision in this regard); and (b) as a result, or perhaps in any event, in the Monitor's view, the analysis should not be driven by a consideration of "what if?" the value of the Armor claim and its proposed treatment is such that plan may not be viable but, rather, the Monitor continues to view the disclaimer from first principles of enhancing RS's prospects of becoming financially viable and thus enhancing the prospects of a viable compromise or arrangement being made counter balanced against the economic hardship to be suffered by Armor.

**SECTION 32(4)(C) – SIGNIFICANT FINANCIAL HARDSHIP**

40. In considering whether any significant financial hardship would be caused by the disclaimer if the disclaimer was allowed, the Monitor considered whether significant financial hardship, if any, suffered by Armor, would result from the disclaimer. At the time of the Disclaimer Notice, minimal financial information was available for Armor given it was a privately held company. The Monitor understood that Armor was part of larger related group and that the Distribution Agreement represented only a relatively small portion of the overall group's operating results.
41. From the information filed, the Monitor now understands that:
- a. Armor is a single purpose entity formed for the purpose of distributing RS Poles and, as such, Armor has no other material source of revenue;
  - b. Armor was an affiliate, or 'sister company', of Armor Australia Pty, Limited ("AAP").
42. Accordingly, the Monitor takes cognizance of the fact that Armor itself has no other active business or employees, relying on AAP to provide the administration and infrastructure to distribute the RS Poles.
43. In considering whether to approve the disclaimer, the Monitor was also cognizant of the statutory right of Armor's to challenge the Disclaimer Notice, and in connection with such challenges it is open to Armor (as it has done) to adduce evidence in respect of any significant financial hardship.
44. In the materials filed in connection with the motion, Armor has now advised that it will suffer significant financial hardship as will its sister company AAP.

45. Armor is a single purpose entity with its purpose being performing its duties under Distribution Agreement. Armor's administrative and other requirements in performing its duties (employees, rent, utilities, etc.) are provided and paid for by AAP and such costs are then reimbursed by Armor through a management fee.
46. Accordingly, it would appear beyond controversy that Armor will suffer financial hardship as the Distribution Agreement is its primary source of revenue and the disclaimer of the Distribution Agreement will effectively end the single purpose of Armor and the revenue and income it earns by distributing RS Poles.
47. The Monitor has considered the financial hardship the disclaimer will have on Armor and, in particular takes cognizance of the information provided to it relative to the corporate relationship between Armor and AAP. In making its determination, the Monitor weighed the relative benefit of the disclaimer enhancing the prospect of a viable compromise or arrangement against the relative hardship that will be suffered by Armor and concluded and remains of the view that, on balance, the facts militate in favour of the disclaimer.

#### **SECTION 32(9) – EXCEPTIONS TO DISCLAIMER**

48. In the Monitor's view, the Distribution Agreement is not an agreement to which the exceptions in section 32(9) of the CCAA apply.

#### **STAY EXTENSION AND UPDATED CASH FLOW FORECAST**

49. Originally RS sought and was granted an initial stay extension to July 31, 2013 in order to complete the negotiations regarding the finalization of the Credit Bid Purchase Agreement and the filing of a plan of arrangement or compromise, if applicable.

50. The Company and WM continue to negotiate with key stakeholder groups with the ultimate goal to file a plan of arrangement or compromise. Failing that, WM will conclude the acquisition through an asset purchase. The negotiations have been protracted but are continuing. As such, RS has requested an additional extension to the Stay Period to August 31, 2013. It is the Monitor's opinion that the extension to the Stay Period is required to deal with the issues related to disclaiming the Armor Agreement, finalize the Credit Bid Purchase Agreement or filing of a plan of arrangement or compromise, if applicable.
51. The Company, in consultation with the Monitor, has prepared a cash flow forecast for the period of July 21, 2013 to August 31, 2013 (the "Forecast Period") to reflect the cash needs during the requested extended stay period. The cash flow forecast is attached as Appendix A. The cash flow forecast indicates that the Company will have sufficient liquidity to fund its ongoing obligations such that it will not require an increase in Interim Financing in order to operate during the requested Stay Period.
52. The Interim Financing is not to exceed \$2,750,000 and the facility was to expire on June 15, 2013. The Interim Financing was extended to June 28, 2013 pursuant to an amending agreement dated June 14, 2013 between the Interim Lender and the Monitor and then further extended to July 31, 2013 pursuant to an amending agreement dated June 28, 2013.
53. The Monitor has requested that a further amendment be made to the Interim Financing to extend the maturity to August 31, 2013 and is currently in discussions with the Interim Lender to complete the extension and anticipates the facility will be extended to expire coterminously with the expiration of the stay extension requested herein.

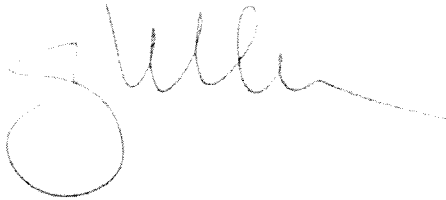
**THE MONITOR'S CONCLUSION**

54. The Monitor has considered the evidence presented by Armor and the arguments contained in its material filed with this Court. Neither the facts nor the arguments presented in the materials lead the Monitor to change its conclusion in respect of its approval of the disclaimer. The Monitor remains of the view that approval of the disclaimer is appropriate in the circumstances.

55. Based on the above, the Monitor recommends that this Honourable Court approve the extension of the Stay Period to August 31, 2013 and approve the extension of the Interim Facility.

All of which is respectfully submitted this 25<sup>th</sup> day of July, 2013.

FTI Consulting Canada Inc.  
in its capacity as the Court-Appointed Monitor  
of RS Technologies Inc.



Deryck Helkaa CA●CIRP  
Senior Managing Director



# **APPENDIX A**

RS Technologies Inc.  
 Projected Cash Flow Statement for the period  
 July 21, 2013 to August 31, 2013  
 CDN \$

Notes	Week Ending						Total
	July 27	August 3	August 10	August 17	August 24	August 31	
1	(1,259,559)	(1,397,343)	(1,680,222)	(1,975,149)	(2,198,649)	(2,318,649)	(1,259,559)
2	351,101	-	124,000	88,000	30,000	59,000	652,101
3	(139,281)	(59,569)	(199,945)	(131,000)	(18,000)	(185,943)	(733,738)
4	(22,661)	(78,500)	(38,500)	(51,500)	(3,000)	(99,161)	(293,322)
5	-	-	-	(72,000)	-	-	(72,000)
6	(151,734)	(144,810)	(180,482)	(57,000)	(47,000)	(55,347)	(636,373)
7	(175,210)	-	-	-	-	-	-
8	(488,886)	(282,879)	(418,977)	(311,500)	(150,000)	(340,451)	(1,992,643)
	(137,784)	(282,879)	(294,927)	(223,500)	(120,000)	(281,451)	(1,340,541)
	<b>(1,397,343)</b>	<b>(1,680,222)</b>	<b>(1,975,149)</b>	<b>(2,198,649)</b>	<b>(2,318,649)</b>	<b>(2,600,100)</b>	<b>(2,600,100)</b>
	2,000,000	2,000,000	2,350,000	2,350,000	2,350,000	2,350,000	2,000,000
		350,000				300,000	650,000
	2,000,000	2,350,000	2,350,000	2,350,000	2,350,000	2,650,000	2,650,000
9	<b>602,657</b>	<b>669,778</b>	<b>374,851</b>	<b>151,351</b>	<b>31,351</b>	<b>49,900</b>	<b>49,900</b>
	750,000	400,000	400,000	400,000	400,000	100,000	100,000

Notes:

Management of RS Technologies Inc. ("RS") has prepared this Projected Cash Flow Statement solely for the purposes of determining the liquidity requirements of RS during the CCAA Proceedings. The Projected Cash Flow Statement is based on the probable and hypothetical assumptions detailed in Notes 1 - 9. Consequently, actual results will likely vary from performance projected and such variations may be material.

- 1 - Opening cash balance based on Canadian and US cash at July 21, 2013. US cash has been converted to Canadian on a 1:1 basis.
- 2 - Cash receipts based on the estimated receipt date of receivables from orders shipped prior to July 21, 2013 and expected future orders based on historical results.
- 3 - Overhead expenses are based on historical trends and include, accounting, sales and head office payroll, operations and sales consultants, rent, finance charges, travel, insurance and other general administrative expenses.
- 4 - Operating expenses are based on historical trends and include payroll for operations and manufacturing plant employees, manufacturing plant utilities, equipment leases, property taxes and repairs and maintenance.
- 5 - Capital expenditures based on current need to update the Company's production equipment.
- 6 - Materials costs are based off of raw material purchases required to manufacture projected customer orders for the next 2 months.
- 7 - Fees related to the proposed interim financing are expected to be repaid after the forecast period.
- 8 - Professional/legal fees include fee estimates provided by the proposed monitor, the proposed monitors counsel, the Interim lender's counsel and RS's counsel.
- 9 - Cash balance including cash from financing remains positive and does not exceed the total remaining Interim Financing available and as such it is expected that RS will have sufficient financing from the existing approved Interim Financing facility to fund RS's operations to the end of August 2013.