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C A N A D A

PROVINCE OF QUÉBEC  
DISTRICT OF MONTRÉAL

N°: 500-11-063165-233

**SUPERIOR COURT**  
(Commercial Division)

**IN THE MATTER OF THE COMPANIES'  
CREDITORS ARRANGEMENT ACT, R.S.C.  
1985, C. C-36, AS AMENDED**

**15695651 Canada Inc.**, a company incorporated under the *Canada Business Corporations Act*, having its head office at 101-501 Laurier Blvd. Sainte-Marie-Madeleine, Province of Quebec, J0H 1S0

- and-

**15695724 Canada Inc.**, a company incorporated under the *Canada Business Corporations Act*, having its head office at 101-501 Laurier Blvd., Sainte-Marie-Madeleine, Province of Québec, J0H 1S0

*Debtors*

- and-

**KPMG INC.**, a company incorporated under the laws of Canada, having a place of business at 600 de Maisonneuve Blvd. West, in the city of Montréal, Province of Québec, H3A 0A3

*Monitor*

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**AMENDED FIFTH REPORT OF THE MONITOR**  
*(Companies' Creditors Arrangement Act, R.S.C. 1985, C. C-36, As Amended)*

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August 30, 2024



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## A. INTRODUCTION

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1. 13517985 Canada Inc., d/b/a Wholesale Express Inc. (“**Wholesale Express**” or “**WE**”), is a private company with its head office in Sainte-Marie-Madeleine, Québec that operates an online trading platform for pre-owned cars. In short, the Company acts as an intermediary for the exchange of vehicles between sellers and buyers in order to facilitate and simplify transactions.
2. On November 20, 2023, Wholesale Express’ first-secured ranking creditor, Highcrest Lending Corporation (“**HLC**” or the “**Secured Creditor**”) filed an application (the “**Application**”) before the Superior Court of Québec (the “**Court**”) pursuant to the CCAA, seeking, at the time of the first day hearing, the issuance of an Initial Order.
3. On December 20, 2023, the Court issued an Initial Order providing for, *inter alia*, the appointment of KPMG Inc. as monitor (the “**Monitor**”) in respect of Wholesale Express as part of the CCAA proceedings.
4. On December 28, 2023, the Court issued an Amended and Restated Initial Order extending the Stay Period until February 28, 2023.
5. On January 12, 2024, the Court approved the sale of all of the shares of Wholesale Express pursuant to an Approval and Reverse Vesting Order (the “**RVO**”).
6. On January 23, 2024, the Monitor issued its certificate confirming the closing of the sale transaction pursuant to the RVO (the “**Transaction**”). In accordance with the terms of the RVO, following the closing of the Transaction: (i) Wholesale Express is no longer subject to the CCAA proceedings, and (ii) as more fully outlined in the RVO, the assets and liabilities of Wholesale Express not otherwise assumed as part of the transaction have been transferred to 1569724 Canada Inc. (“**ResidualCo 1**”) and 15695651 Canada Inc. (“**ResidualCo 2**”) (collectively, the “**Debtors**”), which have replaced Wholesale Express as debtors in these CCAA proceedings.
7. As a result of the transactions more fully described in the RVO:
  - a) The balance of the cash purchase price, net of the distributions authorized in the RVO, is currently held by the Monitor for and behalf of ResidualCo 2. As at the date of this report (the “**Report**”), said balance is \$2,002,256.23;
  - b) Any eventual recoveries and other funds that may become available for distribution to creditors will be held by the Monitor for and behalf of ResidualCo 2; and
  - c) All of Wholesale Express’ liabilities were transferred to ResidualCo 2.
8. As detailed in the Second Report of the Monitor, ResidualCo 2 holds Wholesale Express’ interest in a claim asserted against Groupe Gregor Inc. (“**Groupe Gregor**”), which is anticipated to be a potential source of recovery for creditors of ResidualCo 2 (the “**Groupe Gregor Claim**”).



9. The Monitor has reviewed the available documentation related to the litigation with Groupe Gregor and served an *Application for (i) Advice and Directions and (ii) To Void a Transfer at Undervalue* (the “**Groupe Gregor Application**”). As further appears from the Groupe Gregor Application, the Monitor seeks to annul an Assignment of Credit made as of October 24, 2023 (the “**Assignment**”), between Wholesale Express and its parent company, Trade X Group of Companies Inc. (“**Trade X Parent**”).
10. On July 10, 2024, FTI Consulting Inc. (“**FTI**”), in its capacity as Receiver<sup>1</sup> and manager of the property of, *inter alia*, Trade X Parent<sup>2</sup>, served a contestation to the Groupe Gregor Application. In that contestation, FTI alleges that Wholesale Express was indebted toward Trade X Parent when the Assignment was made.
11. The purpose of this Report is limited to the following. A more fulsome report will be filed in advance of the next extension period:
  - a) Provide this Court with additional information regarding intercompany transactions between (i) Wholesale Express and the other entities of the Trade X group of companies as a whole (the “**Trade X Group**”) (**Section B**); (ii) Wholesale Express and TX Ops Canada Corporation (“**Trade X Canada**”) (**Section C**); and (iii) Wholesale Express and Trade X Parent (**Section D**); (iv) Valuation of the Groupe Gregor Claim (**Section E**); and
  - b) Provide the Court with the Monitor’s conclusions with respect to those intercompany transactions (**Section F**).
12. This Report is an amended version of the Fifth Report of the Monitor dated July 14, 2024 and has been prepared pursuant to the order issued by the Court on July 16, 2024. A compared document showing the changes made to the original version of the Report is attached in **Appendix A**.

## **B. INTERCOMPANY TRANSACTIONS WITH THE TRADE X GROUP AS A WHOLE**

---

13. Refer to Trade X Group corporate chart in **Appendix B**.
14. The Monitor reviewed the intercompany transactions between the entities forming part of the Trade X Group and Wholesale Express, and has summarized its findings as follows:

---

<sup>1</sup>Court-Appointed Receiver pursuant to Section 243 of the *Bankruptcy and Insolvency Act*.

<sup>2</sup> FTI was also appointed Court-Appointed Receiver over the property of Trade X Canada (as defined in paragraph 11), 12771888 Canada Inc., TVAS Inc., Tradexpress Auto Canada Inc., Trade X Fund GP Inc., Trade X LP Fund I, Trade X Continental Inc., TX Capital Corp., Techlantic Ltd.



**Reconciliation - WE & Trade X Group Transactions**

**As at October 24, 2023**

Net funding from Trade X Canada	2 993 265	<b>N1</b>
Cross Charges from Trade X Canada	8 933 955	<b>N2</b>
<b>Claim filed by FTI</b>	<b>11 927 220</b>	<b>N3</b>
Monitor's Adjustments		
Cross Charges from Trade X Canada	(8 933 955)	<b>N2</b>
Bridge Loans to Trade X Canada	(7 500 353)	<b>N4</b>
Receivable from Trade X Indiana	(7 096 936)	<b>N5</b>
Balance owing to WE from Trade X Group	<b>(11 604 024)</b>	

**N1 – Net Funding from Trade X Canada of \$2,993,265:** Refer to **Appendix C** for details. These accounts include three (3) payments of \$2,000,000 (total of \$6,000,000) from Trade X Canada related to the payment of the purchase price from Groupe Gregor between January 31, 2022, and March 31, 2022.

Refer to the Asset Purchase Agreement (the “**Gregor APA**”) which was filed as part of Exhibit R-2 in support of the Groupe Gregor Application

**N2 – Cross charges of \$8,933,955:** Reflects an invoice from Trade X Canada to Wholesale Express for certain expenses. Based on the Monitor’s prior discussions with management of the Trade X Group, the Monitor understands that the service included in said invoice was not provided (refer to **Appendix D**). Accordingly, the Monitor excluded this invoice in the reconciliation above.

**N3 – FTI Claim of \$11,927,220:** Reflects the claim that was submitted by FTI on behalf of Trade X Canada during the Claims Process<sup>3</sup> in these proceedings (the “**Trade X Canada Proof of Claim**”). The Monitor disallowed FTI’s claim on May 30, 2024, and no appeal was filed (refer to **Appendix E**). For clarity, no claim was filed by Trade X Parent.

**N4 – Bridge Loans of \$7,500,353:** Reflects the claims relating to loans from bridge lenders (the “**Bridge Lenders**”) that the Monitor accepted (or anticipates accepting) in the Claims Process (refer to **Appendix F**). The funds relating to these loans were transferred to Trade X Canada, however, were not included in the books and records of Wholesale Express.

<sup>3</sup> As defined in the Claims Process Order dated February 23, 2024.



**N5 – Receivable from Trade X Indiana of \$7,096,936:** Comprised of accounts receivable from a Trade X subsidiary, TX Ops Indiana Limited (“Trade X Indiana”), relating to vehicles that were sold to Trade X Indiana by Wholesale Express and remain unpaid.

15. Based on the Monitor’s review, there were no transactions between Wholesale Express and any entity in the Trade X Group subsequent to October 2, 2023.

### C. INTERCOMPANY TRANSACTIONS WITH TRADE X CANADA

16. The Monitor reviewed the intercompany transactions between Trade X Canada and Wholesale Express, and has summarized its findings as follows:

<b>Reconciliation - WE &amp; Trade X Canada Transactions</b>		
<b>As at October 24, 2023</b>		
Net funding from Trade X Canada	2 993 265	<b>N1</b>
Cross Charges from Trade X Canada	8 933 955	<b>N2</b>
<b>Claim filed by FTI</b>	<b>11 927 220</b>	<b>N3</b>
Monitor's Adjustments		
Cross Charges from Trade X Canada	(8 933 955)	<b>N2</b>
Bridge Loans to Trade X Canada	(7 500 353)	<b>N4</b>
Balance owing to WE from Trade X Canada	<b>(4 507 088)</b>	

17. Refer to notes in Section B above for notes 1 to 4.

### D. INTERCOMPANY TRANSACTIONS WITH TRADE X PARENT

18. The Monitor reviewed the intercompany transactions between the Trade X Parent and Wholesale Express, and notes that there are no transactions between Trade X Parent and Wholesale Express.

19. However, the Monitor’s understands that FTI, in its capacity as receiver and manager of Trade X Group, is of the view that Trade X Parent first transferred the \$6,000,000 to Trade X Canada, which \$6,000,000 was later used by Trade X Canada for the acquisition of the business from Groupe Gregor, and that these transfers result in a liability from Wholesale Express to Trade X Parent for said amount.

20. Moreover, FTI takes the position that, although the Trade X Canada Proof of Claim included a claim for \$6,000,000 in relation to the acquisition of the business from Groupe Gregor, the proof of claim should not have included this claim as the amounts had been paid by Trade X Parent and merely flowed through Trade X Canada for administrative reasons.

21. The Monitor was not provided with any written documentation to support the aforementioned claim, nor is it aware of any document to suggest that Trade X Parent is or was a creditor of Wholesale Express at any point in time.



## **E. VALUATION OF THE GROUPE GREGOR CLAIM**

---

22. The Monitor values the Groupe Gregor Claim at the face value attributed thereto on the Assignment, namely of \$7,920,118. The Monitor has performed a summary forensic review of Wholesale Express's books and records and, based on this summary review, believes that the Groupe Gregor Claim is worth at least the value attributed to it on the Assignment; potentially more.
23. Groupe Gregor filed legal proceedings against Wholesale Express wherein it claims an amount of \$ 2,359,013.62. Even if the claims of both sides are taken at face value, there is a net positive in favour of Wholesale Express in an amount of approximately \$5,000,000.

## **F. CONCLUSIONS**

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24. The Monitor is of the view that, as at the date of the Assignment, namely October 24, 2023:
- a) the Trade X Group as a whole owed Wholesale Express \$11,604,024;
  - b) of that amount, Trade X Canada owed Wholesale Express \$4,507,088; and
  - c) nothing was owed by Wholesale Express to Trade X Parent.

25. The Groupe Gregor Application should be granted.

All of which is respectfully submitted this 30<sup>th</sup> day of August 2024.

### **KPMG Inc.**

#### **Licensed Insolvency Trustee**

In its capacity as Monitor of 15695651 Canada Inc. and 1569724 Canada Inc.  
and not in its personal capacity

Per:

David Malin, CPA, CIRP, LIT  
Senior Vice President



## **APPENDIX A**

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### **Compared version of the Monitor's Fifth Report**



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*Monitor*

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**AMENDED FIFTH REPORT OF THE MONITOR**  
(*Companies' Creditors Arrangement Act, R.S.C. 1985, C. C-36, As Amended*)

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July 14 August 30, 2024



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## APPENDIX

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<u>Appendix A</u>	<u>Compared Version of the Monitor's Fifth Report</u>
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<u>Appendix CE 2</u>	FTI Notice of Revision or Disallowance
<u>Appendix DF</u>	Summary of Bridge Loans
<u>to Appendix E</u>	Trade X <del>Corporate Chart</del> <u>Canada</u>



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## A. INTRODUCTION

1. 13517985 Canada Inc., d/b/a Wholesale Express Inc. (“**Wholesale Express**” or “**WE**”), is a private company with its head office in Sainte-Marie-Madeleine, Québec that operates an online trading platform for pre-owned cars. In short, the Company acts as an intermediary for the exchange of vehicles between sellers and buyers in order to facilitate and simplify transactions.
2. On November 20, 2023, Wholesale Express’ first-secured ranking creditor, Highcrest Lending Corporation (“**HLC**” or the “**Secured Creditor**”) filed an application (the “**Application**”) before the Superior Court of Québec (the “**Court**”) pursuant to the CCAA, seeking, at the time of the first day hearing, the issuance of an Initial Order.
3. On December 20, 2023, the Court issued an Initial Order providing for, *inter alia*, the appointment of KPMG Inc. as monitor (the “**Monitor**”) in respect of Wholesale Express as part of the CCAA proceedings.
4. On December 28, 2023, the Court issued an Amended and Restated Initial Order extending the Stay Period until February 28, 2023.
5. On January 12, 2024, the Court approved the sale of all of the shares of Wholesale Express pursuant to an Approval and Reverse Vesting Order (the “**RVO**”).
6. On January 23, 2024, the Monitor issued its certificate confirming the closing of the sale transaction pursuant to the RVO (the “**Transaction**”). In accordance with the terms of the RVO, following the closing of the Transaction: (i) Wholesale Express is no longer subject to the CCAA proceedings, and (ii) as more fully outlined in the RVO, the assets and liabilities of Wholesale Express not otherwise assumed as part of the transaction have been transferred to 1569724 Canada Inc. (“**ResidualCo 1**”) and 15695651 Canada Inc. (“**ResidualCo 2**”) (collectively, the “**Debtors**”), which have replaced Wholesale Express as debtors in these CCAA proceedings.
7. As a result of the transactions more fully described in the RVO:
  - a) The balance of the cash purchase price, net of the distributions authorized in the RVO, is currently held by the Monitor for and behalf of ResidualCo 2. As at the date of this report (the “**Report**”), said balance is \$~~2,001,759~~2,002,256.23;
  - b) Any eventual recoveries and other funds that may become available for distribution to creditors will be held by the Monitor for and behalf of ResidualCo 2; and
  - c) All of Wholesale Express’ liabilities were transferred to ResidualCo 2.
8. As detailed in the Second Report of the Monitor, ResidualCo 2 holds Wholesale Express’ interest in a claim asserted against Groupe Gregor Inc. (“**Groupe Gregor**”), which is anticipated to be a potential source of recovery for creditors of ResidualCo 2 (the “**Groupe Gregor Claim**”).



9. The Monitor has reviewed the available documentation related to the litigation with Groupe Gregor, and served an *Application for (i) Advice and Directions and (ii) To Void a Transfer at Undervalue* (the “**Groupe Gregor Application**”). As further appears from the Groupe Gregor Application, the Monitor seeks to annul an Assignment of Credit made as of October 24, 2023 (the “**Assignment**”), between Wholesale Express and its parent company, Trade X Group of Companies Inc. (“**Trade X Parent**”).
10. On July 10, 2024, FTI Consulting Inc. (“**FTI**”), in its capacity as Receiver<sup>1</sup> ~~of~~ and manager of the property of, *inter alia*, Trade X Parent<sup>2</sup>, served a contestation to the Groupe Gregor Application. In that contestation, FTI alleges that Wholesale Express was indebted toward Trade X Parent when the Assignment was made.
11. The purpose of this Report is limited to the following. A more fulsome report will be filed in advance of the next extension period:
  - a) Provide this Court with additional information regarding intercompany transactions between ~~Trade X and~~ (i) Wholesale Express (**Section B**); and the other entities of the Trade X group of companies as a whole (the “Trade X Group”) (**Section B**); (ii) Wholesale Express and TX Ops Canada Corporation (“Trade X Canada”) (**Section C**); and (iii) Wholesale Express and Trade X Parent (**Section D**); (iv) Valuation of the Groupe Gregor Claim (**Section E**); and
  - b) Provide the Court with the Monitor’s conclusions with respect to those intercompany transactions (**Section CF**).
12. This Report is an amended version of the Fifth Report of the Monitor dated July 14, 2024 and has been prepared pursuant to the order issued by the Court on July 16, 2024. A compared document showing the changes made to the original version of the Report is attached in **Appendix A**.

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## **B. INTERCOMPANY TRANSACTIONS WITH THE TRADE X GROUP AS A WHOLE**

13. Refer to Trade X Group corporate chart in **Appendix B**.
14. ~~42~~—The Monitor reviewed the intercompany transactions between the entities forming part of the Trade X Group and Wholesale Express, and has summarized its findings as follows:

<sup>1</sup>Court-Appointed Receiver pursuant to Section 243 of the *Bankruptcy and Insolvency Act of Canada*.

<sup>2</sup> FTI was also appointed Court-Appointed Receiver over the property of Trade X Canada (as defined in paragraph 11), 12771888 Canada Inc., TVAS Inc., Tradexpress Auto Canada Inc., Trade X Fund GP Inc., Trade X LP Fund I, Trade X Continental Inc., TX Capital Corp., Techlantic Ltd.



**Reconciliation - WE & Trade X Transactions**

**As at October 24, 2023**

Net funding from Trade X	2,993,265	N1
Cross Charges	8,933,955	N2
<b>Claim filed by FTI</b>	<b>11,927,220</b>	<b>N3</b>
Monitor's Adjustments		
Cross Charges	(8,933,955)	N2
Bridge Loans	(7,500,353)	N4
Receivable from Trade X Indiana	(7,096,936)	N5
Balance owing to WE from Trade X	<b>(11,604,024)</b>	

**Reconciliation - WE & Trade X Group Transactions**

**As at October 24, 2023**

Net funding from Trade X Canada	2 993 265	N1
Cross Charges from Trade X Canada	8 933 955	N2
<b>Claim filed by FTI</b>	<b>11 927 220</b>	<b>N3</b>
Monitor's Adjustments		
Cross Charges from Trade X Canada	(8 933 955)	N2
Bridge Loans to Trade X Canada	(7 500 353)	N4
Receivable from Trade X Indiana	(7 096 936)	N5
Balance owing to WE from Trade X Group	<b>(11 604 024)</b>	

**N1 – Net Funding from Trade X Canada of \$2,993,265:** Refer to **Appendix AC** for details. These accounts include three (3) payments of \$2,000,000 (total of \$6,000,000) from Trade X Canada related to the payment of the purchase price from Groupe Gregor between January 31, 2022, and March 31, 2022.

Refer to the Asset Purchase Agreement (the “**Gregor APA**”) which was filed as part of Exhibit R-2 in support of the Groupe Gregor Application



**N2 – Cross charges of \$8,933,955:** Reflects an invoice from Trade X Canada to Wholesale Express for certain expenses. Based on the Monitor's prior discussions with management of the Trade X management Group, the Monitor understands that the service included in said invoice was not provided (refer to **Appendix BD**). Accordingly, the Monitor excluded this invoice in the reconciliation above.

**N3 – FTI Claim of \$11,927,220:** Reflects the claim that was submitted by FTI on behalf of Trade X Canada during the Claims Process<sup>23</sup> in these proceedings (the "Trade X Canada Proof of Claim"). The Monitor disallowed FTI's claim on May 30, 2024, and no appeal was filed (refer to **Appendix CE**). For clarity, no claim was filed by Trade X Parent.

**N4 – Bridge Loans of \$7,500,353:** Reflects the claims relating to loans from bridge lenders (the "**Bridge Lenders**") that the Monitor accepted (or anticipates accepting) in the Claims Process (refer to **Appendix DF**). The funds relating to these loans were transferred to Trade X Canada, however, were not included in the books and records of Wholesale Express.

**N5 – Receivable from Trade X Indiana of \$7,096,936:** Comprised of accounts receivable from a Trade X subsidiary, TX Ops Indiana Limited ("Trade X Indiana"), relating to vehicles that were sold to Trade X Indiana by Wholesale Express and remain unpaid. Refer to Trade X corporate chart in Appendix E.

15. 13. Based on the Monitor's review, there were no transactions between Wholesale Express and any entity in the Trade X Group subsequent to October 2, 2023.

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## C. INTERCOMPANY TRANSACTIONS WITH TRADE X CANADA

16. The Monitor reviewed the intercompany transactions between Trade X Canada and Wholesale Express, and has summarized its findings as follows:

<sup>23</sup> As defined in the Claims Process Order dated February 23, 2024.



**Reconciliation - WE & Trade X Canada Transactions  
As at October 24, 2023**

Net funding from Trade X Canada	2 993 265	<b>N1</b>
Cross Charges from Trade X Canada	8 933 955	<b>N2</b>
<b>Claim filed by FTI</b>	<b>11 927 220</b>	<b>N3</b>
Monitor's Adjustments		
Cross Charges from Trade X Canada	(8 933 955)	<b>N2</b>
Bridge Loans to Trade X Canada	(7 500 353)	<b>N4</b>
Balance owing to WE from Trade X Canada	<b>(4 507 088)</b>	

17. Refer to notes in Section B above for notes 1 to 4.

---

#### **D. INTERCOMPANY TRANSACTIONS WITH TRADE X PARENT**

18. The Monitor reviewed the intercompany transactions between the Trade X Parent and Wholesale Express, and notes that there are no transactions between Trade X Parent and Wholesale Express.

19. However, the Monitor's understands that FTI, in its capacity as receiver and manager of Trade X Group, is of the view that Trade X Parent first transferred the \$6,000,000 to Trade X Canada, which \$6,000,000 was later used by Trade X Canada for the acquisition of the business from Groupe Gregor, and that these transfers result in a liability from Wholesale Express to Trade X Parent for said amount.

20. Moreover, FTI takes the position that, although the Trade X Canada Proof of Claim included a claim for \$6,000,000 in relation to the acquisition of the business from Groupe Gregor, the proof of claim should not have included this claim as the amounts had been paid by Trade X Parent and merely flowed through Trade X Canada for administrative reasons.

21. The Monitor was not provided with any written documentation to support the aforementioned claim, nor is it aware of any document to suggest that Trade X Parent is or was a creditor of Wholesale Express at any point in time.

---

#### **E. VALUATION OF THE GROUPE GREGOR CLAIM**

22. The Monitor values the Groupe Gregor Claim at the face value attributed thereto on the Assignment, namely of \$7,920,118. The Monitor has performed a summary forensic review of Wholesale Express's books and records and, based on this summary review, believes that the Groupe Gregor Claim is worth at least the value attributed to it on the Assignment; potentially more.



23. Groupe Gregor filed legal proceedings against Wholesale Express wherein it claims an amount of \$ 2,359,013.62. Even if the claims of both sides are taken at face value, there is a net positive in favour of Wholesale Express in an amount of approximately \$5,000,000.

---

## F. ~~C.~~ CONCLUSIONS

24. ~~14.~~ The Monitor is of the view that, as at the date of the Assignment, namely October 24, 2023,:

- a) the Trade X Group as a whole owed Wholesale Express \$11,604,024, ~~even when accounting for \$6,000,000 that Trade X had transferred to Wholesale Express relating to acquisition of the business from Groupe Gregor. This is the same \$6,000,000 referred to in FTI's contestation.~~
- b) of that amount, Trade X Canada owed Wholesale Express \$4,507,088; and
- c) nothing was owed by Wholesale Express to Trade X Parent.

25. The Groupe Gregor Application should be granted.

All of which is respectfully submitted this ~~14<sup>th</sup>~~30<sup>th</sup> day of ~~July~~August 2024.

### **KPMG Inc.**

#### **Licensed Insolvency Trustee**

In its capacity as Monitor of 15695651 Canada Inc. and 1569724 Canada Inc.  
and not in its personal capacity

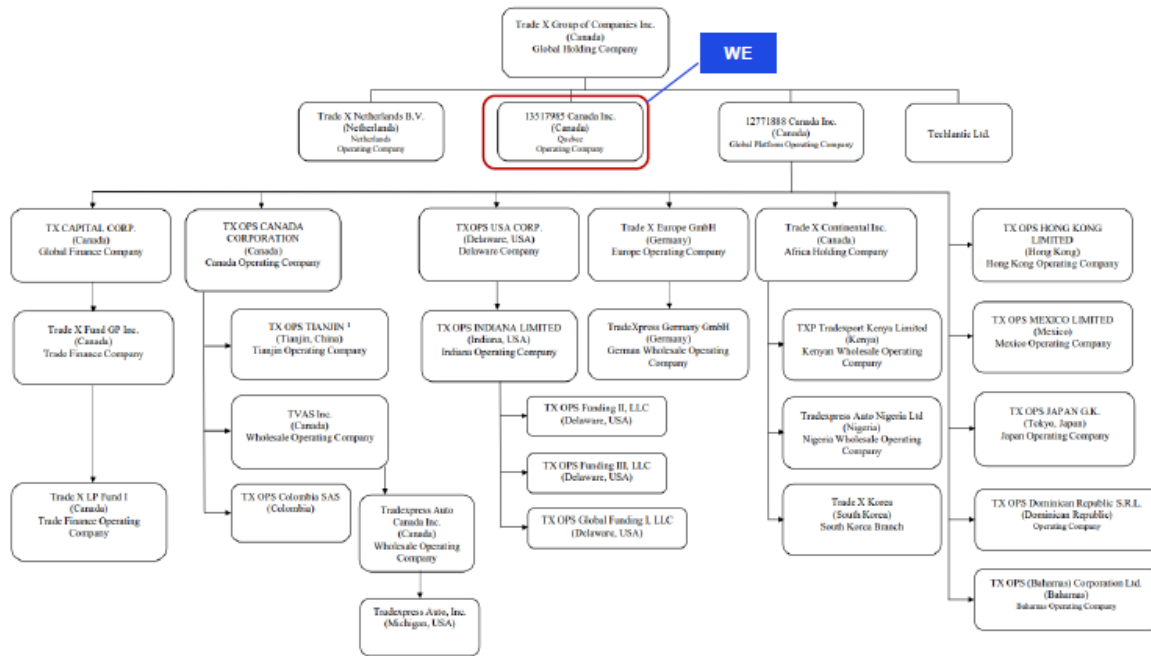
Per:

David Malin, CPA, CIRP, LIT  
Senior Vice President

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<b>Intelligent Table Comparison:</b> Active	
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<b>Document Author:</b> Malin, David B.	
<b>Modified filename:</b> AMENDED - WholesaleExpress_Monitor's Fifth Report_ 2024-08-29.docx	
<b>Document Author:</b> Léveillé, Isabelle	
<b>Changes:</b>	
<u>Add</u>	117
<del>Delete</del>	44
<del>Move From</del>	5
<u>Move To</u>	5
<u>Table Insert</u>	0
<del>Table Delete</del>	0
<u>Table moves to</u>	0
<del>Table moves from</del>	0
Embedded Graphics (Visio, ChemDraw, Images etc.)	7
Embedded Excel	0
Format changes	0
<b>Total Changes:</b>	<b>178</b>

## APPENDIX B

### Trade X Group Corporate Chart



As at November 28, 2023



## APPENDIX C

### Details of Intercompany Transactions with Trade X Canada

Details of Net Funding from Trade X Canada			
Date	Amount	Balance	Description
2021_12_31	136 143	136 143	Dentons Canada LLP
2022_02_01	2 000 000	2 136 143	Amount paid to Group Gregor on behalf of Wholesale Express
2022_03_01	2 000 000	4 136 143	Amount paid to Group Gregor on behalf of Wholesale Express
2022_03_31	5 000	4 141 143	Amount transferred from RBC#3019 to 13517985 Canada Inc
2022_03_31	2 000 000	6 141 143	Amount paid to Group Gregor on behalf of Wholesale Express
2022_04_01	32 156	6 173 299	Dentons Canada LLP
2022_04_01	9 979	6 183 278	Dentons Canada LLP
2022_06_07	9 285	6 192 563	Wheels Automotive Dealer Supplies Inc
2022_06_23	(1 109 798)	5 082 765	Amount Transferred from 13517985 to TXC RBC ACC#3001
2022_06_28	(64 117)	3 492 538	Wholesale Express
2022_07_01	(8 335)	3 484 203	Wholesale Express
2022_07_01	29 760	3 489 563	UUUDESIGN,COM CORP USD
2022_07_04	72 452	3 562 015	TXP10085 H18791 2019 Audi RS 3 VIN:WUABWGF4KA90065 /Wholesale express
2022_07_20	(626 478)	2 935 536	Amount Received from Wholesale Express for June HST Payment
2022_07_28	(350 075)	4 732 690	Amount Transferred from 13517985 to TXC RBC ACC#3001
2022_07_31	29 760	2 965 296	UUU Design Invoices# 409 & 397 related to Wholesale Express
2022_08_30	(29 760)	2 935 536	Amount Received from Wholesale against UUU Design Invoices# 409 & 397
2022_08_30	(5 360)	2 930 176	Amount Received from Wholesale against UUU Design Invoices# 410
2022_09_14	(500 000)	4 232 690	Amount Transferred from 13517985 to TXC RBC ACC#3001
2022_12_22	129	4 232 819	Amount transferred to Wholesale express on Behalf of TX ops Indiana
2023_01_13	381	4 233 200	Amount transferred from RBC#3019 to 13517985 Canada Inc
2023_01_23	81	2 930 257	FedEx
2023_02_20	173	2 930 430	FedEx
2023_03_04	2 441	2 932 871	Corporate Traveller
2023_03_04	2 441	2 935 312	Corporate Traveller
2023_03_04	2 441	2 937 752	Corporate Traveller
2023_04_01	(202 219)	4 030 981	UUUDESIGN,COM CORP USD
2023_04_19	(100 000)	3 930 981	Amount Transferred from Intercompany wholesale to CAD RBC Acc#3001
2023_05_01	73	2 937 826	FedEx
2023_06_03	20	2 937 846	Corporate Traveller
2023_06_15	501	2 938 347	Corporate Traveller
2023_07_25	(400 000)	3 530 981	Amount Transferred from Intercompany wholesale to CAD RBC Acc#3001
2023_07_31	8 439	3 539 420	Dentons Canada LLP
2023_07_31	9 807	3 549 226	Dentons Canada LLP
2023_07_31	31 674	2 970 021	Wholesale Express
2023_07_31	23 190	2 993 210	Wholesale Express
2023_09_01	64 567	3 613 794	Wholesale Express
2023_09_08	(57 139)	3 556 655	Amount received from Wholesale Express against TX14424 VIN#1GC1YNEY8MF195468
2023_10_02	79	2 993 290	FedEx
N/A	(25)	<b>2 993 265</b>	Wire Fees

The information above reflects the details of Wholesale Express' accounting system. For clarity, reversing entries were excluded



## APPENDIX D

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### Invoice from Trade X Canada to Wholesale Express

**TX Ops Canada Corporation o/a TRADE X**

7401 PACIFIC CIRCLE,  
 MISSISSAUGA ON L5T 2A4  
 Canada  
 HST# 742208085-RT0001

# Invoice

# 2022 Cross Charges - 13517985

**Balance Due**  
**CAD1,027,800.18**

Bill To  
**Wholesale Express**  
 501 Boulevard Laurier O  
 Sainte-Marie-Madeleine Quebec  
 J0H 1S0 Canada

Invoice Date : 2022/12/31  
 Terms : Due on Receipt  
 Due Date : 2022/12/31  
 Deal Number : N/A

#	Description	Qty	Tax %	Tax	Amount
1	Managerial services provided to 13517985	1.00	13.00	380,661.55	2,928,165.75
2	Reimbursement of expenses incurred on behalf of 13517985 - Advertising	1.00	13.00	11,313.59	87,027.59
3	Allocation of Interest expenses incurred on behalf of 13517985	1.00	13.00	90,598.44	696,911.06
4	Reimbursement of expenses incurred on behalf of 13517985 - Professional Fees	1.00	13.00	160,045.36	1,231,118.12
5	Reimbursement of expenses incurred on behalf of 13517985 - Travel	1.00	13.00	39,776.62	305,974.00
6	TradeX Ops Canada incurred the expenses relating to the online platform which is used in the vehicle trading activities. The cross charge reflects fees revenue charged to 13517985 for the use of the online platform and reimbursemnt of expenses incurred of web site development for 13517985	1.00	13.00	345,404.62	2,656,958.71

Sub Total 7,906,155.23

HST on Sales (13%) 1,027,800.18

**Total CAD8,933,955.41**

Payment Made (-) 7,906,155.23

**Balance Due CAD1,027,800.18**

Notes

Thank you for the payment. You just made our day.

For CAD Wire payment:

Beneficiary Bank : Royal Bank of Canada, 4141 Dixie Rd-Unit 7, Mississauga, ON, L4W 1V5 Bank Transit No.: 03232,  
Bank Code: 003, Bank Account No.: 1023001, SWIFT Code: ROYCCAT2

For USD Wire payment:

Beneficiary Bank : Royal Bank of Canada, 4141 Dixie Rd-Unit 7, Mississauga, ON, L4W 1V5 Bank Transit No.: 03232,  
Bank Code: 003, Bank Account No.: 4004651, SWIFT Code: ROYCCAT2

Authorized Signature

Signature

\_\_\_\_\_  
Accounting Department

\_\_\_\_\_  
Andrew Tymko



## APPENDIX E 1

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### FTI Claim



**KPMG Inc.**  
 KPMG Tower, Suite 1500  
 600 de Maisonneuve Blvd. West  
 Montréal, QC H3A 0A3

Telephone: (514) 840-2311 / 1-866-930-4911  
 Fax: (514) 840-2121  
 Email: [reclamation@kpmg.ca](mailto:reclamation@kpmg.ca)  
[www.kpmg.ca](http://www.kpmg.ca)

**PROOF OF CLAIM**

(under the *Companies' Creditors Arrangement Act*)

In the matter of the plan of arrangement of

**15695651 CANADA INC. AND 15695724 CANADA INC.**

Reference is made to the Claims Process Order rendered by the Court on February 23, 2024 (hereinafter the "**Claims Procedure Order**"), a copy of which is available on the Monitor's Website by following this link: [kpmg.com/ca/wholesaleexpress](http://kpmg.com/ca/wholesaleexpress)

All capitalized terms not otherwise defined herein have the meaning ascribed to them in the Claims Procedure Order.

**A. Name and address of the Creditor**

*(The full legal name of the Creditor should be the legal name of the Creditor of 15695651 Canada Inc. (i.e. ResidualCo 2 and hereafter referred to as the "Debtor"), whether or not an assignment of claim, or part thereof, occurred before or after the Determination Date)*

Full legal name of Creditor ( <i>not assignee</i> ):	TX OPS Canada Corporation
Representative (name and title):	FTI Consulting Canada Inc. (Kamran Hamidi), as Receiver
Address:	79 Wellington St. W, Suite 2010
	Toronto, ON M5K 1G8
Telephone number:	416-649-8068
Fax number:	416-649-8101
Email:	kamran.hamidi@fticonsulting.com

**Note:** Be advised that all notices or correspondence relating to this Proof of Claim Form will solely be sent to addresses referred to above.

**B. Name and address of the assignee (if applicable)**

*(The full legal name of the assignee if all or part of the Claim has been assigned. If more than one assignee, please attach a schedule containing the required information)*

Full legal name of the assignee	_____
Representative (name and title):	_____
Address:	_____
	_____
Telephone number:	_____
Fax number:	_____
Email:	_____

**C. Proof of Claim**

I TX OPS Canada Corporation from Toronto, Ontario  
(name of Creditor) (City and Province)

Certify as follows:

- I am the Creditor of the Debtor or Representative FTI Consulting Canada Inc., as Receiver, (title or function) of TX OPS Canada Corporation (name of Creditor or signatory).
- I have knowledge of all the circumstances connected with the Claim described herein.
- At the Determination Date, the Creditor had the following Claims to assert. Claims that the Creditor still holds on the day of the signature of the present Proof of Claim: Please also refer to the schedule enclosed with this Proof of Claim setting out the additional particulars of the claim, and the cover letter submitted with this Proof of Claim setting out certain additional and related information, all of which is intended to be incorporated and form part of this Proof of Claim.  
(Check and complete appropriate category)

Total amount of the claim against the Debtors: \$ 11,927,220.06 CAD  
(specify currency)

Please note that other currency than the Canadian dollar will be converted in Canadian dollars at the Determination Date.  
 Ex. US\$1 = CA\$1.33 (exchange rate as of December 20, 2023).

**D. Nature of Claim**

(Check all that applies)

**1- SECURED CLAIM IN THE AMOUNT OF:** \$

In respect of the Claim, **the Creditor holds the following securities**, copy of the constitutive acts being annexed to the present Proof of Claim as **Schedule B**

Scope of the hypothec	Registration number in the RPMRR or the land registry	Mortgage amount	Inscription date of the hypothec

**2- UNSECURED CLAIM IN THE AMOUNT OF:** \$ 11,927,220.06 CAD

In respect of the Claim, **the Creditor does not hold any security** on the assets of the Debtor.  
(Check what applies)

For the amount of \$ \_\_\_\_\_, the **Creditor asserts the right to a higher rank** according to Article 136 of the *Bankruptcy and Insolvency Act* (Indicate on a schedule to be attached the particulars supporting the priority Claim.)

For the amount of \$ 11,927,220.06 CAD, the **Creditor does not assert any higher rank.**

**3- RESTRUCTURING CLAIM IN THE AMOUNT OF:** \$

**4- CLAIM AGAINST THE DIRECTORS AND OFFICERS IN THE AMOUNT OF:** \$

Description of Claim	Amount
	\$
	\$
	\$

**E. Filing of Claim**

This Proof of Claim is submitted in accordance with the Claims Procedure Order. By signing the present Proof of Claim, the Creditor acknowledges (i) having reviewed the Claims Procedure Order, (ii) that the present Proof of Claim is subject to the Claims Procedure Order and will be treated accordingly, and (iii) that the present Proof of Claims describes adequately and fully all Claims he has to assert.

All Proofs of Claims must be received by the Monitor at the latest at the Claims Bar Date, which is **5:00 p.m. (Montréal time) on March 25, 2024.**

**THE CLAIMS THAT ARE NOT RECEIVED AT THE LATEST ON THE CLAIMS BAR DATE WILL BE FOREVER BARRED AND EXTINGUISHED. YOU WILL NOT BE FURTHER NOTIFIED.**

This Proof of Claim must be sent by email, fax, mail, registered mail or by courier at the following coordinates:

KPMG Inc.  
In its capacity of Monitor named by the Court for  
15695651 Canada inc. et 15695724 Canada inc.


KPMG Tower, Suite 1500  
600, de Maisonneuve Blvd. West  
Montréal, QC H3A 0A3  
Fax: (514) 840-2121  
Email: [reclamation@kpmg.ca](mailto:reclamation@kpmg.ca)

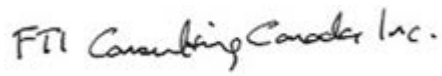
Signed in Toronto, this 25th day of March 2024

\_\_\_\_\_  
(signature and name of witness)

\_\_\_\_\_  
(signature of Creditor who is an individual)

- or -

  
\_\_\_\_\_  
Caroline Descours, Goodmans LLP  
(signature and name of witness)

TX OPS Canada Corporation  
\_\_\_\_\_  
(name of Creditor who is a legal person)  
  
\_\_\_\_\_  
FTI Consulting Canada Inc., as Receiver  
(signature, name and title or function of representative)



## **APPENDIX E 2**

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### **FTI Notice of Revision or Disallowance**



KPMG inc.  
Tour KPMG  
Bureau 1500  
600, boul. de Maisonneuve Ouest  
Montréal (Québec) H3A 0A3

Téléphone (514) 840-2311 / 1-866-930-4911  
Télécopieur (514) 840-2121  
Courriel : [reclamation@kpmg.ca](mailto:reclamation@kpmg.ca)  
[www.kpmg.ca](http://www.kpmg.ca)

## NOTICE OF DISALLOWANCE

(pursuant to the *Companies' Creditors Arrangement Act*)

In the matter of the plan of arrangement of:

### **15695651 CANADA INC. AND 15695724 CANADA INC.**

**To : TX OPS Canada Corporation**

C/O: FTI Consulting Canada Inc. (Mr. Kamran Hamidi), as Receiver  
79 Wellington Street West, Suite 2010  
Toronto, ON M5K 1G8  
[kamran.hamidi@fticonsulting.com](mailto:kamran.hamidi@fticonsulting.com)

c.c.: Mtre Mark Dunn ([mdunn@goodmans.ca](mailto:mdunn@goodmans.ca)) and  
Mtre Caroline Descours ([cdescours@goodmans.ca](mailto:cdescours@goodmans.ca))  
Goodmans LLP

Capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Claims Process Order issued by the Superior Court of Québec (Commercial Division) on February 23, 2024.

This Notice of Disallowance is issued pursuant to the Claims Process Order. The Monitor hereby gives you notice that it has reviewed your Proof of Claim and has disallowed your claim as set out below:

	<b>Claim as filed</b>	<b>Claim allowed</b>
Intercompany Claim	\$11,927,220.06	\$0

Note that if the Claim was in a foreign currency, it has been converted to Canadian dollars at the Bank of Canada daily rate of exchange on the Determination Date.

After reviewing the Former Debtor's books and records, as well as intercompany transactions between TX OPS Canada Corporation ("**TX Canada**") and the Former Debtor, the Proof of Claim is disallowed for the following reasons:

1- Cross Charges 2022

- a- Of your total claim, an amount of \$8,933,955 originates from an invoice issued by TX Canada to the Former Debtor for a portion of intercompany services rendered to the Former Debtor by TX Canada;
- b- The Monitor's investigation has revealed that this invoice was issued for tax planning purposes and that it does not correspond to any actual services rendered by TX Canada;

.../2

- c- More specifically, the Monitor’s investigation has revealed that the objective in issuing this invoice was to reduce TX Canada’s tax burden, the whole despite not having rendered the alleged services contemplated by the invoice.

2- Bridge Loans

- a- In 2023, the Former Debtor obtained bridge loans from several private sector lenders (the “**Bridge Lenders**”);
- b- According to the accounting records and information obtained by the Monitor, these loans were not recorded in the Former Debtor’s books but, rather, in the books of TX Canada;
- c- In the course of the Former Debtor’s claims process, the Monitor obtained from each of the Bridge Lenders a copy of the documents in support of their proofs of claim;
- d- In all cases but one (that of John Grassl), the supporting documents demonstrate that the bridge loan agreements were executed by the Former Debtor as borrower; not TX Canada;
- e- In addition, the Monitor traced the funds deposited into the Former Debtor’s account (including funds from John Grassl) and, in all instances, those funds were subsequently transferred to TX Canada;
- f- Moreover, those transfers were not recorded in the Former Debtor’s books;
- g- In short, following its review of intercompany transactions between the Former Debtor and TX Canada, the Monitor has concluded that an amount of \$5,907,910 is owed to the Former Debtor by TX Canada.

3- Conclusion

- a- Considering the above-mentioned adjustments, TX Canada has no claim against the Former Debtor. Rather, TX Canada is indebted toward the Former Debtor in the amount of \$2,914,645;
- b- A summary table of adjustments is presented below:

	\$
FTI/TX Claim	
Funding to/from WE	9,814,585
Transfers - Tax Payments	(6,821,320)
Cross Charges 2022	8,933,955
	11,927,220
Monitor Adjustements	
(1) Cross charges 2022	(8,933,955)
(2) Bridge loans	(5,907,910)
	<b>(2,914,645)</b>

- c- Your proof of claim is thus disallowed.

If you disagree with this Notice of Disallowance and wish to dispute it, you must, within fifteen (15) days of the date hereof, file an appeal application with the Court and serve a copy of such appeal application on the Monitor at the following addresses:

**Monitor:**

**KPMG Inc.**

600 de Maisonneuve Blvd. West  
Suite 1500, KPMG Tower  
Attention: Mr. David Malin  
Email: dmalin@kpmg.ca

**With a copy to:**

**Fasken Martineau DuMoulin LLP**

800 Victoria Square, Suite 3500  
Montréal, Quebec H3C 0B4  
Attention: Mtre Alexander Bayus  
Mtre Éliane Dupéré-Tremblay  
Email: abayus@fasken.com  
edtremblay@fasken.com

If you agree with this Notice of Disallowance and do not dispute it, there is no need to file anything further.

DATED at Montreal, this 30<sup>th</sup> day of May 2024.

**KPMG INC., licensed insolvency trustee**

In its capacity as court-appointed Monitor in the matter of the arrangement or compromise of 15695651 Canada Inc. and 15695724 Canada Inc.



David Malin, CPA, CIRP, LIT



## APPENDIX F

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### Summary of Bridge Loans

Bridge Loans as at October 24, 2023	
In CAD \$	\$
James McManes Holdings Ltd.	1,373,100
Gucciardi Holdings Inc.	1,373,100
Aimia	2,604,153
2053719 Ont. Inc. (Alex Gallacher)	150,000
John Grassl	2,000,000
	<u>7,500,353</u>

Balances as at October 24, 2023 excluding interest.