

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

APPLICATION UNDER SECTION 243(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c. B-3, AS AMENDED AND SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O. 1990, c. C.43, AS AMENDED

B E T W E E N

**MBL ADMINISTRATIVE AGENT II LLC, as agent for POST ROAD
SPECIALTY LENDING FUND II LP (f/k/a MAN BRIDGE LANE
SPECIALTY LENDING FUND II (US) LP), and POST ROAD SPECIALTY
LENDING FUND (UMINN) LP (f/k/a MAN BRIDGE LANE SPECIALTY
LENDING FUND (UMINN) LP)**

Applicant

- and -

**TRADE X GROUP OF COMPANIES INC., 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. AND
TX OPS CANADA CORPORATION**

Respondents

MOTION RECORD OF THE RECEIVER

January 7, 2025

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TO: THE SERVICE LIST

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**ONTARIO
SUPERIOR COURT OF JUSTICE
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APPLICATION UNDER SECTION 243(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c. B-3, AS AMENDED AND SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O. 1990, c. C.43, AS AMENDED

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LENDING FUND (UMINN) LP)

Applicant

v.

TRADE X GROUP OF COMPANIES INC., 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. AND TX
OPS CANADA CORPORATION

Respondents

NOTICE OF MOTION

FTI Consulting Canada Inc. (“**FTI Consulting**”), in its capacity as the Court-appointed receiver and manager (the “**Receiver**”), without security, of substantially all of the assets, undertakings and properties of Trade X Group of Companies Inc. (“**Trade X Parent**”), 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. and TX Ops Canada Corporation (collectively, “**Trade X**” or the “**Debtors**”), as set forth in further detail in the Receivership Order (as defined below), will make a motion before the Honourable Justice Cavanagh of the Ontario Superior Court of Justice (Commercial List) on January 16, 2025, at 11:00 a.m. (Toronto time), or as soon thereafter as the motion can be heard, at 330 University Avenue, Toronto Ontario.

PROPOSED METHOD OF HEARING: The motion is to be heard:

- In writing under subrule 37.12.1 (1);
- In writing as an opposed motion under subrule 37.12.1 (4);
- In person;
- By telephone conference;
- By video conference;

at a Zoom link to be made available by the Court and posted to Case Centre in advance of the hearing.

THE MOTION IS FOR:¹

1. An Order (the “**Settlement Approval Order**”), *inter alia*, approving a settlement (the “**Groupe Grégor Settlement**”) between the Receiver, on behalf of the Debtors, and KPMG Inc., in its capacity as court-appointed monitor of 15695651 Canada Inc. and 15695724 Canada Inc. (the “**Wholesale Express Monitor**”) on the terms and conditions set out in the Settlement Agreement dated December 6, 2024, between the Receiver, on behalf of the Debtors, and the Wholesale Express Monitor (the “**Groupe Grégor Settlement Agreement**”); and
2. Such further and other relief as counsel may advise and this Honourable Court may deem just.

THE GROUNDS FOR THE MOTION ARE:**A. Wholesale Express CCAA Proceedings**

3. 13517985 Canada Inc. (“**Wholesale Express**”) was a subsidiary of Trade X Parent, but is not one of the Debtors subject to the Receivership. Separate proceedings under the *Companies' Creditors Arrangement Act* were commenced in respect of Wholesale Express in Quebec (the “**Wholesale Express CCAA Proceedings**”) in December 2023.

¹ Unless otherwise stated herein, capitalized terms used herein and not otherwise defined herein have the meaning ascribed to such terms in the Eighth Report (as defined below).

4. Pursuant to the Wholesale Express CCAA Proceedings, Wholesale Express completed a reverse vesting sale transaction, resulting in 15695724 Canada Inc. (“**ResidualCo 1**”) and 15695651 Canada Inc. (“**ResidualCo 2**”, and together with ResidualCo 1, the “**Remaining Wholesale Express Debtors**”) being the remaining debtor companies in the Wholesale Express CCAA Proceedings to which, among other things, the remaining claims not assumed pursuant to the sale transaction were transferred.

B. The Groupe Grégor Claim Application

5. On October 24, 2023, Wholesale Express and Trade X Parent entered into an Assignment of Credit (the “**Groupe Grégor Claim Assignment**”), pursuant to which Wholesale Express assigned to Trade X Parent all of Wholesale Express’ right, title, interest and property into the amount of \$7,920,118, plus interest, owing by Groupe Grégor Inc. (“**Groupe Grégor**”) to Wholesale Express (the “**Groupe Grégor Claim**”).

6. On February 15, 2024, the Wholesale Express Monitor served an application (the “**Groupe Grégor Claim Application**”) seeking:

- (a) an order declaring that the Groupe Grégor Claim Assignment is null and void and may not be set up against the Wholesale Express Monitor on the basis that it constituted a transfer at undervalue; and
- (b) advice and directions from the Court in the form of an order declaring that any right or claim held by the Wholesale Express against Groupe Grégor, including the claim in the Groupe Grégor Claim referred to in the Groupe Grégor Claim Assignment, is the property of ResidualCo 2.

7. The Receiver opposed the relief sought pursuant Groupe Grégor Claim Application.

8. The Groupe Grégor Claim Application was heard before the Quebec Superior Court of Justice (the “**Quebec Court**”) in the Wholesale Express CCAA Proceedings on July 16, 2024. Following submissions by the parties in respect of the Groupe Grégor Claim Application, the Quebec Court determined to adjourn the application until the December 10, 2024, and directed the Wholesale Express Monitor to amend its application and Monitor’s report in respect thereof to

also address the question of whether the Groupe Grégor Claim Assignment was a preferential payment, in addition to whether it was a transfer at undervalue. Such amended application and Wholesale Express Monitor's report were filed on September 3, 2024.

9. On October 31, 2024, the Receiver filed an amended contestation to the Wholesale Express Monitor's amended application², and filed supporting affidavits on November 11, 2024 and on November 22, 2024.

C. The Groupe Grégor Settlement

10. The Receiver and the Wholesale Express Monitor ultimately agreed to the Groupe Grégor Settlement on the terms and conditions set out in the Groupe Grégor Settlement Agreement. The key terms of the Groupe Grégor Settlement include:

- (a) the Receiver agreed to withdraw its contestation of the Groupe Grégor Claim Application;
- (b) the Wholesale Express Monitor shall have carriage of pursuing the Groupe Grégor Claim against Groupe Grégor (the "**Groupe Grégor Proceedings**") and shall consult with the Receiver on a regular basis with respect to decisions in the context of the Groupe Grégor Proceedings;
- (c) the Groupe Grégor Proceedings will be funded as follows:
 - (i) the Wholesale Express Monitor (in its capacity as Monitor and not in its personal or corporate capacity) will fund, from the funds currently held in trust by the Wholesale Express Monitor, 70% of the litigation costs (fees and disbursements); and

² The Receiver also filed on the same date a reamended contestation incorporating minor corrections to the amended contestation.

- (ii) the Receiver (in its capacity as Receiver and not in its personal or corporate capacity) will fund, from the Debtors' estate, 30% of the litigation costs (fees and disbursements);
- (d) in the event that funds are received by the Wholesale Express Monitor (in its capacity as Monitor and not in its personal capacity) in the context of the Groupe Grégor Proceedings, whether by way of a settlement, judgment, cost award or otherwise, such funds will be distributed as follows:
 - (i) first, to repay the litigation costs funded by each of the Wholesale Express Monitor and the Receiver, on a pro rata basis; and
 - (ii) second, as a distribution, 70% of the proceeds to the Wholesale Express Monitor (in its capacity as Monitor and not in its personal or corporate capacity) and 30% of the proceeds to the Receiver (in its capacity as Receiver and not in its personal or corporate capacity); and
- (e) either the Wholesale Express Monitor or the Receiver (in this context, the **“Withdrawing Party”**) shall have the right to withdraw from the Groupe Grégor Settlement Agreement in the event that either it is discharged from its mandate, funds are not available to fund its obligations under the Groupe Grégor Settlement Agreement or it determines that continuing to fund the Groupe Grégor Proceedings in accordance with the terms of the Groupe Grégor Settlement Agreement is not in the best interest of the relevant stakeholders. In the event that a party becomes a Withdrawing Party, it will be entitled to the return of its funded amounts pursuant to the Groupe Grégor Settlement Agreement (for clarity, upon such funds, if any, becoming available pursuant to the Groupe Grégor Settlement Agreement), but, for greater certainty, it will not be entitled to a distribution pursuant to the Groupe Grégor Settlement Agreement. In the event the Wholesale Express Monitor becomes a Withdrawing Party, the Receiver shall immediately thereafter have carriage of the Groupe Grégor Proceedings, and the Wholesale Express Monitor shall cooperate with the Receiver, and take all such reasonable steps and actions

and execute all such documents as may be reasonably requested by the Receiver, in order to enable the Receiver to pursue the Groupe Grégor Claim and the Groupe Grégor Proceedings.

11. The Receiver believes that the Groupe Grégor Settlement is in the best interests of the Debtors and their stakeholders. It provides for the resolution of the dispute among the Receiver and the Wholesale Express Monitor on terms and conditions that the Receiver believes are fair and reasonable in the circumstances, including taking into account the potential litigation risks in connection with the further litigation of the Groupe Grégor Claim Application.

12. The Receiver consulted with MBL Administrative Agent LLC, the senior secured creditor of the Debtors and the applicant in these proceedings (the “**Applicant**”), in connection with the Groupe Grégor Settlement, and the Groupe Grégor Settlement is supported by the Applicant.

13. The Groupe Grégor Settlement was approved by Order of the Quebec Court on December 10, 2024 (the “**Quebec Approval Order**”).

14. The Groupe Grégor Settlement remains subject to the approval of this Court pursuant to the terms of the Groupe Grégor Settlement Agreement and the Quebec Approval Order.

15. Section 243(1) of the *Bankruptcy and Insolvency Act* and sections 101 of the *Courts of Justice Act* (Ontario).

16. The Receivership Order, including paragraph 3(h) and (j) thereof.

17. Such further and other grounds as counsel may advise and this Honourable Court deems just.

THE FOLLOWING DOCUMENTARY EVIDENCE will be used at the hearing of the motion:

- (a) the Eighth Report of the Receiver dated December 16, 2024 (the “**Eighth Report**”);
and
- (b) such further and other evidence as the parties may submit and this Honourable Court may allow.

DATE: January 7, 2025

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Applicant Respondents

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**
Proceeding commenced at Toronto

NOTICE OF MOTION

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**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

THE HONOURABLE MR.) THURSDAY, THE 16TH
)
JUSTICE CAVANAGH) DAY OF JANUARY, 2025
)

APPLICATION UNDER SECTION 243(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c. B-3, AS AMENDED AND SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O. 1990, c. C.43, AS AMENDED

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Applicant

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TRADEXPRESS AUTO CANADA INC., TRADE X FUND GP INC., TRADE X LP FUND I,
TRADE X CONTINENTAL INC., TX CAPITAL CORP., TECHLANTIC LTD. AND TX OPS
CANADA CORPORATION

Respondents

SETTLEMENT APPROVAL ORDER

THIS MOTION made by FTI Consulting Canada Inc., in its capacity as the Court-appointed receiver and manager (the “**Receiver**”), without security, of substantially all of the assets, undertakings and properties of Trade X Group of Companies Inc. (“**Trade X Parent**”), 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. and TX Ops Canada Corporation (collectively, the “**Debtors**”), for an Order approving the Groupe Grégor Settlement

(as defined in the Eighth Report of the Receiver dated December 16, 2024 (the “**Eighth Report**”)) was heard this day by judicial videoconference via Zoom.

ON READING the Notice of Motion of the Receiver and the Eighth Report, and on hearing the submissions of counsel for the Receiver, and such other counsel and parties as were present and wished to be heard, with no one else appearing although duly served as appears from the affidavit of service of Brittnei Tee sworn January 7, 2025.

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Motion Record is hereby abridged and validated so that this Motion is properly returnable today and hereby dispenses with further service thereof.

CAPITALIZED TERMS

2. **THIS COURT ORDERS** that capitalized terms that are used herein and that are not otherwise defined herein shall have the meanings ascribed to them in the Eighth Report.

SETTLEMENT APPROVAL

3. **THIS COURT ORDERS** that the Groupe Grégor Settlement, on the terms and conditions set out in the Settlement Agreement dated December 6, 2024 and attached as Appendix “A” to the Eighth Report (the “**Groupe Grégor Settlement Agreement**”), is hereby approved, and that the execution by the Receiver, on behalf of the Debtors, of the Groupe Grégor Settlement Agreement and any other related agreements or documents deemed necessary or appropriate by the Receiver to document and implement the Groupe Grégor Settlement is hereby authorized and approved. The Receiver is hereby authorized to take such additional steps and execute such additional documents as may be necessary or desirable for the implementation of the Groupe Grégor Settlement.

4. **THIS COURT ORDERS** that this Order shall constitute the only authorization required by the Receiver, on behalf of the Debtors, to proceed with the Groupe Grégor Settlement and that no other approval shall be required in connection therewith.

5. **THIS COURT ORDERS** that notwithstanding:

- (a) the pendency of these proceedings;
- (b) any application for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) (the “**BIA**”) or other applicable legislation in respect of the Debtors and any bankruptcy order issued pursuant to any such applications;
- (c) any assignment in bankruptcy made in respect of the Debtors; and
- (d) any provisions of any federal or provincial legislation,

the Groupe Grégor Settlement shall be binding on any trustee in bankruptcy that may be appointed in respect of the Debtors and shall not be void or voidable nor deemed to be a preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the BIA or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

GENERAL

6. **THIS COURT ORDERS** that the Receiver may apply for advice and directions with respect to any matters arising from or under this Order, and for assistance and further order of this Court with respect to supplementation or variation of this Order.

7. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States 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 or to assist the Receiver and its agents in carrying out the terms of this Order.

Applicant Respondents

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

Proceeding commenced at Toronto

SETTLEMENT APPROVAL ORDER

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Court File No. CV-23-00710413-00CL

**TRADE X GROUP OF COMPANIES INC., 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. AND TX
OPS CANADA CORPORATION**

**EIGHTH INTERIM REPORT OF FTI CONSULTING CANADA INC., AS
COURT-APPOINTED RECEIVER
(Subsection 246(2) of the *Bankruptcy and Insolvency Act*)**

December 16, 2024

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

APPLICATION UNDER SECTION 243(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c. B-3, AS AMENDED AND SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O. 1990, c. C.43, AS AMENDED

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**EIGHTH INTERIM REPORT OF FTI CONSULTING CANADA INC., AS
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(Subsection 246(2) of the *Bankruptcy and Insolvency Act*)**

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A. INTRODUCTION AND PURPOSE

1. Pursuant to the Order of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) dated December 22, 2023 (the “**Receivership Order**”), FTI Consulting Canada Inc. (“**FTI Consulting**”) was appointed as receiver and manager (in such capacity, the “**Receiver**”), without security, of the following property (collectively the “**Property**”) of Trade X Group of Companies Inc. (“**Trade X Parent**”), 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. (“**Techlantic**”) and TX Ops Canada Corporation (“**TX Canada**”) (collectively, “**Trade X**” or the “**Debtors**”):
 - (a) the assets, undertakings and properties of the Debtors (other than Trade X Parent and TX Canada) acquired for, or used in relation to a business carried on by the Debtors, including all proceeds thereof;
 - (b) the assets, undertakings and properties of Trade X Parent (other than the shares of 13517985 Canada Inc. (“**Wholesale Express**”)) acquired for, or used in relation to a business carried on by Trade X Parent, including all proceeds thereof; and
 - (c) certain assets, undertakings and properties of TX Canada defined as the “TX Canada Collateral” in the Affidavit of Westin Lovy sworn December 4, 2023.

2. The application was brought by MBL Administrative Agent II LLC (the “**Agent**” or the “**Applicant**”) as agent for Post Road Specialty Lending Fund II LP (f/k/a Man Bridge Lane Specialty Lending Fund II (US) LP), and Post Road Specialty Lending Fund (UMINN) LP (f/k/a Man Bridge Lane Specialty Lending Fund (UMINN) LP) (together, the “**Lenders**”) pursuant to section 243 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the “**BIA**”), and section 101 of the *Courts of Justice Act*, R.S.O. 1990, C. C-43, as amended, and shall be referred to herein as the “**Receivership**”.

3. This report is the Eighth Interim Report of the Receiver (the “**Eighth Report**”) prepared pursuant to section 246(2) of the BIA for the period to December 16, 2024. The purpose of this Eighth Report is to provide information to the Court on the following:

- (a) the activities of the Receiver since the Sixth Report of the Receiver dated September 20, 2024 (the “**Sixth Report**”);
- (b) the receipts and disbursements of the Receiver for the period from September 1, 2024 to November 30, 2024; and
- (c) information about the anticipated next steps and activities of the Receiver in connection with the Receivership.

B. TERMS OF REFERENCE

- 4. In preparing this Eighth Report and making the comments herein, the Receiver has been provided with and has relied upon certain unaudited, draft and/or internal financial information, the motion materials filed in respect of this proceeding, the Debtors’ books and records, and discussions with certain former employees of the Debtors (collectively, the “**Information**”). Future oriented financial information relied upon in the Eighth Report is based on assumptions regarding future events. Actual results achieved may vary from this information and these variations may be material.
- 5. The Receiver has not audited or otherwise verified the accuracy or completeness of the Information in a manner that would, wholly or partially, comply with Generally Accepted Auditing Standards (“**GAAS**”) pursuant to the Chartered Professional Accountants Canada Handbook and, accordingly, the Receiver expresses no opinion or other form of assurance contemplated under GAAS in respect of the Information.
- 6. The Receiver has prepared this Eighth Report solely for the use of the Court and the stakeholders in these proceedings and will make a copy of the Eighth Report, and related documents, available on the Receiver’s website at <http://cfcanada.fticonsulting.com/TradeX/> (the “**Receiver’s Website**”).
- 7. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian dollars.
- 8. Unless otherwise stated herein, capitalized terms not defined in this Eighth Report have the meaning ascribed to them in the Receivership Order.

C. SUMMARY OF THE RECEIVER’S ACTIVITIES

9. A summary of the Receiver’s activities for the period from December 22, 2023 (the “**Receivership Date**”) to June 18, 2024, is included in the Fourth Report of the Receiver dated June 18, 2024 (the “**Fourth Report**”), and a summary of the Receiver’s activities for the period from June 19, 2024 to September 20, 2024, is included in the Sixth Report. Set out below is a summary of the Receiver’s activities for the period since the date of the Sixth Report.

Control of and Realization on the Property

10. From and after the Receivership Date, the Receiver took steps to secure possession and control over the Property, including the proceeds, receipts and disbursements arising out of or from the Property. Since the date of the Sixth Report, these steps included, but were not limited to, the following:
- (a) Tax Refunds: The Receiver is continuing to work with the Canada Revenue Agency (the “**CRA**”) with regards to the filing of HST returns and the collection of applicable HST refunds.
 - (b) Operating Costs: The Receiver has continued to pay, on behalf of the Debtors, for certain operating costs relating to the Debtors for services that are required to wind down the estate. These services include technology and cloud hosting services, storage fees for certain physical assets, books and records, and certain other costs.
 - (c) Office Equipment: The Receiver is continuing to maintain one remaining storage space that holds certain remaining office equipment and physical books and records of the Debtors. The Receiver intends to dispose of the IT equipment in due course, the proceeds of which are not expected to be material.

Employee Matters

11. At the Receivership Date, the Debtors employed 16 individuals. As discussed in the Sixth Report, the employment of all such individuals has been terminated.

12. The Receiver has made the required filings under the *Wage Earner Protection Program Act* (“**WEPPA**”), has provided WEPPA packages to 39 former employees, and has received 38 proof of claims that have been submitted to Service Canada for processing. The Receiver has also submitted the payment of the priority claim pursuant to WEPPA in the amount of approximately \$57,000.

Stakeholder Inquiries and Communications

13. The Receiver has and continues to respond to various stakeholder inquiries in connection with the Receivership. The Receiver has also continued regular communications with the Applicant in connection with matters relating to the Receivership.

Interim Distribution

14. On November 1, 2024, the Court granted an Interim Distribution Order authorizing the Receiver to distribute to the Agent, on behalf of the Lenders, \$1.5 million from the Debtors’ funds being held by the Receiver on behalf of the Debtors (the “**Interim Distribution**”) in respect of the Debtors’ obligations under the Credit Agreements (as defined in the Seventh Report (as defined below)).
15. The Receiver completed the Interim Distribution to the Agent on November 15, 2024, and retains the balance of the amounts being held by the Receiver on behalf of the Debtors to fund the Receiver’s ongoing work regarding the Potential Claims (as defined below) and the administration of these Receivership proceedings (discussed further below).

Receiver’s Investigations, Forensic Review, and Litigation Matters

16. The investigations, forensic review and litigation matters that have been advanced by the Receiver since the commencement of the Receivership are discussed in detail in the First Report of the Receiver dated February 1, 2024 (the “**First Report**”), the First Supplemental Report to the First Report of the Receiver dated April 3, 2024 (the “**Supplement to the First Report**”), the Second Report of the Receiver dated March 27, 2024 (the “**Second Report**”), the Third Report of the Receiver dated May 17, 2024 (the “**Third Report**”), the Fourth Report, the Fifth Report of the Receiver dated August 26, 2024 (the “**Fifth**

Report”), the Sixth Report and the Seventh Report of the Receiver dated October 22, 2024 (the “**Seventh Report**”). Copies of the such reports (the “**Prior Reports**”) are available on the Receiver’s Website. Certain of such activities are briefly set out below and otherwise the activities of the Receiver described in such Prior Reports are not repeated herein. This section of the Eighth Report should be read in conjunction with the Prior Reports. In this section, unless otherwise stated, capitalized terms not defined in this section have the meaning ascribed to them in the Prior Reports.

Settlement of the Motions Regarding the Techlantic Funds and the Van Essen Stay Motion

17. As discussed in the Fifth Report and the Sixth Report, the Receiver reached a settlement with the Van Essen Companies resolving the matters pertaining to the Receiver’s First Motion, the Van Essen Cross-Motion and the Van Essen Stay Motion (and the appeal in respect thereof) (the “**Van Essen Settlement**”). The Van Essen Settlement was approved by this Court on August 29, 2024. On August 30, 2024, the Receiver received the settlement funds of \$1.65 million from the Van Essen Companies pursuant to the Van Essen Settlement.

Motions Regarding Expanded Investigative Powers

18. As discussed in further detail in the Second Report and the Seventh Report, the Receiver encountered a number of challenges in connection with the state of the Debtors’ books and records. The Receiver made efforts to engage with certain of the Debtors’ current and former directors, officers, employees and consultants to understand various transactions and issues relating to the Debtors; however, several such individuals refused to meet with the Receiver, or refused to meet with the Receiver unless the Receiver paid for them to hire counsel. The Receiver has also tried to obtain information from third parties (including potential related parties) that have engaged in transactions with the Debtors in order to understand those transactions. The Receiver has received incomplete responses and, in some cases, no response at all.
19. As a result, in late March 2024, the Receiver brought a motion seeking an Order, among other things, granting the Receiver enhanced investigative powers, including the right to

examine persons with relevant information under oath and compel the production of relevant documents (the “**Initial Investigative Powers Order**”). On April 3, 2024, the Court granted the Initial Investigative Powers Order with respect to the individuals specified at Schedule “A” of the Initial Investigative Powers Order, which included certain former directors, officers and employees of the Debtors.

20. Following the granting of the Initial Investigative Powers Order, in connection with the Receiver’s ongoing investigations and forensic review efforts, with a view to assessing and determining which Potential Claims the Receiver may seek to pursue on behalf of the Debtors, the Receiver identified additional individuals which the Receiver believes may have relevant information in respect of the Debtors and their business, and sought and obtained an Order (the “**Additional Investigative Powers Order**”, and together with the Initial Investigative Powers Order, the “**Investigative Powers Orders**”) on November 1, 2024, on substantially the same terms as the Initial Investigative Powers Order, to grant the Receiver the right to examine under oath such additional individuals specified at Schedule “A” of the Additional Investigative Powers Order.
21. The Receiver has to date examined seven of the individuals set forth in the Investigative Powers Orders and met with one of the other individuals set out in the Initial Investigative Powers Order (without prejudice to the right to conduct an examination under oath at a later date). The Receiver is also in the process of scheduling additional examinations pursuant to the Investigative Powers Orders. Certain individuals have not been responsive to the Receiver’s requests to schedule examinations, and it is possible that the Receiver may need to seek additional relief from the Court in respect thereof in due course.

Review of Potential Claims

22. The Receiver is continuing to advance its work relating to potential claims the Receiver may seek to assert on behalf of the Debtors for the benefit of their stakeholders (the “**Potential Claims**”), including, without limitation, obtaining and considering the information obtained by way of the examinations being conducted pursuant to the Investigative Powers Orders. The Receiver will provide further updates in due course, as appropriate, in future reports of the Receiver.

Wholesale Express CCAA Proceedings and the Groupe Grégor Claim

23. As discussed in the Fourth Report and the Sixth Report, Wholesale Express is a subsidiary of Trade X, but is not one of the Debtors subject to the Receivership. Separate proceedings under the *Companies' Creditors Arrangement Act* were commenced in respect of Wholesale Express in Quebec (the “**Wholesale Express CCAA Proceedings**”).
24. The Receiver understands that, pursuant to the Wholesale Express CCAA Proceedings, Wholesale Express completed a reverse vesting sale transaction, resulting in 15695724 Canada Inc. (“**ResidualCo 1**”) and 15695651 Canada Inc. (“**ResidualCo 2**”, and together with ResidualCo 1, the “**Remaining Wholesale Express Debtors**”) being the remaining debtor companies in the Wholesale Express CCAA Proceedings to which, among other things, the remaining claims not assumed pursuant to the sale transaction were transferred.
25. The Receiver also understands that, based on the books and records of the Debtors, on October 24, 2023, Wholesale Express and Trade X Parent entered into an Assignment of Credit (the “**Groupe Grégor Claim Assignment**”), pursuant to which Wholesale Express assigned to Trade X Parent all of Wholesale Express’ right, title, interest and property into the amount of \$7,920,118, plus interest, owing by Groupe Grégor Inc. (“**Groupe Grégor**”) to Wholesale Express (the “**Groupe Grégor Claim**”).
26. On February 15, 2024, the Court-appointed monitor in the Wholesale Express CCAA Proceedings (the “**Wholesale Express Monitor**”) served an application (the “**Groupe Grégor Claim Application**”) seeking:
- (a) an order declaring that the Groupe Grégor Claim Assignment is null and void and may not be set up against the Wholesale Express Monitor on the basis that it constituted a transfer at undervalue; and
 - (b) advice and directions from the Court in the form of an order declaring that any right or claim held by the Wholesale Express against Groupe Grégor, including the claim in the Groupe Grégor Claim referred to in the Groupe Grégor Claim Assignment, is the property of ResidualCo 2.

27. Based on a review of the Debtors' books and records and discussions with former employees of the Debtors that were involved in the events at issue, the Receiver's position is that the Groupe Grégor Claim Assignment was not a transfer at undervalue and the Receiver opposed the relief sought pursuant to the Groupe Grégor Claim Application.
28. The Groupe Grégor Claim Application was heard before the Quebec Superior Court of Justice (the "**Quebec Court**") in the Wholesale Express CCAA Proceedings on July 16, 2024. Following submissions by the parties in respect of the Groupe Grégor Claim Application, the Quebec Court determined to adjourn the application until the December 10, 2024, and directed the Wholesale Express Monitor to amend its application and Monitor's report in respect thereof to also address the question of whether the Groupe Grégor Claim Assignment was a preferential payment, in addition to whether it was a transfer at undervalue. Such amended application and Wholesale Express Monitor's report were filed on September 3, 2024.
29. On October 31, 2024, the Receiver filed an amended contestation to the Wholesale Express Monitor's amended application¹, and filed supporting affidavits on November 11, 2024 and on November 22, 2024. The position of the Receiver is set out in more detail in the materials filed in the Wholesale Express CCAA Proceedings in respect of the Groupe Grégor Claim Application and such matters are not repeated in herein.
30. The Receiver and the Wholesale Express Monitor ultimately reached a settlement with regards to the Groupe Grégor Claim Assignment (the "**Groupe Grégor Settlement**") on the terms set out in the settlement agreement attached hereto as Appendix "A" (the "**Groupe Grégor Settlement Agreement**"). The key terms of the Groupe Grégor Settlement include:
- (a) the Receiver agreed to withdraw its contestation of the Groupe Grégor Claim Application;

¹ The Receiver also filed on the same date a reamended contestation incorporating minor corrections to the amended contestation.

- (b) the Wholesale Express Monitor shall have carriage of pursuing the Groupe Grégor Claim against Groupe Grégor (the “**Groupe Grégor Proceedings**”) and shall consult with the Receiver on a regular basis with respect to decisions in the context of the Groupe Grégor Proceedings;
- (c) the Groupe Grégor Proceedings will be funded as follows:
 - (i) the Wholesale Express Monitor (in its capacity as Monitor and not in its personal or corporate capacity) will fund, from the funds currently held in trust by the Wholesale Express Monitor, 70% of the litigation costs (fees and disbursements); and
 - (ii) the Receiver (in its capacity as Receiver and not in its personal or corporate capacity) will fund, from the Debtors’ estate, 30% of the litigation costs (fees and disbursements);
- (d) in the event that funds are received by the Wholesale Express Monitor (in its capacity as Monitor and not in its personal capacity) in the context of the Groupe Grégor Proceedings, whether by way of a settlement, judgment, cost award or otherwise, such funds will be distributed as follows:
 - (i) first, to repay the litigation costs funded by each of the Wholesale Express Monitor and the Receiver, on a pro rata basis; and
 - (ii) second, as a distribution, 70% of the proceeds to the Wholesale Express Monitor (in its capacity as Monitor and not in its personal or corporate capacity) and 30% of the proceeds to the Receiver (in its capacity as Receiver and not in its personal or corporate capacity); and
- (e) either the Wholesale Express Monitor or the Receiver (in this context, the “**Withdrawing Party**”) shall have the right to withdraw from the Groupe Grégor Settlement Agreement in the event that either it is discharged from its mandate, funds are not available to fund its obligations under the Groupe Grégor Settlement Agreement or it determines that continuing to fund the Groupe Grégor Proceedings

in accordance with the terms of the Groupe Grégor Settlement Agreement is not in the best interest of the relevant stakeholders. In the event that a party becomes a Withdrawing Party, it will be entitled to the return of its funded amounts pursuant to the Groupe Grégor Settlement Agreement (for clarity, upon such funds, if any, becoming available pursuant to the Groupe Grégor Settlement Agreement), but, for greater certainty, it will not be entitled to a distribution pursuant to the Groupe Grégor Settlement Agreement. In the event the Wholesale Express Monitor becomes a Withdrawing Party, the Receiver shall immediately thereafter have carriage of the Groupe Grégor Proceedings, and the Wholesale Express Monitor shall cooperate with the Receiver, and take all such reasonable steps and actions and execute all such documents as may be reasonably requested by the Receiver, in order to enable the Receiver to pursue the Groupe Grégor Claim and the Groupe Grégor Proceedings.

31. The Receiver believes that the Groupe Grégor Settlement is in the best interests of the Debtors and their stakeholders. It provides for the resolution of the dispute among the Receiver and the Wholesale Express Monitor on terms and conditions that the Receiver believes are fair and reasonable in the circumstances, including taking into account the potential litigation risks in connection with the further litigation of the Groupe Grégor Claim Application. As summarized above, the Groupe Grégor Settlement provides for the sharing of the costs of pursuing the Groupe Grégor Proceedings, with a corresponding recovery to the Debtors' estate of 30% of the net proceeds, if any, recovered in respect of the Groupe Grégor Claim, and provides the Receiver with consultation rights in respect of the Wholesale Express Monitor's pursuit of the Groupe Grégor Proceedings.
32. The Receiver consulted with the Applicant, the Debtors' senior secured creditor, in connection with the Groupe Grégor Settlement, and the Groupe Grégor Settlement is supported by the Applicant.
33. The Groupe Grégor Settlement was approved by Order of the Quebec Court on December 10, 2024, a copy of which is attached hereto as Appendix "B". The Receiver intends to

seek approval of the Groupe Grégor Settlement by the Court in the Receivership proceedings.

D. RECEIPTS & DISBURSEMENTS FOR THE PERIOD TO NOVEMBER 30, 2024

34. The Receiver's receipts and disbursements (a) for the period from December 22, 2023 (the Receivership Date) to May 31, 2024 are discussed in the Fourth Report, and (b) for the period from June 1, 2024 to August 31, 2024 are discussed in the Sixth Report. The Receiver's receipts and disbursements for the period from September 1, 2024 to November 30, 2024, are summarized in the table below (and further discussed in Section C above):

Cash Flows from September 1, 2024 to November 30, 2024		
in \$CAD		Total
Receipts	\$	130,933
14157 - HST Refund		97,669
33160 - Bank interest		33,264
Disbursements		(2,064,437)
68731 - Distribution to a secured creditor		(1,507,806)
64080 - Receiver's fees and costs		(47,720)
65127 - Legal fees/disbursements		(368,163)
68870 - HST Paid		(57,460)
81155 - Operating Expense		(26,502)
87755 - WEPP Super Priority Payment - Bankruptcy		(56,785)
Net Cash Flows	\$	(1,933,504)
Opening Cash (as at September 1, 2024)		3,320,354
Ending Cash	\$	1,386,850

35. Professional fees include the payment of the fees and disbursements incurred by the Receiver in the course of performing its duties in the Receivership, which includes the fees incurred for the services provided by the forensics team at FTI Consulting as part of the Receiver's investigations, and the fees and disbursements of the Receivers' counsel incurred in assisting the Receiver with performing its duties in the Receivership.

E. ONGOING ACTIVITIES IN THE RECEIVERSHIP

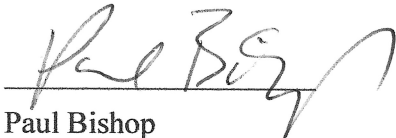
36. The Receiver is continuing to advance its mandate pursuant to the Receivership Order. Remaining outstanding matters in the Receivership include:

- (a) realization on remaining Property, including the collection of remaining funds, receivables, and tax refunds, and the sale of sundry assets;

- (b) finalizing the wind-down of the Debtors;
- (c) addressing certain remaining tax matters with the CRA;
- (d) seeking Court approval of the Groupe Grégor Settlement and working with the Wholesale Express Monitor with regards to the Groupe Grégor Claim pursuant to the terms of the Groupe Grégor Settlement;
- (e) continuing to advance the Receiver's ongoing investigation and review efforts, including the examination of certain parties pursuant to the Investigative Powers Orders; and
- (f) based on the results of the Receiver's ongoing investigation and review, assessing whether any Potential Claims ought to be advanced by the Receiver on behalf of the Debtors for the benefit of stakeholders.

37. The Receiver respectfully submits this Eighth Report to the Court.

FTI Consulting Canada Inc.,
solely in its capacity as Court-appointed Receiver of certain
property of Trade X Group of Companies Inc., 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., and TX OPS Canada Corporation, and not
in its personal or corporate capacity



Paul Bishop
Senior Managing Director



Kamran Hamidi
Managing Director

1414-0033-3072

A

SETTLEMENT AGREEMENT

(December 6, 2024)

BETWEEN **KPMG INC.**, in its capacity as court-appointed monitor of 15695651 Canada Inc. and 15695724 Canada Inc.
(hereafter the “**Monitor**”)

AND **FTI CONSULTING CANADA INC.**, solely in its capacity as receiver and manager, without security, of substantially all of the assets, undertakings and properties of Trade X Group of Companies Inc., 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. and TX Ops Canada Corporation, and not in its personal or corporate capacity
(hereafter the “**Receiver**” and, together with the Monitor, the “**Parties**”)

WHEREAS on or around November 20, 2023, Highcrest Lending Corporation initiated proceedings under the *Companies’ Creditors Arrangement Act* (the “**CCAA Proceedings**”) with respect to 13517985 Canada Inc. (doing business as Wholesale Express, and hereafter the “**Former Debtor**”) and **WHEREAS** an initial order was issued by the Superior Court of Québec, commercial division (the “**Court**”) with respect to the Former Debtor on December 20, 2023;

WHEREAS on December 22, 2023, the Receiver was appointed as receiver and manager, without security, of substantially all of the assets, undertakings and properties of Trade X Group of Companies Inc. (“**Trade X**”), 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. and TX Ops Canada Corporation (collectively, the “**Trade X Group**”);

WHEREAS on or around February 15, 2024, the Monitor notified an *Application for Directions and to Void a Transfer at Undervalue*, which was amended on September 3, 2024 (as amended the “**Application**”), seeking the annulment of the Assignment of Credit made as of Octobre 24, 2023 between the Former Debtor and Trade X (the “**Gregor Assignment**”) which purported to assign to Trade X a claim in the amount of \$7,920,118 (the “**WE Claim**”) against Groupe Gregor Inc. (“**Gregor**”);

WHEREAS on or around February 23, 2024, the Court issued a Claims Process Order (the “**Claims Process Order**”);

WHEREAS Gregor filed a proof of claim wherein it alleged that it was owed an amount of \$2,818,599.30 by the Former Debtor (the “**Gregor Claim**”), the Monitor disallowed the Gregor Claim (the “**Disallowance**”), and Gregor filed a *Requête en appel de l’avis de rejet du contrôleur* (the “**Appeal from the Disallowance**”);

WHEREAS the Monitor will pursue the WE Claim against Gregor (referred to as the “**Gregor Proceedings**”);

WHEREAS the Receiver filed a Contestation of the Monitor’s Application, which was amended on October 31, 2024 (the “**Contestation**”);

WHEREAS as reflected in the letter attached hereto as **Schedule “B”**, Post Road Group has agreed and acknowledged that its proof of claim filed on July 17, 2024 (“**PRG’s Proof of Claim**”) should be considered as a claim for the payment of funds in priority to any payment made to James McManes Holdings Ltd, Gucciardi Holdings, Aimia Inc., 2053719 Ontario Inc. and John Grassl (collectively the “**Bridge Lenders**”) and should not be considered as a monetary claim over and above the Bridge Lenders’ claims.

WHEREAS the Monitor and the Receiver have agreed to settle any dispute regarding the Gregor Assignment in accordance with the terms set forth in this settlement agreement (the “**Settlement Agreement**”);

NOW THEREFORE in consideration of the mutual covenants and agreements herein contained, the sufficiency of which is hereby acknowledged, the Parties hereto and each of them hereby covenant and agree as follows:

1. The preamble of this Settlement Agreement shall be considered as an integral part thereof.
2. Subject to the terms of this Settlement Agreement, the Receiver will withdraw its Contestation and agree to the issuance of an order from the Court substantially in the form of the draft order attached as **Schedule “A”** hereto (the “**Draft Endorsement Order**”);
3. The Parties agree that the Gregor Proceedings will be funded as follows:
 - a. The Monitor (in its capacity as Monitor and not in its personal or corporate capacity) will fund, from the funds currently held in trust by the Monitor, 70% of the litigation costs (fees and disbursements);
 - b. The Receiver (in its capacity as Receiver and not in its personal or corporate capacity) will fund, from the estate of the Trade X Group, 30% of the litigation costs (fees and disbursements);
4. In the event that funds are received by the Monitor (in its capacity as Monitor and not in its personal capacity) in the context of the Gregor Proceedings, whether by way of a settlement, judgment, cost award or otherwise, such funds will be distributed as follows:
 - a. Firstly, to repay the litigation costs funded by each of the Monitor and the Receiver, on a pro rata basis;
 - b. Secondly, as a distribution 70% of the proceeds to the Monitor (in its capacity as Monitor and not in its personal or corporate capacity) and 30% of the proceeds to the Receiver (in its capacity as Receiver and not in its personal or corporate capacity).

5. Subject to section 6, the Monitor shall have carriage of the Gregor Proceedings and consult with the Receiver on a regular basis with respect to decisions in the context of the Gregor Proceedings.
6. Either the Monitor or the Receiver (in this context, the “**Withdrawing Party**”) shall have the right to withdraw from this Settlement Agreement in the event that either it is discharged from its mandate, funds are not available to fund its obligations under this Settlement Agreement or it determines that continuing to fund the Gregor Proceedings in accordance with the terms of this Settlement Agreement is not in the best interest of the relevant stakeholders. In the event that a Party becomes a Withdrawing Party, it will be entitled to the return of its funded amounts pursuant to section 4(a) (for clarity, upon such funds, if any, becoming available pursuant to section 4 above), but, for greater certainty, it will not be entitled to a distribution pursuant to section 4(b). In the event the Monitor becomes a Withdrawing Party, notwithstanding section 5, the Receiver shall immediately thereafter have carriage of the Gregor Proceedings, and the Monitor shall cooperate with the Receiver, and take all such reasonable steps and actions and execute all such documents as may be reasonably requested by the Receiver, in order to enable the Receiver to pursue the WE Claim and the Gregor Proceedings, including, without limitation, executing any assignment of the WE Claim to Trade X.
7. This Settlement Agreement shall be conditional upon (a) the issuance of an order from the Court substantially in the form of the Draft Endorsement Order attached as Schedule A and (b) approval by the Ontario Superior Court of Justice (Commercial List) in the receivership proceedings of the Trade X Group (“**Ontario Court Approval**”) or determination by the Receiver that Ontario Court Approval is not required.
8. This Settlement Agreement shall be governed by the laws of the Province of Québec and the federal laws applicable therein, and the Court shall have the exclusive jurisdiction to settle any disagreement that may arise therefrom.

[Signature page follows]

KPMG INC., solely in its capacity as court-appointed monitor of 15695651 Canada Inc. and 15695724 Canada Inc. and not in its personal or corporate capacity

FTI CONSULTING CANADA INC., solely in its capacity as receiver and manager, without security, of substantially all of the assets, undertakings and properties of Trade X Group of Companies Inc. 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. and TX Ops Canada Corporation and not in its personal or corporate capacity

Per:  Signed by:
David Malin
6CDD59CA821E461...

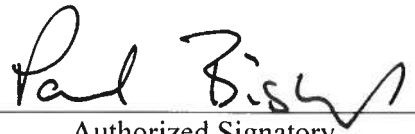

Authorized Signatory

Per: _____
Authorized Signatory

KPMG INC., solely in its capacity as court-appointed monitor of 15695651 Canada Inc. and 15695724 Canada Inc. and not in its personal or corporate capacity

FTI CONSULTING CANADA INC., solely in its capacity as receiver and manager, without security, of substantially all of the assets, undertakings and properties of Trade X Group of Companies Inc. 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. and TX Ops Canada Corporation and not in its personal or corporate capacity

Per: _____
Authorized Signatory

Per: 
Authorized Signatory


Schedule “A” – Draft Endorsement Order

(see attached)

SUPERIOR COURT
(Commercial Division)

CANADA

PROVINCE OF QUEBEC
DISTRICT OF MONTRÉAL

No.: 500-11-063165-233

DATE : December 10, 2024

IN THE PRESENCE OF THE HONOURABLE LOUIS J. GOUIN, S.C.J.

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT OF:
KPMG INC.

Monitor

- and -

15695651 CANADA INC.

-and-

15695724 CANADA INC.

Collectively the "Debtor"

-and-

TRADEX GROUP OF COMPANIES INC.

-and-

FTI CONSULTING CANADA INC. in its capacity as receiver and manager, without security, of the assets, undertakings and properties of, *inter alia*, TradeX Group of Companies Inc.

Impleaded Parties

CONSENT ORDER RE: APPLICATION TO VOID A TRANSFER AT UNDERVALUE

- [1] **ON READING** the Monitor's *Application for Directions and to Void a Transfer at Undervalue* dated February 15, 2024 as amended on September 3, 2024 (the "**Application**"), the sworn statement and the exhibits in support thereof as well as the Amended Fifth Report of the Monitor dated August 30, 2024;
- [2] **CONSIDERING** the Contestation to the Application filed by FTI Consulting Canada Inc., in its capacity as receiver and manager, without security, of the assets, undertakings and properties of, *inter alia*, Trade X Group of Companies Inc., as such contestation was amended on October 31, 2024 (the "**Contestation**");
- [3] **CONSIDERING** that an agreement has been reached to settle the Application and the Contestation on the terms set forth in the Settlement Agreement filed with the Court as Exhibit R-4 (the "**Settlement Agreement**");
- [4] **CONSIDERING** the notification of the Settlement Agreement to the Service List, Exhibit R-4 on December 6, 2024;
- [5] **CONSIDERING** the submissions of the Monitor's attorneys;

FOR THESE REASONS, the Court:

- [6] **APPROVES** the execution by the Monitor of the Settlement Agreement and **APPROVES and ENDORSES** the terms set forth therein;
- [7] **DECLARES** that, upon the satisfaction of the condition set forth in section 8(b) of the Settlement Agreement, and subject to the other terms and conditions of the Settlement Agreement, the Assignment of Credit made as of October 24, 2023 between 13517985 Canada Inc. (the "**Former Debtor**") and the Mise-en-cause, Trade X Group of Companies Inc. filed as Exhibit R-1 in support of the Application is null and void and may not be set up against the Monitor;
- [8] **DECLARES** that nothing in this Order shall be interpreted as a decision of this Court on the order and priority pursuant to which the net proceeds of sale will be distributed amongst creditors;
- [9] **ORDERS** the provisional execution of this Order notwithstanding appeal;
- [10] **THE WHOLE** without costs.

The Honourable Louis J. Gouin S.C.J.

Date(s) of hearing: December 10, 2024

Schedule "B" – Letter from Post Road Group

(see attached)

DAVIES

155 Wellington Street West
Toronto, ON M5V 3J7 Canada

dwpv.com

Natalie Renner
T 416.367.7489
F 416 863 0871
nrenner@dwpv.com

File 288094

December 6, 2024

BY EMAILAlexander Bayus
Fasken Martineau DuMoulin LLP
Tour De La Bourse
800, Rue Du Square-Victoria, Bureau 3500
Montréal, QC H4Z 1E9

Dear Alexander:

**The Companies' Creditors Arrangement Act Proceedings of 15695651 Canada Inc.
and 15695724 Canada Inc.**

We are counsel for MBL Administrative Agent II LLC ("**MBL**"). MBL is the administrative agent under certain credit facilities made available by Post Road Speciality Lending Fund II LP and Post Road Speciality Lending Fund (UMINN) LP.

MBL has submitted a Proof of Claim dated July 16, 2024 (the "**Proof of Claim**") against Wholesale Express asserting that: (a) its debt should take priority over any payments made to the Bridge Lenders concerning the Bridge Loans (as defined in the Proof of Claim), and (b) any funds due to Aimia for its Bridge Loan should be directed to MBL. Both MBL and the Bridge Lenders are claiming entitlement to the same funds. The priority between MBL and the Bridge Lenders remains unresolved and is subject to either a court order or an agreement between the parties. Consequently, if there are distributions to the creditors of 15695651 Canada Inc. and/or 15695724 Canada Inc., no amounts shall be paid to MBL or the Bridge Lenders until the priority is resolved.

Yours very truly,



Natalie Renner

B

SUPERIOR COURT
(Commercial Division)

C A N A D A

PROVINCE OF QUEBEC
DISTRICT OF MONTRÉAL

No.: 500-11-063165-233

DATE : December 10, 2024

IN THE PRESENCE OF THE HONOURABLE LOUIS J. GOUIN, S.C.J.

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

15695651 CANADA INC.

-and-

15695724 CANADA INC.

Collectively the "Debtor"

- and -

KPMG INC.

Monitor

-and-

TRADE X GROUP OF COMPANIES INC.

-and-

FTI CONSULTING CANADA INC. in its capacity as receiver and manager, without security, of the assets, undertakings and properties of, *inter alia*, Trade X Group of Companies Inc.

Impleaded Parties

CONSENT ORDER RE: APPLICATION TO VOID A TRANSFER AT UNDERVALUE

- [1] **ON READING** the Monitor's *Amended Application for (i) Advice and Directions, (ii) to Void a Transfer at Undervalue or, in the Alternative (III) to Void a Preferential Transaction* dated September 3, 2024 (the "**Application**"), the sworn statement and the exhibits in support thereof as well as the Amended Fifth Report of the Monitor dated August 30, 2024;
- [2] **CONSIDERING** the Contestation to the Application filed by FTI Consulting Canada Inc., in its capacity as receiver and manager, without security, of the assets, undertakings and properties of, *inter alia*, Trade X Group of Companies Inc., as such contestation was amended on October 31, 2024 (the "**Contestation**");
- [3] **CONSIDERING** that an agreement has been reached to settle the Application and the Contestation on the terms set forth in the Settlement Agreement filed with the Court as Exhibit R-4 (the "**Settlement Agreement**");
- [4] **CONSIDERING** the notification of the Settlement Agreement to the Service List, Exhibit R-4, on December 6, 2024;
- [5] **CONSIDERING** the submissions of the Monitor's attorneys;

FOR THESE REASONS, THE COURT:

- [6] **APPROVES** the execution by the Monitor of the Settlement Agreement and **APPROVES and ENDORSES** the terms set forth therein;
- [7] **DECLARES** that, upon the satisfaction of the condition set forth in section 7(b) of the Settlement Agreement, and subject to the other terms and conditions of the Settlement Agreement, the Assignment of Credit made as of October 24, 2023 between 13517985 Canada Inc. (the "**Former Debtor**") and the Mise en cause, Trade X Group of Companies Inc. filed as Exhibit R-1 in support of the Application is null and void and may not be set up against the Monitor;
- [8] **DECLARES** that, upon the satisfaction of the condition set forth in section 7(b) of the Settlement Agreement, and subject to the other terms and conditions of the Settlement Agreement, any right or claim held by the Former Debtor against Groupe Grégor Inc., including but not limited to any right or claim in connection with:
- a) the Asset Purchase Agreement dated as of December 17, 2021 between the Former Debtor, Groupe Grégor Inc. and others (filed as Exhibit P-4 to the *Demande introductive d'instance* filed in Québec Superior Court file number 500-17-127280-231 (the « **Demande introductive** »));
 - b) the Agency Agreement dated as of December 17, 2021 between the Former Debtor and Groupe Grégor inc. (filed as Exhibit P-6 to the *Demande introductive*); and

- c) the “Acquisition Agreement Claim” as defined in the Amended Investment Agreement dated January 11, 2024 between 15449189 Canada Inc., a corporation existing under the laws of Canada, (the “Investor”) and the Monitor, for and on behalf of the Former Debtor,

is the Property (as the term Property is defined in the Amended and Restated Initial Order issued in this file dated December 28, 2023) of 15695651 Canada Inc. (known as ResidualCo 2 in these proceedings);

- [9] **DECLARES** that nothing in this Order shall be interpreted as a decision of this Court on the order and priority pursuant to which the net proceeds of sale will be distributed amongst creditors;
- [10] **ORDERS** the provisional execution of this Order notwithstanding appeal;
- [11] **THE WHOLE** without costs.

Louis Joseph
Gouin

Signature numérique de Louis
Joseph Gouin
Date : 2024.12.10 09:48:10 -05'00'

The Honourable Louis J. Gouin S.C.J.

Date of hearing: December 10, 2024

MBL ADMINISTRATIVE AGENT II -and-
LLC

TRADE X GROUP OF COMPANIES
INC. et al

Court File No. CV-23-00710413-00CL

Applicant

Respondents

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST
Proceeding commenced at Toronto

**EIGHTH REPORT OF THE RECEIVER,
FTI CONSULTING CANADA INC.**

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MOTION RECORD OF THE RECEIVER

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