

CANADA

PROVINCE OF QUEBEC  
DISTRICT OF MONTRÉAL  
LOCALITY OF MONTRÉAL

SUPERIOR COURT  
(Commercial Division)  
*Companies' Creditors Arrangement*

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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

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**APPLICATION FOR AN EXTENSION OF THE STAY PERIOD AND OTHER RELIEF<sup>1</sup>**

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:
  - a) extending the Stay Period to May 1, 2025; and
  - b) authorizing the Monitor to pay professional fees;substantially in the form of the draft order communicated herewith as **Exhibit R-1**.

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

**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 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**”).

*The Stay Period*

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

*The Transaction*

6. 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.
7. 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.
8. 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

9. 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**”).
10. 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.
11. 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.
12. 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.

Groupe Gregor

13. 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**”).
14. 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**”).
15. 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.
16. On January 16, 2025, the Ontario Superior Court approved the TradeX Settlement as well.

17. Since then, the Monitor engaged with Gregor, through counsel, to advance the claim now held by ResidualCo 2 against Gregor (the “**Gregor Litigation**”).
18. On May 2, 2025, the Court endorsed the following litigation timetable for 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

19. The Monitor's response to the Appeal of the Notice of Disallowance and Counterclaim on Behalf of 15695651 Canada Inc. was notified later than anticipated, on October 9, 2025 (the “**Counterclaim**”).
20. Simultaneously, the Monitor notified a detailed expert report prepared by KPMG forensic experts, which supports the Counterclaim.
21. Since the notification of the Counterclaim, the Monitor has engaged with Gregor to establish a revised litigation timetable, a copy of which is attached hereto as **Exhibit P-2**.

22. In essence, in the coming months, Gregor will be conducting its discovery in order to formulate a response to the Counterclaim. The parties expect that the file will be ready for a hearing on the merits by mid-May 2026, subject to the Court's availability.
23. The Monitor will be seeking to set down a hearing date at the hearing of this Application.
24. In parallel, the Monitor has kept the creditors of ResidualCo 2 informed of its progress in the Gregor Litigation through various means, including through applications presented to this Court, its reports, and direct discussions with each creditor.
25. To date, the Monitor has received unanimous creditor support for the continuation of the Gregor Litigation and has thus not seen fit to incur professional fees to formalize that support, whether through the filing of a plan of arrangement or otherwise.
26. Barring a material change in creditor support for the continuation of the Gregor Litigation, the Monitor will continue to keep creditors apprised of developments and professional fees, but will not seek to implement a formal creditor approval mechanism.
27. The Monitor is of the view that this approach remains appropriate in light of the limited pool of creditors.

## **II. The Stay Period must be Extended**

28. The Monitor seeks an order extending the Stay Period until May 1, 2026, as reflected in the draft order communicated herewith as Exhibit R-1.
29. Since the issuance of the most recent stay extension order, the Monitor has obtained the documents and information necessary for the purposes of the Monitor's forensic analysis of the Gregor Litigation, finalized the forensic report and Counterclaim, and engaged with Gregor's counsel in an effort to set out a revised timetable.
30. 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
31. The Monitor seeks an extension of the Stay Period to May 1, 2025 namely to:
  - a) continue to pursue the Gregor Litigation and ready it for a trial on the merits;
  - 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, the Monitor will be seeking to set down hearing dates for both matters. The Monitor expects that a hearing of a duration of one day for each appeal will be sufficient. The Monitor is currently working on finalizing the *Déclarations communes de dossier complet* with counsel for Dentons and Van Essen and will be filing same at the hearing of this Application.
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 April 21, 2025 to November 13, 2025 amount to \$185,642 excluding applicable sales tax.

40. The Monitor's counsel's professional fees and disbursements for services rendered from April 24, 2025 to October 30, 2025 amount to \$64,021 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 \$1,787,459.
42. Out of the total professional fees and disbursements referenced above, an amount of \$67,243 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 \$1,577,721 in its trust account.

#### **IV. No Monitor's Report**

43. 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**

44. 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.
45. 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 and providing other relief, substantially in the form of the draft order communicated herewith as Exhibit R-1; and

**THE WHOLE** without legal costs.

Montreal, this November 21, 2025

*Fasken Martineau DuMoulin LLP*

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**Fasken Martineau DuMoulin LLP**

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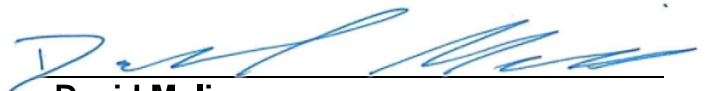
Email: [edtremblay@fasken.com](mailto:edtremblay@fasken.com)

## 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:

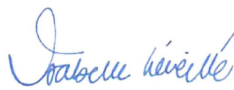
1. I am a Senior Vice-President at KPMG Inc.; and
2. All the facts alleged in the *Application for an extension of the stay period and other relief* are, to the best of my knowledge, true.

AND I HAVE SIGNED :

  
\_\_\_\_\_

**David Malin**

Declared under oath before me, by  
technological means (Microsoft TEAMS),  
in Montreal, November 21, 2025





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Commissioner for Oaths for Québec  
and outside Québec

**NOTICE OF PRESENTATION  
COMMERCIAL PRACTICE**

**1. PRESENTATION OF THE PROCEEDING**

**TAKE NOTE** that the *Application for an Extension of the Stay Period and Other Relief* will be presented in the Commercial Division of the Superior Court, in room 16.12 of the Montreal Courthouse on November 26, 2025, at **10:30**.

<b>16.12</b>	<p><b><u><a href="#">Rejoindre la réunion Microsoft Teams</a></u></b> <a href="tel:+15813192194">+1 581-319-2194</a> Canada, Quebec (Numéro payant) <a href="tel:+18334501741">(833) 450-1741</a> Canada (Numéro gratuit) ID de conférence : 559 596 749# <a href="#">Numéros locaux</a>   <a href="#">Réinitialiser le code confidentiel</a>   <a href="#">En savoir plus sur Teams</a>   <a href="#">Options de réunion</a> Rejoindre à l'aide d'un dispositif de vidéoconférence <a href="mailto:teams@teams.justice.gouv.qc.ca">teams@teams.justice.gouv.qc.ca</a> ID de la conférence VTC : 1158898292 <a href="#">Autres instructions relatives à la numérotation VTC</a></p>
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**PLEASE GOVERN YOURSELF ACCORDINGLY.**

Montreal, this November 21, 2025

*Fasken Martineau DuMoulin LLP*

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**Fasken Martineau DuMoulin LLP**

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**C A N A D A**

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- and -

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-and-

**15695724 CANADA INC.**

Debtors

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**LIST OF EXHIBITS**

**EXHIBIT R-1:** Draft order

**EXHIBIT R-2:** Draft Litigation Timetable

Montreal, this November 21, 2025

*Fasken Martineau DuMoulin LLP*

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-and-

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Debtors

-and-

KPMG INC.

Monitor

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**APPLICATION FOR AN EXTENSION OF  
THE STAY PERIOD AND OTHER RELIEF**

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ORIGINAL

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