

O110421

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                       **SEVENTH REPORT OF THE MONITOR  
NOVEMBER 22, 2023**

ADDRESS FOR  
SERVICE AND  
CONTACT  
INFORMATION OF  
PARTY FILING THIS  
DOCUMENT

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## 1.0 Introduction

1. Pursuant to an order (the “**Initial Order**”) issued by the Court of King’s Bench of Alberta (the “**Court**”) on June 22, 2023 (the “**Filing Date**”), Wallace & Carey Inc. (“**Wallace & Carey**”), Loudon Bros Limited (“**Loudon Bros**”, and together with Wallace & Carey, the “**Logistics Companies**”) and Carey Management Inc. (“**CMI**”, and together with the Logistics Companies, the “**Applicants**”) were granted protection under the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”), and KSV Restructuring Inc. (“**KSV**”) was appointed monitor of the Applicants (the “**Monitor**”).
2. On June 30, 2023, the Court issued an amended and restated Initial Order (the “**ARIO**”).
3. Pursuant to an order issued by the Court on August 23, 2023, the Applicants carried out a Sale and Investment Solicitation Process (the “**SISP**”) that resulted in a transaction (the “**Transaction**”) with 7-Eleven Canada, Inc. (the “**Purchaser**” or “**7-Eleven**”) that was approved by the Court on November 17, 2023 (the “**Transaction Approval Orders**”). A detailed discussion of the Transaction is provided in the Monitor’s Sixth Report to Court dated November 8, 2023 (the “**Sixth Report**”), a copy of which is provided in **Appendix “A”**, without attachments.
4. Pursuant to the Transaction Approval Orders, the Court:
  - a) approved a sale of certain of the Applicants’ property, assets and undertaking to the Purchaser;
  - b) approved a transition services agreement between CMI, Wallace & Carey and the Purchaser (the “**TSA**”), as more fully discussed in Section 3 below;
  - c) appointed KSV as the receiver (the “**Receiver**”) of the following subsidiaries of CMI:
    - i. 772921 Alberta Inc. (“**772**”), which:
      - owned two warehouses<sup>1</sup>, one in British Columbia (the “**772 Owned BC Property**”) and one in Alberta (the “**772 Owned Alberta Property**”) that are used by Wallace & Carey in its business (jointly, the 772 Owned BC Property and the 772 Owned Alberta Property, the “**772 Owned Real Property**”); and

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<sup>1</sup> The municipal addresses of these properties are 1230 Industrial Road, Kelowna, British Columbia and 5415 and 5445 8<sup>th</sup> Street N.E., Calgary Alberta.

- leased two warehouses<sup>2</sup>, one in British Columbia and one in Alberta, that are also used by Wallace & Carey in its business (the “**772 Leased Real Property**”); and
  - ii. Ridge Meadows Properties Inc. (“**Ridge Meadows**”)<sup>3</sup> and Spruce It Up Land Corp. (“**SIU**”)<sup>4, 5</sup> each of which is subject to security interests in favour of Canadian Western Bank (“**CWB**”) and Canadian Imperial Bank of Commerce (“**CIBC**” or the “**Lender**”); and
  - d) approved the sale and assignment to the Purchaser of the 772 Owned Real Property and the 772 Leased Real Property, respectively.
5. The Court materials filed in these proceedings are available on the Monitor’s case website at [www.ksvadvisory.com/experience/case/wallace-and-carey](http://www.ksvadvisory.com/experience/case/wallace-and-carey).
6. KSV is filing this report (the “**Report**”) as Monitor of the Applicants.

## 1.1 Purposes of this Report

1. The purposes of this Report are to:
- a) provide background information concerning the Applicants and these proceedings (the “**CCAA Proceedings**”);
  - b) discuss and provide the Monitor’s recommendation that:
    - i. the stay of proceedings (the “**Stay**”) in these CCAA Proceedings be extended from November 30, 2023, the date that the Stay presently expires, to and including February 29, 2024;

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<sup>2</sup> Having municipal addresses of 8th Street N.E., Calgary, Alberta, and Unit 5B, 4386 Boban Drive Nanaimo, British Columbia.

<sup>3</sup> Having a municipal address of 255256 Range Road 25, NW Calgary, Alberta.

<sup>4</sup> Having a municipal address of 159 210 Avenue SW, Calgary, Alberta.

<sup>5</sup> The shares of Ridge Meadows and SIU are subject to the CCAA Charges (as defined in Section 2.1 below). CMI is believed to own 100% of Ridge Meadows and 84.57% of SIU.

- ii. the Court approve the Monitor's Reports and the Monitor's activities as disclosed therein from the commencement of the CCAA Proceedings, including its pre-filing activities (the "**Pre-Filing Activities**"), as more fully detailed in the Monitor's reports issued in these proceedings (including its pre-filing report (the "**Pre-Filing Report**") (the "**Monitor's Reports**"). The Monitor's Reports will be provided to the Court, without attachments, under separate cover; and
- iii. the Court approve the fees and expenses of the Monitor and its counsel, Cassels, Brock & Blackwell LLP ("**Cassels**") from the commencement of the CCAA Proceedings to October 31, 2023 and November 5, 2023, respectively, including their pre-filing fees and expenses.

## **1.2 Scope and Terms of Reference**

1. In preparing this Report, the Monitor has relied upon the Applicants' unaudited financial information, books and records and discussions with the Applicants' management and legal counsel.
2. The Monitor has not audited or otherwise attempted to verify the accuracy or completeness of the financial information relied on to prepare this Report in a manner that complies with Canadian Auditing Standards ("**CAS**") pursuant to the Chartered Professional Accountants of Canada Handbook and, accordingly, the Monitor expresses no opinion or other form of assurance contemplated under the CAS in respect of such information. Any party wishing to place reliance on the financial information should perform its own diligence.
3. An examination of any forward-looking financial information discussed herein has not been performed in accordance with the Chartered Professional Accountants of Canada Handbook. Forward-looking financial forecasts and information are based upon various assumptions. Actual results achieved may vary materially from the forecasted results. The Monitor expresses no opinion or other form of assurance on whether the Applicants' businesses will perform in accordance with their financial forecasts and projections.

## **1.3 Currency**

1. All references to currency in this Report are to Canadian dollars.

## 2.0 Applicants' Background

1. CMI is an Alberta corporation and the sole shareholder of Wallace & Carey, which is the sole shareholder of Loudon Bros. In addition to the Logistics Companies, CMI has ownership interests in nine subsidiaries, none of which are subject to the CCAA proceedings. These include 100% of the equity of 772 and Ridge Meadows, and 84.57% of the equity of SIU. CMI's corporate organizational chart is provided in **Appendix "B"**.
2. Wallace & Carey is an Alberta corporation that is extra-provincially registered to conduct business in most provinces and territories in Canada. Wallace & Carey operates from nine leased warehouses.
3. Loudon Bros, located in Thunder Bay, Ontario, is an Ontario corporation that is wholly owned by Wallace & Carey, which until recently operated as its Northwestern Ontario branch. As part of their efforts to downsize their business during these proceedings, the Applicants discontinued the Loudon Bros business. On November 3, 2023, the Court approved a sale of Loudon Bros' real property for gross proceeds of approximately \$1.4 million. The sale closed on November 17, 2023, which was the final significant step in the wind-down of the Loudon Bros business.
4. Pursuant to the terms of the Transaction Approval Order, Wallace & Carey intends to continue to carry on active business operations pursuant to the terms of the TSA. From and after 12:01 a.m. on November 19, 2023 (the "**Effective Closing Time**"), 7-Eleven is responsible to fund substantially all post-Effective Closing Time costs of Wallace & Carey's operations.
5. Wallace & Carey presently has approximately 450 full-time employees. CMI has three employees, being Patrick Carey, the Chair, Daniel Elrod, the Chief Executive Officer, and an administrative employee. All Loudon Bros' employees have been terminated.
6. CIBC provided CMI with a revolving asset-based loan (the "**CIBC Revolving Loan**") and term loan facility (jointly with the CIBC Revolving Loan, the "**CIBC Facilities**"). The CIBC Facilities are guaranteed by the Logistics Companies and various other entities within the Carey corporate group, including 772, SIU and Ridge Meadows (the "**CIBC Facility**"). Pursuant to the terms of a Forbearance Agreement between the Applicants and CIBC dated June 22, 2023 (the "**Forbearance Agreement**"), all amounts owing to CIBC as of the Filing Date under the CIBC Revolving Loan (being approximately \$38.54 million) were repaid

through accounts receivables collections, and all amounts advanced by CIBC since that time were secured by the Lender Priority Charge granted under the Initial Order.

7. As of the Effective Closing Time, CIBC has no continuing obligation to make any advances under the CIBC Facilities, including to fund the costs of the Wallace & Carey business. CIBC's advances to the Applicants are to be repaid through the proceeds of the Transaction, in accordance with the waterfall of distributions created by the various Orders issued in these proceedings, as more fully detailed in the Sixth Report.

### 3.0 The TSA

1. The purpose of the TSA is for Wallace & Carey and CMI to maintain in good standing for the benefit of the Purchaser certain real and personal property leases and other contracts until the Purchaser can determine its long-term intentions for those leases and contracts.
2. During the TSA period, the Purchaser is responsible to fund substantially all of the Applicants' operational costs, including employee costs, real property and personal property leases and other contracts, as well as the fees and costs of the Monitor and its counsel, and certain fees of the Applicants' counsel.
3. The TSA divides the Wallace & Carey business into two regions: the "**Western Business**", being the Wallace & Carey business carried on in British Columbia and Alberta, and the "**Eastern Business**", being the Wallace & Carey business carried on in all Provinces east of Alberta. The duration of the TSA is 15 months and nine months for the Western Business and the Eastern Business, respectively, subject in each case to two 90-day extensions that are available to the Purchaser.
4. Pursuant to the TSA, the majority of Wallace & Carey's employees as of the Closing Date will continue to be employed until (and if) they are hired by one or more service providers identified by the Purchaser, which may include 7-Eleven, or until their services are no longer required, at which time their employment will be terminated and all wages and vacation pay owing to them will be paid. The Purchaser has agreed to encourage any new service provider or providers with which they contract to hire Wallace & Carey's employees.
5. An extension of the Stay is required to allow Wallace & Carey to continue to operate in the ordinary course of business in accordance with the terms of the TSA, and is necessary to allow Wallace & Carey to continue to comply with its obligations in respect of the Transaction, as contemplated by the Transaction Approval Orders.

## 4.0 Cash Flow Forecast

1. The Applicants prepared the cash flow forecast (the “**Cash Flow Forecast**”) for the period November 20, 2023 to February 29, 2024 (the “**Forecast Period**”). The Cash Flow Forecast and the Applicants’ statutory report thereon pursuant to Section 10(2)(b) of the CCAA are attached as **Appendix “C”**.
2. The Cash Flow Forecast reflects that the Applicants are projected to have sufficient liquidity to continue to operate during the Forecast Period.
3. Based on the Monitor’s review of the Cash Flow Forecast, the cash flow assumptions contained therein appear reasonable. The Monitor’s statutory report on the Cash Flow Forecast is attached hereto as **Appendix “D”**.
4. Certain key underlying assumptions of the Cash Flow Forecast include:
  - a) from and after the Effective Closing Time, Wallace & Carey will be operated largely for the benefit of, and at the expense of, the Purchaser; and
  - b) Wallace & Carey is projected to have sufficient funding to pay all costs of its operations accruing from the Effective Closing Time, including payroll, occupancy costs, contractual obligations and tobacco and other taxes.
5. All pre-filing obligations of the Applicants remain stayed. The Purchaser has no obligation to pay any expenses or liabilities of the Applicants prior to the Effective Closing Time.

## 5.0 Stay Extension

1. The Stay currently expires on November 30, 2023. The Applicants are requesting an extension of the Stay until February 29, 2024.
2. The Monitor supports an extension of the Stay for the following reasons, among others:
  - a) the Applicants are acting in good faith and with due diligence;
  - b) an extension of the Stay is consistent with the Transaction Approval Orders and is necessary for the Applicants to be able to carry out their obligations under those Orders and the related Transaction agreements;



- c) the Purchaser would be severely prejudiced if the Stay is not extended. Absent an extension of the Stay, Wallace & Carey's operations are likely to be terminated, resulting in the immediate loss of hundreds of jobs and impairment to 7-Eleven's business;
- d) the Stay will allow Wallace & Carey to continue its ongoing litigation with A&M Enterprise Ltd. dba "Freshslice Pizza" ("**Freshslice**"), collect its non-7-Eleven accounts receivable and to realize on its assets that were not sold to 7-Eleven as part of the Transaction;
- e) as of the date of this Seventh Report, neither the Applicants nor the Monitor are aware of any party opposed to the requested extension; and
- f) given the financial support of the Purchaser, the Applicants are projected to have sufficient liquidity to fund their operations and the costs of these proceedings, as reflected in the Cash Flow Forecast. Accordingly, the Monitor does not believe that any creditor will be prejudiced if the extension is granted.

## **6.0 Monitor's Activities Since the Second Report**

1. The Monitor's Reports describe the Monitor's activities in respect of these CCAA Proceedings. The Monitor believes that it is appropriate that the Court issue an order approving the Monitor's activities and the Monitor's Reports from the commencement of these proceedings, including its Pre-Filing Activities and the Pre-Filing Report. A high-level overview of the Monitor's activities is provided below and can be further ascertained by a review of the Monitor's Reports, which, as noted, will be provided to the Court under separate cover. The Monitor's activities have included:
  - a) communicating on a daily basis with the Applicants' management team regarding all aspects of these proceedings, including the Applicants' financial performance, the SISP, the Transaction and their compliance with the terms of the banking arrangements with CIBC;
  - b) monitoring the Applicants' receipts and disbursements on a daily basis;
  - c) assisting the Applicants in their weekly and other reporting to CIBC;
  - d) attending weekly status calls with CIBC and its financial advisor, PricewaterhouseCoopers LLP, regarding all aspects of these proceedings;

- e) working with the Applicants, CIBC and 7-Eleven to develop the SISP and the terms pursuant to which the Applicants' financial advisor, Alvarez & Marsal Canada Securities ULC ("**A&M**"), would carry out the SISP on behalf of the Applicants;
- f) working extensively with A&M to carry out the SISP;
- g) dealing extensively with the Logistics Companies to obtain services and supplies from their vendors;
- h) dealing extensively with the Logistics Companies' customers regarding fill rate issues;
- i) working with the Logistics Companies and their customers to transition customers to alternative suppliers;
- j) negotiating, on an ongoing basis, with 7-Eleven and CIBC to fund the Applicants' businesses during these proceedings;
- k) dealing with issues related to Logistics' Companies tobacco tax obligations, and dealing with certain of the Provinces regarding same;
- l) assisting the Applicants and A&M with structuring the Transaction and negotiating the Transaction agreements;
- m) working with the Applicants, CIBC, 7-Eleven and A&M to prepare financial models in respect of the Transaction;
- n) preparing various financial analyses, including liquidation analyses, comparing the value of the Transaction to a liquidation scenario;
- o) reviewing and commenting on all materials filed by the Applicants and other parties in these proceedings;
- p) considering a sale of the Applicants' real property, including the real property owned by CMI's subsidiaries, Ridge Meadows and SIU;
- q) dealing with CWB in respect of its mortgage on the real property owned by CMI's subsidiaries;
- r) overseeing the Applicants' litigation with Fresh Slice;
- s) drafting the Monitor's Reports, including this Report;

- t) attending at the various hearings in these proceedings;
- u) complying with the Monitor’s statutory and reporting obligations; and
- v) maintaining the Case Website.

## 7.0 Professional Fees

### 7.1 Monitor’s Fees and Costs

1. Pursuant to paragraph 31 of the ARIO, the Monitor and its counsel are to be paid their reasonable fees and disbursements at their standard rates and charges.
2. The fees and disbursements (excluding sales taxes) of the Monitor and Cassels from the commencement of these proceedings (including their fees and costs assisting the Applicants to prepare for these proceedings) to October 31, 2023 and November 5, 2023 total approximately \$1,134,146.11 and \$392,232.10, respectively.
3. The Monitor has maintained detailed records of its professional time and costs. Copies of the invoices issued by the Monitor for the period prior to the date of the Initial Order (June 22, 2023) through to October 31, 2023 (the “**Monitor’s Fee Period**”) are included in the affidavit of Robert Kofman, a representative of the Monitor, which is attached hereto as Appendix “E” (collectively, the “**Monitor’s Invoices**”). A summary of the Monitor’s Invoices for the Fee Period is provided in the table below.

Invoice Date	Fees (\$)	Disbursements (\$)	GST (\$)	Total (\$)
July 12, 2023	131,938.75	720.09	6,632.94	139,291.78
August 21, 2023	254,257.00	125.73	12,719.14	267,101.87
September 15, 2023	273,461.75	0.00	13,673.09	287,134.84
October 17, 2023	240,219.50	19.54	12,011.95	252,250.99
November 16, 2023	233,403.75	0.00	11,670.19	245,073.94
<b>Total</b>	<b>1,133,280.75</b>	<b>865.36</b>	<b>56,707.31</b>	<b>1,190,853.42</b>

4. The Monitor’s average hourly rate for the referenced billing period was \$590.57.
5. Accordingly, the Monitor seeks this Court’s approval of its fees and disbursements for the Monitor’s Fee Period in the amount of \$1,134,146.11, before sales taxes.

6. It is the Monitor’s opinion that the fees and disbursements of the Monitor accurately reflect the work done by the Monitor in connection with these proceedings. The Monitor is of the view that the work completed by the Monitor was delegated to the appropriate professionals in the Monitor’s organization based on experience, seniority and hourly rates. To the best of the Monitor’s knowledge, the Monitor’s Fees are commensurate with fees charged by similar firms in Alberta with the capacity to handle a file of size and complexity comparable to this matter.

## 7.2 Cassels’ Fees and Costs

1. A summary of Cassels’ fees and disbursements is included in the first affidavit of Danielle Marechal (the “**Marechal Affidavit**”) (attached hereto as Appendix “**F**”) from the commencement of these proceedings (including their fees and costs assisting the Applicants to prepare for these proceedings) to November 5, 2023. Cassels’ invoices are summarized in the table below.

Invoice Date	Fees (\$)	Disbursements (\$)	GST (\$)	Total (\$)
July 20, 2023	107,971.00	1,527.72	5,439.58	114,938.30
July 28, 2023	43,675.50	-	2,183.78	45,859.28
August 8, 2023	51,737.50	-	2,586.88	54,324.38
September 7, 2023	18,183.50	138.02	913.93	19,235.45
September 26, 2023	22,797.00	40.00	1,139.85	23,976.85
October 10, 2023	49,649.00	-	2,482.45	52,131.45
October 23, 2023	27,557.00	153.08	1,382.16	29,092.24
November 6, 2023	68,400.50	402.28	3,432.04	72,234.82
<b>Total</b>	<b>389,971.00</b>	<b>2,261.10</b>	<b>19,560.67</b>	<b>411,792.77</b>

2. The Monitor seeks approval of Cassels’s fees and disbursements (excluding sales taxes) in the amount of \$392,232.10 (“**Cassels’s Fees**”).
3. With respect to Cassels’s Fees, the Monitor confirms that:
  - a) it has examined all invoices issued by Cassels in respect thereof;
  - b) the services were duly authorized and rendered; and
  - c) in its opinion, the charges are reasonable.
4. The Monitor is of the view that the hourly rates charged by Cassels are consistent with the rates charged by corporate law firms practicing in the areas of corporate insolvency and restructuring in the Alberta market, and that the overall fees charged by Cassels are reasonable and appropriate in the circumstances.

## 8.0 Conclusion

1. Based on the foregoing, the Monitor respectfully recommends that this Honourable Court grant the relief sought by the Applicants at the November 29, 2023 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”**

COURT FILE NUMBER

2301 – 08305

COURT

2301- \_\_\_\_\_  
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



LL

C110668

Nov 17, 2023  
COM

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

CANADIAN IMPERIAL BANK OF COMMERCE v. 772921  
ALBERTA INC.; SPRUCE IT UP LAND CORP. and RIDGE  
MEADOWS PROPERTIES LTD.

DOCUMENT

SIXTH REPORT OF THE MONITOR AND  
PRE-FILING REPORT OF THE PROPOSED RECEIVER  
DATED NOVEMBER 8, 2023

ADDRESS FOR  
SERVICE AND  
CONTACT  
INFORMATION OF  
PARTY FILING THIS  
DOCUMENT

**MONITOR AND PROPOSED RECEIVER**

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## 1.0 Introduction

1. Pursuant to an order (the “**Initial Order**”) issued by the Court of King’s Bench of Alberta (the “**Court**”) on June 22, 2023 (the “**Filing Date**”), Wallace & Carey Inc. (“**Wallace & Carey**”), Loudon Bros Limited (“**Loudon Bros**”, and together with Wallace & Carey, the “**Logistics Companies**”) and Carey Management Inc. (“**CMI**”, and together with the Logistics Companies, the “**Applicants**”) were granted protection under the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”), and KSV Restructuring Inc. (“**KSV**”) was appointed monitor of the Applicants (the “**Monitor**”).
2. KSV is filing this report (the “**Report**”) as Monitor of the Applicants and as proposed receiver and manager of the property, assets and undertaking of:
  - a) 772921 Alberta Inc. (“**772**”), which:
    - i. owns two warehouses<sup>1</sup>, one in British Columbia (the “**772 Owned BC Property**”) and one in Alberta (the “**772 Owned Alberta Property**”) that are used by Wallace & Carey in its business (jointly, the 772 Owned BC Property and the 772 Owned Alberta Property, the “**772 Owned Real Property**”); and
    - ii. leases two warehouses<sup>2</sup>, one in British Columbia and one in Alberta, that are also used by Wallace & Carey in its business (the “**772 Leased Real Property**”); and
  - b) Ridge Meadows Properties Inc. (“**Ridge Meadows**”)<sup>3</sup> and Spruce It Up Land Corp (“**SIU**”)<sup>4,5</sup> each of which is subject to security interests in favour of Canadian Western Bank (“**CWB**”) and Canadian Imperial Bank of Commerce (“**CIBC**” or the “**Lender**”). (Collectively, the 772 Owned Real Property, the 772 Leased Real Property and the properties owned by 772, Ridge Meadows and SIU are referred to as the “**Non-Applicant Real Property**”.)

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<sup>1</sup> The municipal addresses of these properties are 1230 Industrial Road, Kelowna, British Columbia and 5415 and 5445 8<sup>th</sup> Street N.E., Calgary Alberta.

<sup>2</sup> Having municipal addresses of 8th Street N.E., Calgary, Alberta, and Unit 5B, 4386 Boban Drive Nanaimo, British Columbia.

<sup>3</sup> Having a municipal address of 255256 Range Road 25, NW Calgary, Alberta.

<sup>4</sup> Having a municipal address of 159 210 Avenue SW, Calgary, Alberta.

<sup>5</sup> The shares of Ridge Meadows and SIU are subject to the CCAA Charges (as defined in Section 2.1 below). CMI is believed to own 100% of Ridge Meadows and 84.57% of SIU.

## 1.1 Purposes of this Report

1. The purposes of this Report are to:

- a) provide background information concerning the Applicants and these proceedings;
- b) discuss the Sale and Investment Solicitation Process (“**SISP**”) carried out by Alvarez & Marsal Canada Securities ULC (“**A&M**”), as the Applicants’ financial advisor (the “**Financial Advisor**”), under the supervision of the Monitor;
- c) discuss a transaction (the “**Transaction**”) between the Applicants and 7-Eleven Canada, Inc. (“**7-Eleven**” or the “**Purchaser**”) that is intended to maximize recoveries to stakeholders, which includes:
  - i. pursuant to an agreement of purchase and sale dated November 7, 2023 (the “**W&C APA**”):
    - the purchase of certain of the Applicants’ personal property, information technology and intellectual property assets used in the Wallace & Carey business in British Columbia and Alberta (the “**Western Business**”);
    - the purchase of 7-Eleven designated inventory; and
    - the payment of accounts receivable owing by 7-Eleven to Wallace & Carey;
  - ii. the entering into of a Transition Services Agreement (“**TSA**”) upon closing of the Transaction among Wallace & Carey, CMI, the Purchaser and the Monitor that contemplates:
    - the businesses of the Logistics Companies continuing to operate following closing of the Transaction for the benefit of the Purchaser while the Applicants remain under CCAA protection;
    - the Purchaser funding substantially all of the Applicants’ operational and professional costs from and after the closing of the Transaction, including the fees and costs of the Monitor and its counsel, Cassels, Brock & Blackwell LLP (“**Cassels**”);

- an option granted to the Purchaser to acquire certain additional assets (the “**Optional Purchased Assets**”) used by the Logistics Companies that are not being acquired by 7-Eleven on closing of the Transaction, including certain assets located in provinces east of Alberta (the “**Eastern Business**”); and
  - the retention of most of the employees of Wallace & Carey<sup>6</sup> during, at least, the term of the TSA, and potentially thereafter, as further detailed below;
- iii. releases (the “**Releases**”) granted in favour of certain persons, including the Applicants’ director and officers, as contemplated by the form of Approval and Vesting Order (the “**CCAA AVO**”);
  - iv. the appointment of KSV as receiver and manager of the property, assets and undertaking of 772, Ridge Meadows and SIU (if so appointed, the “**Receiver**”), pursuant to a receivership application brought by CIBC as secured creditor of each of 772, SIU and Ridge Meadows;
  - v. a sale by the Receiver to the Purchaser immediately following its appointment of the real property owned by 772, as set out in an agreement of purchase and sale between the Purchaser and the Receiver (the “**Receivership APS**”);
  - vi. an assignment pursuant to the Receivership APS by the Receiver to the Purchaser of the leases for 772 Leased Real Property; and
  - vii. a marketing process for the Non-Applicant Real Properties owned by Ridge Meadows and SIU;
- d) recommend that the sale proceeds from the Transaction, as well as the proceeds from the Optional Purchased Assets, certain assets excluded from the transaction (the “**Excluded Assets**”) and the Non-Applicant Real Property (collectively, the “**Net Distributable Proceeds**”) be paid to stakeholders (including CIBC and CWB) in accordance with the priorities established by the ARIO and the Ancillary Order (each as defined below), and applicable law;

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<sup>6</sup> As of the date of this Report, all Loudon Bros. employees have been terminated.

- e) discuss the next steps in these proceedings; and
- f) provide the reasons in support of the Monitor's recommendation that the Court issue:
  - i. the CCAA AVO, among other things, approving the W&C APA, the TSA, the Releases and a distribution of the Net Distributable Proceeds of the assets subject to the CCAA Proceeding, as discussed herein;
  - ii. an order (the "**Receivership Order**") sought by CIBC appointing KSV as the Receiver and authorizing the Receiver to market the Non-Applicant Real Properties owned by Ridge Meadows and SIU through the retention of a real estate broker identified by the Receiver;
  - iii. an order (the "**Receivership AVO**") approving:
    - the Receivership APS, including the sale of the 772 Owned Real Property to the Purchaser, and the assignment of the 772 Leased Real Property to the Purchaser, in each case free and clear of encumbrances other than permitted encumbrances; and
    - authorizing a distribution of the Net Distributable Proceeds of the assets subject to the Receivership Proceeding, as discussed herein; and
  - iv. sealing **Confidential Appendix "1"** for the reasons provided in Section 7 of this Report until the earlier of the termination of these proceedings or Order of this Court.

## 1.2 Scope and Terms of Reference

1. In preparing this Report, the Monitor has relied upon the Applicants' unaudited financial information, books and records and discussions with the Applicants' management and legal counsel.
2. The Monitor has not audited or otherwise attempted to verify the accuracy or completeness of the financial information relied on to prepare this Report in a manner that complies with Canadian Auditing Standards ("**CAS**") pursuant to the Chartered Professional Accountants of Canada Handbook and, accordingly, the Monitor expresses no opinion or other form of assurance contemplated under the CAS in respect of such information. Any party wishing to place reliance on the financial information should perform its own diligence.

3. An examination of any forward-looking financial information discussed herein has not been performed in accordance with the Chartered Professional Accountants of Canada Handbook. Forward-looking financial forecasts and information are based upon various assumptions. Actual results achieved may vary materially from the forecasted results. The Monitor expresses no opinion or other form of assurance on whether the Applicants' businesses will perform in accordance with their financial forecasts and projections.

### 1.3 Currency

1. All references to currency in this Report are to Canadian dollars.

## 2.0 Applicants' Background

1. CMI is an Alberta corporation and the sole shareholder of Wallace & Carey, which is the sole shareholder of Loudon Bros. In addition to the Logistics Companies, CMI has ownership interests in nine subsidiaries, none of which are subject to the CCAA proceedings. These include 100% of the equity of 772 and Ridge Meadows, and 84.57% of the equity of SIU. CMI's corporate organizational chart is provided in **Appendix "A"**.
2. Wallace & Carey is an Alberta corporation that is extra-provincially registered to conduct business in most provinces and territories in Canada. Wallace & Carey operates from nine leased warehouses.
3. Loudon Bros, located in Thunder Bay, Ontario, is an Ontario corporation that is wholly owned by Wallace & Carey which until recently operated as its Northwestern Ontario branch. As part of their efforts to downsize their business during these proceedings, the Applicants decided to discontinue the Loudon Bros business. On November 3, 2023, the Court approved a sale of Loudon Bros' real property for gross proceeds of approximately \$1.4 million. The sale is scheduled to close on or before November 17, 2023, which will be the final significant step in the wind-down of the Loudon Bros business.
4. Wallace & Carey is continuing to carry on active business operations. 7-Eleven is by far the most significant customer of Wallace & Carey. It presently represents substantially all of Wallace & Carey's revenue.
5. As of the Filing Date, the Logistics Companies employed approximately 600 full-time and 50 part-time employees. Wallace & Carey presently has approximately 450 full-time employees. CMI has three employees, being Patrick Carey, the Chair, Daniel Elrod, the Chief Executive Officer, and an administrative employee.

6. CIBC provides CMI with a revolving asset-based loan (the "**CIBC Revolving Loan**") and term loan facility, which is guaranteed by the Logistics Companies and various other entities within the Carey corporate group, including 772, SIU and Ridge Meadows (the "**CIBC Facility**"). Pursuant to the terms of a Forbearance Agreement between the Applicants and CIBC dated June 22, 2023 (the "**Forbearance Agreement**"), all amounts owing to CIBC as of the Filing Date under the revolving portion of the CIBC Facility (being approximately \$38.54 million) have been repaid through accounts receivables collections, and all amounts advanced by CIBC since that time are secured by the Lender Priority Charge (as defined below).
7. Pursuant to the Forbearance Agreement, CIBC was also to be provided a mortgage on the Non-Applicant Real Property, which mortgage was to rank behind CWB's mortgage on the same real property. The agreed mortgages were executed on July 20, 2023 and registered on the Non-Applicant Real Property on September 12, 2023.
8. At this time, the Forbearance Agreement has terminated as a result of the occurrence of certain Terminating Events described therein; however, CIBC has continued to fund the business of the Applicants subject to the borrowing limits of the CIBC Credit Agreement (as defined in the Initial Order) primarily for the purpose of completing the Transaction. The Monitor also understands that certain amendments to the CIBC Credit Agreement concerning, *inter alia*, enhanced reporting required by CIBC are in the process of being documented.

## 2.1 CCAA Proceedings

1. Pursuant to the terms of the Initial Order, *inter alia*, the Court:
  - a) granted a stay of proceedings in favour of the Applicants and their directors and officers to and including July 1, 2023;
  - b) approved the Applicants' use of the centralized cash management system provided by CIBC to the Applicants;
  - c) granted charges on the Applicants' current and future assets, property and undertakings in the following amounts and priority:
    - i. first, a charge in the amount of \$250,000 in favour of the Applicants' legal counsel (Miller Thomson LLP), the Monitor and its counsel, Cassels, to secure the fees and disbursements of those firms (the "**Administration Charge**");

- ii. second, a charge in the amount of \$55 million plus interest, fees and expenses for all post-filing advances (the “**Lender Priority Charge**”) made by CIBC under the existing CIBC Credit Agreement as amended pursuant to the terms of the Forbearance Agreement;
    - iii. third, a charge in the amount of \$3.33 million in favour of the directors and officers of the Applicants (the “**D&O Charge**”);
    - iv. fourth, the Encumbrances existing as of the date of the Initial Order in favour of the Lender securing the pre-filing obligations owing under the CIBC Credit Agreement including, for greater certainty, obligations in connection with the BCAP Loan (the “**CIBC Pre-Filing Security**”); and
    - v. fifth, a charge in the amount of \$18 million in favour of provincial and territorial authorities for amounts required to be remitted by the Logistics Companies under the *Tobacco Tax Act*, RSA 2000, c. T-4 or under any other applicable provincial legislation or laws (the “**Tobacco Tax Charge**”, and collectively with the Lender Priority Charge, the Administration Charge and the D&O Charge, the “**CCAA Charges**”); and
  - d) permitted the Logistics Companies to pay certain pre-filing tobacco tax obligations pursuant to the Tobacco Tax Payment Plans (as defined in the Initial Order), subject to the terms of the Forbearance Agreement and first obtaining the Monitor’s consent.
2. On June 30, 2023, the Applicants’ comeback application was heard and the Court granted:
- a) an amended and restated Initial Order (the “**ARIO**”) (provided in **Appendix “B”**) which, among other things:
    - i. extended the stay of proceedings to and including September 20, 2023;
    - ii. increased the maximum amount of the CCAA Charges, as follows:
      - Administration Charge to \$750,000;
      - D&O Charge to \$4 million; and
      - Tobacco Tax Charge to \$25 million; and

- b) an Order providing for the Applicants' continued access to certain fuel service cards, known as the Mobil Fleet Cards.
3. Pursuant to certain restructuring milestones in the Forbearance Agreement, the Applicants were required within 40 days of the Initial Order to deliver for acceptance by CIBC a pro forma business model and financial forecast for the restructured business of the Applicants following implementation of a proposed plan consistent with a plan term sheet (the "**Term Sheet Milestone**"). Pursuant to the terms of the first amendment to the Forbearance Agreement dated July 18, 2023, CIBC provided certain accommodations to the Applicants and the Applicants were required to, *inter alia*, retain a financial advisor for the purpose of the SISP. Subsequently, certain defaults arose under the Forbearance Agreement, as amended, including in respect of the Term Sheet Milestone, and on August 2, 2023, CIBC provided notice to the Applicants of the occurrence of certain Terminating Events (as defined in the Forbearance Agreement).
4. On August 9, 2023, the Monitor filed its second report to Court (the "**Second Report**") which, among other things:
- a) was drafted in the context of Section 23(1)(d)(i) of the CCAA, which requires the Monitor to file a report with the Court advising on the state of a company's business and financial affairs upon ascertaining a material adverse change (a "**MAC**") in the company's projected cash flow or financial circumstances;
  - b) discussed financial and other challenges being faced by the Applicants and the efforts being taken at the time by the Applicants, the Monitor, CIBC and 7-Eleven to address those challenges;
  - c) provided a comparison of the Applicants' cash flow forecast for the period June 18 to September 30, 2023 against actual results; and
  - d) advised that the Monitor would file a further report with the Court advising on the status of the Applicants' efforts to address the issues resulting from the MAC.



5. On August 11, 2023, the Monitor filed a supplement to the Second Report (the “**Second Report Supplement**”). The Second Report Supplement provided stakeholders with a copy of the Second Forbearance Amendment between, among others, CIBC and the Applicants. The Second Forbearance Amendment, among other things, provided the Applicants with enhanced availability of approximately \$10 million of credit under their existing financing arrangements with CIBC based on additional credit support provided by 7-Eleven to CIBC pursuant to a cash collateral agreement (the “**Cash Collateral Agreement**”). The Applicants advised that they expected that the additional capital would address their challenges and would lead to improved customer fill rates, and therefore financial performance. Copies of the Second Report and the Second Report Supplement are provided in **Appendices “C”** and “**D**”, respectively, without appendices.
  
6. On August 21, 2023, the Monitor prepared and filed its Third Report to Court (the “**Third Report**”) which provided, among other things, the Monitor’s recommendations that the Court issue:
  - a) an order (the “**SISP Approval Order**”) among other things, approving the SISP and authorizing the Applicants, in consultation and co-operation with A&M, under the oversight of the Monitor, to conduct the SISP; and
  
  - b) an order (the “**Ancillary Order**”), among other things:
    - i. extending the stay of proceedings to and including November 30, 2023;
  
    - ii. approving the engagement of A&M as the Financial Advisor, pursuant to an agreement dated August 13, 2023 between the Applicants and A&M, and associated changes to the ARIO, including:
      - increasing the amount of the Administration Charge from \$750,000 to \$850,000 to include a work fee payable to A&M in connection with the SISP and its role as the Financial Advisor; and
  
      - granting a charge on the Applicants’ current and future assets, property and undertakings in favour of A&M to secure a fee payable to A&M upon completion of a qualifying transaction (the “**Transaction Fee**”), which is only subordinate to the Administration Charge.

7. On September 18, 2023, CIBC delivered to the Applicants a notice that certain additional Terminating Events had occurred and that CIBC was reserving all rights in respect of such, but provided that CIBC would continue to advance funding to the Applicants, subject to the borrowing limits of the CIBC Credit Agreement, unless and until two days following the delivery by CIBC of notice to the Applicants and the Monitor of CIBC's intention to discontinue funding.
8. On September 19, 2023, the Monitor filed its Fourth Report to Court (the "**Fourth Report**") which advised of a further MAC, as reflected by the Applicants' cash flow projection finalized on September 13, 2023. The MAC arose because the Applicants were not projected to have sufficient liquidity under the CIBC Revolving Loan to fund all forecasted disbursements in the ordinary course, unless the Logistics Companies deferred the payment of certain pre-filing and post-filing tobacco taxes (the "**Accrued Tobacco Taxes**") or made significant reductions to their inventory purchases (which was anticipated to impair the viability of the Logistics Business).
9. On October 7, 2023, the Monitor filed its Supplemental Report to the Fourth Report (the "**Fourth Report Supplement**"), which provided:
  - a) a summary of the dialogue among the Applicants, the Monitor and representatives of certain Provinces concerning the Accrued Tobacco Taxes and the payment by the Applicants of such taxes going-forward;
  - b) a further revised cash flow projection;
  - c) an update in respect of certain additional financial support provided by 7-Eleven;
  - d) an update concerning a third amendment to the Forbearance Agreement (the "**Third Amendment**"), which was expected to be finalized in the week following the filing of the Fourth Report Supplement and in respect of which the Monitor advised it would file a further supplemental report once finalized (the "**Second Supplement to the Fourth Report**");
  - e) an update concerning the SISP; and
  - f) the Monitor's recommendation that these proceedings continue so that the Applicants could complete the SISP, which was being advanced on an expedited basis given the Applicants' ongoing liquidity challenges.

10. Copies of the Fourth Report and the Fourth Report Supplement are provided in **Appendices “E” and “F”**, respectively, without appendices.
11. As of the date of this Report, a Third Amendment has not been finalized; however, CIBC has continued to make its revolving loan facility available to the Applicants, subject to the borrowing limits of the CIBC Credit Agreement and the reliance on certain additional financial support provided by 7-Eleven, so that the Applicants could fund their normal course business operations and complete the SISP, including the Transaction.
12. On October 30, 2023, the Monitor served its Fifth Report to Court, which recommended a sale of the Loudon Bros real property located in Thunder Bay, Ontario. The Court approved that transaction on November 3, 2023 and the sale is expected to close by no later than November 17, 2023.
13. The Court materials filed in these proceedings, including this Report, are available on the Monitor’s case website at [www.ksvadvisory.com/experience/case/wallace-and-carey](http://www.ksvadvisory.com/experience/case/wallace-and-carey).

## **3.0 SISP**

### **3.1 Background**

1. The Applicants were required to commence the SISP due to their ongoing liquidity challenges and the absence of an executable restructuring plan.
2. As a result of negotiations among the Applicants, 7-Eleven, CIBC and the Monitor, the Applicants, 7-Eleven, and CIBC entered into the Cash Collateral Agreement on August 10, 2023, which resulted in an increase in the Applicants’ availability under the CIBC Facility. Pursuant to the Cash Collateral Agreement, the parties thereto agreed to the following key terms, among others:
  - a) 7-Eleven would provide \$9 million (the “**Cash Collateral**”) to be held by CIBC;
  - b) upon receipt by CIBC of the Cash Collateral, CIBC would promptly (i) increase the borrowing base under the CIBC Facility by an amount equal to the Cash Collateral, and (ii) increase the borrowing base under the CIBC Facility by not less than \$2 million;

- c) 7-Eleven agreed to execute and deliver to and in favour of CIBC a Limited Recourse Guarantee, therein guaranteeing the obligations of Wallace & Carey under the CIBC Credit Agreement, as well as a Cash Collateral Agreement granting to CIBC a security interest in the Cash Collateral (collectively, the “**7-Eleven Security Documents**”);
  - d) the Applicants would schedule a Court hearing to approve the SISP;
  - e) as consideration for 7-Eleven providing the Cash Collateral, the Applicants agreed (i) to pay 7-Eleven a fully earned fee equal to \$1 million; and (ii) 7-Eleven would be granted the 7-Eleven SISP Rights, including the right to be a stalking horse purchaser in the SISP, as discussed further in paragraph 3.2.3 below; and
  - f) on a monthly basis, the Applicants agreed to pay 7-Eleven interest at the rate of 10% per annum, less any amounts received from CIBC on account of the Cash Collateral, until same has been returned to 7-Eleven in full.
3. On August 10, 2023, the Cash Collateral Agreement, 7-Eleven Security Documents and Second Forbearance Amendment were executed and 7-Eleven funded the Cash Collateral amount. Accordingly, the Applicants were provided approximately \$10 million of additional liquidity under the CIBC Facility (which amounts are secured under the Lender Priority Charge) for general working capital purposes, including to purchase inventory intended to improve customer fill rates and to provide the Applicants the opportunity to advance the SISP.
4. Pursuant to the Cash Collateral Agreement, CIBC is not permitted to seek repayment of the amounts owing to it by the Applicants from the Cash Collateral until it has realized upon all of the tangible property of Wallace & Carey, CMI and the CMI subsidiaries over which CIBC holds security.
5. The guarantee by 7-Eleven was amended on or about October 6, 2023 to, among other things, increase the guarantee given by 7-Eleven to CIBC of the Applicants’ indebtedness from \$9 million to \$11.5 million. The guarantee by 7-Eleven was further amended on or about November 3, 2023 to among other things, increase the guarantee given by 7-Eleven to CIBC of the Applicants’ indebtedness from \$11.5 million to \$15 million.

### 3.2 SISP Overview<sup>7</sup>

1. Pursuant to the SISP, interested parties were provided the opportunity to submit offers to:
  - a) acquire all, substantially all or a portion of the Property or the Business;
  - b) make an investment in, restructure, reorganize or refinance the Business;
  - c) carry out any combination of a Sale Proposal and an Investment Proposal; or
  - d) form a partnership with the Applicants, or any of them, by way of joint-venture or otherwise.
2. The following table provides the key milestones and dates under the SISP Approval Order.

[REDACTED]	
SISP Launch Date	August 30, 2023
Phase 1 Bid Deadline	October 5, 2023
Phase 2 Bid Deadline	November 2, 2023
Hearing of the Transaction Approval Application	Subject to the availability of the Court
Target Closing Date	On or before December 4, 2023

3. The SISP was designed as a two-stage process, with letters of intent to be submitted by the Phase 1 Bid Deadline and binding agreements to be submitted at the Phase 2 Bid Deadline.
4. Notwithstanding that 7-Eleven was granted the right to submit a stalking horse bid pursuant to the SISP, 7-Eleven did not exercise that right.

### 3.3 SISP Summary

1. A&M conducted a comprehensive process to solicit interest in the SISP, by contacting 190 parties, including 12 lending institutions, 141 private equity firms and 37 strategic parties, of which:

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<sup>7</sup> Defined terms in this Section of the Report have the meaning provided to them in the SISP Approval Order, unless otherwise defined herein.

- a) 47 parties executed a non-disclosure agreement (the “**NDA**”) and were granted access to an electronic data room, including 32 private equity firms, ten strategic parties and five lenders; and
  - b) four parties submitted non-binding expressions of interest/letters of intent (each an “**EOI**”), including one strategic party, two private equity firms and one lender.
2. A&M has provided the Monitor with a report concerning its conduct of the SISP and its recommendation of the Transaction. A copy of A&M’s report is provided in **Appendix “G”**.
3. As a result of the Applicants’ significant liquidity challenges, which continued notwithstanding the Cash Collateral Agreement, the Applicants, A&M and the Monitor, with the consent of CIBC, believed it was necessary to expedite the SISP timelines.
4. Accordingly, A&M encouraged the parties most interested in the transaction opportunity to provide EOIs at the earliest possible opportunity, which EOIs were to include, among other things, an overview of the proposed transaction structure, an indication of value, any outstanding due diligence and an estimated timeline to complete a transaction. A&M engaged with each party participating in the SISP at that time to facilitate their due diligence, including organizing meetings between certain interested parties and representatives of 7-Eleven.
5. As noted, four parties submitted EOIs on or before October 5, 2023. Given the critical importance of the 7-Eleven relationship to the Wallace & Carey business, each of the parties that submitted an EOI required that a new service agreement be executed with 7-Eleven, with the exception of the prospective lender, which required an equity investment.
6. During September 2023, 7-Eleven expressed concerns to the Monitor about the Applicants’ eroding financial and operational performance, lack of liquidity, the ability of the interested parties performing due diligence in the SISP to meet their service needs, and the amount of time that would be required to negotiate a new service agreement with one or more of these parties. 7-Eleven, however, also advised that it was not prepared at that time to exercise its right to submit a stalking horse bid nor to make a definitive offer for the Applicants’ business as its due diligence was not yet complete.

7. Following the Fourth Report (i.e., the second MAC report), discussions among A&M, the Monitor and 7-Eleven advanced rapidly concerning a transaction based on the structure detailed in this Report. On September 27, 2023, 7-Eleven sent an email to the Monitor outlining the terms of a proposed transaction. Those terms were incorporated into a draft term sheet between the Applicants and 7-Eleven that formed the basis of the Transaction documents. As the term sheet was non-binding, the parties' focus shifted to the definitive documents rather than finalizing the term sheet.

## 4.0 The Transaction<sup>8</sup>

1. The following are the primary Transaction documents:

- a) the W&C APA;
- b) the TSA; and
- c) the Receivership APS.

Each document is summarized below.

2. The W&C APA sets out the terms pursuant to which:

- a) the Applicants will sell to the Purchaser certain personal property forming part of the Western Business;
- b) the Purchaser will pay for 7-Eleven designated inventory; and
- c) the Purchaser will pay for all validated accounts receivable it owes to Wallace & Carey.

3. The W&C APA attaches a form of the TSA which is to be executed by the parties at closing of the Transaction. The TSA sets out the terms on which (i) the Purchaser will be provided an option following closing to purchase certain remaining assets used in the operation of the Western Business and the Eastern Business, including a lease for a warehouse used by Wallace & Carey in Oakville, Ontario that is believed to have considerable value; and (ii)

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<sup>8</sup> Unless otherwise defined in this Report, defined terms have the meanings provided to them in the Transaction Documents.

Wallace & Carey will continue to operate for the benefit of the Purchaser under CCAA protection, including:

- a) the duration of the TSA, being 15 months and nine months for the Western Business and the Eastern Business, respectively, subject in each case to two 90-day extensions that are available to the Purchaser; and
  - b) the Purchaser shall fund from and after closing, substantially all of the Applicants' operational costs, including employee costs, real property and personal property leases and other contracts, as well as the fees and costs of the Monitor and its counsel, and certain fees of the Applicants' counsel.
4. The execution of the TSA by the parties thereto is a critical part of the Transaction. The purpose of the TSA is for Wallace & Carey and CMI to maintain in good standing for the benefit of the Purchaser certain real and personal property leases and other contracts until the Purchaser can determine its long-term intentions for those leases and contracts.
  5. Pursuant to the TSA, the majority of Wallace & Carey's employees as of the Closing Date will continue to be employed until (and if) they are hired by one or more service providers identified by the Purchaser, which may include 7-Eleven, or until their services are no longer required, at which time their employment will be terminated and all wages and vacation pay owing to them will be paid. Additionally, the Purchaser has agreed to encourage any new service provider or providers with which they contract to hire Wallace & Carey's employees.
  6. The Receivership APS sets out the terms pursuant to which KSV, if appointed as Receiver of 772, is to sell and transfer to the Purchaser, respectively, the 772 Owned Real Property and 772's interest in the 772 Leased Real Property. These properties were marketed as part of the SISP. Pursuant to the terms of the Receivership APS, the Purchaser shall purchase the 772 Owned Real Property for the purchase price of \$14.92 million. The purchase price for the 772 Owned Real Property was determined through (i) an arm's length process conducted by a commercial real estate agent for the 772 Owned BC Property, in which the Purchaser's offer was the highest offer; and (ii) an estimate of value based on an appraisal sourced by the Applicants that was updated by the Monitor to reflect the current market value for the 772 Owned Alberta Property.



7. Other notable provisions of the Transaction include:
- a) from and after the Closing Date, the Lender will have no further obligation to fund the Applicants' operating costs;
  - b) the key terms of the Transaction are consistent with the terms of a standard insolvency transaction, i.e., on an "as is, where is" basis, with limited representations and warranties from the Applicants or the Receiver, as the case may be;
  - c) the closing of the W&C APA and the Receivership APS are conditional on the closing of each other;
  - d) the CCAA AVO in respect of the W&C APA provides for the Releases (as discussed in Section 4.3 below);
  - e) the CCAA AVO provides for an assignment of the Assigned Contracts listed on Schedule "B" to the W&C APA to the Purchaser provided that amounts required to be paid pursuant to section 11.3(4) of the CCAA have been paid by the Purchaser. The Monitor understands that the Applicants and the Purchaser are attempting to reach out to counterparties of the Assigned Contracts to obtain their consent to assignment. However, given the timing of the expected closing of this transaction, it is likely not possible to do so for all Assigned Contracts. In this respect, the Monitor notes that the Purchaser has agreed under the W&C APA to assume the obligations under the Assigned Contracts. Based on information provided to the Monitor by the Purchaser, the Monitor also understands that 7-Eleven will be able to perform the obligations under the Assigned Contracts and that it would be appropriate to assign the rights and obligations to the Purchaser;
  - f) With respect to any real property lease assignments required under the Transaction, the Applicants' counsel has advised that each of the relevant landlords has indicated that it is prepared to consent to an assignment of the relevant lease. The Monitor understands that the Applicants' counsel intends to obtain these assignments in advance of closing; however, to the extent that the assignments are not provided prior to the hearing of the application, the Receivership AVO also provides for an assignment of the 772 Leased Real Property to the Purchaser;

- g) subject to Court approval, closing of the Transaction is contemplated to occur on November 20, 2023 (with an effective time of 12:01 a.m. on November 19, 2023) unless otherwise agreed by the parties and the Monitor. The Outside Date is November 30, 2023;
- h) the only material conditions precedent are Court approval of the Transaction pursuant to the CCAA AVO and the approval or non-objection of the Transaction by the Commissioner of Competition pursuant to the *Competition Act*, 1985, c. C-34, the latter of which is in process; and
- i) the Receiver also intends to market the Ridge Meadows and SIU real property for sale by retaining a real estate broker.

#### 4.1 Estimated Transaction Value

1. The table below provides (i) an estimate of the value of the Transaction as of October 28, 2023 based on the Applicants' financial information available to the Monitor; and (ii) the indicative waterfall of distributions resulting therefrom pursuant to the ARIO and the Ancillary Order.

(\$000s) <sup>9</sup>	Range	
	Low	High
<b>Description</b>		
<b>W&amp;C APA Transaction</b>		
Accounts Receivable	10,000	12,600
Inventory	7,600	8,600
7-Eleven Inventory	27,100	27,100
Property, Plant & Equipment	4,000	5,000
Other Proceeds	6,200	8,000
<b>Total proceeds from W&amp;C APA Transaction</b>	<b>54,900</b>	<b>61,300</b>
<b>Receivership Transaction, net of CWB mortgage<sup>10</sup></b>	<b>3,100</b>	<b>3,100</b>
<b>Loudon real property</b>	<b>1,300</b>	<b>1,300</b>
<b>Other</b>	<b>400</b>	<b>1,400</b>
<b>Total gross realizations</b>	<b>59,700</b>	<b>67,100</b>

<sup>9</sup> All amounts in the table have been rounded.

<sup>10</sup> CWB's mortgage is expected to be repaid in full on closing from the sale of the 772 Owned Real Property.

<b>Less:</b>		
Holdbacks and adjustments <sup>11</sup>	(14,600)	(11,300)
<b>Net proceeds of realization before the following</b>	<b>45,100</b>	<b>55,800</b>
Lender Priority Charge	(31,800)	(31,800)
<b>Surplus after Lender Priority Charge</b>	<b>13,300</b>	<b>24,000</b>
D&O Charge <sup>12</sup>	(4,000)	(4,000)
<b>(Shortfall)/surplus after D&amp;O Charge</b>	<b>9,300</b>	<b>20,000</b>
CIBC Pre-Filing Security <sup>13</sup>	(5,600)	(5,600)
<b>(Shortfall)/surplus after CIBC debt</b>	<b>3,700</b>	<b>14,400</b>
Tobacco Tax Charge	(24,800)	(24,800)
<b>Shortfall on Tobacco Charge</b>	<b>(21,100)</b>	<b>(10,400)</b>

## 4.2 Transaction Alternatives

1. For the following reasons, the Monitor is of the view that there is no viable better option to the Transaction:
  - a) A&M conducted the SISP in accordance with its terms, subject to encouraging parties to submit offers on an expedited basis;
  - b) the Transaction maximizes value for the Applicants' business and assets;
  - c) 7-Eleven has advised that it is not prepared to support any other transaction at this time. Given 7-Eleven's critical relationship to the Wallace & Carey business, its support is required for any going-concern solution;
  - d) absent the Transaction, the Applicants' business is likely to be liquidated; and
  - e) the value of the Transaction exceeds liquidation value for the Applicants' business and assets for the reasons listed below.

<sup>11</sup> Includes holdbacks for the Administration Charge, the Transaction Fee Charge, post-filing liabilities, vacation pay and various other amounts that are required to be paid.

<sup>12</sup> As discussed in paragraph 4.3.6 below, the Applicants' directors and officers are prepared to have this charge released if the Release contemplated by the Transaction is approved by the Court. This would make available \$4 million to stakeholders ranking subordinate to the D&O Charge.

<sup>13</sup> Estimated, subject to adjustment for interest and expenses.

i. W&C APA transaction

- The purchase price of the personal property in the CCAA transaction exceeds the liquidation value of those assets based on valuations obtained by A&M. A&M and the Monitor engaged in extensive and protracted negotiation with 7-Eleven concerning the purchase price for these assets. The amount paid by 7-Eleven includes a premium above liquidation value reflecting their value-in-use for 7-Eleven.
- 7-Eleven has agreed to purchase, in most cases at cost, certain inventory that has been purchased on its behalf by Wallace & Carey. This represents a substantial portion of Wallace & Carey's inventory. Without this commitment from 7-Eleven, inventory realizations would be significantly impaired, and costs of realization would be materially higher. There would also be challenges conducting the liquidation of the inventory as the assistance of Wallace & Carey's employees would be required. This would require an expensive key employee retention plan given the large number of Wallace & Carey employees, which would further reduce recoveries.
- 7-Eleven has also agreed to pay in full its accounts receivable owing to Wallace & Carey. In a liquidation, Wallace & Carey may be unable to service 7-Eleven in the ordinary course, and there is a significant risk that 7-Eleven would setoff any damages against accounts receivable it owes to Wallace & Carey.
- The method for determining the purchase price for the Oakville lease, which is an Optional Purchased Asset that is believed to have considerable value, was established under the terms of the TSA. The Monitor believes that the methodology is fair and commercially reasonable and is consistent with how such value is commonly calculated.

ii. Receivership transaction

- The purchase price for each 772 Owned Real Property is based on either updated value estimates for those properties obtained by the Monitor earlier in these proceedings, and/or on offers received for these properties in these proceedings. The purchase price also excludes carrying costs (such as property taxes and utilities) that would otherwise be incurred while marketing the properties, and the realtor commissions payable are less than a typical transaction.<sup>14</sup> The sale of the properties in the Transaction also eliminates the risk that these properties may sell for a lower price than the purchase price under the Transaction.

iii. Additionally, the Transaction:

- mitigates the risks and costs of a liquidation, including the challenges retaining employees to assist with the liquidation process and the related payroll and operating costs, which would total millions of dollars; and
- minimizes the fees and costs of the Monitor, its counsel and the Applicants' counsel carrying out a liquidation, which would also be very significant.

### 4.3 Releases

1. The CCAA AVO provides for the Releases, which include a broad release of all claims against (a) the current and former directors, officers, employees and their legal counsel; (b) legal counsel, agents and advisors of the Applicants and the Purchaser; (c) the Monitor and its legal counsel (collectively, the "**Released Parties**").
2. The proposed Releases do not release: (i) any claim that is not permitted to be released pursuant to section 5.1(2) of the CCAA, or (ii) any fraud, gross negligence or willful misconduct on the part of any Released Parties.
3. The W&C APA provides that the closing of the Transaction will not be conditional upon the granting of the provisions of the CCAA AVO in a form that contains the Releases.

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<sup>14</sup> Typically, 5% of the selling price. In this case, commissions total approximately \$180k, or slightly more than 1%.

4. The Monitor notes that certain of the statutes under which the Accrued Tobacco Taxes are legislated contain provisions for director and/or officer liability that would be captured by the Releases contained in the CCAA AVO. The amounts are also secured by the Tobacco Tax Charge. Potential recoveries under the Tobacco Tax Charge are discussed herein and the Monitor understands that the applicable Provinces and Territories were served by the Applicants with their application materials on November 7, 2023 and will be served with this Report. The applicable Provinces and Territories have also been served with all materials filed in these proceedings, including the application materials containing the Initial Order, the ARIO and the Ancillary Order, each of which addresses the priority of the Tobacco Tax Charge and the other CCAA Charges.
5. In the Monitor's view, the Released Parties have provided substantial assistance (and will continue to do so) facilitating the proposed Transaction, which, if approved and closed, will ultimately see the value of the Applicants' business being maximized for the benefit of its stakeholders, including the beneficiaries of the Tobacco Tax Charge. In this regard, the Applicants' directors and officers have agreed, if requested, to continue in their role through this CCAA proceeding, which will provide the Purchaser with the benefit of their institutional knowledge of the Applicants' business and operations and will facilitate the orderly completion of these proceedings for the benefit of stakeholders.
6. Further, the Applicants' director and officers have agreed to have the D&O Charge released if the Release contemplated by the Transaction is approved by the Court. This would make the holdback of \$4 million otherwise contemplated to secure the D&O Charge unnecessary, meaning such funds would be available to stakeholders ranking subordinate to the D&O Charge. The release of this charge also negates the need for a claims process to determine any entitlement to such funds, resulting in significant associated cost savings.

## **5.0 Proposed Distributions**

1. The ARIO and the Ancillary Order establish the following waterfall of distributions in the CCAA proceedings:
  - a) Administration Charge (\$850,000);

- b) Transaction Fee Charge (variable based on the value of the Transaction, but estimated to be approximately \$1 million);
  - c) the Lender Priority Charge (\$55 million);
  - d) D&O Charge (\$4 million);
  - e) the CIBC Pre-Filing Security (estimated to be \$5.5 million); and
  - f) Tobacco Tax Charge to \$25 million.
2. Pursuant to the Forbearance Agreement, CIBC was provided mortgages on the Non-Applicant Real Property ranking subordinate to CWB. As of the date of this Report, the amount owing to CWB is estimated to be approximately \$12 million. CWB is to be repaid, in full, from the sale of the Non-Applicant Real Property owned by 772.
  3. Subject to maintaining a holdback for the Administration Charge and other pre-closing costs that need to be funded from the Transaction proceeds, the Applicants are requesting an Order of the Court providing that the Net Distribution Proceeds are to be distributed to secured creditors in accordance with paragraph 1 and 2 above.
  4. In advance of these proceedings, and in order for the Monitor to recommend that the Court approve the Lender Priority Charge, the Monitor's counsel, Cassels, provided an opinion on the validity and enforceability of CIBC's security. Cassels' opinion provides that, subject to the customary assumptions and qualifications contained therein, the security granted to CIBC is valid and enforceable. Cassels has also provided the Monitor with an opinion confirming the validity and enforceability of CWB's security, subject to the customary assumptions and qualifications contained therein. A copy of the security opinions can be made available to the Court upon request.
  5. The Monitor is not aware of any secured creditors or any claim (including any deemed trust) that ranks or may rank in priority to the Lender Priority Charge or the CIBC Pre-Filing Security, other than the amounts secured under the Administration Charge, the Ancillary Order, and CWB in respect of the Non-Applicant Real Property (excluding the 772 Leased Real Property). Any equipment lessors with security interests in certain leased assets will either be assumed or paid by the Purchasers pursuant to the terms of the Transaction or their assets will be returned to the lessor.

6. The CCAA AVO provides that these distributions will be made free and clear of any claims and encumbrances. The Monitor notes that provincial legislation regarding tobacco taxes establishes a deemed trust in favour of tobacco tax authorities; however, that deemed trust is not operative pursuant to Section 37 of the CCAA. The Monitor notes that the applicable provinces will be served with this Report, as has been the case with all relevant materials filed in these proceedings.
7. Based on the foregoing, the Monitor recommends that the Court issue an order or orders:
  - a) authorizing the Monitor to make distributions to CWB to repay it in full from the proceeds of the sale of the 772 Owned Real Property; and
  - b) subject to the Monitor retaining sufficient reserves to satisfy, among other things, employee wages and vacation pay, the Administration Charge and the D&O Charge (subject to Court approval of the Release), authorizing the Applicant to make certain distributions, to the extent funds are available, including under the Transaction Fee Charge, the Lender Priority Charge and the CIBC Prefiling Security.

## 6.0 Tobacco Tax Recoveries

1. A table comparing the amounts projected to be owed by the Applicants to the Provinces and Territories as of November 17, 2023<sup>15</sup> to the amounts owing as of the date of the Filing Date is provided below.

(\$000s)	November 17 Projection	Filing Date	Change
British Columbia	3,638	4,281	(643)
Alberta <sup>16</sup>	16,085	13,780	2,305
Saskatchewan	1,880	4,386	(2,506)
Manitoba	1,426	452	974
Ontario	639	1,342	(702)
Northwest Territories	279	340	(61)
Nunavut	-	344	(344)
Yukon	822	535	287
<b>Total</b>	<b>24,769</b>	<b>25,459</b>	<b>(691)</b>

<sup>15</sup> The last business day before closing.

<sup>16</sup> The Monitor understands that the Province of Alberta's records may reflect a lower amount owing as of the Filing Date. The Monitor believes this amount would be approximately \$7.3 million. This is because the Province of Alberta's records would be based on the tobacco tax obligation as of the end of May 2023 and not as of the Filing Date.



2. As is evidenced by the table above, on a net basis, the tobacco taxes projected to be owing by the Applicants as of November 17, 2023 approximate the tobacco taxes owing as of the date of the Initial Order. The table reflects that the amounts owing to certain Provinces and Territories are projected to decline while the amounts owing to others are projected to increase, with Alberta seeing the greatest increase. This is largely because as of the Filing Date, Alberta and the Applicants had agreed to a payment plan in respect of tobacco tax arrears owing at the time, which the Applicants were unable to maintain during the CCAA proceedings. As noted in the Fourth Report Supplement, on October 1, 2023, Alberta withdrew Wallace & Carey's status as a tax collector such that Wallace & Carey is required to pay tobacco taxes at the time of purchase versus at the time of sale, which was the case until that time.
3. Based on the analyses performed by the Monitor, as discussed in Section 4.2 above, the projected repayments to the Provinces and Territories resulting from the Transaction materially exceed the amounts that the Provinces and Territories would receive if the business and assets of the Applicants were liquidated.
4. During the TSA period, Wallace & Carey intends to continue to pay tobacco taxes in the ordinary course.

## 7.0 Sealing

1. The Applicants are also seeking a Sealing Order, sealing on the Court file the Confidential Appendix to this Report, which contains a summary of bids received during the SISP. The availability of this information to other parties may negatively impact any future sale process if the Transaction does not close, or with respect to other elements of the Applicants' business that may be sold in the future. In the Monitor's view, sealing this information until the earlier of the termination of these proceedings or further Order of this Court is necessary to maximize recoveries in these proceedings and to maintain the integrity and confidentiality of key information in the SISP. The salutary effects of sealing such information from the public record greatly outweigh any deleterious effects of doing so. The Monitor is of the view that the Sealing Order is appropriate in the circumstances, satisfies the test from *Sherman Estate v. Donovan* 2021 SCC 25, and that no stakeholders will be prejudiced if the information is sealed.

## 8.0 Recommendation

1. The Monitor recommends that the Court issue the CCAA AVO, the Receivership Order and the Receivership AVO for the following reasons:
  - a) A&M carried out the SISP in accordance with its terms;
  - b) A&M widely canvassed the market for potential purchasers. Any purchaser of the Wallace & Carey business would have required a new “service agreement” with 7-Eleven. Among other reasons, the Applicants’ declining liquidity did not provide 7-Eleven with sufficient time to negotiate a service agreement with a new distributor;
  - c) the value of the Transaction exceeds liquidation value. The Transaction has been extensively negotiated. The Monitor believes that the Transaction is, by far, the best outcome for the business and its stakeholders in the circumstances, and is intended to maximize value. The Monitor does not believe there is any viable transaction alternative available to the Applicants;
  - d) the Applicants have had a series of liquidity challenges throughout these proceedings, which liquidity challenges are continuing. Accordingly, it is imperative that a transaction be completed forthwith. Liquidation is a probability if the Transaction is not approved by the Court;
  - e) the Forbearance Agreement has been terminated. Absent completion of the Transaction, it is unlikely that CIBC will continue to fund the going concern operations of Wallace & Carey’s business;
  - f) The Monitor does not believe that the Provinces and Territories would have a superior outcome to the Transaction if it is not approved. Wallace & Carey intends to continue to remit to the Provinces and Territories all tobacco taxes accruing from the date of closing and following;
  - g) the transaction will see the Wallace & Carey business continue during the transition periods, at a minimum. The Purchaser has undertaken to encourage a future service provider (or providers) to offer employment to Wallace & Carey employees. The Purchaser is also considering long-term self-distribution, which would also provide employees with opportunities for long-term employment; and

- h) the continuation of the business will provide Wallace & Carey's vendors with an opportunity to continue their relationship with 7-Eleven, which is critically important to many of them.

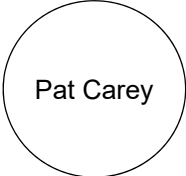
\* \* \*

All of which is respectfully submitted,

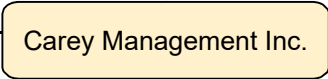
*KSV Restructuring Inc.*

**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 “B”**



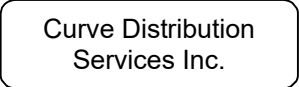
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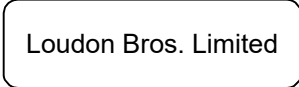
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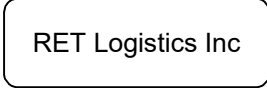
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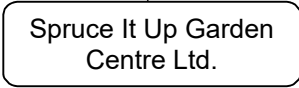
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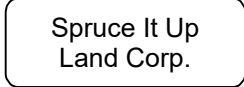
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## **Appendix “C”**

Wallace & Carey Inc., Loudon Bros Limited and Carey Management Inc.

**Projected Weekly Cash Flow Statement (Consolidated)**

November 20, 2023 to February 29, 2024

(Unaudited; \$CAD Thousands)

Note	Week ending															Total
	25-Nov-23	02-Dec-23	09-Dec-23	16-Dec-23	23-Dec-23	30-Dec-23	06-Jan-24	13-Jan-24	20-Jan-24	27-Jan-24	03-Feb-24	10-Feb-24	17-Feb-24	24-Feb-24	29-Feb-24	
<b>RECEIPTS</b>																
Collections from sales	2	206	8,816	22,538	19,040	15,273	17,964	16,350	10,968	12,314	12,045	12,045	12,045	12,045	12,045	195,736
Total Receipts		206	8,816	22,538	19,040	15,273	17,964	16,350	10,968	12,314	12,045	12,045	12,045	12,045	12,045	195,736
<b>DISBURSEMENTS</b>																
Inventory purchases	3	(11,735)	(17,445)	(12,724)	(12,724)	(15,997)	(7,872)	(9,574)	(9,574)	(9,574)	(9,574)	(9,574)	(9,574)	(9,574)	(9,574)	(164,659)
Remittance of tobacco sales tax		-	-	-	(500)	(4,587)	(372)	-	(750)	-	(6,967)	(565)	-	(750)	(6,271)	(21,271)
GST collected /(paid)		-	-	-	-	-	-	-	(597)	-	-	-	(291)	-	-	(888)
Operating Disbursements	5	(705)	(752)	(365)	(932)	(497)	(854)	(1,017)	(1,018)	(361)	(1,113)	(483)	(854)	(849)	(1,199)	(11,527)
Total Operating Disbursements		(12,440)	(18,198)	(13,088)	(14,155)	(21,081)	(9,098)	(10,591)	(11,938)	(9,934)	(17,654)	(10,622)	(10,428)	(11,464)	(17,043)	(198,344)
Other Disbursements (Income)																
Professionial fees	4	(25)	(25)	(25)	(20)	(20)	(20)	(20)	(20)	(20)	(20)	(20)	(20)	(20)	(20)	(315)
Contingency		(75)	(75)	(75)	(75)	(75)	(75)	(75)	(75)	(75)	(75)	(75)	(75)	(75)	(75)	(1,125)
Funding from 7-Eleven		15,000	10,000	-	-	-	-	-	-	-	-	-	-	-	-	25,000
Total Other Disbursements		14,900	9,900	(100)	(95)	(95)	(95)	(95)	(95)	(95)	(95)	(95)	(95)	(95)	(95)	23,560
Total Disbursements		2,460	(8,298)	(13,188)	(14,250)	(21,176)	(9,193)	(10,686)	(12,033)	(10,029)	(17,749)	(10,717)	(10,523)	(11,559)	(17,138)	(174,784)
Net Cash Flow		2,666	518	9,350	4,790	(5,902)	8,771	5,664	(1,065)	2,285	(5,704)	1,328	1,522	485	(5,093)	20,952
Opening Cash		-	2,666	3,184	12,534	17,323	11,421	20,192	25,856	24,791	27,076	21,371	22,699	24,221	24,706	19,613
Net cash flow		2,666	518	9,350	4,790	(5,902)	8,771	5,664	(1,065)	2,285	(5,704)	1,328	1,522	485	(5,093)	20,952
Ending Cash		2,666	3,184	12,534	17,323	11,421	20,192	25,856	24,791	27,076	21,371	22,699	24,221	24,706	19,613	20,952

### **Purpose and General Assumptions**

1. The purpose of the projection is to present a cash flow forecast of Carey Management Inc. ("CMI"), Wallace & Carey Inc. ("Wallace & Carey"), and Loudon Bros Limited ("Loudon Bros", together with CMI and Wallace & Carey, the "Applicants") from November 20, 2023 to February 29, 2024 (the "Period") in connection with the Transition Services Agreement dated November 20, 2023 (the "TSA").

The cash flow projection has been prepared based on hypothetical and most probable assumptions provided by the Applicants.

### **Hypothetical**

2. Represents collections of inventory sold in the ordinary course and the collection of taxes, including tobacco taxes.
3. Represents inventory purchases for sale by the Logistics Companies in the ordinary course of business.
4. Forecasted payment of the fees of the Monitor, its counsel and the Companies' counsel in connection with the TSA.

### **Most Probable**

5. Includes wages and benefits, rent, utilities, warehouse and delivery, and administrative expenses.



**COURT OF KING'S BENCH OF ALBERTA**

**IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT,  
R.S.C. 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.**

**MANAGEMENT'S REPORT ON CASH FLOW STATEMENT**  
(paragraph 10(2)(b) of the CCAA)

The management of Wallace & Carey Inc. ("Wallace & Carey"), Loudon Bros Limited ("Loudon Bros"), and Carey Management Inc. ("CMI" together with Wallace & Carey and Loudon Bros, the "Applicants") have developed the assumptions and prepared the attached statement of projected cash flow as of the 22<sup>nd</sup> day November, 2023 for the period November 20, 2023 to February 29, 2024 (the "Cash Flow"). All such assumptions are disclosed in the notes to the Cash Flow.

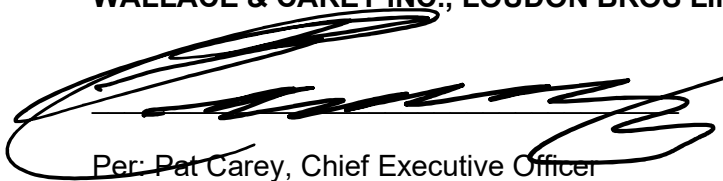
The hypothetical assumptions are reasonable and consistent with the purpose of the Cash Flow as described in Note 1 to the Cash Flow, and the probable assumptions are suitably supported and consistent with the plans of the Applicants and provide a reasonable basis for the Cash Flow.

Since the Cash Flow is based on assumptions regarding future events, actual results will vary from the information presented and the variations may be material.

The Cash Flow has been prepared solely for the purpose outlined in Note 1 using a set of hypothetical and probable assumptions set out therein. Consequently, readers are cautioned that the Cash Flow may not be appropriate for other purposes.

Dated at Calgary, Alberta this 22<sup>nd</sup> day of November, 2023.

**WALLACE & CAREY INC., LOUDON BROS LIMITED, AND CAREY MANAGEMENT INC.**



Per: Pat Carey, Chief Executive Officer

## **Appendix “D”**

**COURT OF KING'S BENCH OF ALBERTA**

**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,  
R.S.C. 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.**

**MONITOR'S REPORT ON CASH FLOW STATEMENT**  
(paragraph 23(1)(b) of the CCAA)

The attached statement of projected cash-flow of Wallace & Carey Inc. ("Wallace & Carey"), Loudon Bros Limited ("Loudon Bros"), and Carey Management Inc. ("CMI" together with Wallace & Carey and Loudon Bros, the "Applicants"), as of the 22<sup>nd</sup> day November, 2023, consisting of a weekly projected cash flow statement for the period November 20, 2023 to February 29, 2024 (the "Cash Flow") has been prepared by the management of the Applicants for the purpose described in Note 1, using the probable and hypothetical assumptions set out in the notes to the Cash Flow.

Our review consisted of inquiries, analytical procedures and discussions related to information supplied by the management and employees of the Applicants. Since hypothetical assumptions need not be supported, our procedures with respect to them were limited to evaluating whether they were consistent with the purpose of the Cash Flow. We have also reviewed the support provided by management for the probable assumptions and the preparation and presentation of the Cash Flow.

Based on our review, nothing has come to our attention that causes us to believe that, in all material respects:

- a) the hypothetical assumptions are not consistent with the purpose of the Cash Flow;
- b) as at the date of this report, the probable assumptions developed by management are not suitably supported and consistent with the plans of the Applicants or do not provide a reasonable basis for the Cash Flow, given the hypothetical assumptions; or
- c) the Cash Flow does not reflect the probable and hypothetical assumptions.

Since the Cash Flow is based on assumptions regarding future events, actual results will vary from the information presented even if the hypothetical assumptions occur, and the variations may be material. Accordingly, we express no assurance as to whether the Cash Flow will be achieved. We express no opinion or other form of assurance with respect to the accuracy of any financial information presented in this report, or relied upon in preparing this report.

The Cash Flow has been prepared solely for the purpose described in Note 1 and readers are cautioned that it may not be appropriate for other purposes.

Dated at Toronto, Ontario this 22<sup>nd</sup> day of November, 2023.

*KSV Restructuring Inc.*

**KSV RESTRUCTURING INC.  
IN ITS CAPACITY AS PROPOSED CCAA MONITOR OF  
WALLACE & CAREY INC., LOUDON BROS LIMITED, AND CAREY MANAGEMENT INC.  
AND NOT IN ITS PERSONAL CAPACITY**

## **Appendix “E”**

COURT FILE NUMBER 2301 08305

Clerk's Stamp

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 **FEE AFFIDAVIT – KSV RESTRUCTURING INC.**

ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT  
Cassels Brock & Blackwell LLP  
Suite 3810, Bankers Hall West  
888 3 Street SW  
Calgary, AB T2P 5C5  
Telephone (403) 351-2921/416.860.5223  
Facsimile: (403) 648-1151  
Email: [joliver@cassels.com](mailto:joliver@cassels.com) / [jdietrich@cassels.com](mailto:jdietrich@cassels.com)

**Attention: Jeffrey Oliver/Jane Dietrich**

AFFIDAVIT OF: ROBERT KOFMAN

SWORN ON: November 22, 2023

I, **ROBERT KOFMAN**, of the City of Toronto, in the Province of Ontario, SWEAR AND SAY THAT:

1. I am the President of KSV Restructuring Inc. ("**KSV**") in its capacity as Court-appointed Monitor (in such capacity, the "**Monitor**") of Wallace & Carey Inc., Loudon Bros Limited and Carey Management Inc. (collectively referred to as the "**Applicants**"). As such, I have personal knowledge of the matters hereinafter deposed to except where stated to be based upon information and belief, and where so stated I do verily believe the same to be true.
2. I am authorized by KSV to swear this affidavit on its behalf. Terms not otherwise defined herein shall have the meaning ascribed to them in the Seventh Report of the Monitor dated November 22, 2023 (the "**Seventh Report**").
3. As described in more detail in the Seventh Report, during the period from the commencement of these proceedings (including preparing for these proceedings) to October 31, 2023 (the "**Fee Period**"), the Monitor incurred fees and disbursements, including GST and HST, in the amount of \$1,190,853.42. Particulars of the work performed are contained in the invoices attached hereto and marked as **Exhibit "A"** (the "**KSV Invoices**").
4. Attached as **Exhibit "B"** is a schedule summarizing each of the KSV Invoices, including the total billable hours charged per KSV Invoice, the total fees charged per KSV Invoice and the average hourly rates charged per KSV Invoice. The average hourly rate charged by the Monitor across all KSV Invoices was \$590.57. The Monitor has provided a total of 1,918.95 hours of services in relation to the estate of the Applicants during the Fee Period.

5. Below is a chart summarizing the billing rate of each individual at KSV who has recorded time on this matter during the Fee Period:

Name	Hourly Rate (\$)
Robert (Bobby) Kofman	800
David Sieradzki	700
Andrew Basi	700
Jason Knight	600
Christian Vit	450
Nisan Thurairatnam	425
Other & Administrative	175-425

6. Considering, among other things, the following factors, it is my view that the fees and disbursements incurred by the Monitor are fair and reasonable in the circumstances:
- (a) the size and scope of the Applicants' businesses at the date of filing, which involved providing logistics services from 9 locations across Canada and offering approximately 7,500 inventory items to approximately 7,000 customers. The Applicants employed approximately 600 full-time and 50 part-time employees, and had revenue in recent history of approximately \$1.5 billion. As of the commencement of these proceedings, the Applicants owed approximately \$86.5 million to approximately 750 unsecured creditors ; \$44.4 million to Canadian Imperial Bank of Commerce ("**CIBC**"), the senior lender; \$11.784 million to Canadian Western Bank (who was secured on certain real estate owned by subsidiaries of the Applicants); approximately \$25 million to various provincial tobacco tax authorities; and approximately \$1.335 million in GST, PST and HST;
  - (b) the urgent and severe liquidity issues that arose during the course of the proceeding, which required the constant and urgent attention of the Monitor, including discussions with key stakeholders such as CIBC. As a result of these issues, the Monitor filed two Material Adverse Change Reports pursuant to section 23(1)(d)(i) of the CCAA on the basis that the Monitor has ascertained a material adverse change in the Applicants' projected cash-flow or financial circumstances;
  - (c) issues arising with customer "fill rates", which resulted in the Monitor fielding many calls from customers;
  - (d) the regulatory and business complexities associated with the Applicants' sale of tobacco and the payment of associated tobacco taxes to the provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario and the three territories;
  - (e) the fast pace in which steps were taken in the proceeding, which was necessitated by the lack of liquidity in the Applicants' business and the resulting fill rate issues. This resulted in a very considerable number of hearings occurring over the course of the approximate five-month duration of these proceedings to date. In particular, since the Initial Order was granted:
    - (i) the Monitor has filed seven reports during this proceeding over the last five months, plus a pre-filing report and three supplements, for a total of 11 different filings; and

- (ii) a total of six different court appearances occurred, at which, among other items, these proceedings were commenced and the stay of proceedings extended, a sales investment and solicitation process was approved, a dispute with a customer was adjudicated, a land sale was approved, and a complex transaction with 7-Eleven was approved, which included a transition services agreement (the **7-Eleven Transaction**); and
  - (f) the complexity associated with the 7-Eleven Transaction and the urgent liquidity situation that required a considerable amount of effort to be expended by all interested parties to document and close that transaction as quickly as possible. It also required that various CMI subsidiary companies also be brought into an ancillary receivership proceeding for their sale.
7. I swear this affidavit in support of an application for, *inter alia*, approval of the fees and disbursements of the Monitor and its counsel and for no other or improper purpose.

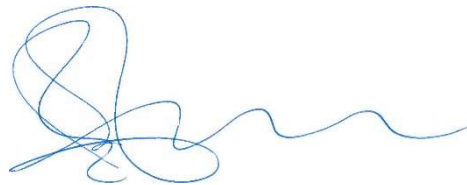
**SWORN BEFORE ME**

by video conference on this 22<sup>nd</sup> day of November 2023. The affiant and I were located in the City of Toronto in the Province of Ontario. This affidavit was commissioned remotely in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely



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Commissioner for Taking Affidavits (or as may be)  
Rajinder Kashyap, a Commissioner, etc.,  
Province of Ontario, for KSV Restructuring Inc.  
Expires January 27, 2024



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ROBERT KOFMAN



This is **Exhibit "A"** referred to in the Affidavit of ROBERT KOFMAN sworn November 22, 2023. The affiant and I were located in the City of Toronto in the Province of Ontario. This affidavit was commissioned remotely in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



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Commissioner for Taking Affidavits (or as may be)  
Rajinder Kashyap, a Commissioner, etc.,  
Province of Ontario, for KSV Restructuring Inc.  
Expires January 27, 2024



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## INVOICE

Wallace & Carey Inc.  
5445 8th St NE  
Calgary, AB T2K 5R9

July 12, 2023

Invoice No: 3186  
HST #: 818808768 RT0001

**Re: Wallace & Carey Inc., Loudon Bros Ltd. and Carey Management Inc.  
(collectively, the “Applicants”)**

For professional services rendered from June 18, 2023 to June 30, 2023 by KSV Restructuring Inc. (“KSV”) as Court-appointed Monitor (the “Monitor”) in connection with the Applicants’ proceedings under the *Companies’ Creditors Arrangement Act* (“CCAA”), including:

- Corresponding extensively with Cassels Brock & Blackwell LLP (“Cassels”), the Monitor’s legal counsel, Miller Thomson LLP (“MT”), counsel to the Applicants, and the Applicants’ management to prepare for the Applicants’ CCAA application on June 22, 2023, including daily calls and emails as more specifically outlined herein;
- Corresponding regularly with representatives of PricewaterhouseCoopers LLP (“PWC”), financial advisor to Canadian Imperial Bank of Commerce (“CIBC”), regarding the Applicants’ cash flow projections and a Forbearance Agreement between CIBC and the Applicants dated June 21, 2023 (the “Forbearance Agreement”);
- Reviewing multiple versions of the Forbearance Agreement and corresponding with Cassels, MT, PWC, CIBC and the Applicants in respect thereof;
- Reviewing and commenting on multiple versions of a cash flow model which was appended to the Forbearance Agreement and corresponding with the Applicants, CIBC and PWC in respect of the cash flow projection and its underlying assumptions;
- Reviewing and commenting on multiple versions of the draft Court materials filed in connection with the Applicants’ CCAA application on June 22, 2023 (the “CCAA Application Materials”), including:
  - the Initial Order;
  - the Affidavit of Brian Birnie sworn June 21, 2023; and
  - the Bench Brief of the Applicants dated June 22, 2023;

- Corresponding extensively with Cassels and MT regarding the draft CCAA Application Materials, including attending calls on June 18, 19, 20, 21 and 22, 2023;
- Drafting KSV's Pre-Filing Report to Court dated June 22, 2023 (the "Pre-Filing Report");
- Preparing the appendices to the Pre-Filing Report;
- Corresponding extensively with Cassels, MT and Norton Rose Fulbright LLP ("NRF"), counsel to CIBC, regarding their comments on the Pre-filing Report;
- Assisting the Applicants to quantify the various Court-ordered charges proposed in the Initial Order and discussing same with Cassels, MT, PWC, CIBC and NRF;
- Attending Court (virtually) on June 22, 2023 regarding the Initial Application;
- Finalizing a communications plan for the Applicants and assisting them to roll out the communication plan following the issuance of the Initial Order;
- Drafting and mailing to all creditors a notice advising of the CCAA proceedings, as required under the CCAA and the Initial Order;
- Reviewing and commenting on all Court materials filed in connection with the Applicants' comeback hearing on June 30, 2023 (the "Comeback Hearing"), including:
  - the Affidavit of Brian Birnie sworn June 27, 2023;
  - the Amended and Restated Initial Order;
  - the Comeback Application dated June 30, 2023; and
  - the Bench Brief of the Applicants dated June 30, 2023;
- Drafting the Monitor's First Report to Court dated June 28, 2023 (the "First Report") in connection with the Comeback Hearing;
- Preparing the appendices to the First Report;
- Corresponding extensively with Cassels and MT regarding the First Report;
- Preparing and filing Form 1, Information Pertaining to the Initial Order, with the Office of the Superintendent of Bankruptcy Canada ("OSB") as required under the CCAA;
- Preparing and filing Form 2, Debtor Company Information Summary, with the OSB as required under the CCAA;
- Maintaining the Service List in these proceedings on the Monitor's case website and posting all Court materials on the Monitor's case website;
- Attending the Comeback Hearing (virtually) on June 30, 2023;
- Corresponding on a daily basis with the Applicants' management to discuss operational, vendor and collector issues;
- Attending at the Applicants' head office on a near daily basis from June 22 to 30, 2023;

- Attending multiple calls with the Applicants' management regarding issues raised by certain key vendors of the Applicant, including Imperial Tobacco Ltd. ("ITL") and Wex Inc. ("Wex");
- Corresponding with legal counsel to ITL in connection with the continuation of supply to the Applicants, and dealing with Cassels, MT and the Applicants to resolve a dispute between the Applicants and ITL;
- Assisting the Applicants to resolve a dispute with Wex;
- Responding to calls and emails from creditors and customers of the Applicants concerning the CCAA proceedings;
- Corresponding with PWC regarding the Applicants' reporting requirements under the Forbearance Agreement;
- Reviewing and commenting on the weekly reporting package dated June 21 and 28, 2023 sent to CIBC and PWC in accordance with the Forbearance Agreement;
- Monitoring the Applicants' daily receipts and disbursements;
- Convening internal meetings; and
- Dealing with all other matters not otherwise referred to herein.

\* \* \*

Total fees per attached time summary	\$ 132,658.84
GST	<u>6,632.94</u>
Total Due	<u>\$ 139,291.78</u>

**Wire Instructions**

Pay to:	KSV Restructuring Inc. 220 Bay Street, Suite 1300 Toronto, ON M5J 2W4
Bank:	BMO Bank of Montreal First Canadian Place, 42nd Floor Toronto, ON M5X 1A3
Bank No.:	001
Transit (ABA):	32132
Account No.:	3213-1995-665
Swift Code:	BOFMCAM2

KSV Restructuring Inc.  
Wallace & Carey Inc., Carey Management Inc. and Loudon Bros Ltd.

**Time Summary**

For the period ended June 30, 2023

<b>Personnel</b>	<b>Rate (\$)</b>	<b>Hours</b>	<b>Amount (\$)</b>
Bobby Kofman	800	30.50	24,400.00
David Sieradzki	700	39.00	27,300.00
Jason Knight	600	78.00	46,800.00
Christian Vit	450	57.25	25,762.50
Nisan Thurairatnam	425	12.00	5,100.00
Other staff and administrative			2,576.25
Total Fees			<u>131,938.75</u>
Add: Out of Pocket Disbursements			
Postage			524.44
Photocopies			195.65
Disbursements			<u>720.09</u>
Total Fees and Disbursements			<u><u>132,658.84</u></u>



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## INVOICE

Wallace & Carey Inc.  
5445 8th St NE  
Calgary, AB T2K 5R9

August 21, 2023

Invoice No: 3242  
HST #: 818808768 RT0001

**Re: Wallace & Carey Inc., Loudon Bros Ltd. and Carey Management Inc.  
(collectively, the “Applicants”)**

For professional services rendered during July 2023 by KSV Restructuring Inc. (“KSV”) as Court-appointed Monitor (the “Monitor”) in connection with the Applicants’ proceedings under the *Companies’ Creditors Arrangement Act* (“CCAA”), including:

- Corresponding extensively with the Applicants, Cassels Brock & Blackwell LLP (“Cassels”), the Monitor’s legal counsel, and Miller Thomson LLP (“MT”), counsel to the Applicants, in respect of the Applicants’ operations and the CCAA proceedings generally, including daily calls and emails as more specifically outlined herein;
- Corresponding regularly with representatives of PricewaterhouseCoopers LLP (“PWC”), financial advisor to Canadian Imperial Bank of Commerce (“CIBC”), and representatives of CIBC regarding the Applicants, including their updated cash flow projections, a Forbearance Agreement between CIBC and the Applicants dated June 21, 2023 (the “Forbearance Agreement”) and amendments thereto;
- Corresponding routinely with certain of the Applicants’ major customers and/or their legal counsel, including, among others, 7-Eleven Canada, Inc. (“7-11”), Greenery Retail Canada, Federated Co-operatives Limited and Cineplex Entertainment Limited Partnership (“Cineplex”);
- Reviewing multiple versions of a short-term extension agreement between the Applicants and 7-11 and discussing same with Cassels, MT and DLA Piper (Canada) LLP (“DLA”), 7-11’s legal counsel;
- Considering issues in respect of prepaid inventory and working with the Applicants and CIBC to effect and roll-out an in-transit inventory agreement such that the Applicants would be able to include in-transit inventory in its weekly borrowing base calculation;
- Reviewing an amendment to the Forbearance Agreement dated July 18, 2023 (the “First Forbearance Amendment”) and discussing same with Cassels, MT, CIBC and Norton Rose Fullbright (Canada) LLP (“NRF”), CIBC’s legal counsel;

- Reviewing information prepared by the Applicants in respect of the first milestone under the Forbearance Agreement, including a draft business plan and five-year financial forecast;
- Preparing separate liquidation analyses for the Applicants and CIBC, including considering issues in respect of subrogation and discussing same extensively with Cassels;
- Reviewing and revising several iterations of the liquidation analyses before providing drafts to the Applicants and CIBC on or around July 31, 2023;
- Engaging in discussions with representatives of 7-11 and DLA, in respect of a financing transaction among the Applicants, 7-11 and CIBC to improve the Applicants' liquidity situation (the "7-11 Transaction");
- Reviewing and commenting on multiple versions of draft documentation in connection with the 7-11 Transaction, including a:
  - Cash Collateral Letter Agreement
  - Inventory Pre-Purchase Letter Agreement
  - Limited Recourse Guarantee
- Corresponding with the Applicants, CIBC, Cassels, MT and NRF regarding the retention of a financial advisor ("FA") for the Applicants;
- Reviewing multiple versions of a draft engagement letter for the Applicants' prospective FA;
- Reviewing daily reporting on the Applicants' operations, including fill rate reports and other key performance indicators and discussing same with management;
- Corresponding with the Applicants and certain of its tobacco suppliers regarding revisions to supply terms, including consignment arrangements, and reviewing revised terms of supply for those vendors;
- Working with management to revise the Applicants' cash flow forecast based on revisions to certain underlying assumptions, including revised customer payment terms and supply arrangements;
- Reviewing and commenting on multiple versions of the Applicants' revised cash flow model and discussing same internally, with management and with PWC;
- Corresponding on a daily basis with the Applicants' management to discuss operational, vendor and collector issues;
- Attending at the Applicants' head office on a near daily basis;
- Attending multiple calls with the Applicants' management regarding issues raised by certain key vendors of the Applicant, including Imperial Tobacco Ltd. ("ITL"), Rothman Benson & Hedges and others;
- Corresponding with legal counsel to ITL in connection with the continuation of supply to the Applicants, and dealing with Cassels, MT and the Applicants to explore different supply arrangements with ITL;
- Responding to calls and emails from creditors and customers of the Applicants concerning the CCAA proceedings;

- Reviewing and commenting on the Applicants' weekly reporting package dated July 6, 13, 20 and 27, 2023 sent to CIBC and PWC in accordance with the Forbearance Agreement and the First Forbearance Amendment;
- Corresponding with PWC regarding the Applicants' reporting requirements under the Forbearance Agreement and the First Forbearance Amendment, including weekly calls on July 7, 13, 20 and 28, 2023;
- Monitoring the Applicants' daily receipts and disbursements;
- Maintaining the Service List in these proceedings on the Monitor's case website and posting all Court materials on the Monitor's case website;
- Convening internal meetings; and
- Dealing with all other matters not otherwise referred to herein.

\* \* \*

Total fees per attached time summary	\$ 254,382.73
GST	<u>12,719.14</u>
Total Due	<u>\$ 267,101.87</u>



KSV Restructuring Inc.  
Wallace & Carey Inc., Carey Management Inc. and Loudon Bros Ltd.

**Time Summary**

For the period ended July 31, 2023

<b>Personnel</b>	<b>Rate (\$)</b>	<b>Hours</b>	<b>Amount (\$)</b>
Bobby Kofman	800	76.55	61,240.00
David Sieradzki	700	43.00	30,100.00
Jason Knight	600	144.10	86,460.00
Christian Vit	450	154.00	69,300.00
Other staff and administrative			7,157.00
Total Fees			<u>254,257.00</u>
Disbursements (meals)			125.73
Total Fees and Disbursements			<u><u>254,382.73</u></u>



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## INVOICE

Wallace & Carey Inc.  
5445 8th St NE  
Calgary, AB T2K 5R9

September 15, 2023

Invoice No: 3270  
HST #: 818808768 RT0001

**Re: Wallace & Carey Inc., Loudon Bros Ltd. and Carey Management Inc.  
(collectively, the “Applicants”)**

For professional services rendered during August 2023 by KSV Restructuring Inc. (“KSV”) as Court-appointed Monitor (the “Monitor”) in connection with the Applicants’ proceedings under the *Companies’ Creditors Arrangement Act* (“CCAA”), including:

- Corresponding extensively with the Applicants, Cassels Brock & Blackwell LLP (“Cassels”), the Monitor’s legal counsel, and Miller Thomson LLP (“MT”), counsel to the Applicants, in respect of the Applicants’ operations and the CCAA proceedings generally, including daily calls and emails as more specifically outlined herein;
- Corresponding regularly with representatives of PricewaterhouseCoopers LLP (“PWC”), financial advisor to Canadian Imperial Bank of Commerce (“CIBC”), and representatives of CIBC regarding the Applicants, including in respect of multiple versions of cash flow projection iterations and an amended Forbearance Agreement between CIBC and the Applicants dated June 21, 2023 (the “Amended Forbearance Agreement”) and amendments thereto;
- Corresponding routinely with certain of the Applicants’ major customers and/or their legal counsel, including, among others, 7-Eleven Canada, Inc. (“7-11”), Greenergy Retail Canada, Federated Co-operatives Limited and Cineplex Entertainment Limited Partnership (“Cineplex”);
- Reviewing correspondence between the Applicants and Cineplex in connection with Cineplex’s termination notice;
- Speaking with Cineplex’s legal counsel, Borden Ladner Gervais LLP, concerning Cineplex’s termination notice;
- Reviewing a draft business plan and five-year financial forecast prepared by the Applicants in respect of the first milestone under the Amended Forbearance Agreement;

- Engaging in discussions with representatives of the Applicants, CIBC, 7-11 and their respective legal counsel in connection with a sale and investment solicitation process (“SISP”);
- Corresponding with the Applicants, CIBC, Cassels, MT and NRF regarding the retention of Alvarez & Marsal Inc. (“A&M”) as financial advisor for the Applicants;
- Reviewing and commenting on multiple versions of a draft A&M engagement letter;
- Reviewing and commenting on multiple versions of a draft SISP and corresponding extensively with Cassels, A&M and the Applicants in respect thereof;
- Reviewing daily reporting on the Applicants’ operations, including fill rate reports and other key performance indicators and routinely discussing same with management;
- Corresponding with the Applicants and certain of its tobacco suppliers regarding revisions to supply terms, including consignment arrangements, and reviewing revised terms of supply for those vendors;
- Working with management to revise the Applicants’ cash flow forecast based on revisions to certain underlying assumptions, including revised customer payment terms and supply arrangements;
- Reviewing and commenting on multiple versions of the Applicants’ revised cash flow model and discussing same internally, with management and with PWC;
- Drafting the Monitor’s Second Report to Court dated August 9, 2023 (the “Second Report”) filed in connection with the Applicants’ liquidity position;
- Drafting the Monitor’s Supplement to the Second Report dated August 11, 2023 filed following an amendment to the Forbearance Agreement and the completion of a financing transaction with 7-11;
- Drafting the Monitor’s Third Report to Court dated August 21, 2023 filed in support of the Applicants’ application for approval of A&M’s retention and a SISP (the “SISP Approval Application”);
- Corresponding extensively with A&M regarding the SISP, including reviewing and commenting on draft marketing materials, a buyer’s list and other SISP information;
- Responding to information requests from A&M in order to, *inter alia*, populate the data room for the SISP;
- Reviewing and commenting on all Court materials filed in connection with the SISP Approval Application, including the draft Notice of Application, Affidavit of Eric Rolheiser sworn August 21, 2023 and the Court order;
- Attending at Court virtually for the hearing of the SISP Approval Application;
- Corresponding on a daily basis with the Applicants’ management to discuss operational, vendor and collector issues;
- Attending periodically at the Applicants’ head office;

- Attending multiple calls with the Applicants' management regarding issues raised by certain key vendors of the Applicant, including Imperial Tobacco Ltd., Rothman Benson & Hedges and others;
- Responding to calls and emails from creditors and customers of the Applicants concerning the CCAA proceedings, including several small customers seeking the Monitor's consent to source from another vendor on an interim basis;
- Reviewing and commenting on the Applicants' weekly reporting package dated August 3, 10, 17, 24 and 31, 2023 sent to CIBC and PWC in accordance with the Amended Forbearance Agreement;
- Corresponding with PWC regarding the Applicants' reporting requirements under the Amended Forbearance Agreement, including convening weekly reporting calls on August 4, 11, 18 and 25, 2023 with PWC, CIBC and the Applicants' management;
- Monitoring the Applicants' daily receipts and disbursements;
- Maintaining the Service List in these proceedings on the Monitor's case website and posting all Court materials on the Monitor's case website;
- Convening internal meetings; and
- Dealing with all other matters not otherwise referred to herein.

\* \* \*

Total fees per attached time summary	\$ 273,461.75
GST	<u>13,673.09</u>
Total Due	<u>\$ 287,134.84</u>

KSV Restructuring Inc.  
Wallace & Carey Inc., Carey Management Inc. and Loudon Bros Ltd.

**Time Summary**

For the period ended August 31, 2023

<b>Personnel</b>	<b>Rate (\$)</b>	<b>Hours</b>	<b>Amount (\$)</b>
Bobby Kofman	800	89.75	71,800.00
David Sieradzki	700	49.00	34,300.00
Jason Knight	600	152.30	91,380.00
Christian Vit	450	125.50	56,475.00
Nisan Thurairatnam	425	39.00	16,575.00
Other staff and administrative			2,931.75
Total Fees			<u>273,461.75</u>
Disbursements			-
Total Fees and Disbursements			<u><u>273,461.75</u></u>



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## INVOICE

Wallace & Carey Inc.  
5445 8th St NE  
Calgary, AB T2K 5R9

October 17, 2023

Invoice No: 3327  
HST #: 818808768 RT0001

**Re: Wallace & Carey Inc. (“W&C”), Loudon Bros Ltd. (“Loudon”) and Carey Management Inc. (collectively, the “Applicants”)**

For professional services rendered during September 2023 by KSV Restructuring Inc. (“KSV”) as Court-appointed Monitor (the “Monitor”) in connection with the Applicants’ proceedings under the *Companies’ Creditors Arrangement Act* (“CCAA”), including:

- Corresponding extensively with the Applicants, Cassels Brock & Blackwell LLP (“Cassels”), the Monitor’s legal counsel, and Miller Thomson LLP (“MT”), counsel to the Applicants, in respect of the Applicants’ operations and the CCAA proceedings generally, including near daily calls and emails as more specifically outlined herein;
- Corresponding regularly with representatives of PricewaterhouseCoopers LLP (“PWC”), financial advisor to Canadian Imperial Bank of Commerce (“CIBC”), and representatives of CIBC, regarding the Applicants, including in respect of multiple versions of cash flow projections and a second and third amended Forbearance Agreement between CIBC and the Applicants (the “Amended Forbearance Agreement”);
- Corresponding regularly with Alvarez & Marsal Inc. (“A&M”), the Applicants’ financial advisor, in respect of the Court-approved sale and investment solicitation process (the “SISP”) being carried out by A&M under the oversight of the Monitor;
- Corresponding routinely with 7-Eleven Canada, Inc. (“7-11”) and its legal counsel, DLA Piper (Canada) LLP (“DLA”), in respect of prospective transactions involving 7-11;
- Reviewing daily reporting on the Applicants’ operations, including fill rate reports and other key performance indicators and routinely discussing same with management;
- Corresponding extensively with the Applicants and certain provincial tax authorities (particularly the Provinces of Alberta and Saskatchewan) concerning W&C’s tobacco tax obligations, payment plans and its tax collector status;
- Corresponding with Cassels and MT in connection with W&C’s tobacco tax issues, the positions taken by the Provinces and related issues;

- Working with management to revise multiple times the Applicants' cash flow forecast based on revisions to certain key underlying assumptions and the actual performance of the business, including tobacco tax payment plans and additional financial support provided by 7-11;
- Reviewing and commenting on multiple versions of the Applicants' revised cash flow model and discussing same internally, with management and with PWC;
- Drafting the Monitor's Fourth Report to Court dated September 19, 2023 (the "Fourth Report") filed in connection with the Applicants' liquidity position;
- Corresponding extensively with Cassels regarding the contents of the Fourth Report and reviewing multiple versions of the Fourth Report, including comments received from Cassels, MT and Norton Rose Fulbright (Canada) LLP ("NRF"), CIBC's legal counsel;
- Corresponding on a daily basis with the Applicants' management to discuss operational, vendor and collection issues;
- Attending periodically at the Applicants' head office;
- Corresponding with the Applicants concerning the disposition of certain customer proprietary inventory, including reviewing inventory reports and analyses concerning same;
- Reviewing and updating certain financial analyses, including realization analyses and the distribution of proceeds to creditors in respect of same;
- Corresponding with CIBC, A&M, PWC and the Applicants regarding the realization analyses;
- Reviewing and commenting on documentation regarding 7-11's additional \$2.5 million of financial support provided to the Applicants, and corresponding extensively with CIBC, 7-11 and DLA regarding same;
- Responding to calls and emails from creditors and customers of the Applicants concerning the CCAA proceedings;
- Reviewing and commenting on the Applicants' weekly reporting package dated September 8, 14, 21 and 28, 2023 sent to CIBC and PWC in accordance with the Amended Forbearance Agreement;
- Corresponding with PWC regarding the Applicants' reporting requirements under the Amended Forbearance Agreement, including convening weekly reporting calls on September 1, 11, 15, 22 and 29, 2023 with PWC, CIBC and the Applicants' management;
- Monitoring the Applicants' daily receipts and disbursements and approving all disbursements at CIBC's request and in accordance with the Amended Forbearance Agreement;
- Attending SISP update calls on September 5, 12, 19 and 26, 2023 with representatives of A&M, CIBC and PWC;
- Attending calls with representatives of A&M and 7-11 on September 7, 14, 21 and 28, 2023;
- Reviewing term sheets and other preliminary transaction documentation in connection with potential transactions resulting from the SISP;

- Reviewing offer summaries provided by A&M and corresponding with A&M in respect thereof, including in connection with certain real property owned by the Applicants and affiliated companies;
- Dealing with the Applicants concerning various matters in the SISP, including transitional issues, included and excluded real property and the scheme of distribution;
- Maintaining the Service List in these proceedings on the Monitor’s case website and posting all Court materials on the Monitor’s case website;
- Convening internal meetings; and
- Dealing with all other matters not otherwise referred to herein.

\* \* \*

Total fees per attached time summary	\$ 240,239.04
GST	<u>12,011.95</u>
Total Due	<u>\$ 252,250.99</u>



KSV Restructuring Inc.  
Wallace & Carey Inc., Carey Management Inc. and Loudon Bros Ltd.

**Time Summary**

For the period ended September 30, 2023

<b>Personnel</b>	<b>Rate (\$)</b>	<b>Hours</b>	<b>Amount (\$)</b>
Bobby Kofman	800	97.20	77,760.00
David Sieradzki	700	61.00	42,700.00
Andrew Basi	700	10.60	7,420.00
Jason Knight	600	68.30	40,980.00
Christian Vit	450	145.75	65,587.50
Nisan Thurairatnam	425	7.00	2,975.00
Other staff and administrative			2,797.00
Total Fees			<u>240,219.50</u>
Disbursements (postage)			19.54
Total Fees and Disbursements			<u><u>240,239.04</u></u>



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## INVOICE

Wallace & Carey Inc.  
5445 8th St NE  
Calgary, AB T2K 5R9

November 19, 2023

Invoice No: 3359  
HST #: 818808768 RT0001

**Re: Wallace & Carey Inc. (“W&C”), Loudon Bros Ltd. (“Loudon”) and Carey Management Inc. (collectively, the “Applicants”)**

For professional services rendered during October 2023 by KSV Restructuring Inc. (“KSV”) as Court-appointed Monitor (the “Monitor”) in connection with the Applicants’ proceedings under the *Companies’ Creditors Arrangement Act* (“CCAA”), including:

- Corresponding extensively with the Applicants, Cassels Brock & Blackwell LLP (“Cassels”), the Monitor’s legal counsel, and Miller Thomson LLP (“MT”), counsel to the Applicants, in respect of the Applicants’ operations and the CCAA proceedings generally, including near daily calls and emails as more specifically outlined herein;
- Corresponding regularly with representatives of PricewaterhouseCoopers LLP (“PWC”), financial advisor to Canadian Imperial Bank of Commerce (“CIBC”), and representatives of CIBC, regarding the Applicants, including in respect of multiple versions of cash flow projections, waterfall analyses and a draft amended Forbearance Agreement between CIBC and the Applicants (the “Amended Forbearance Agreement”);
- Corresponding regularly with Alvarez & Marsal Inc. (“A&M”), the Applicants’ financial advisor, in respect of the Court-approved sale and investment solicitation process (the “SISP”) being carried out by A&M under the oversight of the Monitor;
- Corresponding on a near daily basis with 7-Eleven Canada, Inc. (“7-11”) and its legal counsel, DLA Piper (Canada) LLP (“DLA”), in respect of a prospective transaction;
- Reviewing daily reporting on the Applicants’ operations, including fill rate reports and other key performance indicators and routinely discussing same with management;
- Corresponding extensively with the Applicants and certain provincial tax authorities (particularly the Provinces of Alberta and Saskatchewan) concerning W&C’s tobacco tax obligations, payment plans and its tax collector status;
- Working with management to revise, multiple times, the Applicants’ cash flow forecast based on revisions to certain key underlying assumptions and the actual performance of the

business, including tobacco tax payment plans and additional financial support provided by 7-11;

- Reviewing and commenting on multiple versions of the Applicants' revised cash flow model and discussing same internally, with management and with PWC;
- Drafting the Monitor's Supplement to the Fourth Report to Court dated October 6, 2023 (the "Supplemental Report") filed in connection with the Applicants' revised cash flow projection and liquidity position;
- Corresponding extensively with Cassels regarding the contents of the Supplemental Report and reviewing multiple versions of the Supplemental Report, including comments received from Cassels, MT and Norton Rose Fulbright (Canada) LLP ("NRF"), CIBC's legal counsel;
- Corresponding on a daily basis with the Applicants' management to discuss operational, vendor and collection issues;
- Attending periodically at the Applicants' head office;
- Corresponding with the Applicants concerning the disposition of certain customer proprietary inventory, including reviewing inventory reports and analyses concerning same;
- Reviewing and updating certain financial analyses, including realization analyses and the distribution of proceeds to creditors in respect of same;
- Corresponding with CIBC, A&M, PWC and the Applicants regarding the realization analyses;
- Reviewing and commenting on documentation regarding 7-11's additional financial support provided to the Applicants, and corresponding extensively with CIBC, 7-11 and DLA regarding same;
- Responding to calls and emails from creditors and customers of the Applicants concerning the CCAA proceedings;
- Reviewing and commenting on the Applicants' weekly reporting package dated October 5, 12, 19 and 26, 2023 sent to CIBC and PWC in accordance with the Amended Forbearance Agreement;
- Corresponding with PWC regarding the Applicants' reporting requirements under the Amended Forbearance Agreement, including convening weekly reporting calls on October 6, 10, 16, 23 and 30, 2023 with PWC, CIBC and the Applicants' management;
- Monitoring the Applicants' daily receipts and disbursements and approving all disbursements in accordance with the Amended Forbearance Agreement;
- Attending SISP update calls on October 5, 12, 19 and 26, 2023 with representatives of A&M, CIBC and PWC;
- Attending weekly calls with representatives of A&M and 7-11;
- Reviewing term sheets and multiple drafts of transaction documentation in connection with transactions with 7-11 resulting from the SISP, which remain subject to Court approval;
- Dealing with the Applicants concerning various matters in the SISP, including transitional issues, included and excluded real property and the scheme of distribution;

- Corresponding with the Applicants and Loudon's realtor in connection with a transaction for Loudon's real property in Thunder Bay, Ontario;
- Reviewing and commenting on transaction documentation regarding the Loudon real property transaction;
- Drafting the Monitor's Fifth Report to Court dated October 30, 2023, the purpose of which was to recommend approval of the Loudon real property transaction;
- Reviewing and commenting on all Court materials filed in connection with the Applicant's application for approval of the Loudon real property transaction returnable November 3, 2023;
- Reviewing and commenting on draft receivership application materials prepared in connection with CIBC's receivership application against 772921 Alberta Inc., Spruce It Up Land Corp. and Ridge Meadow Properties Limited returnable November 17, 2023 (the "Receivership Application");
- Corresponding with 7-11, CIBC, the Applicants and their respective legal counsel and financial advisors in connection with the Receivership Application;
- Maintaining the Service List in these proceedings on the Monitor's case website and posting all Court materials on the Monitor's case website;
- Convening internal meetings; and
- Dealing with all other matters not otherwise referred to herein.

\* \* \*

Total fees per attached time summary	\$ 233,403.75
GST	<u>11,670.19</u>
Total Due	<u>\$ 245,073.94</u>

KSV Restructuring Inc.  
Wallace & Carey Inc., Carey Management Inc. and Loudon Bros Ltd.

**Time Summary**

For the period ended October 31, 2023

<b>Personnel</b>	<b>Rate (\$)</b>	<b>Hours</b>	<b>Amount (\$)</b>
Bobby Kofman*	800	119.45	95,560.00
David Sieradzki*	700	49.00	34,300.00
Andrew Basi	700	33.90	23,730.00
Christian Vit*	450	157.50	70,875.00
Nisan Thurairatnam	425	18.50	7,862.50
Other staff and administrative			1,076.25
Total Fees			<u>233,403.75</u>
Disbursements			-
Total Fees and Disbursements			<u><u>233,403.75</u></u>

\*Includes 10 hours of time incurred in prior months by Messrs. Kofman, Sieradzki and Vit that was not previously billed.

This is **Exhibit "B"** referred to in the Affidavit of ROBERT KOFMAN sworn November 22, 2023. The affiant and I were located in the City of Toronto in the Province of Ontario. This affidavit was commissioned remotely in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.



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Commissioner for Taking Affidavits (or as may be)  
Rajinder Kashyap, a Commissioner, etc.,  
Province of Ontario, for KSV Restructuring Inc.  
Expires January 27, 2024

Wallace &amp; Carey Inc., Carey Management Inc. and Loudon Bros Ltd.

**Time Summary**

For the Period June 18 to October 31, 2023

Name	Hours	Hourly Rate (\$)	Total (\$)
Bobby Kofman	413.45	800	330,760.00
David Sieradzki	241.00	700	168,700.00
Andrew Basi	44.50	700	31,150.00
Jason Knight	442.70	600	265,620.00
Christian Vit	640.00	450	288,000.00
Nisan Thurairatnam	76.50	425	32,512.50
Other Staff and Administrative	60.80	175-425	16,538.25
	<u>1,918.95</u>		<u>1,133,280.75</u>
Average hourly rate			<u>590.57</u>

## **Appendix “F”**



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

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**

ADDRESS FOR  
SERVICE AND  
CONTACT  
INFORMATION  
OF PARTY  
FILING THIS  
DOCUMENT

**AFFIDAVIT**

Cassels Brock & Blackwell LLP  
Suite 3810, Bankers Hall West  
888 3<sup>rd</sup> Street SW  
Calgary, Alberta, T2P 5C5

Telephone: (403) 351-2920  
Facsimile: (403) 648-1151  
Email: [joliver@cassels.com](mailto:joliver@cassels.com) / [jdietrich@cassels.com](mailto:jdietrich@cassels.com)

File No.: 54670-3

**Attention: Jeffrey Oliver / Jane Dietrich**

AFFIDAVIT OF  
SWORN ON

DANIELLE MARECHAL  
November 22, 2023

I, DANIELLE MARECHAL, of the Town of Canmore, in the Province of Alberta, SWEAR AND SAY THAT:

1. I am a Partner at Cassels Brock & Blackwell LLP ("**Cassels**"). Cassels has been engaged as counsel to KSV Restructuring Inc. ("**KSV**") in its capacity as Court-appointed Monitor (in such capacity, the "**Monitor**") in the within proceeding. As such, I have personal knowledge of the matters hereinafter deposed to except where stated to be based upon information and belief, and where so stated I do verily believe the same to be true.
2. Terms not defined herein shall have the meaning ascribed to them in the Seventh Report of the Monitor, dated November 22, 2023 (the "**Seventh Report**").
3. As described in more detail in the Seventh Report, during the period from May 29, 2023 to November 5, 2023 Cassels incurred fees and disbursements, including GST in the amount of \$411,792.77. Particulars of the work performed are contained in the invoices attached hereto and marked as **Exhibit "A"** (the "**Cassels Invoices**").
4. Attached as **Exhibit "B"** is a schedule summarizing each Cassels invoice in Exhibit "A", which includes: the total billable hours charged per Cassels Invoice, the total fees charged per Cassels Invoice and the average hourly rate charged per Cassels Invoices. The average hourly rate charged by Cassels is \$744.21. Cassels has provided a total of 526.4 hours of legal services to

the Monitor.

- 5. Attached as **Exhibit "C"** is a schedule summarizing the years of call and billing rates of each individual at Cassels who has recorded time on this matter.
- 6. To the best of my knowledge, the rates charged by Cassels through the course of these proceedings are comparable to the rates charged by other firms in the Alberta market for the provision of similar services on a matter of similar complexity and scope, and the rates charged by Cassels for services rendered in similar proceedings.
- 7. In light of the factors enumerated in paragraph 7 of the Affidavit of Robert Kofman, sworn November 22, 2023, it is my view that the fees and disbursements incurred by Cassels are fair and reasonable in the circumstances:
- 8. I swear this affidavit in support of an application for, *inter alia*, approval of the fees and disbursements of Cassels, and for no other or improper purpose.

SWORN BEFORE ME at the City of Calgary, in the )  
 Province of Alberta, this 22<sup>nd</sup> day of November, 2023 )

\_\_\_\_\_  
 Commissioner for Oaths/Notary Public in and for )  
 Alberta )

*[Handwritten Signature]*

\_\_\_\_\_  
**DANIELLE MARECHAL**



**THIS IS EXHIBIT "A"**  
referred to in the Affidavit of

DANIELLE MARECHAL

Sworn before me this 22<sup>nd</sup>  
Day of November, 2023

*A. Gagnon*

A Commissioner for Oaths in and for Alberta



# Cassels

Attn: Bobby Kofman and Jason Knight  
220 Bay Street, 13th Floor,  
PO Box 20  
Toronto, ON M5J 2W4

Invoice No: 2206191  
Date: July 20, 2023  
Matter No.: 054670-00003  
GST/HST No.: R121379572  
Lawyer: Oliver, Jeffrey  
Tel.: (403) 351-2921  
E-mail: joliver@cassels.com

Re: Wallace & Carey Inc.

Fees for professional services rendered up to and including June 30, 2023

Our Fees	109,754.50
Less Discount	(1,783.50)
Total Fees	107,971.00
Disbursements	1,527.72
Total Fees and Disbursements	109,498.72
GST @ 5.00%	5,439.58
<b>TOTAL DUE (CAD)</b>	<b>114,938.30</b>

We are committed to protecting the environment.

Please provide your email address to [payments@cassels.com](mailto:payments@cassels.com) to receive invoice and reminder statements electronically.

**Payment due upon receipt. Please return remittance advice(s) with cheque.**

REMITTANCE ADVICE: Email payment details to [payments@cassels.com](mailto:payments@cassels.com)

**CAD EFT and Wire:**

Bank of Nova Scotia  
44 King St. West,  
Toronto, ON, M5H 1H1

Bank I.D.: 002  
Transit No.: 47696  
Account No.: 0073911  
Swift Code: NOSCCATT  
ABA No.: 026002532

**Cheque Payments:**

Cassels Brock & Blackwell LLP  
Finance & Accounting (Receipts)  
Suite 3200, Bay Adelaide Centre - North Tower  
40 Temperance St., Toronto, ON, M5H 0B4 Canada

**Online Bill Payments:**

Vendor name is **Cassels Brock Blackwell LLP** and you are required to enter the first six digits of the matter #

Invoice No: 2206191  
Matter No.: 054670-00003  
Amount: **CAD 114,938.30**

**e-Transfer Payments:** [payments@cassels.com](mailto:payments@cassels.com)

**Credit Card Payments:** [payments.cassels.com](http://payments.cassels.com)

Cassels Brock Blackwell LLP | [cassels.com](http://cassels.com)

Suite 3810, Bankers Hall West, 888 3rd Street SW, Calgary, AB T2P 5C5 Canada | t: 403 351 2920 | f: 403 648 1151

**FEE DETAIL**

<b>Date</b>	<b>Name</b>	<b>Description</b>	<b>Hours</b>
May-29-23	A. Im	Receiving and reviewing instructions; attending to security searches; reviewing search results and preparing report with respect to same; email correspondence with R. Kay;	0.20
May-30-23	J. Oliver	Telephone discussion with J. Knight re background of matter;	0.30
May-31-23	J. Oliver	Preparing for and attending all hands call re status of matter, next steps; calls from J. Reid re the same, CIBC call; reviewing and considering background of matter and issues; drafting emails to and reviewing emails from B. Kofman, J. Dietrich and J. Knight re various matters; call to J. Knight re revised timing for proceeding;	2.40
Jun-01-23	K. Wiest	Research and write memo on tobacco taxes;	3.00
Jun-01-23	J. Oliver	Reviewing MT checklist; call with CIBC counsel and MT; drafting emails to and reviewing e-mails from B. Kofman, J. Dietrich, J. Knight, R. Hanna re CIBC security, MT checklist, summary of call with CIBC;	1.30
Jun-02-23	K. Wiest	Research and write memo on tobacco taxes;	2.30
Jun-02-23	J. Oliver	Preparing for and attending all hands call with KSV and MT; drafting emails to and reviewing e-mails from B. Kofman, S. Joneja, J. Reid, R. Hanna re CIBC security, CWB security, stages of security opinion and review; providing detailed instructions to S. Joneja re background, security review and timing; considering MT checklist and next steps;	1.70
Jun-02-23	S. Joneja	Reviewing and preparing email correspondence in connection with security review; reviewing PPSA searches;	0.50
Jun-03-23	S. Joneja	Reviewing security documents and search results in connection with security review;	1.50
Jun-05-23	K. Wiest	Research and write memo on tobacco taxes;	4.70
Jun-05-23	J. Oliver	Reviewing and revising affidavit in support of initial order; call with J. Dietrich re the same; reviewing and considering employee communication; drafting emails to and reviewing e-mails from B. Knight, J. Dietrich, D. Sieradzki re affidavit, employee communications, next steps;	1.90
Jun-05-23	J. Dietrich	Review of affidavit; discussion with B. Kofman; review of mark up of draft affidavit and further review of same; discussion with J. Oliver;	2.00
Jun-06-23	K. Wiest	Proof memo on tobacco taxes;	0.80
Jun-06-23	S. Joneja	Reviewing search results and other transaction documents; preparing memorandum re review of security;	4.30
Jun-06-23	J. Dietrich	Discussion regarding comments on draft affidavit and status; discussions with J. Oliver;	1.20
Jun-06-23	J. Oliver	Attending call with KSV and Cassels re revisions to Affidavit for Initial Order, various strategic matters, next steps; lengthy call with J. Reid re Affidavit; drafting emails to and reviewing e-mails from B. Kofman, J. Dietrich, S. Joneja re security review; call from J. Dietrich re matters related to	2.00

<b>Date</b>	<b>Name</b>	<b>Description</b>	<b>Hours</b>
		illicit trade in tobacco;	
Jun-06-23	K. Bespflug	Attending to PPSA searches; obtaining copies of PPSA Searches;	0.20
Jun-07-23	S. Joneja	Reviewing and preparing amendments to memorandum re security review;	1.70
Jun-07-23	J. Dietrich	Exchange of email regarding status;	0.30
Jun-07-23	J. Oliver	Reviewing and revising memo regarding security overview; drafting emails to and reviewing emails from S. Joneja and J. Dietrich re the same, brief review of employee communications;	0.40
Jun-08-23	J. Dietrich	Review of draft communications package and provide comments on same; review of draft affidavit and comments on same; review of security memo; exchange of messages with J. Oliver.	1.70
Jun-08-23	J. Oliver	Reviewing and revising Affidavit and Initial Order; revising memo re security overview; drafting emails to and reviewing emails from B. Kofman, J. Dietrich, James R. re the same;	2.70
Jun-09-23	J. Oliver	Reviewing and revising Affidavit in support of Initial Order; reviewing research re Tobacco Tax; discussion with D. Marechal re revisions to Affidavit; drafting emails to and reviewing e-mails from B. Kofman, J. Reid, D. Marechal, J. Dietrich re D&O matters, Tobacco Tax matters, Affidavit, status of matter; telephone call to James Reid re Affidavit;	4.20
Jun-09-23	D. Marechal	Review and consideration of draft affidavit for initial order; revised and edited same; telephone call and email exchange with J. Oliver regarding same and further revisions to affidavit;	2.20
Jun-09-23	J. Dietrich	Review of draft affidavit comments and further revisions to same; email regarding order provisions;	1.50
Jun-10-23	J. Oliver	Further review and revisions to Affidavit; call to N. Thompson re background of matter, D&O charge and Tobacco Tax matters; drafting emails to and reviewing emails from B. Kofman, J. Dietrich, N. Thompson, J. Reid re the same;	1.90
Jun-10-23	N. Thompson	Research tobacco taxes and related director's liabilities in Ontario, British Columbia, Manitoba, Northwest Territories, Yukon and Nunavut; phone call with J. Oliver re same;	6.20
Jun-10-23	J. Dietrich	Review of comments on draft affidavit and email regarding same; email regarding amendments to order and outstanding questions; review of additional email regarding affidavit and status of documents;	1.10
Jun-11-23	J. Oliver	Drafting emails to and reviewing e-mails from B. Koffman and J. Dietrich re application materials, tobacco taxes, various other issues;	0.30
Jun-11-23	J. Dietrich	Review of email; exchange of email regarding order provisions;	0.50

<b>Date</b>	<b>Name</b>	<b>Description</b>	<b>Hours</b>
Jun-11-23	N. Thompson	Research tobacco taxes and related director's liabilities in Ontario, British Columbia, Manitoba, Northwest Territories, Yukon and Nunavut; summarize results of same and send to J. Oliver for review;	5.20
Jun-12-23	N. Thompson	Further research regarding tobacco taxes and discuss research findings with J. Oliver;	2.10
Jun-12-23	J. Dietrich	Review and exchange of email regarding status and order provisions;	0.50
Jun-12-23	J. Oliver	Reviewing and revising Initial Order; call with D. Marechal re the same; reviewing research re D&O liability for tobacco taxes; considering charge structure; meeting with N. Thompson re Tobacco Tax Research; discussion with S. Joneja re security opinion; attending all hands call re status of matter and next steps; drafting emails to and reviewing emails from J. Knight, J. Dietrich, B. Kofman and D. Marechal re the same;	2.60
Jun-12-23	D. Marechal	Telephone call with J. Oliver regarding review of initial order and revisions to same; review and revised initial order; email exchange with J. Oliver and J. Dietrich regarding same;	2.20
Jun-13-23	J. Dietrich	Review of email; discussion regarding status with J. Oliver; review of blackline of affidavit; review of draft affidavit and provide additional comments on same;	1.70
Jun-13-23	J. Oliver	Telephone calls to and from J. Dietrich and J. Reid re Tobacco Charge, CIBC forbearance, application materials, next steps; reviewing and revising Initial Order and Affidavit; drafting emails to and reviewing emails from B. Kofman, J. Dietrich, D. Sieradzki, J. Reid, J. Knight re pre-filing report, various guarantors, application materials, director liability matters, tobacco tax materials;	2.40
Jun-13-23	D. Marechal	Revised and edited initial order; email exchange with J. Oliver regarding same; review and consideration of affidavit; revised and edited same; email to J. Oliver and J. Dietrich regarding same;	2.80
Jun-14-23	J. Dietrich	Review of additional comments on draft affidavit; consider tax issues; email regarding tax issues; email regarding order provisions;	0.90
Jun-14-23	D. Marechal	Review and consideration of revised affidavit; discussion with J. Oliver regarding same;	1.40
Jun-14-23	J. Oliver	Reviewing comments on affidavit from KSV; reviewing further revisions by MT; call from J. Reid re affidavit and court date; drafting emails to and reviewing emails from J. Reid, B. Kofman, J. Knight, S. Joneja, D. Marechal re court date, tax matters, CWB security review, affidavit, tobacco tax matters;	0.70
Jun-15-23	D. Kolesar	Review of CIBC security documents and credit agreement; review of searches against debtor group;	5.10
Jun-15-23	N. Thompson	Research regarding tobacco taxes in Canadian provinces and	0.80

Date	Name	Description	Hours
		territories;	
Jun-15-23	J. Oliver	Calls to and from J. Reid re CIBC matters, timing of hearing, status of forbearance; drafting emails to and reviewing emails from J. Reid and B. Kofman re the same;	0.50
Jun-16-23	D. Kolesar	Prepared CIBC security review opinion;	5.10
Jun-16-23	S. Joneja	Reviewing security documents; reviewing draft security opinion re CIBC documents; reviewing and preparing e-mail correspondence in connection with CWB documents;	2.40
Jun-16-23	J. Oliver	Call from J. Knight re PWC discussions; reviewing revised CIBC Order; call from J. Reid re the same; further call from J. Reid re CIBC matters; drafting emails to and reviewing emails from B. Kofman, J. Reid, J. Knight, S. Joneja re CWB security, CIBC matters, supplier issues; call from S. Joneja re CWB security;	1.60
Jun-17-23	J. Dietrich	Discussion with B. Kofman, M. Pickette and E. Cobb; review and exchange of email;	0.80
Jun-17-23	J. Oliver	Drafting emails to and reviewing emails from B. Kofman and J. Dietrich re status of matter and next steps;	0.30
Jun-18-23	N. Thompson	Update memorandum re tobacco taxes across Canada;	1.30
Jun-18-23	J. Dietrich	Review of email and respond; participate in all hands call regarding filing status;	1.10
Jun-18-23	J. Oliver	Attending all hands call re status of matter and next steps;	1.50
Jun-19-23	N. Thompson	Research re operation of tobacco taxes for purpose of updating memo and review legislation for purpose of same;	1.10
Jun-19-23	K. Norman	Receiving and reviewing instructions; attending to property searches; obtaining copies of property documents; reviewing search results and preparing report with respect to same; email correspondence with S. Joneja;	0.50
Jun-19-23	D. Kolesar	Revised CIBC security review opinion letter regarding status and scope of entities and documents reviewed;	2.50
Jun-19-23	J. Oliver	Reviewing revised form of Initial Order; reviewing and considering CIBC Forbearance Agreement; attending all hands call re status of matter and next steps; drafting emails to and reviewing emails from B. Kofman, J. Knight, J. Reid re CIBC matters, court attendance, service list, model order; call from J. Reid re the same; discussion with S. Joneja re security review;	2.50
Jun-19-23	K. Wiest	Research tobacco tax;	1.30
Jun-20-23	N. Thompson	Discussion with K. Wiest re tobacco tax memo and review legislation for purpose of same;	0.50
Jun-20-23	S. Joneja	Preparing draft security review opinion in connection with CWB security; reviewing search results; reviewing transaction documents;	3.60
Jun-20-23	J. Dietrich	Review of email; discussion with J. Oliver; exchange of comments; review of revised order provision and email exchange regarding same;	0.80
Jun-20-23	J. Oliver	Discussion with J. Dietrich re status of matter, next steps;	1.80



Date	Name	Description	Hours
		reviewing and revising Initial Order; reviewing updated affidavit in support of Initial Order; revising Consent to Act as Monitor; drafting emails to and reviewing emails from B. Kofman, S. Joneja, J. Dietrich, J. Knight, J. Reid re hearing date, materials, security review, initial order, next steps;	
Jun-20-23	K. Wiest	Research tobacco tax;	2.80
Jun-20-23	A. Im	Receiving and reviewing instructions; attending to corporate searches; reviewing search results and preparing report with respect to same; email correspondence with S. Stern.	0.30
Jun-20-23	H. Williams	Receiving and reviewing instructions; attending to corporate searches; obtaining copies of corporate documents; reviewing search results and preparing report with respect to same; email correspondence and discussions with D. Kolesar;	0.30
Jun-20-23	H. Williams	Receiving and reviewing instructions; attending to corporate searches; obtaining copies of corporate documents; reviewing search results and preparing report with respect to same; email correspondence and discussions with D. Kolesar;	0.30
Jun-20-23	S. Trotchie	Retrieve Certificates of Status on various parties;	0.20
Jun-20-23	D. Kolesar	Revisions to CIBC security review opinion letter regarding Ontario and BC opinion matters; correspondence and calls with S. Joneja re security review opinions;	2.50
Jun-20-23	K. Norman	Email correspondence and discussions with agent with respect to searches; preparing report regarding the same; correspondence with S. Joneja;	0.30
Jun-21-23	S. Joneja	Reviewing and preparing amendments to security review opinion;	1.60
Jun-21-23	N. Thompson	Prepare letters for service of pre-filing report of the Monitor;	0.20
Jun-21-23	K. Wiest	Research tobacco taxes;	3.30
Jun-21-23	J. Dietrich	Review of drafts submitted to the court; review of revised forbearance agreement; review of draft report and provide comments on same; review of draft security review and provide comments on same; email exchange regarding charge calculations and status; review of amended forbearance terms; discussion with B. Kofman; review of revised report and email regarding same;	3.60
Jun-21-23	J. Oliver	Reviewing and commenting on pre-filing report; calls from J. Dietrich and S. Joneja re pre-filing report and security review; final review of CIBC security review; calls from J. Reid re court scheduling and forbearance agreement; reviewing revised forbearance agreement; reviewing filed version of court materials; drafting emails to and reviewing e-mails from KSV, Cassels, NRF and MT teams re application date and time, materials, security opinion, pre-filing report, next steps;	3.40

Date	Name	Description	Hours
Jun-21-23	D. Kolesar	Revised security review opinion letter;	1.50
Jun-22-23	N. Thompson	Attend to urgent service of pre-filing report of the monitor;	0.50
Jun-22-23	J. Dietrich	Exchange of email regarding security review and service list issues; discussion with J. Oliver; discussion with B. Kofman; review of email; review of email regarding finalization of material and service; discussion regarding issues for Initial Hearing; review of email; review of revised order; discussion with J. Oliver;	1.90
Jun-22-23	K. Wiest	Research tobacco taxes; conference with D. Marechal regarding supplying services; research on supplying services;	6.10
Jun-22-23	D. Marechal	Telephone call with J. Oliver regarding research on application and breach of stay under initial order; performed initial research on same; telephone call with K. Wiest regarding confirming and summarizing research;	1.20
Jun-22-23	J. Oliver	Various discussions with KSV, J. Dietrich, D. Marechal, J. Knight, J. Reid, E. Cobb re schedule to forbearance, sealing order, research re compelled supply cases under CCAA, set off, carve out of equipment lessors, various hearing matters; preparing for and attending hearing at Court of King's Bench; drafting emails to and reviewing emails from the same parties and C. Hunter re Pre-Filing Report, same issues noted above; attending to service and filing of various materials; considering legal issues re vendor supply;	4.30
Jun-23-23	J. Oliver	Call from G. Body re background; call with MT and KSV re application materials, sealing matters; considering sealing matters re Schedule 5 to forbearance; emails to and from various counsel re service list; emails to and from R. Donnelly re PPR searches and updates to list; reviewing research re cases considering terminations of sale arrangements without contracts; considering the same;	1.50
Jun-23-23	M. Sam	Receiving and reviewing instructions; attending to and obtaining PPSA searches in BC, AB, SK, MB, ON, YT, NT and NU for Wallace & Carey Inc., Carey Management Inc. and Loudon Bros Limited; Reviewing search results and preparing report with respect to same;	1.00
Jun-23-23	D. Marechal	Email exchanges with K. Wiest regarding research on stay issues in absence of formal contract;	0.40
Jun-23-23	A. Im	Receiving and reviewing instructions; email correspondence with M. Sam with respect to same;	0.10
Jun-23-23	K. Wiest	Research on termination of supply services;	2.30
Jun-23-23	R. Donnelly	Request PPR searches for J. Oliver;	0.20
Jun-24-23	J. Dietrich	Exchange of email regarding status; discussion regarding upcoming court hearing and forbearance agreement;	0.80
Jun-24-23	J. Oliver	Considering issues re sealing of schedule 5 to forbearance agreement; call with KSV re the same; call to J. Reid re the same;	0.60
Jun-25-23	N. Thompson	Review and revise updated tobacco tax memorandum	1.00

<b>Date</b>	<b>Name</b>	<b>Description</b>	<b>Hours</b>
		prepared by K. Wiest and send to J. Oliver for review;	
Jun-25-23	J. Oliver	Reviewing emails from and drafting emails to James Reid;	0.10
Jun-26-23	J. Dietrich	Review of draft affidavit and email exchange regarding same; exchange of email regarding status;	0.80
Jun-26-23	J. Oliver	Reviewing and commenting on draft notice of application, affidavit and order from the debtor; drafting emails to and reviewing emails from MT, CIBC, various stakeholders, J. Dietrich, J. Kruger, KSV re service list, First Report of the Monitor, Cineplex matters, application materials, Priority Lenders charge; calls from J. Reid re application materials, Priority Lenders charge; attending to various inquiries re service list;	2.70
Jun-26-23	M. Sam	Obtaining PPSA searches for Wallace & Carey Inc., Carey Management Inc. and Loudon Bros Limited; Reviewing search results and preparing report with respect to same;	0.30
Jun-27-23	J. Oliver	Reviewing and revising First Report of the Monitor; call with Cineplex, KSV, MT and BLG re various supply issues; drafting emails to and reviewing e-mails from B. Kofman, J. Reid, J. Knight, J. Dietrich, J. Kruger, various Cineplex individuals re supply issues, revisions to First Report; revising service letter re First Report;	2.20
Jun-27-23	R. Donnelly	Update service list using relevant PPR searches for J. Oliver.	1.90
Jun-27-23	K. Wiest	Draft tobacco tax memo;	0.70
Jun-27-23	J. Dietrich	Review of draft report and provide comments on same; review of email from J. Oliver;	0.70
Jun-28-23	J. Dietrich	Review of email regarding supply issues; discussion with J. Oliver; review of email and discussions regarding supplier issues; discussion with company counsel;	1.40
Jun-28-23	J. Oliver	Attending to service and delivery of First Report; call from J. Dietrich re supply issue with tobacco; drafting emails to and reviewing emails from KSV, MT, J. Kruger, Cassels team, M. Wasserman re various supplier issues, cashflow inquiries, Monitors Report; considering issues re tobacco supply;	1.30
Jun-28-23	N. Thompson	Review and revise service letters for application materials;	0.20
Jun-29-23	J. Dietrich	Review of email regarding supply issues and consider same; various discussions with counsel to Imperial, the company and the Monitor regarding ongoing purchases from Imperial; follow up discussions and review of email; various discussions regarding supply issues; review of email;	2.50
Jun-29-23	J. Oliver	Attending all hands call re ITL issues; call from J. Dietrich re the same; fielding various inquiries re delivery and service issues; drafting emails to and reviewing emails from MT, KSV, BLG, various other parties re service list, service issues, ITL matters;	1.80
Jun-30-23	J. Oliver	Calls to and from J. Reid and J. Dietrich re various issues with tobacco matters and gas card issues; reviewing and revising form of Order re gas cards; preparing for and attending hearing at Court of King's Bench to extend stay,	3.60

Date	Name	Description	Hours
		increase charges, require restoration of gas card credit; drafting emails to and reviewing e-mails from Cassels, KSV, MT and various stakeholders re service list, requirement to provide gas card access, tobacco supply, 7-11 matters, hearing matters, plan matters, strategic matters;	
Jun-30-23	J. Dietrich	Discussion with J. Oliver; review of email; discussion with B. Kofman; discussion with M. Wasserman and follow up email regarding same; discussions and emails regarding supply and payment issues; discussion with J. Oliver regarding comeback hearing; attend comeback hearing; discussion regarding amended order;	3.50

**FEE SUMMARY**

Name	Title	Hours	Rate	Amount
Oliver, Jeffrey	Partner	54.50	775.00	42,237.50
Marechal, Danielle	Partner	10.20	625.00	6,375.00
Joneja, Sunil	Partner	15.60	635.00	9,906.00
Dietrich, Jane	Partner	29.30	945.00	27,688.50
Kolesar, David	Partner	16.70	695.00	11,606.50
Thompson, Natalie	Associate	19.10	350.00	6,685.00
Sam, Maggie	Law Clerk / Paralegal	1.30	240.00	312.00
Im, Anita	Law Clerk / Paralegal	0.60	240.00	144.00
Williams, Haley	Law Clerk / Paralegal	0.60	325.00	195.00
Trotchie, Susana	Law Clerk / Paralegal	0.20	285.00	57.00
Norman, Krystina	Law Clerk / Paralegal	0.80	285.00	228.00
Bespflug, Kimberley	Law Clerk / Paralegal	0.20	285.00	57.00
Wiest, Kamryn	Law Student	27.30	145.00	3,958.50
Donnelly, Rachel	Law Student	2.10	145.00	304.50
<b>Total (CAD)</b>		<b>178.50</b>		<b>109,754.50</b>

Our Fees	109,754.50
Less Discount	(1,783.50)
Total Fees	107,971.00
GST @ 5.00%	5,398.55
<b>TOTAL FEES &amp; TAXES (CAD)</b>	<b>113,369.55</b>

**DISBURSEMENT SUMMARY**

**Non-Taxable Disbursements**

Court - Sundry	32.00
Electronic Due Diligence	340.50
Government of Alberta Corporate Reg	42.00
Agency Fees and Disbursements	198.66
Govt of Alberta Pers Prop Regi	18.00
Certificate of Status	36.00
Govt of Alberta - Land Titles	40.00
Total Non-Taxable Disbursements	<u>707.16</u>

**Taxable Disbursements**

Electronic Due Diligence	576.00
Agency Fees and Disbursements	149.00
Certificate of Status	24.00
Delivery	71.56
Total Taxable Disbursements	<u>820.56</u>
GST @ 5.00%	41.03
Total Taxable Disbursements & Taxes	<u>861.59</u>

**TOTAL DISBURSEMENTS & TAXES (CAD) 1,568.75**

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**TOTAL FEES 107,971.00**

**TOTAL DISBURSEMENTS 1,527.72**

**TOTAL TAXES 5,439.58**

**TOTAL FEES, DISBURSEMENTS & TAXES (CAD) 114,938.30**

# Cassels

Attn: Bobby Kofman and Jason Knight  
220 Bay Street, 13th Floor,  
PO Box 20  
Toronto, ON M5J 2W4

Invoice No: 2207164  
Date: July 28, 2023  
Matter No.: 054670-00003  
GST/HST No.: R121379572  
  
Lawyer: Oliver, Jeffrey  
Tel.: (403) 351-2921  
E-mail: joliver@cassels.com

Re: Wallace & Carey Inc.

Fees for professional services rendered up to and including July 21, 2023

Our Fees	43,675.50
GST @ 5.00%	2,183.78
<b>TOTAL DUE (CAD)</b>	<b>45,859.28</b>

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Amount: **CAD 45,859.28**

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**FEE DETAIL**

<b>Date</b>	<b>Name</b>	<b>Description</b>	<b>Hours</b>
Jul-01-23	J. Oliver	Reviewing e-mail from B. Kofman re plan milestone 1;	0.10
Jul-02-23	J. Dietrich	Discussion regarding status of milestones and progress toward same;	1.40
Jul-02-23	J. Oliver	Preparing for and attending all hands call with debtor, MT, CBB and KSV re various plan matters, including milestone 1; post-call debrief with CBB and KSV;	1.70
Jul-04-23	J. Dietrich	Review of creditor listing; review of milestone email and comment on same;	0.40
Jul-04-23	J. Oliver	Reviewing creditor list re potential convenience class matters; various communications with court and stakeholders re Orders, supply matters; drafting emails to and reviewing e-mails from KSV and MT re 7-11 matters, fuel cards; call from stakeholder re status of process, next steps;	0.80
Jul-05-23	J. Oliver	Reviewing and considering various communications re Wex; reviewing and considering issues re tobacco suppliers, timeline for delivery of various documents to CIBC; drafting emails to and reviewing emails from CBB, KSV, and various other stakeholders re various matters;	0.60
Jul-06-23	J. Oliver	Reviewing and considering issues regarding Wex payment; telephone call from J. Knight regarding the same; attending to payment of Wex deposit; drafting emails to interviewing emails from KSV, MT, Cassels teams re 7-11, Wex and service list matters; reviewing and considering deposit agreement;	1.10
Jul-06-23	J. Dietrich	Review of email regarding outstanding supply issues and respond to same; review of email regarding Wex issues; review of email regarding milestones and customer meeting agenda;	1.00
Jul-07-23	J. Oliver	Telephone call from Larry Ellis re Wex matters; drafting emails to and reviewing e-mails from MT, KSV, Wex re reactivation of Wex cards, 7-11 status, ITL issues, plan advancement;	0.50
Jul-07-23	J. Dietrich	Email exchange regarding imperial tobacco payments;	0.30
Jul-08-23	J. Oliver	Reviewing and commenting upon CCAA plan term sheet; drafting email to and reviewing e-mail from J. Dietrich and B. Kofman re the same;	0.80
Jul-08-23	J. Dietrich	Review of term sheet and provide comments on same; exchange of email regarding comments;	0.70
Jul-09-23	J. Dietrich	Discussion regarding term sheet comments and model with KSV, company and counsel;	1.30
Jul-09-23	J. Oliver	Preparing for and attending all hands call re plan term sheet, modelling of the same; post call debrief with KSV and Cassels;	1.60
Jul-10-23	J. Oliver	Reviewing various emails re 7-11 matters; call from J. Reid;	0.30
Jul-11-23	J. Dietrich	Review of email exchange regarding term sheet;	0.20

Date	Name	Description	Hours
Jul-11-23	J. Oliver	Drafting emails to and reviewing e-mails from KSV, BLG, J. Dietrich, various other interested parties re service list, vehicle leases, supply issues, 7-11 matters, FA milestones, next steps;	0.40
Jul-12-23	J. Oliver	Reviewing PPR search re vehicle registrations; preparing for and attending call with J. Dietrich re strategy for vehicle lease review; drafting emails to and reviewing e-mails from KSV, BLG, Cassels, MT re various issues including vehicle lease review, CIBC amended forbearance, various supplier issues; reviewing and considering amended CIBC forbearance agreement;	1.50
Jul-12-23	J. Dietrich	Discussion with M. Wasserman; review and exchange of email regarding CIBC amendments; discussion with J. Oliver regarding status and lease review; review of email regarding outstanding issues;	1.50
Jul-13-23	J. Oliver	Call with MT and Cassels re subrogation matters, delivery and title issues, plan status; drafting emails to and reviewing e-mails from MT, KSV teams re the same; dealing with various supply and fill rate inquiries and issues;	0.90
Jul-13-23	J. Dietrich	Exchange of email regarding status of open items; review of in transit agreements and email regarding same; discussion with Miller Thompson; review and exchange of email regarding status	1.50
Jul-14-23	J. Dietrich	Review of email and respond to same; consider subrogation issues; review of email from ITWAL counsel;	0.80
Jul-14-23	J. Oliver	Reviewing various emails re 7-11 and supply matters;	0.20
Jul-15-23	J. Dietrich	Review and respond to email regarding status of CIBC discussions;	0.30
Jul-15-23	J. Oliver	Reviewing various emails from B. Kofman re 7-11 and supply matters;	0.20
Jul-16-23	J. Oliver	Drafting emails to and reviewing e-mails from B. Kofman re CIBC security and structure relative to subsidiaries, liquidation analysis; reviewing CIBC security and corporate structure re the same;	0.60
Jul-16-23	J. Dietrich	Email exchange regarding ITCAN agenda; review of email regarding liquidation analysis; review of email regarding 7-11 agreement;	0.70
Jul-17-23	J. Oliver	Preparing for and attending all hands call re tobacco delivery issues with ITL; reviewing and considering subrogation issues raised in MT memo; reviewing and considering supporting case law; call from J. Dietrich re the same; call with K. Davis re further subrogation research; drafting emails to and reviewing e-mails from KSV, Cassels, MT and various other stakeholders re ITL matters, SISF, FA selection, subrogation matters, next steps;	3.40
Jul-17-23	J. Dietrich	Review of email; participate in discussion with Imperial and follow up discussion with counsel; review of email regarding status; review of subrogation memo and discussion with J.	2.60



Date	Name	Description	Hours
Jul-17-23	K.N. Davis	Oliver; Email correspondence and telephone conference with J. Oliver regarding subrogation issue; review of memorandum of law from Miller Thomson; review of guarantee; research law regarding waiver of subrogation rights in guarantees; review and analysis of case law regarding same and application to guarantee; draft summary regarding same;	3.20
Jul-18-23	J. Oliver	Drafting emails to and reviewing e-mails from B. Kofman, D. Sieradzki, C. Vit, J. Dietrich, J. Reid, T. Bennett re various delivery issues, SISP and advisor matters;	0.70
Jul-18-23	J. Dietrich	Review and respond to email;	0.50
Jul-19-23	J. Oliver	Telephone call from L. Ellis and J. Reid re goods in transit and borrowing base issue; call with B. Kofman, J. Reid and J. Knight re the same; reviewing and considering AB Sale of Goods Act re title transfer provisions; calls from James Reid re goods in transit and Cineplex issues; drafting emails to and reviewing emails from B. Kofman, J. Knight, C. Vit, D. Sieradzki, J. Kruger, L. Ellis, J. Reid, T. Bennett re various supply and cashflow issues, SISP, court order to resolve title issues;	2.50
Jul-19-23	J. Dietrich	Review of email; discussion regarding status and strategy with KSV and J. Oliver;	1.20
Jul-19-23	K.N. Davis	Review of judicial treatment of subrogation clauses in guarantees;	2.00
Jul-20-23	J. Dietrich	Review of email and respond to same; exchange of messages and consider issues; discussion with B. Kofman;	1.00
Jul-20-23	J. Oliver	Preparing for and attending call with Cineplex; calls with J. Dietrich re subrogation matters, forbearance, next steps; drafting emails to and reviewing emails from B. Kofman, J. Knight, D. Sieradzki, C. Vit, J. Reid, J. Kruger re Cineplex, liquidation analysis, subrogation, priority of CIBC BCAP loan, potential hearing re suppliers; calls to and from J. Reid re potential hearing on supplier issues and strategic considerations re the same;	1.60
Jul-20-23	K.N. Davis	Review and analysis of case law and other authorities regarding subrogation issue; draft summary regarding same;	6.10
Jul-21-23	J. Oliver	Calls to and from J. Reid re CIBC Amended Forbearance Agreement; reviewing initial research re subrogation; discussions with J. Dietrich re the same; conducting further research re rights of subrogation in light of language of CIBC guarantee; discussion with J. Dietrich re Cineplex issues; preparing for and attending call with KSV re Cineplex, subrogation and liquidation analysis issues; preparing for and attending call with KSV and Cineplex re fill rate issues; follow up call with J. Dietrich re to do list arising out of the same; drafting emails to and reviewing e-mails from B. Kofman, D. Sieradzki, J. Knight, J. Dietrich, K. Davis, J. Kruger, J. Reid, L. Ellis, T. Bennet re Amended CIBC	4.80

Date	Name	Description	Hours
		Forbearance Agreement, Cineplex issues and requests, liquidation analysis, goods in transit, subrogation matters, SISP matters; brief review of engagement terms of proposed financial advisors;	
Jul-21-23	C. Rich	Call with J. Dietrich regarding subrogation rights. Review guarantees.	0.40
Jul-21-23	J. Dietrich	Review of email; discussion with J. Oliver; Review of subrogation research; review of case law and consider issues; review of draft forbearance agreement; discussion with KSV regarding status and strategy; discussion with Cineplex; follow up discussion with J. Oliver;	4.00
Jul-21-23	K.N. Davis	Revise summary of subrogation research; email correspondence with J. Oliver regarding same; review of U.S. sources;	1.10

**FEE SUMMARY**

Name	Title	Hours	Rate	Amount
Dietrich, Jane	Partner	19.40	945.00	18,333.00
Oliver, Jeffrey	Partner	24.30	775.00	18,832.50
Rich, Chuck	Partner	0.40	930.00	372.00
Davis, Kara N.	Associate	12.40	495.00	6,138.00
<b>Total (CAD)</b>		<b>56.50</b>		<b>43,675.50</b>

Our Fees	43,675.50	
GST @ 5.00%	2,183.78	
<b>TOTAL FEES &amp; TAXES (CAD)</b>		<b>45,859.28</b>

<b>TOTAL FEES</b>	<b>43,675.50</b>
<b>TOTAL TAXES</b>	<b>2,183.78</b>
<b>TOTAL FEES &amp; TAXES (CAD)</b>	<b>45,859.28</b>

**OUTSTANDING INVOICES**

Invoice Number	Invoice Date	Bill Amount	Payments / Credits	Balance Due
2206191	07/20/23	114,938.30	0.00	114,938.30
2207164	07/28/23	45,859.28	0.00	45,859.28
<b>Total (CAD)</b>		<b>160,797.58</b>	<b>0.00</b>	<b>160,797.58</b>

# Cassels

Attn: Bobby Kofman and Jason Knight  
220 Bay Street, 13th Floor,  
PO Box 20  
Toronto, ON M5J 2W4

Invoice No: 2207982  
Date: August 08, 2023  
Matter No.: 054670-00003  
GST/HST No.: R121379572  
Lawyer: Oliver, Jeffrey  
Tel.: (403) 351-2921  
E-mail: joliver@cassels.com

Re: Wallace & Carey Inc.

Fees for professional services rendered up to and including August 04, 2023

Our Fees	51,737.50
GST @ 5.00%	2,586.88
<b>TOTAL DUE (CAD)</b>	<b>54,324.38</b>

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40 Temperance St., Toronto, ON, M5H 0B4 Canada

**Online Bill Payments:**

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Invoice No: 2207982  
Matter No.: 054670-00003  
Amount: **CAD 54,324.38**

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Suite 3810, Bankers Hall West, 888 3rd Street SW, Calgary, AB T2P 5C5 Canada | t: 403 351 2920 | f: 403 648 1151

**FEE DETAIL**

<b>Date</b>	<b>Name</b>	<b>Description</b>	<b>Hours</b>
Jul-22-23	J. Oliver	Drafting emails to and reviewing e-mails from B. Kofman, J. Dietrich and J. Reid re Alvarez engagement, call re supply issues;	0.20
Jul-22-23	J. Dietrich	Review of draft engagement letter and provide comments on same;	0.70
Jul-23-23	J. Dietrich	Discussion with E. Cobb regarding guarantee; discussion with J. Oliver regarding engagement letter comments; exchange of messages with B. Kofman; review of letter to suppliers and comment on same; exchange of email regarding status;	1.30
Jul-23-23	J. Oliver	Reviewing and revising Alvarez Engagement Letter; call with J. Dietrich and E. Cobb re guarantee issues; calls with J. Dietrich re Alvarez engagement and COD letter; reviewing and revising COD letter; drafting emails to and reviewing emails from B. Kofman, J. Dietrich, J. Reid, L. Ellis re the same;	2.20
Jul-24-23	J. Dietrich	Participate in update call with company and CIBC and advisors; discussion with E. Cobb; discussion with J. Oliver; review of email; discussion regarding subrogation issues and status of forbearance milestones; follow up discussion regarding same; review of draft forbearance;	3.30
Jul-24-23	J. Oliver	Call from J. Knight re tax matters; call from J. Reid; call with B. Kofman, L. Ellis, J. Reid, E. Cobb, J. Dietrich re subrogation issues; issue preview call with J. Dietrich re the same; post call debrief with J. Dietrich, B. Kofman; reviewing further amended forbearance agreement from CIBC; drafting emails to and reviewing emails from B. Kofman, J. Knight, J. Dietrich, J. Kruger, E. Cobb re 7-11, subrogation, plan and SISP matters, forbearance matters;	1.50
Jul-25-23	J. Dietrich	Discussion regarding liquidation analysis assumptions; review of email regarding imperial tobacco issues and discussion with counsel to Imperial and Monitor; discussion with B. Kofman;	1.40
Jul-25-23	J. Oliver	Reviewing amended forbearance agreement; drafting emails to and reviewing e-mails from B. Kofman, J. Reid, J. Dietrich re amended forbearance agreement, supplier issues;	0.40
Jul-26-23	J. Dietrich	Discussion with B. Kofman regarding status; discussion with J. Oliver regarding status; exchange of email; discussion with Cineplex counsel and the monitor; discussion with KSV, CIBC and advisors; review of email and exchange of messages with J. Oliver;	2.40
Jul-26-23	J. Oliver	Call from J. Dietrich re update on status re lender call; preparing for and attending two calls with KSV, BLG, and Cineplex re various supply matters; brief review of liquidation analysis; reviewing Cineplex short report; drafting emails to and reviewing e-mails from B. Kofman, J. Knight, D. Sieradzki, J. Dietrich, J. Kruger, T. Bennett, L. Ellis,	1.60

Date	Name	Description	Hours
		J. Reid re Cineplex, CIBC amended forbearance agreement, lender compliance matters, A&M engagement, various associated issues;	
Jul-27-23	J. Dietrich	Review of A&M engagement letter mark up and email comments regarding same; follow up email regarding A&M engagement letter; review of draft liquidation analysis; review of email regarding cineplex matters; discussion with J. Oliver regarding status; discussion with E. Cobb; discussion regarding liquidation analysis, Cineplex proposal and draft A&M engagement;	3.90
Jul-27-23	J. Oliver	Detailed review of liquidation analysis; reviewing and commenting on revised terms from Cineplex; reviewing and revising A&M engagement letter; drafting, reviewing and revising terms associated with limited stay waiver; call with E. Cobb and J. Dietrich re A&M engagement letter; call with B. Kofman, J. Dietrich and D. Sieradzki re liquidation analysis, Cineplex matters, supply issues and various other debtor issues; calls to and from J. Reid re Cineplex agreement, liquidation analysis, A&M engagement; call with B. Kofman re status of matter; drafting emails to and reviewing e-mails from B. Kofman, D. Sieradzki, J. Knight, J. Reid, S. Massie, J. Dietrich, J. Kruger re the same issues;	5.80
Jul-28-23	J. Dietrich	Review of email; review of comments on A&M Engagement letter and email regarding same; review of revised liquidation analysis and comments on same; discussion with B. Kofman; email exchange regarding engagement letter; discussion regarding Cineplex issues; review of additional cineplex and A&M related emails;	3.00
Jul-28-23	J. Oliver	Reviewing and making further comments on A&M engagement and Cineplex revised terms; attending call hands call re Cineplex issues; drafting emails to and reviewing e-mails from B. Kofman, J. Dietrich, J. Kruger, J. Reid, E. Cobb re the same; reviewing and considering updated liquidation analysis;	1.50
Jul-29-23	J. Oliver	Reviewing email from B. Kofman re supply updates;	0.10
Jul-30-23	J. Dietrich	Review of email and discussion with B. Kofman regarding status;	0.50
Jul-30-23	J. Oliver	Reviewing email from B. Kofman re 7-11 status;	0.10
Jul-31-23	J. Dietrich	Various discussions regarding liquidity issues, financing status and outstanding matters; discussion with KSV regarding status and follow up discussion with E. Cobb; discussion with Miller Thomson; follow up discussion with J. Oliver and email to client; discussion with company and counsel regarding status and outstanding issues;	4.30
Jul-31-23	J. Oliver	Preparing for and attending all hands call with Cineplex; attending separate call with J. Dietrich, B. Kofman, J. Knight and D. Sieradzki re operational and financial issues, strategic issues; reviewing CIBC reporting; reviewing updated Cineplex letter; call with J. Dietrich, L. Ellis, J. Reid re various	3.80

Date	Name	Description	Hours
		matters; drafting summary of call to KSV group; drafting e-mail to L. Ellis re potential MAC concerns; attending all hands call with KSV and MT group; drafting emails to and reviewing e-mails from B. Kofman, D. Seradzki, J. Knight, J. Kruger, L. Ellis, J. Reid, E. Cobb re Cineplex matters, CIBC forbearance matters, cashflow, supply and operational issues, next steps;	
Aug-01-23	J. Oliver	Call from J. Reid re Cineplex; reviewing and revising letter to J. Kruger re Cineplex matters; call with B. Kofman, J. Knight, J. Dietrich, D. Sieradzki re CIBC and Cineplex; call with J. Reid, J. Dietrich and E. Cobb re status of Alvarez engagement; call from J. Dietrich re the same; reviewing letter from J. Kruger re Cineplex; responding to various inquiries re service list, supply issues, next steps;	2.80
Aug-01-23	J. Dietrich	Review of email and respond to same; review of correspondence and exchange of email regarding same; discussion regarding A&M engagement; discussion regarding Cineplex response; discussion regarding Company response to Cineplex correspondence and exchange of email regarding same;	2.80
Aug-02-23	J. Oliver	Calls to and from J. Dietrich re CIBC forbearance agreement matters, delivery issues, MAC matters; reviewing CIBC forbearance notification; reviewing letter from J. Kruger re Cineplex delivery matters; drafting emails to and reviewing e-mails from B. Kofman, D. Sieradzki, J. Knight, J. Reid, J. Dietrich re the same; reviewing terms of suggested plan from debtor;	1.00
Aug-02-23	J. Dietrich	Review of email and exchange of messages regarding status; various discussions regarding status; review of additional correspondence from Cineplex and discussion regarding same; discussion with CIBC's counsel; discussion with KSV; discussion with J. Oliver;	2.80
Aug-03-23	J. Dietrich	Review of draft correspondence from CIBC and discussions related to comments on same; work on draft of second report and email exchange regarding same; exchange of email regarding status; review of correspondence; discussion regarding outstanding issues; review of amended engagement letter; review of email regarding potential forbearance terms; discussion with E. Cobb; discussion with KSV;	5.30
Aug-03-23	J. Oliver	Reviewing and revising Second Report of the Monitor; reviewing updated engagement letter from Alvarez; call with B. Kofman, J. Knight, J. Dietrich, E. Cobb re Alvarez engagement, update on various matters, next steps; drafting emails to and reviewing e-mails from B. Kofman, J. Knight, J. Dietrich, E. Cobb re CIBC forbearance, various supply issues, report of the Monitor, Alvarez engagement; reviewing CIBC standstill letter re access to cash facility;	2.00
Aug-04-23	J. Dietrich	Review of email regarding 7-11 and other status updates;	2.30

Date	Name	Description	Hours
		exchange of email with E. Cobb regarding status of documentation; discussion with S. Ferguson; discussion with B. Kofman; discussion regarding A&M engagement letter; review of revised engagement letter and further mark up of same;	
Aug-04-23	J. Oliver	Preparing for and attending all hands call re Alvarez engagement; reviewing and commenting re the same; further review and comments on pre-filing report; call from J. Dietrich re Alvarez engagement, 7-11, various issues; drafting emails to and reviewing emails from B. Kofman, J. Dietrich, J. Reid, L. Ellis, E.Cobb; reviewing draft CIBC amended forbearance agreement;	2.30

**FEE SUMMARY**

Name	Title	Hours	Rate	Amount
Oliver, Jeffrey	Partner	25.30	775.00	19,607.50
Dietrich, Jane	Partner	34.00	945.00	32,130.00
<b>Total (CAD)</b>		<b>59.30</b>		<b>51,737.50</b>

Our Fees	51,737.50	
GST @ 5.00%	2,586.88	
<b>TOTAL FEES &amp; TAXES (CAD)</b>		<b>54,324.38</b>

<b>TOTAL FEES</b>	<b>51,737.50</b>
<b>TOTAL TAXES</b>	<b>2,586.88</b>
<b>TOTAL FEES &amp; TAXES (CAD)</b>	<b>54,324.38</b>

**OUTSTANDING INVOICES**

Invoice Number	Invoice Date	Bill Amount	Payments / Credits	Balance Due
2207164	07/28/23	45,859.28	0.00	45,859.28
2207982	08/08/23	54,324.38	0.00	54,324.38
<b>Total (CAD)</b>		<b>100,183.66</b>	<b>0.00</b>	<b>100,183.66</b>

# Cassels

Attn: Bobby Kofman and Jason Knight  
1165, 324 – 8th Avenue SW  
Calgary, AB T2P 2Z2

Invoice No: 2210892  
Date: September 07, 2023  
Matter No.: 054670-00003  
GST/HST No.: R121379572  
Lawyer: Oliver, Jeffrey  
Tel.: (403) 351-2921  
E-mail: joliver@cassels.com

Re: Wallace & Carey Inc.

Fees for professional services rendered up to and including August 31, 2023

Our Fees	18,183.50
Disbursements	138.02
Total Fees and Disbursements	18,321.52
GST @ 5.00%	913.93
<b>TOTAL DUE (CAD)</b>	<b>19,235.45</b>

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Toronto, ON, M5H 1H1

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Transit No.: 47696  
Account No.: 0073911  
Swift Code: NOSCCATT  
ABA No.: 026002532

**Cheque Payments:**

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Suite 3200, Bay Adelaide Centre - North Tower  
40 Temperance St., Toronto, ON, M5H 0B4 Canada

**Online Bill Payments:**

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Invoice No: 2210892  
Matter No.: 054670-00003  
Amount: **CAD 19,235.45**

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**Credit Card Payments:** [payments.cassels.com](http://payments.cassels.com)

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**FEE DETAIL**

<b>Date</b>	<b>Name</b>	<b>Description</b>	<b>Hours</b>
Aug-14-23	J. Dietrich	Review of email and exchange of messages with J. Oliver regarding creditor inquiries;	0.60
Aug-15-23	J. Dietrich	Review of email regarding status of A&M Engagement and comments on SISP;	0.60
Aug-16-23	J. Dietrich	Review of email regarding supply issues;	0.60
Aug-17-23	J. Dietrich	Email regarding draft of SISP and comments on same; exchange of messages with J. Oliver regarding SISP comments and email comments on same;	1.40
Aug-18-23	J. Dietrich	Review of email regarding comments on SISP; exchange of messages with J. Oliver regarding service issues; review of draft application and comments on orders; review of draft affidavit and email related to same;	1.50
Aug-19-23	J. Dietrich	Review of draft report and provide comments to J. Oliver; further email exchange regarding comments on SISP and draft affidavit;	2.30
Aug-20-23	J. Dietrich	Review of email regarding additional comments on SISP; review of email regarding comments on draft report and related application material;	0.90
Aug-21-23	N. Thompson	Attend to filing and service of application materials;	1.40
Aug-21-23	J. Oliver	Final reviews and revisions to Third Report of the Monitor; attending to service and delivery thereof; calls to and from counsel to CWB, J. Reid re inclusion of additional assets in SISP; reviewing revised Orders; drafting emails to and reviewing e-mails from B. Kofman, J. Knight, J. Reid, E. Cobb re CWB matters, final revisions to Report, application materials, date for hearing to approve SISP transaction, next steps;	2.10
Aug-21-23	J. Dietrich	Review of additional email regarding updated report and SISP; review of email regarding CWB concerns;	0.80
Aug-21-23	K.N. Davis	Review of email correspondence from N. Thompson regarding service of Third Report and brief review of same;	0.30
Aug-22-23	J. Oliver	Calls to and from J. Reid and P. Kyriakakis re CWB position on application; call with J. Reid, E. Cobb, B.Kofman, E. Cobb and J. Knight re the same; follow up call with E.Cobb, P. Kyriakakis and J. Reid re CWB position on application; reviewing and considering suggested amendment language from CWB; drafting emails to and reviewing e-mails from J. Reid, E. Cobb, B.Kofman, E. Cobb, P; Kyriakakis and J. Knight re the same; considering strategy;	2.50
Aug-22-23	N. Thompson	Receive filed application materials and attend to service of proofs of filing;	0.70
Aug-22-23	J. Dietrich	Review email regarding CWB comments and related issues;	0.40
Aug-23-23	N. Thompson	Draft and finalize affidavit of service in preparation for hearing;	2.30
Aug-23-23	J. Oliver	Preparing for and attending hearing at Court of King's Bench; call with B. Kofman, J. Knight, E. Cobb and J. Reid	2.20

Date	Name	Description	Hours
		prior to court re real estate matters; reviewing and considering revised terms of Order re CWB matters; drafting emails to and reviewing emails from B. Kofman, J. Reid, E. Cobb and P. Kyriakakis re the same;	
Aug-23-23	J. Dietrich	Review and exchange of messages with J. Oliver regarding status; update;	0.20
Aug-24-23	N. Thompson	Revise service list;	0.20
Aug-24-23	J. Oliver	Call with J. Reid and B. Kofman re CWB real estate collateral and land sales; drafting emails to and reviewing emails from J. Reid and B. Kofman re the same;	0.50
Aug-25-23	J. Oliver	Discussion with J. Dietrich re status of matter; drafting emails to and reviewing emails from J. Reid and B. Kofman re contract termination;	0.40
Aug-25-23	J. Dietrich	Review of email and discussion with J. Oliver regarding status;	0.30
Aug-26-23	J. Oliver	Reviewing supporting information re Loudon disclaimer;	0.20
Aug-26-23	J. Dietrich	Review of email regarding outstanding issues and status;	0.20
Aug-28-23	J. Dietrich	Email exchange with J. Oliver regarding disclaimer issues;	0.20
Aug-28-23	J. Oliver	Reviewing and revising disclaimer notices (x3); reviewing and revising corporate structure portion of CIM; drafting emails to and reviewing e-mails from B. Kofman, J. Knight, J. Dietrich and J. Reid re the same;	0.80
Aug-29-23	J. Oliver	Drafting emails to and reviewing e-mails from J. Knight re disclaimers;	0.10
Aug-30-23	J. Oliver	Reviewing additional disclaimer; drafting email to J. Knight re the same;	0.20

**FEE SUMMARY**

Name	Title	Hours	Rate	Amount
Dietrich, Jane	Partner	10.00	945.00	9,450.00
Oliver, Jeffrey	Partner	9.00	775.00	6,975.00
Thompson, Natalie	Associate	4.60	350.00	1,610.00
Davis, Kara N.	Associate	0.30	495.00	148.50
<b>Total (CAD)</b>		<b>23.90</b>		<b>18,183.50</b>

Our Fees	18,183.50	
GST @ 5.00%	909.18	
<b>TOTAL FEES &amp; TAXES (CAD)</b>		<b>19,092.68</b>

**DISBURSEMENT SUMMARY**

**Non-Taxable Disbursements**

Court - Sundry	23.00
Court - Filing Executions	20.00
Total Non-Taxable Disbursements	<u>43.00</u>

**Taxable Disbursements**

Delivery	95.02
Total Taxable Disbursements	<u>95.02</u>
GST @ 5.00%	4.75
Total Taxable Disbursements & Taxes	<u>99.77</u>

**TOTAL DISBURSEMENTS & TAXES (CAD) 142.77**

**TOTAL FEES 18,183.50**

**TOTAL DISBURSEMENTS 138.02**

**TOTAL TAXES 913.93**

**TOTAL FEES, DISBURSEMENTS & TAXES (CAD) 19,235.45**

**OUTSTANDING INVOICES**

Invoice Number	Invoice Date	Bill Amount	Payments / Credits	Balance Due
2209410	08/21/23	42,139.65	0.00	42,139.65
2210892	09/07/23	19,235.45	0.00	19,235.45
<b>Total (CAD)</b>		<b>61,375.10</b>	<b>0.00</b>	<b>61,375.10</b>

# Cassels

Attn: Bobby Kofman and Jason Knight  
1165, 324 – 8th Avenue SW  
Calgary, AB T2P 2Z2

Invoice No: 2212688  
Date: September 26, 2023  
Matter No.: 054670-00003  
GST/HST No.: R121379572  
Lawyer: Oliver, Jeffrey  
Tel.: (403) 351-2921  
E-mail: joliver@cassels.com

Re: Wallace & Carey Inc.

Fees for professional services rendered up to and including September 25, 2023

Our Fees	22,797.00
Disbursements	40.00
Total Fees and Disbursements	22,837.00
GST @ 5.00%	1,139.85
<b>TOTAL DUE (CAD)</b>	<b>23,976.85</b>

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Toronto, ON, M5H 1H1

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Account No.: 0073911  
Swift Code: NOSCCATT  
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40 Temperance St., Toronto, ON, M5H 0B4 Canada

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Invoice No: 2212688  
Matter No.: 054670-00003  
Amount: CAD 23,976.85

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**FEE DETAIL**

<b>Date</b>	<b>Name</b>	<b>Description</b>	<b>Hours</b>
Sep-06-23	J. Oliver	Reviewing emails from B. Kofman re use of 7-Eleven funds for tax purposes;	0.10
Sep-07-23	J. Dietrich	Update discussion with J. Oliver and KSV;	0.50
Sep-07-23	J. Oliver	Call with J. Dietrich, B. Kofman, J. Knight re status of matter;	0.50
Sep-11-23	J. Dietrich	Exchange of email regarding status and service list;	0.20
Sep-12-23	J. Dietrich	Review of updated service list and email regarding same; review of correspondence regarding leased assets and exchange of email regarding same;	0.30
Sep-13-23	J. Dietrich	Discussion with B. Kofman; discussion with J. Reid regarding status; review of tobacco tax related issues; discussion with B. Kofman; exchange of email with E. Cobb;	2.00
Sep-14-23	J. Dietrich	Review of correspondence; discussion with B. Kofman and E. Cobb; exchange of email regarding certain payments; review of email regarding status;	1.70
Sep-14-23	J. Oliver	Reviewing emails from and drafting emails to J. Dietrich and J. Knight re service, MAC report;	0.20
Sep-15-23	J. Dietrich	Review of draft report and comments on same; discussion with J. Reid; exchange of email regarding status; discussion with B. Kofman; review of email;	2.10
Sep-16-23	J. Dietrich	Comments on draft correspondence; review of revised report and comments on same; discussion with B. Kofman; discussion with CIBC and advisors; email exchange regarding status; exchange of email regarding status;	1.70
Sep-17-23	J. Dietrich	Review and exchange of email regarding cash flow and status;	0.40
Sep-18-23	J. Oliver	Reviewing CIBC notice of default; various communications re service list;	0.20
Sep-18-23	J. Dietrich	Review of email; discussion with company, CIBC and advisors regarding current status; follow up discussion with KSV regarding status and strategy; revisions to draft report; discussion with D. Marchelle; email regarding service list updates; update report and email to J. Reid and E. Cobb;	2.90
Sep-18-23	N. Thompson	ADD	0.80
Sep-18-23	D. Marechal	Email exchanges with counsel to debtors and Angeline Gagnon regarding various service matters; telephone call with Jane Dietrich regarding same; review and consideration of service letters; email to Angeline Gagnon regarding same;	0.80
Sep-19-23	J. Dietrich	Review of comments on draft report and email regarding same; email exchange regarding status of lease payments; review of revised report and comments on same; review of messages and discussion with B. Kofman;	2.40
Sep-19-23	J. Oliver	Reviewing Fourth Report of the Monitor;	0.40
Sep-19-23	D. Marechal	Email from KSV regarding final report; review of same for filing and serving; email exchange with Angeline Gagnon regarding same;	0.60

Date	Name	Description	Hours
Sep-20-23	J. Dietrich	Review of email regarding cash flow issues and tax related matters; Discussion regarding current borrowing issues and information flow; Review of comments on draft motion material;	1.50
Sep-21-23	J. Dietrich	Review of email; discussion with J. Reid regarding status and strategy; review of contract and discussion regarding same; discussion regarding tax issues; review of email; review of communications with the court and discussion with D. Marechal; discussion regarding Fresh Slice strategy; discussion regarding status; discussion with B. Kofman;	3.90
Sep-21-23	D. Marechal	Telephone call with Jane Dietrich regarding Freshslice issue, Court time and next steps; review and consideration of various emails relating to same;	0.90
Sep-23-23	J. Oliver	Reviewing and considering document from B. Kofman re contingency planning; drafting emails to and reviewing e-mails from J. Dietrich re the same;	0.40
Sep-24-23	J. Oliver	Calls to and from J. Dietrich re Fresh Slice and cashflow matters; reviewing and commenting on application materials of debtor re Fresh Slice matters; drafting emails to and reviewing e-mails from J. Dietrich and J. Reid re the same;	1.50

**FEE SUMMARY**

Name	Title	Hours	Rate	Amount
Oliver, Jeffrey	Partner	3.30	775.00	2,557.50
Dietrich, Jane	Partner	19.60	945.00	18,522.00
Marechal, Danielle	Partner	2.30	625.00	1,437.50
Thompson, Natalie	Associate	0.80	350.00	280.00
<b>Total (CAD)</b>		<b>26.00</b>		<b>22,797.00</b>

Our Fees	22,797.00
GST @ 5.00%	1,139.85
<b>TOTAL FEES &amp; TAXES (CAD)</b>	<b>23,936.85</b>

**DISBURSEMENT SUMMARY**

**Non-Taxable Disbursements**

Court - Sundry	40.00
Total Non-Taxable Disbursements	40.00

<b>TOTAL DISBURSEMENTS &amp; TAXES (CAD)</b>	<b>40.00</b>
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<b>TOTAL FEES</b>	<b>22,797.00</b>
<b>TOTAL DISBURSEMENTS</b>	<b>40.00</b>
<b>TOTAL TAXES</b>	<b>1,139.85</b>
<b>TOTAL FEES, DISBURSEMENTS &amp; TAXES (CAD)</b>	<b>23,976.85</b>

# Cassels

Attn: Bobby Kofman and Jason Knight  
1165, 324 – 8th Avenue SW  
Calgary, AB T2P 2Z2

Invoice No: 2213743  
Date: October 10, 2023  
Matter No.: 054670-00003  
GST/HST No.: R121379572  
Lawyer: Oliver, Jeffrey  
Tel.: (403) 351-2921  
E-mail: joliver@cassels.com

Re: Wallace & Carey Inc.

Fees for professional services rendered up to and including October 10, 2023

Our Fees	49,649.00
GST @ 5.00%	2,482.45
<b>TOTAL DUE (CAD)</b>	<b>52,131.45</b>

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44 King St. West,  
Toronto, ON, M5H 1H1

Bank I.D.: 002  
Transit No.: 47696  
Account No.: 0073911  
Swift Code: NOSCCATT  
ABA No.: 026002532

**Cheque Payments:**

Cassels Brock & Blackwell LLP  
Finance & Accounting (Receipts)  
Suite 3200, Bay Adelaide Centre - North Tower  
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matter #

Invoice No: 2213743  
Matter No.: 054670-00003  
Amount: **CAD 52,131.45**

**e-Transfer Payments:** [payments@cassels.com](mailto:payments@cassels.com)

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**FEE DETAIL**

<b>Date</b>	<b>Name</b>	<b>Description</b>	<b>Hours</b>
Sep-22-23	J. Dietrich	Email exchange regarding Fresh Slice issues; review of various documents and discussion with J. Reid regarding court application and strategy; discussion with KSV regarding status and strategy; exchange of email with J. Reid; discussion with D. Sieradzki; review of draft correspondence and comments on same; discussion regarding status; review of correspondence from Alberta;	3.70
Sep-23-23	J. Dietrich	Review and exchange of messages regarding status; discussion with B. Kofman;	0.50
Sep-24-23	J. Dietrich	Exchange of messages regarding status; discussion with J. Reid; discussion with J. Oliver; exchange of email regarding court relief; review of draft order and application;	1.40
Sep-25-23	J. Dietrich	Review of draft application materials, review of comments on application material from KSV and incorporate additional comments; email exchange regarding status; discussion with J. Reid regarding motion material; review of email regarding comments on material; discussion regarding status; discussion with B. Kofman; discussion with Alberta; review of emails; review of notice from E. Cobb and exchange of messages regarding same; discussion with J. Oliver;	4.40
Sep-25-23	J. Oliver	Reviewing and commenting on application materials re Freshslice; drafting emails to and reviewing emails from J. Reid, J. Dietrich, B. Kofman re Freshslice, tax authority matters, CIBC issues; reviewing CIBC default letter; call from J. Dietrich re various issues;	0.90
Sep-25-23	D. Marechal	Review and consideration of letter from counsel to debtors regarding Freshslice agreement;	0.30
Sep-26-23	J. Dietrich	Discussion with E. Cobb; exchange of messages regarding status; discussion with J. Oliver; preparation for and attendance at court;	2.30
Sep-26-23	J. Oliver	Preparing for and attending hearing at Court of King's bench; drafting emails to and reviewing emails from J. Reid, B. Kofman and V. Li and J. Dietrich re Freshslice and CIBC issues; call from J. Dietrich re hearing matters;	2.00
Sep-27-23	J. Dietrich	Review of email regarding status; email to Alberta; review of email; discussion with B. Kofman;	0.70
Sep-27-23	J. Oliver	Call to V. Li re Freshslice issues; drafting emails to and reviewing e-mails from B. Kofman, J. Dietrich, J. Reid re 7-Eleven matters, Freshslice issues; reviewing and considering various communications re 7-Eleven matters;	0.70
Sep-28-23	J. Dietrich	Work on draft term sheet; discussion regarding comments on term sheet; participate in discussion with CIBC; review of email regarding cash flow issues; participate in discussion with Alberta; review and exchange of email regarding tax issues; review of responding material from Freshslice and email regarding same;	3.70

Date	Name	Description	Hours
Sep-28-23	J. Oliver	Reviewing and considering disclaimers (x2); call to Vincent Li re Freshslice issues; call to J. Reid re the same; drafting emails to and reviewing e-mails from J. Dietrich, J. Reid, B. Kofman re CWB and Alvarez call, disclaimers, Freshslice matters, 7-Eleven transaction; reviewing affidavits tendered by Freshslice;	1.70
Sep-29-23	J. Oliver	Call with J. Dietrich re Freshslice, cashflow and 7-Eleven matters; call with J. Dietrich and E. Low re the same; call with J. Reid re adjournment and next steps; preparing for and attending hearing re adjournment; drafting emails to and reviewing emails from J. Reid, B. Kofman, J. Dietrich re the same;	1.70
Sep-29-23	J. Dietrich	Review of email regarding status; review of comments on term sheet; discussion with B. Kofman and E. Lamek regarding term sheet; discussion with J. Oliver; discussion regarding status with E. Cobb; discussion regarding term sheet and status; exchange of email regarding Freshslice hearing;	2.70
Sep-30-23	J. Dietrich	Review and exchange of email regarding term sheet and status;	0.40
Sep-30-23	J. Oliver	Reviewing various emails from B. Kofman, E. Cobb re CIBC, bid matters;	0.20
Oct-01-23	J. Dietrich	Review of draft report and provide comments on same;	0.60
Oct-02-23	J. Dietrich	Review of mark up of draft report and email exchange regarding same; review of comments on draft report and email exchange regarding same; discussion regarding status of term sheet and transaction issues; discussion regarding sale process status and next steps; discussion regarding guarantee issues; review an exchange of email;	2.70
Oct-02-23	J. Oliver	Call with J. Dietrich re further amended CIBC forbearance; attending all hands call re SISP update; drafting emails to and reviewing e-mails from B. Kofman, J. Dietrich, J. Reid, E. Cobb re November 9 hearing ,SISP update, CIBC cashflow, possible transaction;	1.00
Oct-03-23	J. Dietrich	Review of email; discussion regarding status of transaction documents and next steps; discussion regarding concerns with J. Reid; follow up email regarding status; discussion with McCarthy's regarding appraisal information and status; discussion with J. Oliver and D. Marechal regarding drafting of APA and AVO; review of additional email and exchange of messages regarding same;	3.30
Oct-03-23	J. Oliver	Call with J. Dietrich and D. Marechal re APA on real estate, hearing dates, next steps; drafting emails to and reviewing e-mails from B. Kofman, J. Reid, J. Dietrich, E. Cobb re real estate transaction, court date, CIBC amended forbearance, 7-Eleven matters; reviewing amended CIBC forbearance;	1.00
Oct-04-23	J. Dietrich	Exchange of email and discussion regarding draft report; discussion regarding status; discussion with J. Oliver; discussion with E. Cobb; discussion with J. Reid; discussion	3.60

Date	Name	Description	Hours
Oct-04-23	J. Oliver	with B. Kofman and J. Nevsky; discussion with B. Kofman; Call with J. Dietrich re status of matter; reviewing and commenting on Supplement to the Fourth Report of the Monitor; drafting emails to and reviewing e-mails from B. Kofman, J. Dietrich re status of CIBC issues, 7-Eleven matters, next steps;	0.70
Oct-05-23	J. Dietrich	Review and respond to emails regarding waterfall; review of revised report and email regarding same; discussion regarding status of term sheet; review of correspondence from Miller Thompson and discussion regarding reply to same; draft reply and review of comments on same; discussion with A&M; review of email;	4.40
Oct-05-23	J. Oliver	Reviewing and considering letter from J. Reid; calls with J. Dietrich re the same; reviewing and revising letter to J. Reid; reviewing changes to Report of the Monitor from CIBC; drafting emails to and reviewing emails from B. Kofman, J. Dietrich, J. Reid, E. Cobb re 7-Eleven matters, court time;	2.10
Oct-06-23	N. Thompson	Assisting with service and filing of Supplement of Fourth Report;	1.20
Oct-06-23	J. Oliver	Call with MT, KSV, Alvarez and Cassels re 7-Eleven matters; call with A&M, KSV and McCarthy's re sales process, CWB paydown matters, next steps; call from J. Dietrich re next steps; discussion with N. Thompson re the service; call with J. Dietrich and B. Kofman re potential further revisions to report; drafting emails to and reviewing emails from B. Kofman, J. Dietrich, E. Cobb, C. Vit, J. Reid re 7-Eleven matters, report and service thereof, CIBC status;	2.90
Oct-06-23	J. Dietrich	Discussion regarding term sheet status with KSV, MT and A&M; discussion regarding term sheet amendments; discussion regarding finalizing report;	2.10
Oct-07-23	J. Oliver	Drafting emails to and reviewing e-mails from B. Kofman, E. Cobb, J. Dietrich re debtor position on term sheet;	0.10
Oct-08-23	J. Dietrich	Discussion with E. Cobb, J. Oliver and B. Kofman regarding status;	0.50
Oct-08-23	J. Oliver	Preparing for and attending call with B. Kofman, J. Dietrich and E. Cobb re director releases in proposal; drafting emails to and reviewing e-mails from B. Kofman, J. Dietrich and E. Cobb re call with 7-Eleven;	0.50
Oct-09-23	J. Oliver	Call with B. Kofman, E. Lamek, E. Cobb and J. Dietrich re various 7-Eleven matters;	1.20
Oct-09-23	J. Dietrich	Discussion with E. Cobb, E. Lamek, J. Oliver and B. Kofman regarding term status;	1.20

**FEE SUMMARY**

Name	Title	Hours	Rate	Amount
Dietrich, Jane	Partner	38.20	945.00	36,099.00

<b>Name</b>	<b>Title</b>	<b>Hours</b>	<b>Rate</b>	<b>Amount</b>
Oliver, Jeffrey	Partner	16.70	775.00	12,942.50
Marechal, Danielle	Partner	0.30	625.00	187.50
Thompson, Natalie	Associate	1.20	350.00	420.00
<b>Total (CAD)</b>		<b>56.40</b>		<b>49,649.00</b>

Our Fees	49,649.00	
GST @ 5.00%	2,482.45	
<b>TOTAL FEES &amp; TAXES (CAD)</b>		<b>52,131.45</b>

<b>TOTAL FEES</b>		<b>49,649.00</b>
<b>TOTAL TAXES</b>		<b>2,482.45</b>
<b>TOTAL FEES &amp; TAXES (CAD)</b>		<b>52,131.45</b>

# Cassels

Attn: Bobby Kofman and Jason Knight  
1165, 324 – 8th Avenue SW  
Calgary, AB T2P 2Z2

Invoice No: 2215133  
Date: October 23, 2023  
Matter No.: 054670-00003  
GST/HST No.: R121379572  
Lawyer: Oliver, Jeffrey  
Tel.: (403) 351-2921  
E-mail: joliver@cassels.com

Re: Wallace & Carey Inc.

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Fees for professional services rendered up to and including October 23, 2023

Our Fees	27,557.00
Disbursements	153.08
Total Fees and Disbursements	27,710.08
GST @ 5.00%	1,382.16
<b>TOTAL DUE (CAD)</b>	<b>29,092.24</b>

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40 Temperance St., Toronto, ON, M5H 0B4 Canada

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Invoice No: 2215133  
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Amount: **CAD 29,092.24**

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**FEE DETAIL**

<b>Date</b>	<b>Name</b>	<b>Description</b>	<b>Hours</b>
Oct-03-23	D. Marechal	Telephone call with J. Dietrich and J. Oliver regarding purchase agreement; started drafting same;	1.90
Oct-04-23	D. Marechal	Continued drafting 722 Ltd. purchase agreement;	1.90
Oct-05-23	D. Marechal	Continued drafting purchase agreement and SAVO;	1.60
Oct-05-23	B. Patton	Review correspondence; obtain title search;	0.20
Oct-05-23	A. Im	Receiving and reviewing instructions; Attending to corporate, security, and title searches; Reviewing search results and preparing report with respect to same; Email correspondence with D. Marechal.	0.50
Oct-06-23	D. Marechal	Continued drafting purchase agreements and SAVOs;	4.80
Oct-10-23	J. Dietrich	Discussion regarding status with counsel for CIBC, 7-11 and KSV;	1.20
Oct-10-23	J. Oliver	Preparing for and attending call with B. Kofman, J. Dietrich, E. Cobb and E. Lamek re 7-Eleven transaction and director issues; discussion with D. Marechal re APA status on land;	0.80
Oct-11-23	D. Marechal	Revised and edited draft purchase agreement; email to M. Lay regarding same;	0.70
Oct-11-23	J. Oliver	Reviewing email from and drafting email to D. Marechal re APA;	0.10
Oct-12-23	J. Oliver	Drafting emails to and reviewing emails from J. Dietrich and D. Marechal re APA;	0.20
Oct-12-23	J. Dietrich	Exchange of email regarding status;	0.30
Oct-12-23	D. Marechal	Drafted sale approval and vesting order; email exchange with M. Lay regarding comments on purchase agreement; revised and edited same; email to J. Oliver and J. Dietrich regarding same;	3.10
Oct-13-23	J. Oliver	Reviewing and revising APA; call with J. Dietrich re the same; drafting emails to and reviewing e-mails from B. Kofman re Thunder Bay sale, 7-Eleven matters;	1.00
Oct-13-23	N. Thompson	Emails with J. Oliver re preparation of materials for upcoming hearing;	0.10
Oct-13-23	J. Dietrich	Review draft APA and vesting order for receivership property; discusison regarding real estate offers and status;	1.00
Oct-14-23	J. Oliver	Call to J. Reid re Freshslice. Loudon land sale, 7-Eleven matters; reviewing Loudon land re charges; drafting emails to and reviewing emails from B. Kofman and J. Reid re the same;	0.50
Oct-14-23	J. Dietrich	Review of email regarding status of outstanding matters;	0.30
Oct-15-23	J. Oliver	Reviewing various emails from J. Reid and B. Kofman re APA;	0.10
Oct-16-23	J. Oliver	Reviewing and revising 7-Eleven term sheet; call with J. Reid re court dates, Fresh Slice matters, Loudon land sale APA, 772 APA; calls from J. Dietrich and D. Marechal re the same; call with J. Dietrich, E. Lamek, E. Cobb, J. Reid re timing of hearing, strategic matters; drafting emails to and reviewing	2.60

<b>Date</b>	<b>Name</b>	<b>Description</b>	<b>Hours</b>
		emails from B. Kofman, J. Dietrich, J. Reid, E. Cobb, D. Marechal, E. Lamek re the same;	
Oct-16-23	J. Dietrich	Review of email regarding status; review of mark up of draft APA; discussion regarding status of Term Sheet, related documents and court scheduling;	0.70
Oct-16-23	D. Marechal	Review and consideration of comments from KSV on draft purchase agreement and SAVO; revised and edited same; telephone call with J. Oliver regarding same; email exchange with J. Oliver and J. Dietrich regarding same;	2.90
Oct-17-23	N. Thompson	Review proceedings for purpose of drafting application materials for November 3 hearing; discussion with M. Kim re preparation of letters;	0.90
Oct-17-23	J. Dietrich	Review of email regarding transaction status and outstanding matters; Discussion with E. Cobb regarding status; Exchange of email regarding regulatory matters; Review of comments on term sheet and related issues;	1.60
Oct-17-23	J. Oliver	Further review and revisions to 7-Eleven term sheet; drafting emails to and reviewing e-mails from B. Kofman, J. Reid, E. Cobb, E. Lamek. H. Rowen-Legg re term sheet and SISP matters, asset value allocation, Competition Act matters, next steps;	0.70
Oct-18-23	N. Thompson	Draft materials for application to approve professional fees, etc.;	0.50
Oct-18-23	J. Dietrich	Discussion regarding SISP status and follow up with B. Kofman; Discussion regarding funding issues;	2.10
Oct-18-23	J. Oliver	Reviewing and revising Loudon APA terms, 772 receivership application materials; lengthy call with B. Kofman, D. Sieradzki, J. Dietrich, E. Lamek and E. Cobb re various marshalling and transactional matters; drafting emails to and reviewing emails from B. Kofman, J. Reid and J. Dietrich re the same;	2.20
Oct-19-23	N. Thompson	Draft materials for application to approve professional fees, etc.; discussion with J. Oliver re possible adjournment; review draft letters prepared by M. Kim;	2.10
Oct-19-23	J. Dietrich	Review of draft receivership material and email regarding same; Exchange of messages regarding status and competition related issues;	0.80
Oct-19-23	J. Oliver	Attending all hands counsel call re Competition Act and Canada Investment Act matters; reviewing revisions to Alberta receivership materials; drafting emails to and reviewing emails from B. Kofman, J. Reid, J. Dietrich re the same; call with J. Reid re various transactional issues;	1.90
Oct-20-23	J. Oliver	Reviewing update re Loudon sale; drafting email to and reviewing e-mail from J. Reid re the same;	0.20

**FEE SUMMARY**

<b>Name</b>	<b>Title</b>	<b>Hours</b>	<b>Rate</b>	<b>Amount</b>
Dietrich, Jane	Partner	8.00	945.00	7,560.00
Marechal, Danielle	Partner	16.90	625.00	10,562.50
Oliver, Jeffrey	Partner	10.30	775.00	7,982.50
Thompson, Natalie	Associate	3.60	350.00	1,260.00
Patton, Brandi	Law Clerk / Paralegal	0.20	360.00	72.00
Im, Anita	Law Clerk / Paralegal	0.50	240.00	120.00
<b>Total (CAD)</b>		<b>39.50</b>		<b>27,557.00</b>

Our Fees	27,557.00	
GST @ 5.00%	1,377.85	
<b>TOTAL FEES &amp; TAXES (CAD)</b>		<b>28,934.85</b>

**DISBURSEMENT SUMMARY**

**Non-Taxable Disbursements**

Court - Sundry	20.00
Electronic Due Diligence	16.50
BC Land & Title - Searches, Certification	10.31
Govt of Alberta - Land Titles	20.00
<b>Total Non-Taxable Disbursements</b>	<b>66.81</b>

**Taxable Disbursements**

Electronic Due Diligence	53.00
Delivery	31.42
BC Land & Title - Searches, Certification	1.85
<b>Total Taxable Disbursements</b>	<b>86.27</b>
GST @ 5.00%	4.31
<b>Total Taxable Disbursements &amp; Taxes</b>	<b>90.58</b>

<b>TOTAL DISBURSEMENTS &amp; TAXES (CAD)</b>	<b>157.39</b>
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<b>TOTAL FEES</b>	<b>27,557.00</b>
<b>TOTAL DISBURSEMENTS</b>	<b>153.08</b>
<b>TOTAL TAXES</b>	<b>1,382.16</b>
<b>TOTAL FEES, DISBURSEMENTS &amp; TAXES (CAD)</b>	<b>29,092.24</b>



**OUTSTANDING INVOICES**

<b>Invoice Number</b>	<b>Invoice Date</b>	<b>Bill Amount</b>	<b>Payments / Credits</b>	<b>Balance Due</b>
2213743	10/10/23	52,131.45	0.00	52,131.45
2215133	10/23/23	29,092.24	0.00	29,092.24
<b>Total (CAD)</b>		<b>81,223.69</b>	<b>0.00</b>	<b>81,223.69</b>

# Cassels

Attn: Bobby Kofman and Jason Knight  
1165, 324 – 8th Avenue SW  
Calgary, AB T2P 2Z2

Invoice No: 2216540  
Date: November 06, 2023  
Matter No.: 054670-00003  
GST/HST No.: R121379572  
  
Lawyer: Oliver, Jeffrey  
Tel.: (403) 351-2921  
E-mail: joliver@cassels.com

Re: Wallace & Carey Inc.

Fees for professional services rendered up to and including November 06, 2023

Our Fees	68,400.50
Disbursements	402.28
Total Fees and Disbursements	68,802.78
GST @ 5.00%	3,432.04
<b>TOTAL DUE (CAD)</b>	<b>72,234.82</b>

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FEE DETAIL

Date	Name	Description	Hours
Oct-23-23	J. Oliver	Brief review of amended offer for Loudon property; call from J. Reid re court time and date; drafting emails to and reviewing emails from B. Kofman, J. Reid, N. Thompson, E. Lamek, J. Dietrich re fee approval application, property sale approval, status of various 7-Eleven agreements;	0.70
Oct-23-23	J. Dietrich	Review of email regarding outstanding matters including transaction material; exchange of email regarding Loudon property offer;	0.50
Oct-23-23	N. Thompson	Review invoices to draft affidavits in support of application; compare draft receivership order to model receivership order;	0.30
Oct-24-23	J. Oliver	Call with J. Reid, B. Kofman and D.Sieradzki re November 3 application materials, Fresh Slice and Loudon land sale matters; reviewing and further revising 772 receivership materials; reviewing and revising TSA and schedules thereto; reviewing and revising 7-Eleven APA; drafting emails to and reviewing e-mails from B. Kofman, J. Reid, J. Dietrich, D. Marechal, N. Thompson, E. Cobb re the same, fee approval, SAVO matters;	3.80
Oct-24-23	N. Thompson	Compare draft sale approval & vesting order to model receivership order;	0.30
Oct-25-23	D. Marechal	Review of email from J. Oliver regarding additional terms to be added to purchase agreement; revised and edited purchase agreement; email exchange with J. Oliver regarding same;	0.30
Oct-25-23	J. Oliver	Call with B. Kofman, J. Dietrich, D. Sieradzki re TSA; reviewing and revising TSA, Asset APA, SAVO related to asset sale, Fifth Report of the Monitor re Loudon sale; call with J. Reid re service matters on Alberta tax authorities; calls with J. Dietrich re TSA and APA matters; call with D. Marechal re revision to 772 purchase agreement re TSA condition; drafting emails to and reviewing e-mails from B. Kofman, J. Dietrich, D. Marechal, E. Lamek, L. Pflughaupt re the same;	4.10
Oct-25-23	J. Dietrich	Review of TSA, APA and related orders and comments on same; discussion with J. Oliver; discussion with KSV; revise TSA comments and exchange of email regarding same; review of draft report and provide comments on same;	4.30
Oct-26-23	J. Oliver	Reviewing and revising various debtor application materials re Loudon sale; drafting emails to and reviewing emails from B. Kofman, J. Dietrich, E. Cobb, J. Reid, E. Lamek re Loudon transaction, 7-Eleven transaction, potential over advance, potential settlement of FCL receivable;	1.60
Oct-26-23	J. Dietrich	Review of email regarding status; exchange of email with J. Reid; exchange of messages with B. Kofman and J. Oliver; review of draft order and related material; review of email regarding potential borrowing base issues;	0.80

<b>Date</b>	<b>Name</b>	<b>Description</b>	<b>Hours</b>
Oct-26-23	N. Thompson	Compare draft sale approval & vesting order to model receivership order;	0.20
Oct-27-23	D. Marechal	Telephone call with J. Oliver regarding sealing language; email to J. Oliver regarding same;	0.30
Oct-27-23	J. Oliver	Reviewing and revising Fifth Report; reviewing and commenting on debtor's application materials re Loudon; call from J. Reid re Freshslice scheduling; reviewing affidavits of W&C re Fresh Slice; reviewing and considering submission to Competition Bureau; drafting emails to and reviewing e-mails from B. Kofman, J. Reid, J. Dietrich re the same;	2.60
Oct-27-23	J. Dietrich	Review of email regarding comments on documents and status;	0.60
Oct-28-23	J. Oliver	Reviewing and commenting on APA, Fifth Report; drafting emails to and reviewing e-mails from B. Kofman and J. Dietrich re the same;	1.00
Oct-28-23	J. Dietrich	Review of draft 5th report and provide further comments; review of mark up of APA and provide additional comments on same;	0.80
Oct-29-23	J. Oliver	Call with B. Kofman, D. Sieradzki, J. Dietrich re various transactional matters, Competition Act approval; reviewing and commenting on letter to Competition Commissioner, Sixth Report of the Monitor, APA; drafting emails to and reviewing e-mails from B. Kofman, E. Lamek, J. Reid, E. Cobb, J. Dietrich re the same, all hands call;	4.10
Oct-29-23	J. Dietrich	Review of ARC request document and provide comments; discussion with J. Oliver and KSV regarding status; review of email; review of draft 6th report and mark up same; email exchange regarding status;	3.60
Oct-30-23	N. Thompson	Draft and finalize letters re Fifth report of Monitor; correspondence with J. Oliver re status of Fifth report of Monitor; receive, review and send Fifth report of Monitor for filing; correspondence with commercial coordinator to provide Justice Mah with materials for Nov. 3 hearing; serve unfiled copy of Fifth Report of Monitor;	1.60
Oct-30-23	D. Marechal	Review and consideration of revised purchase agreement; review and consideration of additional comments from J. Dietrich in relation to same; revised and edited same; email exchange with J. Oliver regarding same;	2.40
Oct-30-23	J. Oliver	Reviewing and revising and finalizing Fifth Report of the Monitor; reviewing and revising Sixth Report of the Monitor, various agreements, correspondence and related documents re 7-Eleven transaction and 772 sale of property/assignment of leases; attending all hands counsel call re status of various transaction documents; drafting emails to and reviewing e-mails from B. Kofman, J. Dietrich, J. Reid, E. Lamek, E. Cobb, E. Dufour re the same; considering revisions to submission to Competition Bureau;	3.90

<b>Date</b>	<b>Name</b>	<b>Description</b>	<b>Hours</b>
Oct-30-23	J. Dietrich	Review of comments on draft material; participate in discussion regarding status of transaction materials and open issues; review of revised competition submission; review of comments on draft receivership APA; review of email; review of comments on various documents; discussion with B. Kofman; discussion with J. Oliver;	3.50
Oct-31-23	N. Thompson	Draft Affidavit of Service; receive, review and serve filed copy of Fifth report of Monitor; correspondence with commercial coordinator to provide Justice Mah with filed copies of materials for Nov. 3 hearing; draft and letters re Sixth report of Monitor;	1.30
Oct-31-23	D. Marechal	Review and consideration of additional leases and documents provided by counsel to debtors; email exchange with J. Oliver regarding same; review of additional leases provided by counsel to debtors; revised and edited purchase agreement; email to J. Oliver regarding same;	1.40
Oct-31-23	S. Joneja	Reviewing and preparing e-mail correspondence in connection with security review opinion; ordering and reviewing search results;	0.60
Oct-31-23	B. Patton	Review correspondence; research legal description; obtain title search;	0.20
Oct-31-23	J. Oliver	Preparing for and attending lengthy all hands call with KSV, Cassels, MT, DLA Piper, Alvarez, W&C and 7-Eleven re numerous transactional matters, revisions to 772 APA, 7-Eleven TSA and APA; reviewing and revising TSA and 7-Eleven APA; calls from J. Reid re court scheduling matters; drafting emails to and reviewing e-mails from B. Kofman, J. Dietrich, D. Marechal, J. Reid, E. Lamek, E. Dufour and S. Viscomi re letter to Competition Act Commissioner, numerous transactional matters, court time, revisions to various documents, various transactional matters;	4.10
Oct-31-23	A. Im	Receiving and reviewing instructions; Attending to corporate and title searches; Reviewing search results and preparing report with respect to same; Email correspondences with J. Han and S. Joneja.	0.50
Oct-31-23	J. Dietrich	Review of comments on documents; Discussion with J. Oliver; Review and exchange of messages regarding same; Participate in lengthy call regarding open points on transaction documents, status and next steps;	4.30
Nov-01-23	K. Bespflug	Attending to Alberta PPSA searches;	0.30
Nov-01-23	F.Ebadi	Receiving and reviewing instructions; Attending to PPSA searches; Reviewing search results and preparing report with respect to same; Email correspondence and discussions with working group;	0.90
Nov-01-23	J. Dietrich	Discussion with D. Pontin; review of email; review of email; review of further email regarding status update; discussion with B. Kofman;	1.30
Nov-01-23	J. Oliver	Reviewing and considering FCL agreement; call from J. Reid	1.20

Date	Name	Description	Hours
		re the same; reviewing additional affidavits re Freshslice; reviewing various comments on additional agreements; reviewing distribution waterfall; drafting emails to and reviewing e-mails from B. Kofman, J. Dietrich, J. Reid, E. Cobb, E. Lamek re P. Carey position on releases, 7-11 transaction documentation, next steps;	
Nov-01-23	D. Marechal	Meeting with J. Oliver to discuss lease assumption issues; drafted email regarding same; review and consideration of transition services agreement in relation to same; email to J. Oliver regarding same;	1.70
Nov-02-23	J. Dietrich	Review of latest turn of transaction documents and comments on same; discussion with J. Oliver and B. Kofman; review of revised documents; review of email; comment on draft motion materials and agreements;	4.30
Nov-02-23	J. Oliver	Call with B. Kofman and J. Dietrich re status of various documents and comments thereon; call with J. Reid re FCL, Fresh Slice, TSA, 772 APA, W&C APA, insurance matters; reviewing and revising FCL Agreement, TSA, 772 APA, W&C APA, various Orders; call with D. Marechal re 772 APA and lease matters; drafting emails to and reviewing e-mails from B. Kofman, J. Dietrich, J. Reid, E. Cobb, E. Lamek re various transactional matters, insurance matters, above-referenced agreements and pleadings;	4.10
Nov-02-23	N. Thompson	Review and revise draft affidavit of service;	0.60
Nov-02-23	D. Marechal	Email exchange and telephone call with J. Oliver regarding revisions to purchase agreement, TSA and various lease issues; revised and edited purchase agreement and TSA based on same;	1.30
Nov-03-23	J. Oliver	Reviewing and revising TSA, SAVO; call with J. Dietrich and B. Kofman re the same, FCL Agreement, various transactional matters; reviewing and considering revised terms of FCL settlement agreement; preparing for and attending hearing re Loudon sale; drafting emails to and reviewing emails from B. Kofman, J. Dietrich, J. Reid, P. Olfert re FCL, SAVO, TSA, Loudon; call from J. Dietrich re TSA and Order;	3.20
Nov-03-23	J. Dietrich	Review of comments on documents and email exchange regarding same; review of email; discussion with B. Kofman and J. Oliver regarding document status and outstanding matters; voicemail to E. Lamek;	1.60
Nov-04-23	J. Oliver	Reviewing and revising various transaction documents; drafting emails to and reviewing e-mails from B. Kofman, J. Dietrich, E. Cobb, E. Lamek and J. Reid re the same;	1.80
Nov-04-23	J. Dietrich	Review of draft report and provide further comments; discussion with J. Oliver; review of email regarding amended material and comments on same;	2.10
Nov-05-23	J. Oliver	Attending all hands call re outstanding issues with various business and legal matters; call with J. Dietrich, J. Reid and B. Kofman re Spruce It Up and Ridge Meadows matters;	4.10

Date	Name	Description	Hours
		further call with J. Dietrich re status of matter; call with E. Cobb, J. Dietrich and B. Kofman re revisions to 6th Report of the Monitor; reviewing further revisions to material agreements;	
Nov-05-23	J. Dietrich	Review of email; discussion regarding outstanding matters on transaction documents; follow up discussion regarding SIU, Ridge Meadows and other CMI subs; follow up discussion with E. Cobb, J. Oliver and B. Kofman regarding comments on draft report and status of material;	4.10

**FEE SUMMARY**

Name	Title	Hours	Rate	Amount
Oliver, Jeffrey	Partner	40.30	775.00	31,232.50
Dietrich, Jane	Partner	31.80	945.00	30,051.00
Marechal, Danielle	Partner	7.40	625.00	4,625.00
Joneja, Sunil	Partner	0.60	635.00	381.00
Thompson, Natalie	Associate	4.30	350.00	1,505.00
Bespflug, Kimberley	Law Clerk / Paralegal	0.30	285.00	85.50
Ebadi, Fatima	Law Clerk / Paralegal	0.90	365.00	328.50
Patton, Brandi	Law Clerk / Paralegal	0.20	360.00	72.00
Im, Anita	Law Clerk / Paralegal	0.50	240.00	120.00
<b>Total (CAD)</b>		<b>86.30</b>		<b>68,400.50</b>

Our Fees	68,400.50
GST @ 5.00%	3,420.03
<b>TOTAL FEES &amp; TAXES (CAD)</b>	<b>71,820.53</b>

**DISBURSEMENT SUMMARY**

**Non-Taxable Disbursements**

Certificate of Status	52.00
Electronic Due Diligence	51.00
Court - Sundry	9.00
Govt of Alberta - Land Titles	50.00
<b>Total Non-Taxable Disbursements</b>	<b>162.00</b>

**Taxable Disbursements**

Electronic Due Diligence	108.00
Certificate of Status	111.00
Delivery	21.28

Total Taxable Disbursements	240.28
GST @ 5.00%	12.01
Total Taxable Disbursements & Taxes	252.29

**TOTAL DISBURSEMENTS & TAXES (CAD) 414.29**

<b>TOTAL FEES</b>	<b>68,400.50</b>
<b>TOTAL DISBURSEMENTS</b>	<b>402.28</b>
<b>TOTAL TAXES</b>	<b>3,432.04</b>
<b>TOTAL FEES, DISBURSEMENTS &amp; TAXES (CAD)</b>	<b>72,234.82</b>

**OUTSTANDING INVOICES**

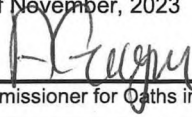
<b>Invoice Number</b>	<b>Invoice Date</b>	<b>Bill Amount</b>	<b>Payments / Credits</b>	<b>Balance Due</b>
2213743	10/10/23	52,131.45	0.00	52,131.45
2215133	10/23/23	29,092.24	0.00	29,092.24
2216540	11/06/23	72,234.82	0.00	72,234.82
<b>Total (CAD)</b>		<b>153,458.51</b>	<b>0.00</b>	<b>153,458.51</b>



**THIS IS EXHIBIT "B"**  
referred to in the Affidavit of

DANIELLE MARECHAL

Sworn before me this 22<sup>nd</sup>  
Day of November, 2023



A Commissioner for Oaths in and for Alberta

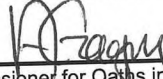


Invoice #	Date Invoice Issued	Total Billable Hours	Fees	Discount (if an	Disbursements	Taxes	Total	Average Hourly Rate
2206191	July 20, 2023	178.5	109,754.50	\$ 1,783.50	1,527.72	5,439.58	114,938.30	\$ 614.87
2207164	July 28, 2023	56.5	43,675.50	\$ -	-	2,183.78	45,859.28	\$ 773.02
2207982	August 8, 2023	59.3	51,737.50	\$ -	-	2,586.88	54,324.38	\$ 872.47
2210892	September 7, 2023	23.9	18,183.50	\$ -	138.02	913.93	19,235.45	\$ 760.82
2212688	September 26, 2023	26	22,797.00	\$ -	40.00	1,139.85	23,976.85	\$ 876.81
2213743	October 10, 2023	56.4	49,649.00	\$ -	-	2,482.45	52,131.45	\$ 880.30
2215133	October 23, 2023	39.5	27,557.00	\$ -	153.08	1,382.16	29,092.24	\$ 697.65
2216540	November 6, 2023	86.3	68,400.50	\$ -	402.28	3,432.04	72,234.82	\$ 792.59
		526.4	391,754.50		2,261.10	19,560.67	411,792.77	\$ 744.21

**THIS IS EXHIBIT "C"**  
referred to in the Affidavit of

DANIELLE MARECHAL

Sworn before me this 22<sup>nd</sup>  
Day of November, 2023



A Commissioner for Oaths in and for Alberta



**Court:** Court of King's Bench of Alberta  
**Judicial Centre:** Calgary  
**Court File No.:** 2301-08305

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

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

**SUMMARY OF BILLING RATES  
FOR THE PERIOD OF MAY 29, 2023 TO NOVEMBER 6, 2023**

<b>Name</b>	<b>Title</b>	<b>Year of Call</b>	<b>Hourly Rate</b>
Jane Dietrich	Partner	2004 (ON)	945
Chuck Rich	Partner	2000 (ON)	930
Jeffrey Oliver	Partner	2002 (BC) 2011 (AB)	775
David Kolesar	Partner	2002 (ON) 2004(AB)	695
Sunil Joneja	Partner	1998 (BC) 2000 (UK) 2006 (AB)	635
Danielle Marechal	Partner	2014 (AB)	625
Kara Davis	Associate	2017 (AB)	495
Natalie Thompson	Associate	2022 (AB)	350
Fatima Ebadi	Law Clerk/Paralegal	N/A	365
Brandi Patton	Law Clerk/Paralegal	N/A	360
Haley Williams	Law Clerk/Paralegal	N/A	325
Susana Trotchie	Law Clerk/Paralegal	N/A	285
Krystina Norman	Law Clerk/Paralegal	N/A	285
Kimberley Bespflug	Law Clerk/Paralegal	N/A	285
Maggie Sam	Law Clerk/Paralegal	N/A	240
Anita Im	Law Clerk/Paralegal	N/A	240
Kamryn Wiest	Law Student	N/A	145
Rachel Donnelly	Law Student	N/A	145