



Clerk's Stamp:

COURT FILE NUMBER 2301 - 08305

COURT COURT OF KING'S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY

C21061

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**APPLICATION**

ADDRESS FOR SERVICE AND
CONTACT INFORMATION OF
PARTY FILING THIS DOCUMENT

MILLER THOMSON LLP
Barristers and Solicitors
525 - 8 Ave SW, 43rd Floor
Calgary, AB T2P 1G1

Attention: James W. Reid / Pavin Takhar

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File No. 0221652.0006

NOTICE TO RESPONDENT(S):

This application is made against you. You are a respondent.

You have the right to state your side of this matter before the justice.

To do so, you must be in Court when the application is heard as shown below:

Date	<u>February 23, 2024</u>
Time	<u>10:00 a.m.</u>
Where	<u>Calgary Courts Centre (via WEBEX)</u>
Before Whom	<u>The Honourable Justice M. H. Hollins</u>

Go to the end of this document to see what else you can do and when you must do it.

Remedy claimed or sought:

1. The Applicants, Wallace & Carey Inc. ("**Wallace & Carey**"), Loudon Bros Limited ("**Loudon Bros**"), and Carey Management Inc. ("**CMI**", and together with Wallace & Carey and Loudon Bros, the "**Companies**" or the "**Applicants**"), pursuant to the *Companies' Creditors Arrangement Act*, RSC 1985, c. C-36 (the "**CCAA**"), seek an order (the "**Order**") substantially in the form attached hereto as **Schedule "A"**, including, without limitation:
 - (a) abridging the time for service of the Application and the supporting material, if necessary, and deeming service thereof to be good and sufficient;
 - (b) extending the stay period (the "**Stay Period**") up to and including May 31, 2024, or such other date as this Court may consider appropriate; and
 - (c) granting such further and other relief as counsel may advise and this Honourable Court deems just and appropriate.
2. Capitalized terms used but not otherwise defined shall have the meanings given to such terms in Affidavit No. 3 of Patrick Carey, sworn February 11, 2024.

Grounds for making this application:

Background

3. On June 22, 2023, the Applicants obtained protection from their creditors under the CCAA pursuant to an Initial Order of this Court (the "**Initial Order**"). The Initial Order was amended and restated on June 30, 2023 (the "**ARIO**"). KSV Restructuring Inc. was appointed as the Monitor (the "**Monitor**")
4. On August 23, 2023, the Court granted the SISP Order, among other things, approving the Financial Advisor, and authorizing the Applicants, with the assistance of the Financial Advisor, and the oversight of the Monitor, to conduct the SISP.
5. Further, on August 23, 2023, the Court granted an extension of the stay of proceedings up to and including November 30, 2023.
6. On November 17, 2023, the Court granted an approval and vesting order, and related relief in an ancillary receivership proceeding, related to the SISP Order approving a transaction with the Purchaser (the "**Transaction**").

7. The Transaction contemplates that Wallace & Carey will continue to provide services to the Purchaser pursuant to the TSA between Wallace & Carey and the Purchaser.
8. On November 29, 2023, the Court granted a further extension of the stay of proceedings up to and including February 29, 2024.

Extension of Stay Period

9. The current Stay Period in the CCAA proceedings expires on February 29, 2024.
10. The Applicants are seeking an extension of the Stay Period up to and including May 31, 2024. The requested extension of the Stay Period is necessary and appropriate in the circumstances to, among other things:
 - (a) enforce the costs order granted as against A&M Enterprise Ltd. in accordance with the Costs Award, Stay Dismissal Order, and Court of Appeal Order;
 - (b) pursue various different litigation claims with respect to various amounts owing as against Freshslice Holdings Ltd. and RF Franchising Inc. (jointly, “**Freshslice**”), Megabox Inc., 0903219 BC Ltd., operating as Pizza Club, and Dakin News Systems Inc.;
 - (c) pursue other outstanding accounts receivable and assist the Monitor to continue realization efforts in respect of the Excluded Assets;
 - (d) generally monetize assets for the benefit of creditors; and
 - (e) provide transition services to the Purchaser pursuant to the TSA.
11. The Applicants have been acting and continue to act in good faith and with due diligence. Since the Stay Period was last extended by this Honourable Court, on November 29, 2023, the Applicants have been working diligently to, among other things:
 - (a) carry on business in the ordinary course;
 - (b) report to its secured lenders and key stakeholders;
 - (c) prepare financial models and reporting with the assistance of the Monitor;
 - (d) pursue various litigation in respect of accounts receivable;

- (e) pursue and collect accounts receivables;
 - (f) work with the Monitor to monetize any “Excluded Assets” not specifically referenced above; and
 - (g) continue to provide services to the Purchaser in accordance with the TSA.
12. Pursuant to the terms of the TSA, and 7-Eleven’s obligation to fund thereunder, the Applicants are expected to have sufficient funds to continue their operations and activities through to May 31, 2024. A copy of the Applicants’ cash flow statement for the period March 1, 2024 to May 31, 2024 is appended to the Monitor’s Ninth Report to Court.
 13. It is just, convenient, necessary, and in the best interest of the Applicants and their stakeholders that the Applicants be afforded the protection provided by the CCAA and an extension of the Stay Period.
 14. The Monitor supports the extension of the Stay Period as sought by the Applicants.
 15. Such further and other grounds as counsel may advise and this Honourable Court may permit.

Material or evidence to be relied on:

16. Affidavit No. 3 of Patrick Carey sworn February 11, 2024, to be filed.
17. The Ninth Report of the Monitor, to be filed.
18. Bench Brief of the Applicants.
19. Such further and other materials as counsel may advise and this Honourable Court may permit.

Applicable Rules:

20. *Alberta Rules of Court*, Alta Reg 124/2010.
21. Such further and other Rules as counsel may advise and this Honourable Court may permit.

Applicable Acts and regulations:

22. *Companies’ Creditors Arrangement Act*, RSC 1985, c. C-36, including s. 11.02(2).

23. Such further and other Acts and regulations as counsel may advise and this Honourable Court may permit.

Any irregularity complained of or objection relied on:

24. None.

How the application is proposed to be heard or considered:

25. Via Web-Ex, before the Presiding Commercial List Justice.

WARNING

You are named as a respondent because you have made or are expected to make an adverse claim in respect of this originating application. If you do not come to Court either in person or by your lawyer, the Court may make an order declaring you and all persons claiming under you to be barred from taking any further proceedings against the applicant(s) and against all persons claiming under the applicant(s). You will be bound by any order the Court makes, or another order might be given or other proceedings taken which the applicant(s) is/are entitled to make without any further notice to you. If you want to take part in the application, you or your lawyer must attend in Court on the date and at the time shown at the beginning of this form. If you intend to give evidence in response to the application, you must reply by filing an affidavit or other evidence with the Court and serving a copy of that affidavit or other evidence on the applicant(s) a reasonable time before the application is to be heard or considered.

SCHEDULE "A"
Proposed Form of the Order

COURT FILE NUMBER 2301 - 08305
COURT COURT OF KING'S BENCH OF ALBERTA
JUDICIAL CENTRE CALGARY

Clerk's Stamp

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

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

APPLICANTS WALLACE & CAREY INC, LOUDON BROS
LIMITED, and CAREY MANAGEMENT INC.

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ptakhar@millerthomson.com

File No.: 0221652.0006

DATE ON WHICH ORDER WAS PRONOUNCED: February 23, 2024

LOCATION WHERE ORDER WAS PRONOUNCED: Calgary, Alberta

NAME OF JUSTICE WHO MADE THIS ORDER: The Honourable Justice M. H. Hollins

UPON the application of Wallace & Carey Inc., Loudon Bros Limited, and Carey Management Inc. (collectively, the "**Applicants**");

AND UPON having read the Application, Affidavit No. 3 of Patrick Carey sworn February 12 2024, the Ninth Report of KSV Restructuring Inc. in its capacity as Monitor (the "**Monitor**") dated • (the "**Ninth Report**");

AND UPON hearing counsel for the Applicants, counsel for the Monitor, and counsel for any other interested parties;

AND UPON reviewing the Affidavit of Service of Marica Ceko sworn February 1, 2024;

IT IS HEREBY ORDERED AND DECLARED THAT:

SERVICE

1. The time for service of the notice of application for this order (the “**Order**”) is hereby abridged and this application is properly returnable today.

DEFINITIONS

2. Capitalized terms used in this Order and not otherwise defined herein shall have the meaning ascribed to them under the Amended and Restated Initial Order of this Court pronounced June 30, 2023 (the “**ARIO**”).

EXTENSION OF STAY PERIOD

3. The Stay Period is hereby extended from February 29, 2024, to and including May 31, 2024.
4. Service of this Order shall be deemed good and sufficient by:
 - (a) serving the same on:
 - i. the persons listed on the service list created in these proceedings;
 - ii. any other person served with notice of the application for this Order;
 - iii. any other parties attending or represented at the application for this Order; and
 - (b) posting a copy of this Order on the Monitor's website established in connection with these proceedings, for no less than six months from the date of this Order; and service on any other person is hereby dispensed with.

5. Service of this Order may be effected by facsimile, electronic mail, personal delivery or courier.

Justice of the Court of King's Bench of Alberta