



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**

2301 08305

Feb 18, 2026

2:10 PM

LOU DONOFRIO

CLERK OF THE COURT

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

DOCUMENT **SUPPLEMENT TO THE NINETEENTH REPORT
OF THE MONITOR
FEBRUARY 16, 2026**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT **MONITOR
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 jknight@ksvadvisory.com

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1.0 Introduction

1. This report (the “**Supplemental Report**”) supplements the Nineteenth Report of the Monitor dated January 26, 2026 (the “**Nineteenth Report**”).
2. Defined terms in this Supplemental Report have the meanings provided to them in the Nineteenth Report, unless otherwise defined herein. This Supplemental Report is subject to the “scope and terms of reference” in the Nineteenth Report.
3. On February 5, 2026 (the “**February 5 Hearing**”), Justice Marion heard the Monitor’s application seeking advice and direction regarding his decision on December 15, 2025 for an order (the “**Stay Lift Order**”) lifting the Stay *vis a vis* DigiFlex effective at 11:59 PM on February 15, 2026 (the “**Stay Lift Date**”), which included the Monitor’s request for a declaration that the Monitor be given continued access to use the ERP Software on a “read-only” basis after the Stay Lift Date (the “**Access Application**”).
4. Counsel for DigiFlex Information Systems Inc. (“**DigiFlex**”) submitted a cross-application, that it requested be heard at the February 5 Hearing, for an order (the “**DigiFlex Application**”) and together with the Access Application, the “**March 3 Applications**”), among other things:
 - a) declaring that DigiFlex has the right to terminate the DigiFlex License Agreements with the termination being effective as of February 16, 2026 at 12:00 AM, and accordingly:
 - i. a declaration that DigiFlex is permitted to turn off the ERP Software affiliated with the DigiFlex License Agreements at 12:00 AM on February 16, 2026;
 - ii. a declaration that DigiFlex, or its counsel or its representatives, are permitted to enter any premises, on February 16, 2026, or shortly thereafter, where the servers with the ERP Software are located, to remove the ERP Software and any and all copies thereof; and
 - iii. a declaration that the Monitor is required to: (1) destroy and erase, or direct the destruction and deletion, of any and all copies of the ERP Software, in whatever form or media (including, without limitation, all executable files as well as all associated source and object code), and including whether or not all such copies are stored locally on servers, including the W&C Server (as defined

below), or other systems owned or possessed by Wallace & Carey, Loudon, 7-Eleven, Inc. (“SEI”), 7-Eleven Canada Inc. (“SEC”), or 7-Eleven Distribution Canada Corporation (“SEDCC”); (2) destroy and erase, or direct the destruction and deletion of, any DigiFlex documentation related to the ERP Software, including user and reference manuals, whether in hardcopy and electronic formats; and (3) certify under oath or affirm to items (1), (2), and also that the Monitor, Wallace & Carey, Loudon, SEI, SEC, SEDCC, and/or any other person or entity has discontinued all use of the ERP Software, including without limitation, all executable files as well as all associated source and object code; or

- b) in the alternative, a declaration that DigiFlex is permitted to change the copies of the ERP Software affiliated with the DigiFlex License Agreements, including the ERP Software that was installed on the W&C Server, and/or any copies of the ERP Software that are in Wallace & Carey’s, Loudon’s, SEI’s, SEC’s, and/or SEDCC’s possession, to be read-only, effective as of February 16, 2026 at 12:00 AM, provided that:
 - i. the Monitor agrees to pay DigiFlex maintenance fees;
 - ii. the Monitor respects the terms of the DigiFlex License Agreements, noting that, only the Monitor, in its capacity as management of Wallace & Carey and Loudon, may use the ERP Software on behalf of Wallace & Carey and Loudon, and will not directly or indirectly give SEI, SEC, or SEDCC access to or use to the ERP Software on SEI’s, SEC’s, and/or SEDCC’s behalf; and
 - iii. the Monitor testifies that the ERP Software will only be used in read-only mode to access historical databases of Wallace & Carey’s and Loudon’s information for the Monitor, in its capacity as management of Wallace & Carey and Loudon, to comply with Wallace & Carey’s and Loudon’s statutory and reporting obligations.
5. Prior to the February 5 Hearing, counsel to DigiFlex advised that it was only interested in seeking the termination of the DigiFlex License Agreements.

6. At the February 5 Hearing, the Court found that DigiFlex did not provide the required notice and time to hear the DigiFlex Application. The Court subsequently granted an order dated February 5, 2026 (the “**Injunction and Adjournment Order**”), that, among other things:
 - a) adjourned the Monitor's Access Application until March 3, 2026;
 - b) adjourned the DigiFlex Application until March 3, 2026; and
 - c) declared that DigiFlex shall not interfere with, alter, or impede the Monitor's existing access to the ERP Software, and DigiFlex shall not alter the status quo with respect to such access until the Access Application and DigiFlex Application are heard and the Court otherwise decides such injunctive relief is required.

1.1 Purposes of this Supplemental Report

1. The purposes of this Supplemental Report are to:
 - a) update the Court on events that have occurred since the date of the Nineteenth Report;
 - b) provide the Court with additional information to assist it in considering the DigiFlex Application; and
 - c) provide the Monitor's recommendation in respect of its Access Application for an order declaring, among other things:
 - i. that notwithstanding the lifting of the Stay, Wallace & Carey and Loudon are permitted to use the ERP Software on a read-only basis, for the purpose of maintaining and accessing the historical database to allow the Monitor to meet its statutory and other obligations. This read-only access shall include the ability to search, read, review, and print reports that contain such information; and
 - ii. that such use will be at no cost to the Monitor, unless the maintenance services (the “**Maintenance Services**”) pursuant to the Maintenance Agreements attached to each of the DigiFlex License Agreements as Schedule “A” (collectively, the “**Maintenance Agreements**”) are otherwise required and, in that circumstance, fees will be paid at the daily rate under the Maintenance Agreements for the service required.

2.0 Background

1. As noted in Section 4.0(7) of the Nineteenth Report, on January 16, 2026, counsel to DigiFlex sent a letter to the Monitor's counsel that:
 - a) provided DigiFlex's notice of termination (the "**Termination**") of the Maintenance Agreements, and accordingly, the Maintenance Agreements would expire on the Stay Lift Date; and
 - b) advised that it was DigiFlex's position that to the extent Wallace & Carey, SEI, SEDCC, or SEC are currently using the ERP Software, that such use is in breach of the DigiFlex License Agreements and amounts to copyright infringement.
2. This Termination was contrary to the Stay contained in paragraph 18 of the ARIO.
3. On January 28, 2026, counsel to DigiFlex sent another letter (the "**January 28 Letter**") to the Monitor's counsel that:
 - a) provided DigiFlex's position that the Maintenance Agreements cannot be severed from the DigiFlex License Agreements, and that non-payment of Maintenance Services gave DigiFlex the right to terminate the DigiFlex License Agreements; and
 - b) sought confirmation from the Monitor as to whether it required "read-only" access or active access.
4. On January 29, 2026, counsel to the Monitor responded to the January 28th Letter as follows:
 - a) the DigiFlex License Agreements and Maintenance Agreements were independent of one another, and that the termination of the Maintenance Agreements does not terminate the DigiFlex License Agreements; and
 - b) requesting details as to the limitations related to read-only access.
5. On January 30, 2026, counsel to DigiFlex provided further information regarding read-only access, after which the Monitor's counsel confirmed on a phone call on February 2, 2026 that such access should be sufficient to meet the Monitor's requirements.

6. On February 2, 2026, the Monitor's counsel received an email from DigiFlex's counsel that, among other things:
 - a) requested an agreement to the payment of Maintenance Services fees (the "**Maintenance Fees**") for read-only access, subject to inflation, in the amount of \$76,587.50/year for Wallace & Carey and \$6,812.50/year for Loudon, or if upfront payment was made for the next six years, a total of \$321,667.92 for Wallace & Carey and \$37,012.50 for Loudon; and
 - b) advised that it will be seeking costs at the February 5 Hearing.
7. In response, the Monitor's counsel responded via email on February 3, 2026, advising that:
 - a) the Maintenance Fees being requested were unjustified, and those services were not required for an ongoing period of six years; and
 - b) the Monitor is prepared to pay for Maintenance Services, if required, at contract rates, which is consistent with the basis on which services are provided during a CCAA proceeding and pursuant to the ARIO. The DigiFlex License Agreements, by their terms, patently do not require that such services be provided or paid for, unless services are actually provided, which is consistent with the services being provided during a CCAA proceeding and pursuant to the ARIO.
8. DigiFlex's counsel replied reiterating its position that the Maintenance Fees requested on February 2, 2026 were reasonable and at a considerable discount.
9. At the February 5 Hearing, the Court made the following preliminary findings:
 - a) that, without it being a final determination, but based on a plain reading of clause 4B of the Maintenance Agreements, the Court was not satisfied that DigiFlex has a strong *prima facie* case that it will be likely successful on its argument that it is entitled to have access to the ERP Software, and on that basis, did not grant a mandatory injunction directing that DigiFlex have access to the ERP Software pending the determination of this matter;
 - b) that there is no evidence that operating system compatibility updates or hotline services will be necessary in the time between the February 5 Hearing and when the Access Application and DigiFlex Application are heard on March 3, 2026;

- c) DigiFlex has not articulated that it will suffer irreparable harm prior to the Access Application and DigiFlex Application on March 3, 2026;
 - d) DigiFlex has not satisfied that there's sufficient evidence of an imminent harm requiring a *quia timet* injunction against SEC, and that SEC has to abide by whatever its legal obligations are in any event; and
 - e) the balance of convenience favours maintaining the status quo. In the event the Monitor decides to give access to DigiFlex, if DigiFlex interferes with the Monitor's access it will not be looked upon very kindly in the future.
10. Accordingly, the Court granted the Injunction and Adjournment Order.

3.0 Information Provided by SEC/SEDCC Since the Nineteenth Report

1. The Monitor received from SEC's counsel two status update emails dated February 9 and 13, 2026, regarding, among other things: (i) the status of the transfer of the data on the Wallace & Carey server which was purchased by SEC (the "**W&C Server**") from the ERP Software based system to the SEC/SEDCC systems (the "**Data Transition**"); (ii) the pre-February 2026 access to the ERP Software pursuant to the TSA; and (iii) payment of various DigiFlex invoices (together, the "**SEC Report**"). A copy of the SEC Report is attached as **Appendix "A"**.

3.1 Termination of VPN Access and Cessation of Maintenance Services

1. On February 1, 2026, counsel to DigiFlex wrote to the Monitor's counsel to advise that DigiFlex's access to the W&C Server, by way of a virtual private network connection (the "**VPN Access**"), had been cut-off, alleging this was contrary to section 4B of the Maintenance Agreements. DigiFlex's counsel advised that it was DigiFlex's understanding that this meant the Companies were no longer interested in any form of license with DigiFlex and requested that the Companies destroy all copies of the ERP Software.
2. On February 2, 2026, the Monitor's counsel advised DigiFlex's counsel that SEC/SEDCC had completed the Data Transition, but that access to same was still required to the Stay Lift Date to generate final monthly reports for the purposes of reconciling, among other things, TSA accounting and tax obligations. The Monitor's counsel further stated that the VPN Access was turned off by SEC as there were concerns from SEC that DigiFlex might change information or access requirements which would significantly prejudice SEC and SEDCC in the final stages of its implementation.

3. The Monitor understands that SEC disabled VPN Access because:
 - a) Maintenance Services were no longer required;
 - b) SEC was concerned that historical data could be accessed and subsequently amended by DigiFlex; and
 - c) there was potential that DigiFlex could have disabled the ERP Software or otherwise manipulated such access to the ERP Software which would have hindered completion of the Data Transition prior to the Stay Lift Date.

3.2 Invoices

1. Since SEC is responsible for paying all TSA-related costs, SEC received the invoices attached as Exhibit B to Mr. Mohammad Marduhki's January 30, 2026 affidavit which were issued in December 2025 and January 2026 (the "**Invoices**"). Prior to receiving the SEC Report, SEC advised the Monitor that approval and processing of the Invoices was delayed because the team responsible for such approval was heavily engaged in finalizing the implementation of the Integration Software and the Data Transfer.
2. Notwithstanding, on February 13, 2026, the Monitor was advised through the SEC Report that payment for the Invoices was made and that there are no longer any amounts outstanding under the DigiFlex License Agreements.

3.3 Use of ERP Software

1. Pursuant to the SEC Report, SEC has advised the Monitor that:
 - a) the Data Transition was completed on February 1, 2026;
 - b) all follow-up activities commencing on February 1, 2026, which included finalizing reports to fulfill obligations under the TSA, were concluded on February 13, 2026; and
 - c) SEDCC no longer requires access to the ERP Software after the Stay Lift Date. From and after that date, an SEDCC employee will access the ERP Software only if the Monitor requests information from the ERP Software, pursuant to the Adjournment and Injunction Order.

2. All actions of the Monitor and SEC from the date of the TSA to the Stay Lift Date were conducted pursuant to the TSA, and included, among other things the delivery of the following (the “**Transition Services**”):
 - a) ongoing financial services to:
 - i. maintain accurate records and reports;
 - ii. provide information to SEC, as needed; and
 - iii. provide timely and accurate input of invoices and expense claims to facilitate disbursement of payments to suppliers, tax authorities and employees;
 - b) assist SEC/SEDCC with integrating any of Debtors' (i.e., Wallace & Carey and CMI) information technology systems and source code into SEC/SEDCC's environment, including by providing all records, reports, documentation, and information that a reasonably skilled programmer would require to complete such integration and maintain such systems going forward without assistance from Debtor;
 - c) maintain SEC/SEDCC's access to Debtor's information technology systems;
 - d) assist with data migration;
 - e) transition financial services to provide financial reporting, budgeting, and forecasting in the ordinary course, and as required by SEC from time to time; and
 - f) transition informational technology services to assist with data migration.
3. The W&C Server that houses the ERP Software was sold by Wallace & Carey to SEC in or about November of 2023. Section 28 of the TSA provides that if either party to the TSA has access to any of the computer systems and/or information stores of the other party in connection with the Transition Services, that such access would be limited to the use of such systems and information stores as required to perform or receive the Transition Services. Further, each party agreed that such access would be limited to personnel with a bona fide need for such access and who have agreed to maintain the confidentiality of the other party's Confidential Information. Each party agreed to follow all applicable security rules and procedures communicated to it for restricting access to any computer systems and information stores of the other party to which is provided access.

4. The TSA provided at clause 3(a) that the Debtors shall provide SEC with the Transition Services utilizing “Transition Employees” from the commencement of the TSA to its termination date. Pursuant to the secondment agreement executed between SEDCC and the Monitor dated August 18, 2025, and effective as at August 21, 2025, (the "**Secondment Agreement**"), Transition Services were to be provided by seconded employees of SEDCC to Wallace & Carey for the purposes of completing the Data Transition under the TSA. A copy of the secondment agreement is attached as **Appendix “B”**.
5. Notwithstanding, the Monitor understands that during the TSA period, until January 31, 2026, SEDCC employees accessed the SEC owned W&C Server to input ordinary course purchasing, inventory, and accounts receivable data while the Data Transition was ongoing and SEDCC developed its own enterprise resource planning software.

4.0 Monitor’s Recommendation

1. The Monitor seeks an order that:
 - a) it be granted continued read-only access to the ERP Software for the purposes of meeting its statutory and other obligations; and
 - b) such access does not require ongoing Maintenance Services from DigiFlex, and therefore no Maintenance Fees are payable, or if Maintenance Services are found to be necessary, guidance from the Court on an appropriate and reasonable fee for such access. It is the Monitor’s view that the rates should be based on the Rate Schedule (as defined and described in Section 4.2 below).

4.1 Need for Read-Only Access and Proposed Use of ERP Software

1. The Monitor requires access to the ERP Software for the purpose of retrieving data to meet its statutory and Court-ordered obligations, including any potential tax audit requirements and responding to questions from tax authorities, whether as Monitor or in a subsequent role, like bankruptcy trustee.
2. The Monitor anticipates that the maximum period during which read-only access will be required is six years, though such access would not be continuous and likely sporadic and minimal, consistent with the longest applicable statutory record-retention or audit-exposure period under section 230 of the *Income Tax Act*, RSC 1985, c 1 (5th Supp) (the “**ITA**”).

3. The Monitor expects that access to the ERP Software during this period will be limited, occurring only periodically (if at all), and solely for purposes such as printing records, exporting data, or responding to inquiries from governmental authorities. Effectively, the Monitor requires access on a contingency basis. Having access to these types of books and records following the administration of an insolvency process is consistent with standard practices in insolvency proceedings.
4. The Monitor is of the view that it can continue using the ERP Software on an ongoing basis until all such obligations are met for the following reasons:
 - a) the Perpetual License was already purchased by Wallace & Carey and Loudon, and no amounts are outstanding under the DigiFlex License Agreements;
 - b) DigiFlex will not suffer any prejudice as the Monitor is not requesting any Maintenance Services be continued during this time. However, to the extent that such services are required, the Monitor is prepared to pay a reasonable commercial rate for these services. The Monitor is of the view that DigiFlex should not be able to leverage its position to secure an unreasonable amount for the Maintenance Services to the detriment of other stakeholders;
 - c) there are no known defaults under the DigiFlex License Agreements or Maintenance Agreements; and
 - d) the Monitor may not be able to perform its statutory and court-ordered responsibilities without access to the ERP Software on a “read-only” basis.
5. The Monitor cannot rely solely on DigiFlex to access the ERP Software or to provide the required information, for the following reasons:
 - a) DigiFlex has indicated that it no longer wishes to participate in these CCAA proceedings or remain involved with the Companies. This raises concerns about the Monitor’s ability to depend on DigiFlex to produce necessary reports within required timelines;
 - b) the Monitor is a court-appointed officer who must comply with good faith and due diligence obligations; standards that do not apply to DigiFlex; and
 - c) there is a risk that continued reliance on DigiFlex for these services could result in undisclosed or unexpected fees that the Monitor could be requested to pay.

4.2 Maintenance Agreements and Fees

1. The ERP Software is maintained and supported by:
 - a) the Maintenance Agreements, wherein Wallace & Carey and Loudon agreed to pay, in advance, an annual fee for Maintenance Services related to the ERP Software; and
 - b) general IT help desk support services provided by DigiFlex which, pursuant to the MM Affidavit, were not tied to the ERP Software but were for general IT issues (the “**Help Desk Services**”). The Monitor understands that the Help Desk Services are not subject to a written agreement and paid upfront on an annual basis.

2. Key terms regarding the Maintenance Services and Maintenance Fees include:
 - a) section 3 of the Maintenance Agreements provide that “*the customer shall pay an annual maintenance fee for services commencing upon installation of ProCLASS into a production environment. The maintenance fee shall be \$84,000.00 for 2 years paid in advance. Additional maintenance fees of 25% of the annual maintenance fee, will apply in the event that ProCLASS is installed in multiple branches on additional Server Systems*”;
 - b) section 5 of the Maintenance Agreements provide that “*that the annual maintenance fee may be increased or decreased by DigiFlex so long as DigiFlex gives thirty days written notice*”; and
 - c) schedule B of the DigiFlex License Agreements includes the following “*Rate Schedule*” (the “**Rate Schedule**”) for services other than those in the Maintenance Agreements:

Description	Hourly	Daily
Analysis & Design	\$145.00	\$1,087.50
Project Management	\$145.00	\$1,087.50
Programming	\$115.00	\$862.50
Technical Support	\$115.00	\$862.50
Training and Installation	\$90.00	\$675.00

The Rate Schedule provides that the minimum rates for: (i) on-site work within Calgary shall be 4 hours; (ii) on-site work outside of Calgary shall be one day; and (iii) offsite remote work shall be two hours.

3. The rates listed above were set on March 9, 2000, and accordingly, would need to be adjusted for inflation.
4. Section 4 of the Maintenance Agreements outline the Maintenance Services provided, which includes:
 - a) operating system compatibility services which include the Customer (as defined in the Maintenance Agreements) agreeing to accept, implement, and install updates;
 - b) updates which include DigiFlex agreeing to update the ERP Software when such updates are developed or published by DigiFlex; and
 - c) hotline services which provide that DigiFlex shall provide remote telephone access to DigiFlex personnel on a twenty-four-hour seven-day-a-week basis with respect to the use of the ERP Software.
5. The Monitor is of the view that none of the Maintenance Services are necessary for read-only access to the ERP Software. However, if any services are required to support the Monitor's limited, read-only use, the Monitor submits that annual lump-sum fees are not reasonable in the circumstances. Instead, any such fees should follow the Rate Schedule, for the following reasons:
 - a) DigiFlex would not be prejudiced, as it would still be compensated for any limited work actually required during this period; and
 - b) this approach balances the interests of DigiFlex with the Monitor's duties and obligations, without unduly prejudicing the interests of stakeholders through the unilateral and arbitrary imposition by DigiFlex of fees and costs incommensurate with the services required of it.

5.0 Conclusion

1. Based on the foregoing, the Monitor respectfully recommends that the Court grant the orders sought by the Monitor in the Access Application and dismiss the DigiFlex Application.

* * *

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**

APPENDIX A
[ATTACHED]

From: Raya, Kendra Monique <Kendra.Raya@7-11.com>

Sent: Friday, February 13, 2026 2:57 PM

To: Lamek, Edmond <edmond.lamek@ca.dlapiper.com>; Ditzler, Matthew <Matthew.Ditzler@7-11.com>; Heather Miller <millerh@sedcc.ca>; Robert Anthony <AnthonyR@sedcc.ca>

Cc: Chouinard, Courtney <Courtney.Chouinard@7-11.com>; Buchanan, Joshua Graham (Josh) <Joshua.Buchanan@7-11.com>; Hunter, Carole <carole.hunter@ca.dlapiper.com>; Punniyamoorthy, Sangeetha <sangeetha.punniyamoorthy@ca.dlapiper.com>; Mooney, Justin <justin.mooney@ca.dlapiper.com>

Subject: RE: [EXTERNAL] FW: Letter - In the matter of the Compromise or Arrangement of Wallace & Carey Inc. Loudon Bros Limited and Carey Management Inc. (Court No. 2301-08305) [IMAN-LEGAL.FID4364182]

Hi Edmond,

Here is our final Status update that was requested. Let us know if you had any questions.

- **Payments to Digiflex:** Confirmed. We are seeing everything processed on our side.
- **Transition Complete:** Confirmed, SEDCC has transitioned out of ProClass system completely.
- **Pre-Feb 1 TSA Report:** Confirmed, SEDCC has completed all necessary follow-up activities with reporting.
- **Post-Feb 15:** Confirmed, As of **2/15**, SEDCC will only access information on the ERP server for purposes of providing the Monitor with requested information located on the server.
- **Mohammad Server Access:** Refer to Matthew's recommendation below. (sent 2/13 @ 12:17 CST)

Thanks!

Kendra

From: Raya, Kendra Monique

Sent: Monday, February 9, 2026 7:17 PM

To: Lamek, Edmond <edmond.lamek@ca.dlapiper.com>

Cc: Robert Anthony <AnthonyR@sedcc.ca>; Ditzler, Matthew <Matthew.Ditzler@7-11.com>; Chouinard, Courtney <Courtney.Chouinard@7-11.com>; Buchanan, Joshua Graham (Josh) <Joshua.Buchanan@7-11.com>; Heather Miller <millerh@sedcc.ca>

Subject: FW: [EXTERNAL] Re: W&C Hearing tomorrow

Hi Edmond,

Yes, we can provide you an overall status by EOD Friday, **2/13**. Below is a status update as of right now.

- **Payments to Digiflex:** Yes, should be completed by EOD **2/11**, but I will confirm by **2/13** at the latest.
- **Transition Complete:** Yes, 100% confirmation that the transition out of ProClass from a business transaction perspective was completed as of **2/1**. Current activity is limited to data validation only; no transactions are being made. Mohammad's access needs to remain restricted through **2/11** to complete this work (per Rob's email).
- **Pre-Feb 1 TSA Report:** If this refers to the month-end close and TSA close activities Rob and I referenced: yes, the monthly financial close based on the **2/1** report is complete. Follow-up GL true-up activities required for a clean TSA cutoff will be completed by **2/11**. Mohammad's access needs to remain restricted through **2/11** to complete this work (per Rob's email).
- **Post-Feb 15:** Yes, 100% confirmed. As of **2/15**, SEDCC will only access information on the ERP server for purposes of providing the Monitor with requested information located on the server.
- **Mohammad Server Access:** Yes, 100% confirmation that access may be restored after **2/11** once data validation is complete. The **2/11** date was tied to the stay-related request; however, we are also fine with his access resuming on **2/16** (or **3/3**, if preferred), provided Mohammad and the Monitor come to an arrangement.

Thanks,

Kendra

APPENDIX B
[ATTACHED]

SECONDMENT AGREEMENT

THIS SECONDMENT AGREEMENT is made and entered into the 18th day of August, 2025 by and between 7-ELEVEN DISTRIBUTION CANADA CORP. ("**SEDCC**") and KSV RESTRUCTURING INC. ("**KSV**"), IN ITS CAPACITY AS MONITOR OF WALLACE & CAREY INC. ("**W&C**") (each a "**Party**" and collectively the "**Parties**").

WHEREAS SEDCC has employees with the skills and expertise necessary to perform work for W&C.

AND WHEREAS SEDCC will temporarily second these employees to W&C, SEDCC will benefit and receive consideration from such secondment, and the term of such secondment shall be governed by the terms of this Secondment Agreement.

NOW, THEREFORE, in consideration of the mutual covenants herein contained (the receipt and sufficiency thereof are hereby acknowledged by each of the Parties), the Parties agree as follows:

ARTICLE 1 SCOPE OF WORK

1.1 Role of Secondees

SEDCC shall second the employees listed in Schedule "A" to W&C (the "**Secondments**"). The services provided by the Secondees shall be referred to herein as the "**Services**".

1.2 Term

This Agreement is effective as of August 21, 2025 and shall continue until February 15, 2026 (the "**Term**"), unless:

- (a) terminated in accordance with Clause 2.6 below; or
- (b) terminated by mutual agreement in writing between SEDCC and W&C.

The Term may be extended by mutual written agreement of the Parties.

1.3 Duties of Secondees

During the Term, the Secondees shall on a full-time basis carry out the duties referred to in Schedule "A" and shall be integrated into the organization of W&C to the extent necessary to provide the Services. The Services to be performed by the Secondees hereunder shall be under the sole direction, supervision and control of W&C, which shall provide, to the extent required, a work location, office space and equipment for the Secondees and day-to-day work direction to the Secondees. Despite the foregoing, at all times during the Secondment, the Secondees shall be expressly

authorized to sign any corporate document in relation to the Services for and on behalf of W&C.

The parties acknowledge that the Secondees shall devote such time and attention as required by W&C, acting reasonably, to provide the Services. SEDCC shall be entitled to assign other duties to the Secondees during the Term, provided that those duties do not conflict with or interfere with the ability of the Secondees to provide the Services.

In the course of providing the Services, the Secondees may be exposed to confidential information comprised of personal, business or proprietary information from one or both of W&C and/or SEDCC. The Secondees shall be required to respect the confidentiality of the foregoing and not disclose one Party's confidential information to the other Party, except as required by law or as reasonably required in providing the Services.

ARTICLE 2 TERMS

2.1 KSV Not Successor Employer

Notwithstanding the powers and authority of KSV, as Monitor, were enhanced pursuant to an order of the Court dated August 26, 2025, or the exercise of any of its powers or the performance of any of its duties pursuant to this Agreement or otherwise, the Parties expressly agree that KSV is not and shall not be deemed or considered to be a successor employer, related employer, or common employer to SEDCC, W&C or any other employer with respect to any of the Secondees within the meaning of applicable employment standards, workers compensation or health and safety legislation, or any other provincial statutes or common law governing employment relations, or any other statute, regulation or rule of law or equity for any purpose whatsoever, or any other contract governing the employment of the Secondees.

2.2 Secondees as SEDCC Employees

During the period of the Secondment, the Secondees shall be and remain employees of SEDCC. Nothing in this Agreement shall create the relationship of employer and employee between the Secondees and W&C. Further, during the period of the secondment, SEDCC shall perform all obligations and discharge all liabilities that may be imposed on it by applicable law or otherwise in its capacity as the employer of the Secondees.

Despite the foregoing, W&C shall be entirely responsible for the supervision and management of the Secondees and in providing the Services, W&C shall require the Secondees to comply with W&C's practices, policies and procedures in performing the Services.

At all times during the Term, SEDCC will include the Secondees in its workers compensation registrations in the Province of Canada where the employee ordinarily works.

SEDCC shall have no liability to W&C for any actions or omissions of the Seconddees during the Secondment.

2.3 Compensation of Seconddees

SEDCC will continue to pay the Seconddees and will permit the Seconddees to participate in the benefit plans maintained by SEDCC for which the Seconddees are or may become eligible. SEDCC will also continue to provide all benefits to the Seconddees including but not limited to all forms of special allowances, bonuses, vacations, holidays, sickness and disability benefits, and other benefit plan expenses, SEDCC health benefits, and tax adjustments (if any), and SEDCC will at all times with respect to the Seconddees have the rights of promotion, discharge, job classification, and determination of compensation.

2.4 Taxes

SEDCC shall make all required deductions and withholdings imposed by applicable laws (collectively, the "Taxes") in connection with its employment of the Seconddees.

W&C shall pay, or cause to be paid, all Taxes in connection with any fee charged to W&C by SEDCC, if any, or any reimbursement from W&C to SEDCC, if any, in respect of the Secondment.

2.5 Seconddees' Business Expenses

All normal business expenses incurred by the Seconddees, including training or skill development courses, business travel and related business travel expenses incurred by the Seconddees while performing the Services on W&C's behalf during or in connection with the Secondment and which are consistent with W&C's policies and which expenses are approved pursuant to W&C's procedures shall be reimbursed by W&C directly to the Seconddees.

2.6 Early Withdrawal, Substitution and Termination

The Secondment may be terminated pursuant to the following:

- (a) SEDCC will have the right, at any time, at its sole option and discretion, to withdraw any or all of the Seconddees from the Secondment upon thirty (30) days' prior written notice to W&C;
- (b) SEDCC will have the right, at any time, at its sole option and discretion, to substitute any or all of the Seconddees with an employee of similar skills, upon thirty (30) days' prior written notice to W&C;
- (c) W&C will have the right, at any time, at its sole option and discretion, to terminate the Secondment upon thirty (30) days' prior written notice to SEDCC; and

- (d) W&C will have the right to terminate the Secondment of any of the Secondees immediately for cause at any time by providing written notice to SEDCC if:
- (i) any of the Secondees commits any act or makes any omission (whether or not in connection with the Secondment) that would have caused W&C, acting reasonably, to terminate that Secondee's employment if that Secondee was employed by W&C;
 - (ii) any of the Secondees conducts themselves in a manner prejudicial to the business of W&C (whether or not in connection with the Secondment);
 - (iii) any of the Secondees has engaged in dishonesty, fraud, or theft; or
 - (iv) any of the Secondees is convicted of a criminal or summary conviction offence (whether or not in connection with the Secondment).

2.7 Representations and Warranties

SEDCC makes no representations or warranties, and hereby expressly disclaims all representations or warranties, express or implied, with respect to the nature, quantity, or quality of the performance of the Secondees as seconded employees to W&C.

2.8 W&C's Conduct

W&C shall comply with all applicable laws, including employment standards, workers compensation, human rights and occupational health and safety legislation, and any other legal requirements applicable to the working conditions affecting the Secondees during the period of the Secondment.

ARTICLE 3 LIMITATION OF LIABILITY

3.1 Liability

Recognizing that SEDCC will have no direct day to day involvement in the Services provided by the Secondees during the Secondment and that the Services to be performed by the Secondees hereunder shall be under the direction, supervision and control of W&C, SEDCC shall not be liable for any error, omission, mistake, negligence or misconduct of the Secondees in carrying out the duties contemplated by this Agreement.

3.2 No Consequential Damages

The Parties shall not be liable to each other or to any other person for, and shall in no event be liable to indemnify each other or any other person in respect of any special, indirect, consequential or punitive damages resulting or arising out of this Agreement.

including losses and damages resulting from loss of profit, loss of revenues, loss of business opportunities or loss of use suffered by either of them in connection with this Agreement or the performance or non-performance of this Agreement by W&C and/or SEDCC or, as applicable, the Seconddees or any of them, respectively.

ARTICLE 4 NOTICES

Any notice, request for consent or approval, election or other communication provided for or required by this Agreement shall be in writing and shall be delivered by hand, by overnight or other air courier service, or transmitted by facsimile (with an original copy of such communication in any such case delivered by the following business day by overnight courier) addressed to the person to whom such notice is intended to be given at such address as such person may have previously furnished in writing or to such person's last known address. Notices shall be deemed to have been given and received when personally delivered or when transmitted on a business day by facsimile with machine-generated confirmation of transmission without notation of error, if sent before 5:00 p.m. local time of the recipient, otherwise the following business day, or, if sent by overnight or other air courier, on the date on which actually received. The time to respond to any notice shall begin on the date received as described above (or in the case of notices furnished in person or by courier, on the date of affirmative refusal of receipt during normal business hours).

Until receipt of written notice to the contrary, the addresses for notices to the Parties shall be:

If to W&C:

KSV Restructuring Inc.
1165, 324 - 8th Avenue SW
Calgary, AB T2P 2Z2
Attention: Jason Knight, Managing Director
Facsimile Number: 416-932-6266

If to SEDCC:

7-Eleven Canada Inc.
Suite 2400, 13450 – 102nd Avenue
Surrey, BC V3T 0C3
Attention: Eric Rolheiser
Facsimile Number: 604-687-1612

ARTICLE 5 MISCELLANEOUS

5.1 Assignment and Enurement

Neither of the Parties shall assign this Agreement, directly or indirectly, or any part hereof without the prior consent of the other Party. This Agreement shall be binding upon and enure to the benefit of the Parties and their respective successors and permitted assigns.

5.2 Entire Agreement and Amendment

The recitals are hereby incorporated into this Agreement and made a part hereof. This Agreement constitutes the entire agreement between the Parties with respect to the subject matter hereof and there are no other representations, promises, warranties, or agreements, oral or written, by or between the Parties with respect to such subject matter. This Agreement shall only be modified by a written instrument signed by a duly authorized representative of each Party hereto.

5.3 No Rights in Third Parties

Nothing in this Agreement shall entitle any Person other than W&C, SEDCC, and their respective successors and assigns to any claim, cause of action, remedy, or right of any kind.

5.4 Waiver

The failure of any Party at any time or times to enforce or require performance of any provision hereof shall in no way operate as a waiver or affect the right of such Party at a later time to enforce the same. No waiver by any Party of any condition or the breach of any term, covenant, representation, or warranty contained in this Agreement, whether by conduct or otherwise, in any one or more instances, shall be deemed to be construed as a further or continuing waiver of any such condition or breach, or a waiver of any other condition or any breach of any other term, covenant, representation, or warranty contained in this Agreement. Any waiver of an obligation, agreement, or condition contained herein shall be valid and effective only if in writing and signed by the party making such waiver.

5.5 Governing Law

This Agreement and any dispute, controversy, proceedings or claim of whatever nature arising out of, in connection with, or in any way relating to this Agreement, its formation, or in respect of any legal relationship associated with or arising from this Agreement will be governed by and construed in accordance with the laws of the Province of Canada where the Secondment occurs and the applicable laws of Canada therein.

5.6 Counterparts and Facsimile Execution

This Agreement may be executed in counterparts, and may be delivered by facsimile or in electronic PDF form, and when so executed and delivered, each such counterpart is as valid and binding on the Parties as every other such counterpart. If a Party hereto delivers a counterpart by facsimile or in electronic PDF form, that Party shall promptly thereafter deliver to the other Party an originally executed counterpart.

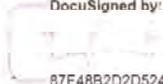
IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed and effective as of the date first above written.

7-Eleven Distribution Canada Corp.

By: 

Title: Logistics Director

**KSV Restructuring Inc., in its capacity
as Monitor of Wallace & Carey Inc.,
and not in its personal or corporate
capacity**

DocuSigned by:

87E48B2D2D52481
By: Jason Knight

Title: Managing Director

Schedule "A"

Teammate Name	SEDCC Position Title	Description of work
Salvucci, Cindy	Financial Controller	Office Work - Accounting
Rupa Ghosh	Accounting Manager	Office Work - Accounting
Somi Addei-Boadu	Accounting Manager	Office Work - Accounting
Armstrong, Lucas J	AR Supervisor	Office Work - Accounting
Vitug, Reynaldo	Senior Accountant	Office Work - Accounting
Thongprasert, Thatanet (Ted)	Accountant	Office Work - Accounting
Nyanthi, Linnet	Tax Specialist	Office Work - Accounting
Ed Obasi	Accountant	Office Work - Accounting
Prakriti Garg	Accountant	Office Work - Accounting
Wei, Yu-Hsuan (Lily)	AP Specialist	Office Work - Accounting
Vashi, Reeti H	AP Specialist	Office Work - Accounting
Malawarair, Kiran	AP Specialist	Office Work - Accounting
Domingo, Raymark	AR Specialist	Office Work - Accounting
Patinge, Shalmali S	AR Specialist	Office Work - Accounting
Hua, Aaron	AR Specialist	Office Work - Accounting
Miller, Heather	Sr Manager Information Technology	Office Work - IT
Ipindamitan, Bayo	FP&A	Office Work - Accounting
Villemaire, Lance	FP&A	Office Work - Accounting