



COURT FILE NUMBER **2301- 15147**

COURT **COURT OF KING’S BENCH OF ALBERTA**

JUDICIAL CENTRE **CALGARY**

PROCEEDINGS **IN THE MATTER OF THE RECEIVERSHIP OF 770077 ALBERTA INC., SPRUCE IT UP LAND CORP. AND RIDGE MEADOWS PROPERTIES LTD.**

DOCUMENT **THIRD REPORT OF THE RECEIVER
AUGUST 13, 2024**

ADDRESS FOR
SERVICE AND
CONTACT
INFORMATION OF
PARTY FILING THIS
DOCUMENT

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1.0 Introduction

1. Pursuant to an order of the Court of King's Bench of Alberta (the "**Court**") made on November 17, 2023 (the "**Receivership Order**"), in connection with proceedings initiated by 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 "**CCAA Companies**") under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") (the "**CCAA Proceedings**"), KSV Restructuring Inc. ("**KSV**") was appointed receiver (the "**Receiver**") of all of the assets, undertakings, and properties of:
 - a) 772921 Alberta Inc. ("**772**"), which, among other things:
 - i. owned two warehouses¹, one in British Columbia and one in Alberta that continue to be used by Wallace & Carey in its business (the "**772 Owned Real Property**"); and
 - ii. leased two warehouses², one in British Columbia and one in Alberta, that also continue to be used by Wallace & Carey in its business (the "**772 Leased Real Property**");
 - b) Spruce It Up Land Corp. ("**SIU**"), which owned a commercial property located at 159 210 Avenue SW, Calgary, Alberta (the "**SIU Real Property**"); and
 - c) Ridge Meadows Properties Ltd. ("**Ridge Meadows**", and together with 772 and SIU, the "**Receivership Companies**"), which owned a residential property located at 255256 Range Road 25, NW, Calgary, Alberta (the "**Ridge Meadows Real Property**" and together with the 772 Owned Property and the SIU Property, the "**Receivership Properties**").
2. The Receivership Order became effective on November 21, 2023, the date on which KSV, in its capacity as the monitor (the "**Monitor**") in the CCAA Proceedings, filed the Monitor's Notice (as defined in the Receivership Order) with the Court. A copy of the Receivership

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

² Having municipal addresses of 8th Street NE, Calgary, Alberta, and Unit 5B, 4386 Boban Drive, Nanaimo, British Columbia.

Order is attached as **Appendix “A”**.

3. On November 17, 2023, in addition to the Receivership Order, the Court granted an approval and vesting order (the **“772 Approval and Vesting Order”**) that approved the sale and assignment to 7-Eleven Canada, Inc. (**“7-Eleven”**) of the 772 Owned Real Property and the 772 Leased Real Property (the **“772 Real Property Transaction”**) pursuant to an agreement of purchase and sale between 7-Eleven and the Receiver dated November 7, 2023 (the **“772 Property APS”**).
4. On November 9, 2023, KSV filed a pre-filing report as proposed receiver and a sixth report to Court in its capacity as Monitor of the CCAA Companies (the **“Pre-Filing Report”**). The Pre-Filing Report recommended that the Court approve a transaction between the CCAA Companies and 7-Eleven that resulted in the continuation of Wallace & Carey’s business (the **“7-Eleven Transaction”**). The Pre-Filing Report also provided information concerning the Receivership Companies, including:
 - a) their background;
 - b) their secured creditors; and
 - c) the 772 Property Transaction and the 772 Property APS.

A copy of the Pre-Filing Report is attached as **Appendix “B”**, without appendices.

5. On April 8, 2024, the Receiver prepared and filed its first report to Court (the **“First Report”**) which updated the Court on the receivership proceedings and recommended that the Court issue:
 - a) an approval and vesting order (the **“SIU AVO”**):
 - i. approving an agreement of purchase and sale dated March 14, 2024 (the **“SIU Property APS”**) between the Receiver and Spruce Lands Limited Partnership, as assignee of Western Securities Limited (the **“SIU Purchaser”**), and authorizing and directing the Receiver to complete the sale (the **“SIU Real Property Transaction”**) of the Purchased Assets in the amount of \$4.5 million (as such Purchased Assets are defined in the SIU Property APS, the **“SIU Purchased Assets”**); and
 - ii. vesting SIU’s and the Receiver’s right, title, and interest in and to the SIU Purchased Assets in the SIU Purchaser free and clear of all claims and

encumbrances, following the Receiver's delivery of the Receiver's certificate substantially in the form attached as Schedule "A" to the SIU AVO (the "**SIU Property Receiver's Certificate**"); and

b) an order (the "**SIU Ancillary Order**"):

- i. sealing the confidential appendices attached to the First Report until the closing of the SIU Property Transaction or further order of the Court; and
- ii. approving the First Report, the Receiver's activities, and the fees and disbursements of the Receiver and its legal counsel.

6. On May 15, 2024, the Court granted the SIU AVO and SIU Ancillary Order.

7. On May 27, 2024, the SIU Property Transaction closed and the Receiver filed the SIU Property Receiver's Certificate with the Court.

8. On June 17, 2024, the Receiver prepared and filed its second report to Court (the "**Second Report**") which further updated the Court on the receivership proceedings and recommended that the Court issue:

a) an approval and vesting order (the "**Ridge Meadows AVO**"):

- i. approving an agreement of purchase and sale dated June 3, 2024 (the "**Ridge Meadows Property APS**") between Cedric Doerksen and Maria Doerksen (together, the "**Ridge Meadows Purchaser**") and the Receiver, and authorizing and directing the Receiver to complete the sale (the "**Ridge Meadows Real Property Transaction**") of the Purchased Assets in the amount of \$3 million (as such Purchased Assets are defined in the Ridge Meadows Property APS) (the "**Ridge Meadows Purchased Assets**"); and
- ii. vesting Ridge Meadows' and the Receiver's right, title, and interest in and to the Ridge Meadows Purchased Assets in the Ridge Meadows Purchaser free and clear of all claims and encumbrances, following the Receiver's delivery of the Receiver's certificate substantially in the form attached as Schedule "A" to the Ridge Meadows AVO (the "**Ridge Meadows Property Receiver's Certificate**"); and

- b) an order (the “**Ridge Meadows Ancillary Order**”):
 - i. sealing the confidential appendices attached to the Second Report until the closing of the Ridge Meadows Property Transaction or further order of the Court; and
 - ii. approving the Second Report and the Receiver’s activities detailed therein.
- 9. On June 26, 2024, the Court granted the Ridge Meadows AVO and Ridge Meadows Ancillary Order.
- 10. On July 9, 2024, the Ridge Meadows Real Property Transaction closed and the Receiver filed the Ridge Meadows Property Receiver’s Certificate with the Court.
- 11. As of the date of this Report, the Receiver has realized on all assets of SIU and Ridge Meadows, which has generated the following cash balances (before unpaid fees and costs of the receivership, including professional fees):
 - a) SIU – \$4,421,881; and
 - b) Ridge Meadows – \$2,848,609.
- 12. Additionally, 772 has a cash balance of \$12,195.

1.1 Purposes of this Report

- 1. The purpose of this third report (the “**Report**”) is to update the Court on the receivership proceedings and to provide information to the Court in support of the Receiver’s application for orders:
 - a) authorizing and directing the Receiver to (i) distribute the 772 Mortgage Balance (as defined in Section 1.2.3 below) owing by SIU to 772 pursuant to the 772 Mortgage (as defined in Section 3 below), (ii) carry out a claims procedure (the “**Claims Procedure**”) for soliciting and determining claims against the Receivership Companies, and (iii) make distributions to Proven Creditors (as defined in the Claims Procedure Order (as defined in Section 4.01 below)) upon completion of the Claims Procedure; and
 - b) approving (i) this Report and the Receiver’s activities (as detailed in this Report), and (ii) the fees and disbursements of the Receiver and its legal counsel, Cassels Brock & Blackwell LLP (“**Cassels**”) up to July 31, 2024.

1.2 Purpose of the Claims Procedure

1. The Claims Procedure is required so that the Receiver can distribute the Receivership Companies' net recoveries to their creditors, including Wallace & Carey and CMI, which appear to be the most significant creditors of those entities, by far. Until the Claims Procedure is completed, the Receiver cannot be certain that all creditors of the Receivership Companies have been identified and have had an opportunity to file claims against these entities.
2. Upon completion of the Claims Procedure, the Receiver intends to make distributions to, along with other proven creditors, CMI and Wallace & Carey resulting from their claims against the Receivership Companies, which amounts will then be distributed by the Monitor to creditors of the CCAA Companies in the CCAA Proceedings in accordance with priorities in those proceedings. Contemporaneous with filing this Report, the Monitor is filing its Eleventh Report in the CCAA Proceedings, which addresses those distributions, among other issues.
3. 772 holds a mortgage against the SIU Real Property (the "**772 Mortgage**"). As of October 27, 2023, the amount outstanding under the 772 Mortgage is \$4,050,597.14 (the "**772 Mortgage Balance**"). As discussed in Section 3 below, the Receiver is recommending that the proceeds from the sale of the 772 Real Property up to the amount owing under 772 Mortgage be distributed to 772 and that the balance be distributed in accordance with priorities to the remaining creditors of SIU.

1.3 Scope and Terms of Reference

1. In preparing this Report, the Receiver has relied upon the Receivership Companies' unaudited financial information, books and records, information available in the public domain, and discussions with the CCAA Companies' management.
2. The Receiver 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 Receiver 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 due diligence.

3. Capitalized terms not defined within this Report are defined in the Receivership Order.

1.4 Currency

1. Unless otherwise noted, all currency references in this Report are in Canadian dollars.

1.5 Court Materials

1. Court materials filed in these proceedings are available on the Receiver's website at: www.ksvadvisory.com/experience/case/wallace-and-carey (the "**Case Website**").

2.0 Background

1. The Receivership Companies are Alberta Corporations. CMI holds the following ownership interests in the Receivership Companies:
 - a) 772 – 100%;
 - b) Ridge Meadows – 100%; and
 - c) SIU – 84.57%. The balance of SIU's equity is owned by 1145757 Alberta Ltd., which the Receiver understands is owned by Patrick Carey, the Chief Executive Officer of CMI and sole director of the CCAA Companies.
2. None of the Receivership Companies has any employees or carries on active business operations. Additional background on the Receivership Companies, the Ridge Meadows Property, and SIU Real Property is provided in the First Report.

3.0 CWB, CIBC, and 772 Debt

1. As at the date of the Receivership Order, Canadian Western Bank ("**CWB**") and Canadian Imperial Bank of Commerce ("**CIBC**") had the following security interests in the Receivership Companies:
 - a) CWB:
 - i. first ranking mortgages registered on title to each of the Receivership Properties (the "**CWB Mortgages**"); and
 - ii. a second ranking general security interest in all present and after acquired personal property relating to and located on the Receivership Properties; and

- b) CIBC:
- i. a first ranking general security interest in all present and after acquired personal property of the Receivership Companies; and
 - ii. second ranking mortgages registered on title to the real property owned by the Receivership Properties (the “**CIBC Mortgages**”).
2. The CWB and CIBC mortgages have been fully repaid from the proceeds of the transactions completed in the CCAA Proceedings and the 772 Real Property Transaction. There are no other mortgages or secured creditors of SIU.

3.1 The 772 Mortgage

1. The 772 Mortgage remains unpaid. The mortgage was registered by 772 on December 6, 2005 (the “**772 Mortgage**”) in the principal amount of \$4,000,000 (the “**Principal Sum**”). The 772 Mortgage was subordinated to the CWB and CIBC mortgages. A copy of the title register for the SIU Property (the “**Title Register**”) is attached as **Appendix “C”**.
2. The Receiver has been advised by the CCAA Companies’ management that the purchase of the SIU Property by SIU (formerly 120428 Alberta Inc.) in 2005, and the subsequent construction of a building on the SIU Property, was financed by 772 and secured by the 772 Mortgage.
3. The Receiver has been provided with a loan agreement dated August 17, 2009 (the “**772 Loan Agreement**”) between 772 and SIU, which provided financing through a non-revolving demand loan facility in the amount of \$3,785,807.86. The stated purpose of the loan was to provide funding “solely for the purchase of furniture, fixtures, and yard equipment.”
4. As of October 27, 2023, 772 was owed \$4,050,597.14 from SIU, comprised of principal of \$3,223,845.98 and interest of \$826,751.16 (the “**772 Mortgage Balance**”).
5. The Receiver has performed a review of the 772 Mortgage and the underlying transactions. In this regard, the CCAA Companies’ management advised the Receiver that the books and records evidencing the loan advance in 2005 are no longer available given the significant passage of time since that advance. However, the Receiver has reviewed 772’s books and records going back to 2009, which reflect a net receivable payable owing from SIU to 772 in the amount of \$3,780,771.82 as of December 16, 2009. The amount outstanding

pursuant to the 772 Loan Agreement has also been reflected on the internally prepared financial statements of 772 and SIU since that time. Accordingly, the Receiver is of the view that the books and records of 772 and SIU sufficiently support the balance owing from SIU to 772.

6. The Receiver requested that Cassels provide it with an opinion as to the validity and enforceability of the 772 Mortgage. Cassels' opinion confirms that, subject to the customary assumptions and qualifications contained therein, the 772 Mortgage is effective, valid, and enforceable as against the SIU Real Property. A copy of the security opinion can be made available to the Court if it wishes to review the opinion.

3.2 Recommended Distribution

1. Based on the above, the Receiver recommends that this Court issue an order authorizing and directing the Receiver to distribute \$4,050,597.14 (plus interest and costs from October 23, 2023) from SIU to 772 to repay in full the 772 Mortgage Balance (the “**Recommended Distribution**”).

4.0 Claims Procedure³

1. This section of the Report summarizes the recommended Claims Procedure attached to the proposed claims procedure order (the “**Claims Procedure Order**”).
2. Interested parties are strongly encouraged to read the Claims Procedure Order in its entirety. To the extent there are inconsistencies between this Report and the Claims Procedure Order, the Claims Procedure Order prevails. The full details of the Claims Procedure have not been reproduced in this Report.
3. The purpose of the Claims Procedure is to call for claims against the Receivership Companies as of November 21, 2023, being the date of the Receivership Order. Parties who provided goods and services to the Receivership Companies since that date are not required to file claims in the Claim Procedure for the amount related to the goods or services provided following that date and will be paid in full for such amounts by the Receiver.

³ Capitalized terms in this section have the meaning provided to them in the Claims Procedure Order unless otherwise defined herein.

4. According to books and records of the Receivership Companies, as at the date of the Receivership Order, the creditors of the Receivership Companies are as follows:

Entity	Creditors (per Internal Financial Statements)
772	<u>Unsecured</u> <ul style="list-style-type: none">• CMI – \$8,758,398• Canada Revenue Agency (“CRA”) – \$1,985
SIU	<u>Secured</u> <ul style="list-style-type: none">• 772 – \$4,050,597 <u>Unsecured</u> <ul style="list-style-type: none">• CMI – \$ 1,593,789• Wallace & Carey – \$8,452,716 CRA – \$1,492
Ridge Meadows	<u>Unsecured</u> <ul style="list-style-type: none">• CMI – \$9,301,166• CRA – \$24,796

4.1 Notice to Creditors

1. The Receiver will, by no later than September 1, 2024, send by ordinary mail a copy of the Claims Package (which includes a Claims Notice, a Proof of Claim, and the Claims Procedure Order) to each known creditor of the Receivership Companies.
2. The Receiver will post the Notice to Creditors, the Claims Package, and the Claims Procedure Order on the Case Website by no later than September 1, 2024. The Claims Package includes a Claims Notice, a Proof of Claim, and the Claims Procedure Order.
3. The Claims Procedure requires that a Notice to Creditors be published in *The Globe and Mail* and *The Calgary Herald* newspapers by the Receiver by no later than September 1, 2024.

4.2 Proofs of Claim

1. Any Creditor who intends to assert a Claim must deliver a completed Proof of Claim to the Receiver on or before the Claims Bar Date. The Claims Bar Date is September 30, 2024 at 5:00 p.m. (Mountain Time) (the “**Claims Bar Date**”).
2. Any Creditor who does not file a Proof of Claim in accordance with the Claims Procedure Order with the Receiver by the Claims Bar Date will have their claim extinguished and forever barred.

4.3 Determination of Claims

1. If the Receiver disputes or disallows any Claim, in whole or in part, the Receiver is required to deliver a Notice of Revision or Disallowance to the affected Creditor. The Creditor will have fourteen (14) days after the Receiver sends the Notice of Revision or Disallowance to file a Notice of Dispute with the Receiver if they disagree with the Notice of Disallowance. After the delivery of the Notice of Dispute to the Receiver, the Creditor and the Receiver shall attempt to resolve and settle the Claim. If the dispute between the Creditor and the Receiver is not settled within a time period or in a manner satisfactory to the Receiver, the Receiver may bring the dispute before the Court.
2. If a Creditor fails to dispute the Notice of Revision or Disallowance by filing a Notice of Dispute with the Receiver within the prescribed time, the Claim shall be deemed to be determined as set out in the Notice of Revision or Disallowance and the value and status of the revised or disallowed claim shall constitute the Claim.
3. The proposed forms, including the Claims Notice, the Notice to Creditors, the Proof of Claim form, the Notice of Revision or Disallowance, and the Notice of Dispute are appended as schedules to the draft Claims Procedure Order.

4.4 Claims Procedure Recommendation

1. The Receiver believes the Claims Procedure is reasonable and appropriate for the following reasons:
 - a) the filing of Claims and the completion of the Claims Procedure is a gating issue to completing these proceedings and distributing the net recoveries from the Receivership Companies to the CCAA Companies;
 - b) the proposed notices, dispute resolution provisions, and timelines set out in the Claims Procedure Order are consistent with those commonly approved by Canadian courts in insolvency proceedings and are sufficient to allow creditors to file Claims in these proceedings;
 - c) it will be efficient and cost effective for the Receiver to make distributions to Proven Creditors following completion of the Claims Procedure; and

- d) in the Receiver's view, the Claims Bar Date, being 39 days from the date scheduled for this application, is a sufficient period of time for creditors to file a Proof of Claim with the Receiver.

5.0 Other Activities of the Receiver

1. Since the Second Report, the Receiver has conducted the following activities:
 - a) corresponding with representatives of CMI and Wallace & Carey to obtain information concerning the Receivership Companies;
 - b) continuing to maintain the Ridge Meadows Property;
 - c) reviewing, commenting on, and executing closing documents to complete the Ridge Meadows Property Transaction;
 - d) cancelling insurance coverage for the Ridge Meadows Property following closing of the Ridge Meadows Property Transaction;
 - e) corresponding with the CRA with respect to tax accounts and remittances;
 - f) maintaining the Case Website; and
 - g) preparing this Report.

6.0 Professional Fees

1. Pursuant to paragraph 18 of the Receivership Order, the Receiver and its counsel are to be paid their reasonable fees and disbursements at their standard rates and charges, incurred both before and after the making of the Receivership Order. Pursuant to paragraph 19 of the Receivership Order, the Receiver and its counsel shall pass their accounts from time to time.
2. The Receiver seeks to have its fees and disbursements, including those of its legal counsel, approved by the Court. The Receiver and its counsel have maintained detailed records of their professional time and costs for each of the Receivership Companies' estates.
3. The fees of the Receiver and Cassels for the periods November 17, 2023 to March 31, 2024 and November 21, 2023 to March 31, 2024, respectively, were approved by the Court pursuant to the SIU Ancillary Order.

4. The Receiver's fees from April 1 to July 31, 2024, were \$115,569.00, plus disbursements of \$1,145.18, plus GST of \$5,835.71, for a total of \$122,549.89.
5. Cassels' fees from April 1 to July 31, 2024, were \$86,892.50, plus disbursements of \$1,311.83, plus GST of \$4,387.93, for a total of \$92,592.26.
6. A summary of the accounts rendered by the Receiver and its legal counsel is attached hereto as **Appendix "D"**. Detailed accounts are available for review by the Court upon request. The fees are based on the hourly rates of the professionals involved in this matter multiplied by actual time spent on this matter.
7. It is the Receiver's opinion that the fees and disbursements of the Receiver and Cassels accurately reflect the work done by the Receiver, and on behalf of the Receiver by Cassels, in connection with the receivership and the administration of the receivership for the dates of their respective invoices.
8. It is the Receiver's opinion that the fees and disbursements of Cassels are fair and reasonable and justified in the circumstances. The Receiver recommends approval of Cassels's accounts by this Court

7.0 Conclusion and Recommendation

1. For the reasons set out in this Report, the Receiver is of the view that the relief requested is reasonable and appropriate in the circumstances and respectfully recommends that this Honourable Court issue the orders granting the Receiver's requested relief.

* * *

All of which is respectfully submitted,

KSV Restructuring Inc.

KSV RESTRUCTURING INC.,
in its capacity as Receiver of 772921 Alberta Inc.,
Spruce it Up Land Corp, and Ridge Meadows Properties Ltd.
and not in its personal capacity

APPENDIX A

[ATTACHED]

COURT FILE NUMBER 2301-15147
COURT COURT OF KING'S BENCH OF ALBERTA
JUDICIAL CENTRE CALGARY
APPLICANT(S) CANADIAN IMPERIAL BANK OF COMMERCE
RESPONDENT(S) 772921 ALBERTA INC.; SPRUCE IT UP LAND
CORP. and RIDGE MEADOWS PROPERTIES
LTD.
DOCUMENT **RECEIVERSHIP ORDER**



ADDRESS FOR SERVICE AND
CONTACT INFORMATION OF
PARTY FILING THIS
DOCUMENT

Norton Rose Fulbright Canada LLP
222 Bay Street, Suite 3000
Toronto, Ontario M5K 1E7 CANADA

I hereby certify this to be a
true copy of the original.

for Clerk of the Court

Evan Cobb
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Lawyers for Canadian Imperial Bank of Commerce

DATE ON WHICH ORDER WAS PRONOUNCED: November 17, 2023
LOCATION OF HEARING: Edmonton
NAME OF JUSTICE WHO GRANTED THIS ORDER: The Honourable Justice Burns

UPON the application of Canadian Imperial Bank of Commerce (the "**Applicant**") in respect of 772921 Alberta Ltd., Spruce It Up Land Corp. and Ridge Meadows Properties Ltd. (collectively, the "**Debtors**"); AND UPON having read the Application, the Affidavit of Geoffrey Golding, sworn November 8, 2023, and the Affidavit of Service of Evan Cobb, dated November 10, 2023, filed; AND UPON reading the consent of KSV Restructuring Inc. to act as receiver (the "**Receiver**") of the Debtors, filed; AND UPON hearing counsel for the Applicant, the Debtors, Canadian Western Bank, and counsel for the proposed Receiver and any other counsel or other interested parties present;

IT IS HEREBY ORDERED AND DECLARED THAT:

Service

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

Appointment

2. Subject to paragraph 27 hereof and pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, RSC 1985, c. B-3 (the “**BIA**”), KSV Restructuring Inc. is hereby appointed Receiver, without security, of the Debtors’ right, title and interest in all of their current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, including all proceeds thereof (collectively, the “**Property**”).

Receiver’s Powers

3. The Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:
 - (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property, which shall include the Receiver’s ability to abandon, dispose of, or otherwise release any interest in the Property;
 - (b) to receive, preserve and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the engaging of independent security personnel, and the placement of such insurance coverage as may be necessary or desirable;
 - (c) to enter into any agreements or incur any obligations in the ordinary course of business;
 - (d) to engage consultants, appraisers, brokers, agents, experts, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver’s powers and duties, including without limitation those conferred by this Order;
 - (e) to receive and collect all monies and accounts now owed or hereafter owing to the Debtors for use of the Property and to exercise all remedies of the Debtors in collecting such monies, including, without limitation, to enforce any security held by the Debtors;

- (f) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtors, for any purpose pursuant to this Order;
- (g) to undertake environmental assessments of the Property;
- (h) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Property, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding, and provided further that nothing in this Order shall authorize the Receiver to defend or settle the action in which this Order is made unless otherwise directed by this Court;
- (i) to market any or all the Property, including engaging brokers or agents on such terms as the Receiver in its discretion may deem appropriate to market the Property, advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;
- (j) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business:
 - i. without the approval of this Court in respect of any transaction not exceeding \$500,000, provided that the aggregate consideration for all such transactions does not exceed \$750,000; and
 - ii. with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;

and in each such case notice under subsection 60(8) of the *Personal Property Security Act*, RSA 2000, c. P-7 or any other similar legislation in any other province or territory shall not be required.

- (k) to apply for any vesting order or other orders (including, without limitation, confidentiality or sealing orders) necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;
- (l) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate all matters relating to the Property and the receivership, and

to share information, subject to such terms as to confidentiality as the Receiver deems advisable;

- (m) to register a copy of this Order and any other orders in respect of the Property against title to any of the Property, and when submitted by the Receiver for registration this Order shall be immediately registered by the Registrar of Land Titles of Alberta, or any other similar government authority, notwithstanding Section 191 of the *Land Titles Act*, RSA 2000, c. L-4, or the provisions of any other similar legislation in any other province or territory, and notwithstanding that the appeal period in respect of this Order has not elapsed and the Registrar of Land Titles shall accept all Affidavits of Corporate Signing Authority submitted by the Receiver in its capacity as Receiver of the Property and not in its personal capacity;
- (n) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtors or any of them in respect of the Property; and
- (o) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations;

and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons, including the Debtors, and without interference from any other Person (as defined below).

Duty to Provide Access and Co-operation to the Receiver

- 4. (i) The Debtors, (ii) all of their current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on their instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being "**Persons**" and each being a "**Person**") shall grant immediate and continued access to the Property to the Receiver.
- 5. All Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtors, and any computer programs, computer tapes, computer disks or other data storage media containing any such information (the foregoing, collectively, the "**Records**") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which

may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or documents prepared in contemplation of litigation or due to statutory provisions prohibiting such disclosure.

6. If any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names, and account numbers that may be required to gain access to the information.

No Proceedings Against the Receiver

7. No proceeding or enforcement process in any court or tribunal (each, a **"Proceeding"**), shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Court.

No Proceedings Against the Debtors or the Property

8. No Proceeding against or in respect of the Debtors or the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of the Debtors or the Property are hereby stayed and suspended pending further Order of this Court, provided, however, that nothing in this Order shall: (i) prevent any Person from commencing a proceeding regarding a claim that might otherwise become barred by statute or an existing agreement if such proceeding is not commenced before the expiration of the stay provided by this paragraph; and (ii) affect a Regulatory Body's investigation in respect of the debtor or an action, suit or proceeding that is taken in respect of the Debtors by or before the Regulatory Body, other than the enforcement of a payment order by the Regulatory Body or the Court. **"Regulatory Body"** means a person or body that has powers, duties or functions relating to the enforcement or administration of an Act of Parliament or of the legislature of a Province.

No Exercise of Rights of Remedies

9. All rights and remedies of any Person, whether judicial or extra-judicial, statutory or non-statutory (including, without limitation, set-off rights) against or in respect of the Debtors or the Receiver or

affecting the Property are hereby stayed and suspended and shall not be commenced, proceeded with or continued except with leave of this Court, provided, however, that nothing in this Order shall:

- (a) empower the Debtors to carry on any business that the Debtors are not lawfully entitled to carry on;
- (b) prevent the filing of any registration to preserve or perfect a security interest;
- (c) prevent the registration of a claim for lien; or
- (d) exempt the Debtors from compliance with statutory or regulatory provisions relating to health, safety or the environment.

10. Nothing in this Order shall prevent any party from taking an action against the Debtors where such an action must be taken in order to comply with statutory time limitations in order to preserve their rights at law, provided that no further steps shall be taken by such party except in accordance with the other provisions of this Order, and notice in writing of such action be given to the Receiver at the first available opportunity.

No Interference with the Receiver

11. No Person shall accelerate, suspend, discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Debtors, except with the written consent of the Debtors and the Receiver, or leave of this Court.

Continuation of Services

12. All persons having:

- (a) statutory or regulatory mandates for the supply of goods and/or services; or
- (b) oral or written agreements or arrangements with the Debtors, including without limitation all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation, services, utility or other services to the Debtors,

are hereby restrained until further order of this Court from discontinuing, altering, interfering with, suspending or terminating the supply of such goods or services as may be required by the Debtors or exercising any other remedy provided under such agreements or arrangements. The Debtors shall be entitled to the continued use of their current premises, telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the usual prices or charges for all such goods or services received after the date of this Order are paid by the Debtors in accordance with the payment practices of the Debtors, or such other practices as may be agreed

upon by the supplier or service provider and each of the Debtors and the Receiver, or as may be ordered by this Court.

Receiver to Hold Funds

13. All funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including without limitation the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the “**Post Receivership Accounts**”) and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further order of this Court.

Employees

14. Subject to employees' rights to terminate their employment, all employees of the Debtors (if any) shall remain the employees of the Debtors. The Receiver shall not be liable for any employee-related liabilities, including any successor employer liabilities as provided for in section 14.06(1.2) of the BIA, other than such amounts as the Receiver may specifically agree in writing to pay, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*, SC 2005, c.47 (“**WEPPA**”).
15. Pursuant to clause 7(3)(c) of the *Personal Information Protection and Electronic Documents Act*, SC 2000, c. 5, the Receiver shall disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a “**Sale**”). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Debtors, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

Limitations on Environmental Liabilities

16. (a) Notwithstanding anything in any federal or provincial law, the Receiver is not personally liable in that position for any environmental condition that arose or environmental damage that occurred:
 - i. before the Receiver's appointment; or

- ii. after the Receiver's appointment unless it is established that the condition arose or the damage occurred as a result of the Receiver's gross negligence or wilful misconduct.
- (b) Nothing in sub-paragraph (a) exempts a Receiver from any duty to report or make disclosure imposed by a law referred to in that sub-paragraph.
- (c) Notwithstanding anything in any federal or provincial law, but subject to sub-paragraph (a) hereof, where an order is made which has the effect of requiring the Receiver to remedy any environmental condition or environmental damage affecting the Property, the Receiver is not personally liable for failure to comply with the order, and is not personally liable for any costs that are or would be incurred by any person in carrying out the terms of the order,
 - i. if, within such time as is specified in the order, within 10 days after the order is made if no time is so specified, within 10 days after the appointment of the Receiver, if the order is in effect when the Receiver is appointed, or during the period of the stay referred to in clause ii below, the Receiver:
 - A. complies with the order, or
 - B. on notice to the person who issued the order, abandons, disposes of or otherwise releases any interest in any real property affected by the condition or damage;
 - ii. during the period of a stay of the order granted, on application made within the time specified in the order referred to in clause (i) above, within 10 days after the order is made or within 10 days after the appointment of the Receiver, if the order is in effect when the Receiver is appointed, by:
 - A. the court or body having jurisdiction under the law pursuant to which the order was made to enable the Receiver to contest the order; or
 - B. the court having jurisdiction in bankruptcy for the purposes of assessing the economic viability of complying with the order; or
 - iii. if the Receiver had, before the order was made, abandoned or renounced or been divested of any interest in any real property affected by the condition or damage.

Limitation on the Receiver's Liability

17. Except for gross negligence or wilful misconduct, as a result of its appointment or carrying out the provisions of this Order the Receiver shall incur no liability or obligation that exceeds an amount for which it may obtain full indemnity from the Property. Nothing in this Order shall derogate from any limitation on liability or other protection afforded to the Receiver under any applicable law, including, without limitation, Section 14.06, 81.4(5) or 81.6(3) of the BIA.

Receiver's Accounts

18. The Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case, incurred at their standard rates and charges. The Receiver and counsel to the Receiver shall be entitled to the benefits of and are hereby granted a charge (the "**Receiver's Charge**") on the Property, which charge shall not exceed an aggregate amount of \$400,000, as security for their professional fees and disbursements incurred at the normal rates and charges of the Receiver and such counsel, both before and after the making of this Order in respect of these proceedings, and the Receiver's Charge shall form a first charge on the Property in priority to all security interests, trusts, deemed trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person but subject to section 14.06(7), 81.4(4) and 81.6(2) of the BIA.
19. The Receiver and its legal counsel shall pass their accounts from time to time.
20. Prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including the legal fees and disbursements, incurred at the normal rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

Funding of the Receivership

21. The Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$250,000 (or such greater amount as this Court may by further order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "**Receiver's Borrowings Charge**") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, deemed trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges set out in sections 14.06(7), 81.4(4) and 81.6(2) of the BIA.

22. Neither the Receiver's Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.
23. The Receiver is at liberty and authorized to issue certificates substantially in the form annexed as Schedule "A" hereto (the "**Receiver's Certificates**") for any amount borrowed by it pursuant to this Order.
24. The monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver's Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.
25. The Receiver shall be authorized to repay any amounts borrowed by way of Receiver's Certificates out of the Property or any proceeds, including any proceeds from the sale of any assets without further approval of this Court.

Allocation

26. Any interested party may apply to this Court on notice to any other party likely to be affected, for an order allocating the Receiver's Charge and Receiver's Borrowings Charge amongst the various assets comprising the Property.

Effective Date Notice

27. This Order shall become effective upon delivery by KSV Restructuring Inc., in its capacity as court-appointed Monitor in the proceedings under Court File No. 2301-08305 (the "**CCAA Proceedings**"), delivering to the Service List in these proceedings and in the CCAA Proceedings a notice that all conditions precedent set out in Article 7 of the Agreement of Purchase and Sale dated November 7, 2023 between the Receiver and 7-Eleven Canada, Inc. (the "**Sale Agreement**"), other than those set out in Section 7.1(a) and 7.1(b) of the Sale Agreement have been satisfied or waived by the required parties (the "**Monitor's Notice**"). If the Monitor's Notice has not been delivered on or before December 31, 2023, this Order will be deemed to be of no further effect.

General

28. The Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.
29. Notwithstanding Rule 6.11 of the *Alberta Rules of Court*, unless otherwise ordered by this Court, the Receiver will report to the Court from time to time, which reporting is not required to be in affidavit form and shall be considered by this Court as evidence. The Receiver's reports shall be filed by the Court Clerk notwithstanding that they do not include an original signature.

30. Nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtor.
31. This Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in any foreign jurisdiction to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Receiver in any foreign proceeding, or to assist the Receiver and its agents in carrying out the terms of this Order.
32. The Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order and that the Receiver is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.
33. The Applicant shall have its costs of this application, up to and including entry and service of this Order, provided for by the terms of the Applicant's security or, if not so provided by the Applicant's security, then on a substantial indemnity basis, including legal costs on a solicitor-client full indemnity basis, to be paid by the Receiver from the proceeds of the Property with such priority and at such time as this Court may determine.
34. Any interested party may apply to this Court to vary or amend this Order on not less than 7 days' notice to the Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

Filing


35. The Receiver shall establish and maintain a website in respect of these proceedings at <https://www.ksvadvisory.com/experience/case/wallace-and-carey> (the "**Receiver's Website**") and shall post there as soon as practicable:
- (a) all materials prescribed by statute or regulation to be made publicly available; and
 - (b) all applications, reports, affidavits, orders and other materials filed in these proceedings by or on behalf of the Receiver, or served upon it, except such materials as are confidential and the subject of a sealing order or pending application for a sealing order.
36. Service of this Order shall be deemed good and sufficient by:
- (a) serving the same on:

- i. the persons listed on the service list created in these proceedings or otherwise served with notice of these proceedings;
- ii. any other person served with notice of the application for this Order;
- iii. any other parties attending or represented at the application for this Order; and

(b) posting a copy of this Order on the Receiver's Website

and service on any other person is hereby dispensed with.

- 37. Service of this Order may be effected by facsimile, electronic mail, personal delivery or courier. Service is deemed to be effected the next business day following transmission or delivery of this Order.
- 38. Notwithstanding that this Order may be digitally signed, the Clerk of the Court is hereby directed to accept this Order for in person same day filing and certification at the Court office located at the Edmonton Law Courts.



Justice of the Court of King's Bench of Alberta

SCHEDULE "A"

RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that KSV Restructuring Inc, the receiver (the "**Receiver**") of the property of 772921 Alberta Ltd., Spruce It Up Land Corp. and Ridge Meadows Properties Ltd. appointed by Order of the Court of King's Bench of Alberta and Court of King's Bench of Alberta in Bankruptcy and Insolvency (collectively, the "**Court**") dated the 17th day of November, 2023 (the "**Order**") made in action numbers Enter Action Numbers, has received as such Receiver from the holder of this certificate (the "**Lender**") the principal sum of Enter Amount, being part of the total principal sum of Enter Amount that the Receiver is authorized to borrow under and pursuant to the Order.
2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded Select an Option after the date hereof at a notional rate per annum equal to the rate of Enter Rate per cent above the prime commercial lending rate of Name of Institution from time to time.
3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property (as defined in the Order), in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.
4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at Enter Address.
5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.
6. The charge securing this certificate shall operate so as to permit the Receiver to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.
7. The Receiver does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

DATED the _____ day of _____, 20____

KSV Restructuring Inc., solely in its capacity as
Receiver of the Property (as defined in the Order),
and not in its personal capacity

Per: _____

Name:

Title:

APPENDIX B

[ATTACHED]

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

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

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

MONITOR'S AND PROPOSED RECEIVER'S COUNSEL

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

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

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1.0 Introduction

1. 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 warehouses¹, 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 warehouses², 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**”) ³ and Spruce It Up Land Corp (“**SIU**”) ^{4,5} 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**”).)

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

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

³ Having a municipal address of 255256 Range Road 25, NW Calgary, Alberta.

⁴ Having a municipal address of 159 210 Avenue SW, Calgary, Alberta.

⁵ 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 & Carey⁶ 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;

⁶ 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.

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 Overview⁷

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.

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:

⁷ 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 Transaction⁸

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)

⁸ 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) ⁹	Range	
Description	Low	High
W&C APA Transaction		
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
Total proceeds from W&C APA Transaction	54,900	61,300
Receivership Transaction, net of CWB mortgage¹⁰	3,100	3,100
Loudon real property	1,300	1,300
Other	400	1,400
Total gross realizations	59,700	67,100

⁹ All amounts in the table have been rounded.

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

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

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.

¹¹ 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.

¹² 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.

¹³ 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.¹⁴ 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.

¹⁴ 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, 2023¹⁵ 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 ¹⁶	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
Total	24,769	25,459	(691)

¹⁵ The last business day before closing.

¹⁶ 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 C

[ATTACHED]



LAND TITLE CERTIFICATE

S
LINC SHORT LEGAL TITLE NUMBER
0019 265 678 5235JK;A 051 463 482

LEGAL DESCRIPTION
PLAN 5235JK
BLOCK A
EXCEPTING THEREOUT ALL MINES AND MINERALS
AREA: 8.4 HECTARES (20.75 ACRES) MORE OR LESS

ESTATE: FEE SIMPLE
ATS REFERENCE: 5;1;22;14;SW

MUNICIPALITY: CITY OF CALGARY

REFERENCE NUMBER: 001 266 272

REGISTERED OWNER(S)				
REGISTRATION	DATE (DMY)	DOCUMENT TYPE	VALUE	CONSIDERATION
051 463 482	06/12/2005	TRANSFER OF LAND	\$3,050,000	\$3,050,000

OWNERS

SPRUCE IT UP LAND CORP.
OF 5445-8 ST NE
CALGARY
ALBERTA T2K 5R9

(DATA UPDATED BY: CHANGE OF ADDRESS 181235675)
(DATA UPDATED BY: CHANGE OF NAME 201115405)

ENCUMBRANCES, LIENS & INTERESTS

REGISTRATION		
NUMBER	DATE (D/M/Y)	PARTICULARS
6453GC .	03/12/1949	UTILITY RIGHT OF WAY GRANTEE - CANADIAN WESTERN NATURAL GAS COMPANY LIMITED. AS TO PORTION OR PLAN:GL85
917KA .	28/07/1967	RESTRICTIVE COVENANT
001 332 857	21/11/2000	CAVEAT

ENCUMBRANCES, LIENS & INTERESTS

PAGE 2

051 463 482

REGISTRATION

NUMBER DATE (D/M/Y) PARTICULARS

RE : ROADWAY
CAVEATOR - HER MAJESTY THE QUEEN IN RIGHT OF
ALBERTA
AS REPRESENTED BY THE MINISTER OF INFRASTRUCTURE
C/O LANDS ADMIN, HIGHWAY & ROADSIDE PLANNING
TECHNICAL STANDARDS BRANCH
2 FLR, TWIN ATRIA BLDG
4999-98 AVE
EDMONTON
ALBERTA T6B2X3
AGENT - JARRETT BEREZANSKI

051 463 483 06/12/2005 MORTGAGE
MORTGAGEE - 772921 ALBERTA INC.
C/O WALLACE & CAREY INC
5445 8 ST NE
CALGARY
ALBERTA T2K5R9
ORIGINAL PRINCIPAL AMOUNT: \$4,000,000

051 463 484 06/12/2005 CAVEAT
RE : ASSIGNMENT OF RENTS AND LEASES
CAVEATOR - 772921 ALBERTA INC.
ATTN: ROBERT T HOUSMAN
C/O GOWLING LAFLEUR HENDERSON LLP
1400,700 2 ST SW
CALGARY
ALBERTA T2P4V5
AGENT - ROBERT T HOUSMAN

101 354 558 07/12/2010 CAVEAT
RE : LEASE INTEREST
CAVEATOR - ROGERS COMMUNICATIONS INC.
C/O DALE R. SPACKMAN
PARLEE MCLAWS
2400 SUNCOR ENERGY CENTRE
150- 6 AVENUE SW
CALGARY
ALBERTA T2P3Y7
AGENT - DALE R SPACKMAN
(DATA UPDATED BY: TRANSFER OF CAVEAT
111306281)

221 026 290 08/02/2022 MORTGAGE
MORTGAGEE - CANADIAN WESTERN BANK.
CREDIT SUPPORT-PRAIRIES REGIONAL CENTRE
300,606-4TH STREET SW
CALGARY
ALBERTA T2P1T1

(CONTINUED)

ENCUMBRANCES, LIENS & INTERESTS

PAGE 3

051 463 482

REGISTRATION

NUMBER DATE (D/M/Y) PARTICULARS

ORIGINAL PRINCIPAL AMOUNT: \$12,000,000

221 026 291 08/02/2022 CAVEAT
RE : ASSIGNMENT OF RENTS AND LEASES
CAVEATOR - CANADIAN WESTERN BANK.
CREDIT SUPPORT-PRAIRIES REGIONAL CENTRE
300,606-4TH STREET SW
CALGARY
ALBERTA T2P1T1
AGENT - MOHAMMED ALI MEMON

221 026 292 08/02/2022 POSTPONEMENT
OF MORT 051463483 CAVE 051463484
TO MORT 221026290 CAVE 221026291

231 275 608 12/09/2023 MORTGAGE
MORTGAGEE - CANADIAN IMPERIAL BANK OF COMMERCE.
199 BAY STREET, 4TH FLOOR
TORONTO
ONTARIO M5L1A2
ORIGINAL PRINCIPAL AMOUNT: \$65,000,000

231 275 609 12/09/2023 POSTPONEMENT
OF MORT 051463483 CAVE 051463484
TO MORT 231275608

TOTAL INSTRUMENTS: 011

PENDING REGISTRATION QUEUE

DRR NUMBER	RECEIVED DATE (D/M/Y)	SUBMITTER	LAND ID
F003CAM	04/04/2024	CANADIAN WESTERN BANK 780-421-5406 CUSTOMER FILE NUMBER: RR426963-SPRUCE IT UP	
003		DISCHARGE	0019 265 678
004		DISCHARGE	0019 265 678

TOTAL PENDING REGISTRATIONS: 001

DISCLAIMER: THE DOCUMENT INFORMATION REFLECTED IN THE PENDING
REGISTRATION QUEUE HAS NOT BEEN VERIFIED BY LAND TITLES AND MAY BE
SUBJECT TO CHANGE UPON REVIEW AND REGISTRATION.

(CONTINUED)

THE REGISTRAR OF TITLES CERTIFIES THIS TO BE AN
ACCURATE REPRODUCTION OF THE CERTIFICATE OF
TITLE REPRESENTED HEREIN THIS 8 DAY OF APRIL,
2024 AT 10:24 A.M.

ORDER NUMBER: 50171569

CUSTOMER FILE NUMBER: 054670-8



END OF CERTIFICATE

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APPRAISAL OR OTHER ADVICE PREPARED BY THE ORIGINAL PURCHASER AS
PART OF THE ORIGINAL PURCHASER APPLYING PROFESSIONAL, CONSULTING
OR TECHNICAL EXPERTISE FOR THE BENEFIT OF CLIENT(S).

APPENDIX D

[ATTACHED]

**IN THE MATTER OF THE RECEIVERSHIP OF
772921 ALBERTA INC., RIDGE MEADOWS PROPERTIES LTD., and SPRUCE IT UP LAND CORP.**

**SUMMARY OF PROFESSIONAL FEES
FOR THE PERIOD OF APRIL 1, 2024 TO JULY 31, 2024**

	Invoice	Fees	Costs	Sub-total	GST	Total
Receiver's Fees						
<u>772921 Alberta Inc.</u>						
April 1, 2024 to April 30, 2024	3645	\$ 5,532.00	\$ -	\$ 5,532.00	\$ 276.60	\$ 5,808.60
May 1, 2024 to May 31, 2024	3711	3,013.00	-	3,013.00	150.65	3,163.65
June 1, 2024 to June 30, 2024	3739	2,171.75	-	2,171.75	108.59	2,280.34
July 1, 2024 to July 31, 2024	3813	2,164.00	-	2,164.00	108.20	2,272.20
<u>Ridge Meadows Properties Ltd.</u>						
April 1, 2024 to April 30, 2024	3646	15,906.50	98.76	16,005.26	800.26	16,805.52
May 1, 2024 to May 31, 2024	3712	15,461.75	3.68	15,465.43	773.27	16,238.70
June 1, 2024 to June 30, 2024	3740	15,299.50	102.86	15,402.36	770.12	16,172.48
July 1, 2024 to July 31, 2024	3814	6,775.50	295.96	7,071.46	353.57	7,425.03
<u>Spruce It Up Land Corp.</u>						
April 1, 2024 to April 30, 2024	3647	29,472.50	0.92	29,473.42	1,473.67	30,947.09
May 1, 2024 to May 31, 2024	3713	11,286.75	54.02	11,340.77	567.04	11,907.81
June 1, 2024 to June 30, 2024	3741	4,781.75	0.98	4,782.73	239.14	5,021.87
July 1, 2024 to July 31, 2024	3815	3,704.00	588.00	4,292.00	214.60	4,506.60
Total Receiver's Fees		115,569.00	1,145.18	116,714.18	5,835.71	122,549.89
Receiver's Legal Counsel Fees						
<u>Ridge Meadows Properties Ltd.</u>						
April 1, 2024 to April 30, 2024	2236702	1,520.50	-	1,520.50	76.03	1,596.53
May 1, 2024 to June 30, 2024	2243531	20,772.00	159.00	20,931.00	1,040.40	21,971.40
July 1, 2024 to July 31, 2024	2247035	4,953.00	155.12	5,108.12	254.41	5,362.53
<u>Spruce It Up Land Corp.</u>						
April 1, 2024 to April 30, 2024	2236704	42,990.00	564.91	43,554.91	2,167.77	45,722.68
May 1, 2024 to May 31, 2024	2240167	16,523.00	184.08	16,707.08	835.05	17,542.13
June 1, 2024 to July 31, 2024	2247036	134.00	248.72	382.72	14.27	396.99
Total Receiver's Legal Counsel Fees		86,892.50	1,311.83	88,204.33	4,387.93	92,592.26
Total Professional Fees		\$ 202,461.50	\$ 2,457.01	\$ 204,918.51	\$ 10,223.64	\$ 215,142.15