

CANADA

PROVINCE OF QUEBEC
DISTRICT OF MONTRÉAL
LOCALITY OF MONTRÉAL

SUPERIOR COURT
(Commercial Division)
Companies' Creditors Arrangement

No: 500-11-063165-233

**IN THE MATTER OF THE COMPANIES
CREDITORS ARRANGEMENT ACT OF:**

KPMG INC.

Monitor

- and -

15695651 CANADA INC.

-and-

15695724 CANADA INC.

Debtors

APPLICATION FOR AN EXTENSION OF THE STAY PERIOD¹

TO THE HONOURABLE JUSTICE MICHEL A. PINSONNAULT OF THE SUPERIOR COURT, SITTING IN COMMERCIAL DIVISION FOR THE DISTRICT OF MONTRÉAL, THE MONITOR RESPECTFULLY SUBMITS AS FOLLOWS:

1. By the present Application (the "**Application**"), KPMG Inc. (the "**Monitor**"), in its capacity as Monitor of the Debtors, 15695724 Canada Inc. ("**ResidualCo 1**") and 15695651 Canada Inc. ("**ResidualCo 2**", and together with ResidualCo 1, the "**Current Debtors**"), seeks the issuance of an order extending the Stay Period to September 18, 2026 substantially in the form of the draft order communicated herewith as **Exhibit R-1**.

I. PROCEDURAL BACKGROUND AND STATUS

2. On November 20, 2023, Highcrest Lending Corporation ("**HLC**") filed an *Application for the Issuance of a First Day Initial Order and an Amended and*

¹ Capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Amended and Restated Initial Order dated December 28, 2023.

Restated Initial Order (the “**Initial Application**”) in the present proceedings (the “**CCAA Proceedings**”) in respect of 13517985 Canada Inc. (doing business as Wholesale Express, the “**Former Debtor**”).

3. As outlined more fully in previous applications and reports of the Monitor, the Court granted the Initial Application and issued a first day initial order (the “**First Day Order**”) on December 20, 2023.
4. On December 28, 2023, the Court issued an Amended and Restated Order extending the Stay Period until February 28, 2024 (the “**ARIO**”).
5. On November 26, 2025, the Court issued an Extension Order and authorized the Monitor to pay its professional fees and disbursements, as well as those of its counsel.

The Stay Period

6. The Stay Period was further extended on four additional occasions: to September 20, 2024, to January 31, 2025, to June 15, 2025, to November 28, 2025 and to Mai 1st, 2026.

The Transaction

7. On January 12, 2024, the Court issued an *Approval and Reverse Vesting Order* (the “**RVO**”) *inter alia*:
 - a) authorizing a series of transactions whereby a new investor, 15449189 Canada Inc. (the “**Investor**”), would become the sole shareholder of the Former Debtor, thereby preserving its business as a going concern; and
 - b) declaring that, upon closing, the Former Debtor would cease to be a debtor in these CCAA Proceedings, and would be replaced by the Current Debtors.
8. The transactions described more fully in the RVO (collectively the “**Transactions**”) closed on January 23, 2024, as appears from a copy of the Monitor’s certificate filed in the Court record.
9. As a result of the Transactions:
 - a) the balance of the cash purchase price, net of the distributions authorized in the RVO and in subsequent Court orders, is currently held by the Monitor for and on behalf of ResidualCo 2;
 - b) any eventual recoveries and other funds that may become available for distribution to creditors is held by the Monitor for and on behalf of ResidualCo 2; and
 - c) all of the Former Debtor’s liabilities were transferred to ResidualCo 2.

Claims Process

10. On February 23, 2024, the Court issued a Claims Process Order pursuant to which creditors of the Former Debtor were required to file proofs of claim by March 25, 2024 and providing for a process for the review and treatment of those claims (the “**Claims Process**”).
11. The claims received as part of the Claims Process and their status have been extensively reported on by the Monitor in its Third, Fourth and Sixth reports to the Court, dated April 23, 2024, June 7, 2024 and September 11, 2024, respectively.
12. Three creditors have appealed the Monitor’s disallowance or revision of their proofs of claim, namely Dentons Canada LLP (“**Dentons**”), the Van Essen companies (1309767 Ontario Ltd. and 2601658 Ontario Ltd., collectively “**Van Essen**”) and Groupe Gregor Inc. (“**Gregor**”). As they have not yet been resolved, each will require a hearing, which is addressed further below.
13. On December 10, 2024, Post Road Group was authorized by the Court to file a Proof of Claim after the Claims Bar Date. That claim is currently under review by the Monitor and will likely be determined if and when authorization is sought for a further distribution to creditors. Without addressing the claim in detail, Post Road Group does not claim additional monies over and above amounts claimed by certain other creditors. Rather, it alleges a right to distribution in priority to those creditors.
14. On November 13, 2025, the Monitor received a claim from Revenu Québec in the amount of \$506,156.27 (the ‘**Additional RQ Claim**’), which is in addition to the initial claim filed by IQ in the amount of \$2,768,653.08. The Monitor is currently in the process of reviewing the Additional RQ Claim

Groupe Gregor

15. On February 23, 2024, the Monitor filed an *Application for (i) advice and directions and (ii) to void a transfer at undervalue* wherein it sought an order to have an Assignment of Credit made as of October 24, 2023 by the Former Debtor in favour of TradeX Group of Companies declared null and void and not opposable to the Monitor (the “**Gregor Application**”).
16. On December 10, 2024, the Court approved a settlement agreement between the Monitor and FTI Consulting Canada Inc., in its capacity as court-appointed receiver to the assets and undertakings of TradeX Group of Companies (the “**TradeX Receiver**”) with respect to the Gregor Application, and issued an order entitled Consent Order re: Application to void a transfer at undervalue (the “**TradeX Settlement**”).
17. Pursuant to the TradeX Settlement, TradeX agreed to fund thirty percent (30%) of the expenses incurred in connection with the Gregor Litigation (as defined below)

and, in return, will be entitled to thirty percent (30%) of any proceeds recovered as a result.

18. On January 16, 2025, the Ontario Superior Court approved the TradeX Settlement as well.
19. Since then, the Monitor engaged with Gregor, through counsel, to advance the claim now held by ResidualCo 2 against Gregor (the “**Gregor Litigation**”).

**TIMETABLE FOR THE FILE ON THE APPEAL OF THE MONITOR'S
REJECTION OF GROUPE GREGOR INC'S PROOF OF CLAIM (S.C. No. 500-
11-063165-233)**

Step	Deadline
Communication of pre-undertakings by Gregor	May 2, 2025
Communication of any remaining pre-undertakings not communicated by the May 2, 2025 deadline	May 23, 2025
Filing of the Monitor's counterclaim and of KPMG's forensic report	August 29, 2025
Transmission of a request for pre-undertakings by Gregor	September 12, 2025
Communication of pre-undertakings by KPMG	September 30, 2025
Out-of-court examinations (oral and or written, as appropriate)	By no later than October 31, 2025
Communication of the undertakings following the out-of-court examinations	By no later than November 28, 2025
Filing of Gregor's counter forensic report and/or accounting expert report, if applicable	By no later than January 30, 2026 and, in any event, no less than 30 days prior to the trial
Readiness for trial and setting down for trial and judgment	By no later than December 19, 2025
Trial	TBD

20. The Monitor's response to the Appeal of the Notice of Disallowance and Counterclaim on Behalf of 15695651 Canada Inc. was notified approximately one month later than anticipated, on October 9, 2025 (the “**Counterclaim**”).
21. Simultaneously, the Monitor notified a detailed expert report prepared by KPMG forensic experts, which supports the Counterclaim.

22. On November 28, 2025, a revised litigation timetable for the Gregor Litigation was agreed upon by the parties and approved by this Court (the “**Revised Timetable**”) providing for the following delays:

**PROPOSED REVISED TIMETABLE FOR THE FILE ON THE APPEAL OF THE
MONITOR’S REJECTION OF GROUPE GREGOR INC’S PROOF OF CLAIM
(S.C. No. 500-11-063165-233)**

Step	Deadline
Communication of pre-undertakings by Gregor	May 2, 2025 (completed)
Communication of any remaining pre-undertakings not communicated by the May 2, 2025 deadline	May 23, 2025 (completed)
Filing of the Monitor’s counterclaim and of KPMG’s forensic report	August 29, 2025 (completed on October 9, 2025)
Transmission of a request for pre-undertakings by Gregor	December 5, 2025
Communication of pre-undertakings by KPMG ¹	December 19, 2025
Out-of-court examinations (oral and or written, as appropriate)	By no later than February 6, 2026
Communication of the undertakings following the out-of-court examinations	By no later than February 21, 2026
Filing of Gregor’s counter forensic report and/or accounting expert report, if applicable	By no later than April 30, 2026, and, in any event, no less than 30 days prior to the trial
Readiness for trial and setting down for trial and judgment	April 1 st , 2026
Trial	TBD

23. Following the approval of the Revised Timetable. Gregor submitted its pre-undertakings request before December 5, 2025, and KPMG answered Gregor’s pre-undertaking requests on December 19, 2025.
24. The Revised Timetable contemplated being ready to set the Gregor Litigation down for trial by April 1, 2026, with their expert report to follow by April 30, 2026.

25. As the April 1st deadline approached, counsel for the Monitor followed up with counsel for Gregor in view setting the matter down for trial. The Monitor was surprised to learn that Gregor was not ready and had not even engaged an expert.
26. Today, nearly 6 months after KPMG filed its forensic report, Gregor has still not engaged an expert.
27. Faced with this unfortunate lack of respect for the process, for the Court, and for the Debtor's creditors, the Monitor intends to file an application for an order stating that Gregor has forfeited all rights in connection with the Gregor Litigation and granting the Monitor's Counterclaim.
28. Counsel for the Monitor will communicate with the Court shortly in order to schedule a hearing on said application.

II. The Stay Period must be Extended

29. The Monitor seeks an order extending the Stay Period until September 18, 2026, as reflected in the draft order communicated herewith as Exhibit R-1.
30. The Monitor believes a relatively lengthy extension is in the best interests of stakeholders, namely little other than the Gregor Litigation is expected to progress in a meaningful way between now and the Fall.
31. The Monitor seeks an extension of the Stay Period to September 18, 2026 namely to:
 - a) continue to pursue the Gregor Litigation;
 - b) ready the appeals from the Monitor's disallowance or revision of the Dentons and Van Essen proofs of claim for hearings on the merits;
 - c) continue to engage with the Investor until the balance of the purchase price (promissory note payable in 2027) has been paid;
 - d) review and issue a decision on the Additional RQ Claim;
 - e) continue to engage with stakeholders, including with respect to the Gregor Litigation; and
 - f) consider if, how and when to proceed with an interim distribution to creditors.
32. With respect to the Dentons and Van Essen appeals, both Dentons and Van Essen have expressed their preference to wait for a resolution of the Gregor Litigation before seeking to set down hearing dates for either matter. The Monitor anticipates that a one-day hearing will be sufficient for each appeal. In the meantime, the Monitor is working with counsel for Dentons and Van Essen to finalize the

Déclarations communes de dossier complet, which will be filed once hearing dates are fixed.

33. The Monitor is of the view that the requested extension of the Stay Period is necessary and reasonable in the circumstances.
34. In the Monitor's opinion, no parties will suffer any material prejudice from the extension of the Stay Period and the extension sought is appropriate under these circumstances.
35. In light of the fact that the Monitor is swearing an affidavit in support of this application, no Monitor's report will be prepared in support of this application.

III. Authorization to pay professional fees

36. Pursuant to the terms of the RVO, the proceeds of sale from the closing of the Transactions are currently held by the Monitor in trust until further Order of this Court.
37. Pursuant to the terms of the ARIO, the Current Debtors are obliged to pay the reasonable fees and disbursements of the Monitor and its legal counsel relating to the CCAA Proceedings.
38. However, nothing in either the ARIO nor the RVO authorizes the Monitor to pay professional fees from the sale proceeds held in trust. As such, as it has in the past, the Monitor seeks an order authorizing it to pay its outstanding professional fees and those of its counsel.
39. The Monitor's professional fees for services rendered from November 13, 2025 to April 24, 2026 amount to \$17,856.80 excluding applicable sales tax.
40. The Monitor's counsel's professional fees and disbursements for services rendered from November 1, 2025 to March 31, 2026 amount to \$39,282.20 excluding applicable sales tax.
41. The Monitor seeks an order allowing it to pay professional fees incurred, directly from its in-trust account, which currently holds \$1,637,449.03.
42. Out of the total professional fees and disbursements referenced above, an amount of \$1,505.01 excluding applicable sales tax will be invoiced to the TradeX Receiver pursuant to the TradeX Settlement. Following payment by TradeX Receiver of its thirty percent (30%) share of these expenses, the Monitor will continue to hold an amount of \$1,581,815.04 in its trust account.

IV. No Monitor's Report

42. This Application is filed by the Monitor and is supported by a sworn statement of the Monitor. It addresses all issues that would commonly be addressed in a

Monitor's report in support of the relief sought herein. As such, and in an effort to limit professional fees, no report will be filed in support of this Application.

V. Conclusion

43. In light of the foregoing, the Monitor submits it is both appropriate and necessary that the relief being sought be granted and that an order extending the Stay Period, substantially in the form of Exhibit R-1 be issued.

44. The present Application is well-founded both in fact and in law.

FOR THESE REASONS, MAY IT PLEASE THIS COURT TO:

GRANT the present Application;

ISSUE an order extending the Stay Period substantially in the form of the draft order communicated herewith as Exhibit R-1; and

THE WHOLE without legal costs.

Montreal, this April 27, 2026

Fasken Martineau DuMoulin LLP

Fasken Martineau DuMoulin LLP

Attorneys for the Monitor

Stock Exchange Tower

800 Victoria Square, Suite 3500

Montréal, Quebec H4Z 1E9

Mtre Alexander Bayus

Phone number: +1 514 397 7543

Email: abayus@fasken.com

Mtre Éliane Dupéré-Tremblay

Phone number: +1 514 397 7412

Email: edtremblay@fasken.com

SWORN STATEMENT

I, the undersigned, David Malin, having my principal place of business at 600, boul. De Maisonneuve West, Suite 1500, in the city and district of Montreal, Province of Québec, H3C 0B4, solemnly declare the following:

1. I am a partner at KPMG Inc.; and
2. All the facts alleged in the *Application for an extension of the stay period and other relief* are, to the best of my knowledge, true.

AND I HAVE SIGNED :


Signed by:
David Malin
6CDD59CA821E461...

David Malin

Declared under oath before me, by
technological means (Microsoft TEAMS),
in Montreal, April 27, 2026

DocuSigned by:
Claudia Vallée St-Pierre
6B5319659C2349C...

DS



Commissioner for Oaths for Québec

**NOTICE OF PRESENTATION
COMMERCIAL PRACTICE**

1. PRESENTATION OF THE PROCEEDING

TAKE NOTE that the *Application for an Extension of the Stay Period* will be presented virtually in the Commercial Division of the Superior Court, in room 17.09 of the Montreal Courthouse on April 29, 2026, at **11:30**.

17.09	<p><u>Rejoignez la réunion maintenant</u></p> <p>Participez à l'appel par téléphone +1 581-319-2194,,889383755# Canada, Québec (833) 450-1741,,889383755# Canada (Gratuit) Trouvez un numéro local Numéro de conférence téléphonique : 889 383 755#</p> <p>Inviter quelqu'un à prendre part à une conversation sur un appareil en visioconférence Clé du locataire : teams@teams.justice.gouv.qc.ca Numéro de vidéo : 118 563 125 5 Autres instructions relatives à la numérotation VTC</p>
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PLEASE GOVERN YOURSELF ACCORDINGLY.

Montreal, this April 27, 2026

Fasken Martineau DuMoulin LLP

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Attorneys for the Monitor
Stock Exchange Tower
800 Victoria Square, Suite 3500
Montréal, Quebec H4Z 1E9
Mtre Alexander Bayus
Phone number: +1 514 397 7543
Email: abayus@fasken.com
Mtre Éliane Dupéré-Tremblay
Phone number: +1 514 397 7412
Email: edtremblay@fasken.com

C A N A D A

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LOCALITY OF MONTRÉAL**

**SUPERIOR COURT
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*Companies' Creditors Arrangement***

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-and-

15695724 CANADA INC.

Debtors

LIST OF EXHIBITS

EXHIBIT R-1: Draft order.

Montreal, this April 27, 2026

Fasken Martineau DuMoulin LLP

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Attorneys for the Monitor
Stock Exchange Tower
800 Victoria Square, Suite 3500
Montréal, Quebec H4Z 1E9
Mtre Alexander Bayus
Phone number: +1 514 397 7543
Email: abayus@fasken.com

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**APPLICATION FOR AN EXTENSION OF
THE STAY PERIOD AND EXHIBITS R-1**

ORIGINAL

Fasken Martineau DuMoulin LLP
800 Victoria Square, Suite 3500
Montréal, Quebec H3C 0B4

Me Alexander Bayus
abayus@fasken.com

Tél. +1 514 397 7543
Fax. +1 514 397 7600