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C A N A D A

PROVINCE OF QUÉBEC  
DISTRICT OF MONTRÉAL

N°: 500-11-063165-233

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

**SUPERIOR COURT**  
(Commercial Division)

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

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April 29, 2025



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## A. INTRODUCTION

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1. 13517985 Canada Inc., d/b/a Wholesale Express (“**Wholesale Express**”), 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 \$1,755,207;
  - 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. On February 23, 2024, the Court issued a Claims Process Order (the “**Claims Process Order**”) in order to allow, in a fair and efficient way, the definitive determination of the validity and quantum of all claims against ResidualCo 2, and allow the certainty necessary for ResidualCo 2 to either propose an arrangement, or distribute the balance of cash proceeds to its creditors (the “**Claims Process**”).



9. 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**").
10. The purpose of this Report is to:
  - a) provide this Court an update regarding the Groupe Gregor claim (**Section B**);
  - b) provide this Court an update regarding professional fees and funds being held by the Monitor (**Section C**);
  - c) request an extension of the Stay of Proceedings, which currently expires on June 15, 2025 (**Section D**); and
  - d) provide this Court with the Monitor's conclusions (**Section E**).

## **B. UPDATE REGARDING THE GROUPE GREGOR CLAIM**

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11. In February 2024, the Monitor served an *Application for (i) Advice and Directions and (ii) To Void a Transfer at Undervalue* (the "**Groupe Gregor Application**"), whereby the Monitor sought 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**").
12. 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.
13. Following the Groupe Gregor Application that was heard, in part, by this honourable Court on July 16, 2024, the Monitor, after consultation with the creditors of ResidualCo 2, entered into an agreement with FTI regarding the Assignment and any potential recovery relating to the Groupe Gregor Claim (the "**Settlement**").
14. The Settlement was approved by this Court on December 10, 2024 and by the Ontario Superior Court on January 16, 2025.
15. Since then, the Monitor engaged with Groupe Gregor, through its counsel, to advance the claim now held by ResidualCo 2 against Groupe Gregor.
16. We note that in the Claims Process, Groupe Gregor filed a claim in the amount of \$2,818,599.30, which the Monitor rejected on grounds that included set-off against a claim in the amount of at least \$7,920,118 held by ResidualCo 2 against Groupe Gregor. Thus, even if Groupe Gregor's claim was valid (which, according to the Monitor, it is not), the creditors of ResidualCo 2 stand to recover an amount of at least \$5,101,518.70 after set-off.

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<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 TX Ops Canada Corporation, 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.



17. In order to advance this claim, the Monitor intends to complete a forensic analysis in order to quantify ResidualCo 2's claim against Groupe Gregor.
18. In this context, in February 2025, the Monitor requested certain documents and information from Groupe Gregor, which are necessary in order to establish and quantify ResidualCo 2's claim.
19. As of the date of this report, the Monitor has yet to receive any documents in response to this request. As such, the Monitor is requesting this Court's intervention in order to set a timetable for the communication of documents and any procedural steps that will be required to take this matter to trial on the merits.
20. In the meantime, the Monitor will continue discussions with key creditors on the conduct of the Groupe Gregor litigation.

### **C. PROFESSIONAL FEES AND FUNDS HELD BY THE MONITOR**

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21. The Monitor did not prepare a cash flow statement as the Monitor does not anticipate any significant receipts or disbursements during the extension of Stay of Period sought, save for the payment of professional fees.
22. The professional fees of the Monitor and its counsel are and continue to be secured by an Administrative Charge.
23. The Monitor's professional fees for services rendered from January 18, 2025 to April 23, 2025 amount to \$33,969, excluding applicable sales taxes. Of that amount, \$26,775 represents fees in connection with the Groupe Gregor litigation, which will be covered in part (30%) by FTI pursuant to the Settlement.
24. The Monitor's counsel's professional fees for services rendered from January 1, 2024 to April 23, 2025, amount to \$20,849, excluding applicable sales taxes. Of that amount, \$12,724 represents fees in connection with the Groupe Gregor litigation, which will be covered in part (30%) by FTI pursuant to the Settlement.
25. The Monitor seeks an order allowing it to pay professional fees incurred up to April 23, 2025, directly from its in-trust account, which currently holds \$1,755,207. Once those fees paid and FTI's share of the Groupe Gregor portion collected, the Monitor would continue to hold proceeds in the amount of \$1,705,791.

### **D. REQUEST FOR A STAY EXTENSION**

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26. The current stay of proceedings ("**Stay of Proceedings**") is scheduled to expire June 15, 2025. The Monitor is seeking an extension of the stay period to November 28, 2025 (the "**Stay Period**"). This extension will allow the Monitor to:
  - a) complete its investigation in order to quantify the claim against Groupe Gregor;



- b) assess Groupe Gregor's willingness to pay the amount owed to ResidualCo 2;
- c) consult with creditors regarding the path forward should Groupe Gregor contest the Monitor's claim;
- d) ready the appeals from the Monitor's decision on the claims filed by Dentons Canada LLP and 1309767 Ontario Ltd. and 2601658 Ontario Ltd. (Van Essen) for hearings on the merits; and
- e) depending on the outcome of the above, consider the most appropriate means by which to proceed with distributions to creditors, including the possibility of filing a plan of arrangement in ResidualCo 2.

27. While the current Stay Period only expires on June 15, 2025, the Monitor seeks an extension now since, in any event, a court appearance is required regarding the Groupe Gregor litigation. This will save on professional fees.

## **E. CONCLUSIONS**

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- 28. The Monitor is of the view that the proposed extension of Stay Period is appropriate and necessary under the circumstances.
- 29. 15695651 Canada Inc. and 1569724 Canada Inc. have acted and continue acting in good faith and with due diligence.
- 30. The Monitor is of the view that no parties will suffer any material prejudice from the extension of the Stay Period.
- 31. The Monitor recommends that this Court Extend the Stay Period to November 28, 2025.

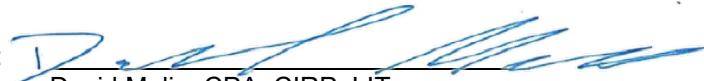
All of which is respectfully submitted this 29<sup>th</sup> day of April 2025.

### **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