

Clerk's Stamp

COURT FILE NUMBER 2301-08305

COURT COURT OF KING'S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY

APPLICANTS IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, RSC 1985 c C-36, as amended

 AND IN THE MATTER OF THE COMPROMISE OR ARRANGEMENT OF WALLACE & CAREY INC., LOUDON BROS LIMITED, and CAREY MANAGEMENT INC.

DOCUMENT **AFFIDAVIT**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT A&M Enterprise Ltd.
1610 Ingleton Avenue
Burnaby, British Columbia V5C 5R9

 Attention: Vincent Li
Telephone: 604.251.7444

AFFIDAVIT #2 OF FRANK ALEXANDER

Affirmed on November 20, 2023

I, Frank Alexander, of the City of Burnaby, in the Province of British Columbia, AFFIRM AND SAY THAT:

1. I am the President of the Respondent corporation, A&M Enterprise Ltd. ("**AME**"). As such, I have direct and personal knowledge of the matters deposed to herein except where stated to be based on information or belief, in which cases I verily believe the same to be true.
2. I make this Affidavit in support of AME's application for a stay of enforcement of the Sidnell Orders (defined below). This Affidavit is also made further to my previous affidavit, the Affidavit #1 of Frank Alexander, sworn September 28, 2023 and filed October 2, 2023 (the "**First Alexander Affidavit**").

BACKGROUND

3. As mentioned in paragraphs 3 to 4 of the First Alexander Affidavit, AME is primarily a dough manufacturer. AME produces dough for the franchisees of the Freshslice group of companies ("**FSGC**"); specifically, franchisees of RF Franchising Inc. However, there is no dough supply agreement or similar contract between AME and RF Franchising Inc.
4. AME is a small business and produces dough for roughly 75 stores. The FSGC's franchisees are mainly in British Columbia. AME supplies dough to about a dozen stores outside British Columbia.
5. AME also collects further amounts from other sources, such as fines. However, revenue from these sources is minimal. These revenues do little, if anything, to service AME's expenses and debts.
6. While AME has not prepared its 2022 financial statements to my knowledge, I estimate AME's annual revenue for 2022 to be just under \$6,000,000 CAD. AME's annual profit from this revenue is about 5-6%. In 2020 and 2021, during which the global COVID-19 pandemic occurred, AME was heavily impacted. I verily believe AME's revenue dropped to about 32% of my estimate for AME's 2022 revenue.
7. AME has purchased the rights from Freshslice Holdings Ltd ("**FHL**"), parent company of the FSGC, to produce dough for FSGC's franchisees. To be clear, AME is not a subsidiary of FHL, and I verily believe FHL does not consider AME a part of the FSGC. AME and FHL are related by way of contract.
8. I maintain, as noted in paragraph 5 of the First Alexander Affidavit, that I am the sole shareholder, officer, and director of AME. Neither AME nor I are shareholders of FHL or RF Franchising Inc.
9. I also wish to reiterate and emphasize many of issues brought up in the affidavits of Amanpreet Singh, filed October 2, 2023 and November 2, 2023 as well as the affidavit of Hamid Abbaspour, filed October 2, 2023 and November 2, 2023. AME was experiencing significant issues with Wallace & Carey respecting pick up of the dough from our commissary. I verily believe Wallace & Carey failed to comply with its contractual obligations with AME by failing to pick up dough after ordering. As mentioned in the aforementioned affidavits, AME had at all times operated in accordance with historical practice, and I verily believe the same to be true. It was Wallace & Carey who failed to act on the established practice between the parties.

PROCEDURAL HISTORY

10. On September 25, 2023, AME received an unfiled copy of the application of Wallace & Carey Inc. ("**Wallace & Carey**"), Loudon Bros Limited ("**Loudon Bros**"), and Carey Management Inc. ("**CMI**"), (collectively, the "**WC Companies**"), which was later filed October 2, 2023.
11. I was advised by AME's limited-basis counsel, and verily believe, that the WC Companies asked the court for:
 - a. An Order directing AME to pay Wallace & Carey \$645,183.71; and

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PROCEDURAL HISTORY

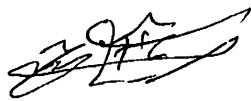
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11. I was advised by AME's limited-basis counsel, and verily believe, that the WC Companies asked the court for:
 - a. An Order directing AME to pay Wallace & Carey \$645,183.71; and

- b. An Order directing AME to instruct its franchisees to pay any accounts owing to Wallace & Carey, reinstate pre-authorized payment accounts, and purchase products directly from Wallace & Carey;

among other requests.

- 12. I was informed by counsel, and verily believe, that the hearing of the WC Companies' application was adjourned to be ultimately heard on November 9, 2023.
- 13. I was informed by counsel, and verily believe, that the Honourable Justice E. J. Sidnell granted Orders in favour of the WC Companies on November 9, 2023.
- 14. I was informed by counsel, and verily believe, that the foregoing Order involved a direction for AME to pay Wallace & Carey \$497,521.26 (the "**Balance**") and for AME to instruct its agent, Amanpreet Singh, to advise franchisees of the Freshslice group of companies ("FSGC") to pay any accounts payable to Wallace & Carey, reinstate pre-authorized payment accounts, and purchase products exclusively from Wallace & Carey as well as costs in favour of Wallace & Carey (the "**Sidnell Orders**").
- 15. AME is seeking permission from the Honourable Court to appeal Justice Sidnell's decision rendered November 9, 2023. Meanwhile, AME is also asking the Honourable Court to stay the enforcement of the Sidnell Orders until the parties receive a decision on AME's leave to application and, if granted, its appeal.
- 16. For reasons set out above, a payment of the Balance would apply considerable strain on AME's financial wellbeing. I fear that making such a payment would render AME unable to comply with the contractual obligations it has entered into with other entities. For instance, I verily believe a failure to pay FHL for the right to manufacture its dough may result in FHL revoking said right, essentially jeopardizing AME's ability to produce dough and income.
- 17. I was not physically before the person commissioning my affidavit. This affidavit was sworn using the remote commissioning of affidavit protocols as described by the Alberta Court of King's Bench practice notice to the profession and public NPP#2020-02.

AFFIRMED BEFORE ME at Edmonton,)
Alberta, this 20th day of November, 2023.)
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)
)
)
_____)
Commissioner for Oaths in and for the)
Province of Alberta)



(Signature)

Frank Alexander

CERTIFICATE

In accordance with the March 25, 2020 *Notice to the Profession and Public: Remote Commissioning of Affidavits For Use in Civil and Family Proceedings During the Covid-19 Pandemic*:

I hereby state and confirm that I have commissioned the attached Affidavit of Frank Alexander, sworn before me on November 20, 2023, using video technology, and am satisfied that the remote commissioning process was necessary at the time the Affidavit was commissioned.



Commissioner of Oaths in and for the
Province of Alberta

November 20, 2023

Date