

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                   **SUPPLEMENT TO THE SIXTH REPORT OF THE MONITOR**  
**NOVEMBER 16, 2023**

ADDRESS FOR  
SERVICE AND  
CONTACT  
INFORMATION OF  
PARTY FILING THIS  
DOCUMENT

**MONITOR**

KSV Restructuring Inc.  
Suite 1165, 324 – 8<sup>th</sup> Avenue SW  
Calgary, Alberta  
T2P 2Z2

Attention:           Bobby Kofman / David Sieradzki / Jason Knight  
Telephone:         416.932.6228 / 416.932.6030 / 587.287.2605  
Facsimile:         416.932.6266  
Email:               bkofman@ksvadvisory.com /  
                             dsieradzki@ksvadvisory.com /  
                             jknight@ksvadvisory.com

**MONITOR’S COUNSEL**

Cassels Brock & Blackwell LLP  
Bankers Hall West  
Suite 3810, 3<sup>rd</sup> Street SW  
Calgary, Alberta  
T2P 5C5

Attention:           Jeffrey Oliver / Jane Dietrich  
Telephone:         403.351.2921 / 416.860.5223  
Facsimile:         403.648.1151  
Email:               joliver@cassels.com / jdietrich@cassels.com

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## 1.0 Introduction

1. This Report (the “**Supplemental Report**”) supplements the Sixth Report.
2. Defined terms in this Supplemental Report have the meanings provided to them in the Sixth Report, unless otherwise defined herein. This Supplemental Report is subject to the scope and terms of reference in the Sixth Report.

### 1.1 Purposes of this Supplement Report

1. The purposes of this Supplemental Report are to:
  - a) provide an updated estimate of Wallace & Carey’s tobacco tax liabilities (the “**Tobacco Tax Liabilities**”) as at November 17, 2023 compared to the amount of the Tobacco Tax Liabilities in the schedule in Section 6 of the Sixth Report (the “**Schedule**”); and
  - b) confirm that the Monitor’s recommendation in the Sixth Report remains unchanged.

## 2.0 Updated Schedule

1. The Schedule in the Sixth Report provides a comparison of the Tobacco Tax Liabilities owing to the Provinces and Territories as at the Filing Date to its projected Tobacco Tax Liabilities as at November 17, 2023, based on information provided by Wallace & Carey.
2. On November 15, 2023, the Monitor requested that the Company update the Schedule for information available to the Company as of the end of business on November 15, 2023. The table below updates the Schedule for the information provided to the Monitor by Wallace & Carey.

(\$000s)	Filing Date Liability	Liability Per Sixth Report	Updated Liability	Updated Change from Filing Date
British Columbia	4,281	3,638	7,582	3,301
Alberta	13,780	16,085	15,960	2,180
Saskatchewan	4,386	1,880	3,244	(1,142)
Manitoba	452	1,426	966	515
Ontario	1,342	639	225	(1,117)
Northwest Territories	340	279	203	(137)
Nunavut	344	-	-	(344)
Yukon	535	822	687	152
<b>Total</b>	<b>25,459</b>	<b>24,769</b>	<b>28,868</b>	<b>3,409</b>

3. The table reflects a projected net increase in the Tobacco Tax Liabilities of approximately \$3.4 million from the Filing Date, versus a projected decrease of approximately \$691,000 in the Sixth Report. As was the case in the Sixth Report, the exposure for certain Provinces and Territories increased, while it decreased for others.

### 3.0 Recommendation

1. For the reasons provided in Section 8 of the Sixth Report, the Monitor continues to be of the view that the Court should issue the CCAA AVO, the Receivership Order and the Receivership AVO.

\* \* \*

All of which is respectfully submitted,

*KSV Restructuring Inc.*

**KSV Restructuring Inc.,  
in its capacity as monitor of  
Wallace & Carey Inc., Loudon Bros Limited, and Carey Management Inc.  
and not in its personal capacity**