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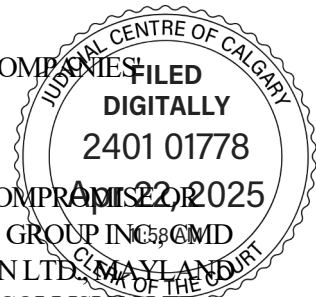
COURT

COURT OF KING'S BENCH OF ALBERTA

JUDICIAL CENTRE

CALGARY

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



AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF COLLISION KINGS GROUP INC., CMD
HOLDINGS INC., EAST LAKE COLLISION LTD., MAYLAND
HEIGHTS COLLISION LTD., SUNRIDGE COLLISION LTD.,
ARROW AUTO BODY LTD., CMD GLASS LTD., ROYAL VISTA
COLLISION LTD., STATHKO INVESTMENTS LTD., 219931
ALBERTA LTD., COLLISION KINGS 3 LTD., NICK'S REPAIR
SERVICE LTD., 10026923 MANITOBA LTD. and BUNZY'S AUTO
BODY LTD.

DOCUMENT

SIXTH REPORT OF FTI CONSULTING CANADA INC., IN ITS
CAPACITY AS MONITOR OF COLLISION KINGS GROUP INC.,
CMD HOLDINGS INC., EAST LAKE COLLISION LTD.,
MAYLAND HEIGHTS COLLISION LTD., SUNRIDGE
COLLISION LTD., ARROW AUTO BODY LTD., CMD GLASS
LTD., ROYAL VISTA COLLISION LTD., STATHKO
INVESTMENTS LTD., 219931 ALBERTA LTD., COLLISION
KINGS 3 LTD., NICK'S REPAIR SERVICE LTD., 10026923
MANITOBA LTD. and BUNZY'S AUTO BODY LTD.

April 22, 2025

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SIXTH REPORT OF THE MONITOR

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INTRODUCTION

1. On February 7, 2024, Collision Kings Group Inc. (“**CKGI**”), CMD Holdings Inc. (“**CMD Holdings**”), East Lake Collision Ltd. (“**East Lake**”), Mayland Heights Collision Ltd. (“**Mayland Heights**”), Sunridge Collision Ltd. (“**Sunridge**”), Arrow Auto Body Ltd. (“**Arrow**”), CMD Glass Ltd. (“**CMD Glass**”), Royal Vista Collision Ltd. (“**Royal Vista**”), Stathko Investments Ltd. (“**Stathko Investments**”), 2199931 Alberta Ltd. (“**219 Alberta**”), Collision Kings 3 Ltd. (“**CK3L**”), Nick’s Repair Service Ltd. (“**Nick’s Repair**”), 10026923 Manitoba Ltd. (“**100 Manitoba**”) and Bunzy’s Auto Body Ltd. (“**Bunzy’s**”) (collectively, the “**Applicants**” or the “**Collision Kings Group**”) were granted an initial order (the “**Initial Order**”) to commence proceedings (the “**CCAA Proceedings**”) under the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”).
2. The Initial Order, granted, among other things, the following relief:
 - a. a stay of proceedings (the “**Stay of Proceedings**”) in favour of the Applicants until February 17, 2024;
 - b. appointed FTI Consulting Canada Inc. as Monitor (the “**Monitor**”) in these CCAA Proceedings;
 - c. approved the procedures for a sales and investment solicitation process (the “**SISP**”) and stalking horse purchase agreement (the “**Stalking Horse APA**”) dated January 31, 2024, between some of the Applicants and Lift Auto Group Operating Corporation (“**Lift**”);
 - d. granted certain priority charges for individuals identified as critical to the operations and success of these CCAA Proceedings (collectively, the “**CCAA Charges**”). The CCAA Charges included:
 - i. first, an Administration Charge of \$500,000;

- ii. second, a charge (the “**Interim Lender’s Charge**”) in favour of The Toronto Dominion Bank (“**TD Bank**”) which authorized the Applicants to obtain and borrowing funds up to \$600,000 under a credit facility (the “**Interim Facility**”) in order to finance the Applicants’ operations and restructuring efforts within these CCAA Proceedings; and
 - iii. third, a Directors Charge of \$400,000.
- 3. At the comeback hearing held on February 14, 2024, this Court granted the following relief:
 - a. an amended and restated Initial Order (the “**ARIO**”) which provided for among other things:
 - i. an increase to the Interim Facility and the Interim Lender’s Charge from \$600,000 to \$1,125,000;
 - ii. the granting of a fourth-ranking charge against the Applicants’ property for a retention and incentive plan (“**RIP**”) in the amount of \$425,000;
 - iii. an extension of the Stay of Proceedings until and including March 29, 2024; and
 - iv. a declaration that pursuant to section 5(5) of the *Wage Earner Protection Program Act*, S.C. 2005, c. 47, s.1 (“**WEPPA**”) that the Applicants and their former employees meet the criteria established by section 3.2 of the Wage Earner Protection Program Regulations, SOR/2008-222 (the “**WEPP Regulations**”) as of the date of the granting of the Stay Extension and WEPPA Order; and
 - b. a conditional sale approval and vesting order (the “**Stalking Horse SAVO**”) approving the Stalking Horse APA (including any amendments resulting from the Stalking Horse Bidder’s participation in the Auction (as defined below)) and

authorizing the Applicants to enter into the transaction contemplated therein, in the event the Stalking Horse APA was determined to be the Successful Bidder (as defined below).

4. The SISP resulted in a bid from a new purchaser that was superior to the Stalking Horse APA, which triggered an auction (“**Auction**”) pursuant to the terms of the SISP, which was held on March 13, 2024. After several rounds of bidding, Lift was determined to be the Successful Bidder, and certain of the Applicants and Lift entered into a revised asset purchase agreement (“**Enhanced Stalking Horse APA**”), which substantially enhanced the economic recovery for the Collision Kings Group’s creditors as compared to the initial Stalking Horse APA.
5. On March 27, 2024, this Court granted the following relief:
 - a. an order (the “**March Stay Extension Order**”), which among other things:
 - i. extended the Stay of Proceedings until and including July 25, 2024;
 - ii. directed the receipts from the Enhanced Stalking Horse APA to be held in trust by the Monitor;
 - iii. authorized and empowered (but did not oblige) the Monitor to apply any part of the receipts from the Enhanced Stalking Horse APA to: (i) repay any amounts owing under the Interim Financing Facility; (ii) pay the professional fees of the Monitor, counsel to the Monitor, and counsel to the Applicants, in each case at their standard rates and charges; and/or (iii) pay any operating costs and wind down costs relating the business of the Applicants, as necessary; and
 - iv. expanded the Monitor’s powers to allow the Monitor to execute, assign, issue and endorse documents in respect of the Property and/or Business; and

- b. an order (the “**Royal Vista Vesting Order**”) vesting the assets included in the asset purchase agreement (the “**Royal Vista APA**”) between Royal Vista and CMD Holdings (collectively, the “**Royal Vista Vendors**”) and 5807698 Manitoba Ltd and 10191777 Manitoba Ltd. (collectively the “**Royal Vista Purchaser**”) in the name of the Royal Vista Purchaser.
- 6. On July 18, 2024, this Court granted an order extending the Stay of Proceedings until and including October 31, 2024.
- 7. On October 17, 2024, this Court granted the following relief:
 - a. an order (the “**October Stay Extension Order**”) extending the Stay of Proceedings until and including December 17, 2024; and
 - b. an interim distribution order (the “**Interim Distribution Order**”) authorizing and directing the Monitor to distribute certain receipts of the Applicants’ estate to the Applicants’ secured creditors (the “**Interim Distributions**”). The Interim Distributions consisted of final distributions to certain secured creditors and an interim distribution to TD Bank.
- 8. On December 16, 2024, the Court granted an order (the “**Stay Extension and Interim Enhanced Powers Order**”), which among other things:
 - a. Adjourned the application for the approval of the final allocation, distribution to TD and SARIO (as herein defined) to December 20, 2024 and extended the Stay of Proceedings until and including December 20, 2024;
 - b. authorized and directed the Monitor to pay from the proceeds being held by the Monitor the RIP of up to \$525,318.18;
 - c. approved the Monitor’s fees and activities as well as the fees of the Monitor’s legal counsel and the Applicants’ legal counsel; and

- d. increased the powers and duties of the Monitor during the Interim Period (as defined in the Stay Extension and Interim Enhanced Powers Order).
9. On December 20, 2024, the Court granted the following orders:
- a. an order (the “**Allocation and Final TD Distribution Order**”), which among other things;
 - i. approved the Monitor’s final allocation of CCAA costs as against the individual Applicant entities (the “**Final Allocation**”); and
 - ii. authorized and directed the Monitor to complete a final distribution to TD Bank (“**Final TD Distribution**”) in respect of its secured claim of all available funds that are allocated to the TD Secured Debtors (as defined below) pursuant to the Final Allocation;
 - b. an order (the “**SARIO**”) further amending and restating the ARIO to enhance the powers of the Monitor and extended the Stay of Proceedings until and including April 30, 2025.
10. The Monitor, has scheduled an application returnable April 29, 2025, whereat it will be seeking the following orders:
- a. an order (the “**Stay Extension Order**”) extending the Stay of Proceedings to September 30, 2025 and approving the conduct and activities of the Monitor; and
 - b. an order (the “**Claims Procedure Order**”) authorizing and approving the Monitor to undertake a negative claims process (collectively, the “**Claims Process**”) to determine all claims against the 100 Manitoba and Bunzy’s.

PURPOSE

11. The purpose of this report (this “**Report**” or the “**Sixth Report**”) is to provide the Court and the Applicants’ stakeholders information with respect to:
 - a. activities of the Monitor since Monitor’s Fifth Report dated December 10, 2024 (the “**Fifth Report**”) and the Monitor’s Supplement to the Fifth Report dated December 19, 2024 (the “**Supplement to the Fifth Report**”);
 - b. the Monitor’s actual receipts and disbursements and the cash currently held by the Monitor (the “**Funds in Trust**”);
 - c. the Monitor’s review of 5993092 Manitoba Ltd.’s o/a Rondex (“**Rondex**”) purported secured claim (“**Purported Rondex Secured Claim**”);
 - d. the Monitor’s recommendation to initiate the Claims Process, with a view to distributing the MB Unsecured Holdback, net of administrative costs, as described in paragraph 46(d). of the Fifth Report;
 - e. the Monitor’s recommendation to extend the Stay of Proceedings from April 30, 2025 to September 30, 2025.

TERMS OF REFERENCE

12. In preparing this report, the Monitor has relied upon certain information (the “**Information**”) including the Applicants’ unaudited financial information, books and records and discussions with senior management of the Collision Kings Group (“**Management**”).
13. Except as described in this report, the Monitor has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would comply with Generally Accepted Assurance Standards pursuant to the Chartered Professional Accountants of Canada Handbook.

14. The Monitor has not examined or reviewed financial forecasts and projections referred to in this report in a manner that would comply with the procedures described in the Chartered Professional Accountants of Canada Handbook.
15. Future oriented financial information reported to be relied on in preparing this report is based on Management's assumptions regarding future events. Actual results may vary from forecast and such variations may be material.
16. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian dollars.
17. Capitalized terms not otherwise defined herein have the meanings ascribed to them in the Fifth Report and the Claims Procedure Order.

ACTIVITIES OF THE MONITOR

18. The Monitor's activities since the date of the Fifth Report have included the following:
 - a. collected the Final Working Capital Amount from Lift and the CARSTAR AR, less a holdback for potential warranty items;
 - b. completed the distributions to the Critical Personnel in accordance with the Stay Extension and Interim Enhanced Powers Order and the Final TD Distribution in accordance with the Allocation and Final Distribution Order;
 - c. worked with the Monitor's Counsel to complete a review of the Purported Rondex Secured Claim;
 - d. designed the proposed Claims Process in consultation with the Monitor's Counsel;
and
 - e. prepared this Report.

MONITOR'S RECEIPTS AND DISBURSEMENTS OF THE FUNDS IN TRUST

19. The Monitor's interim statement of cash receipts and disbursements for the period of March 7, 2024 to April 15, 2025 is summarized below:

Interim Statement of Receipts and Disbursements For the period of March 7 to April 15, 2025	
	(\$C 000's)
Receipts	
Proceeds	
Enhanced Stalking Horse APA	\$ 10,188
Final Working Capital Amount	\$ 1,592
CARSTAR AR	\$ 457
Royal Vista APA	115
CK Auto Ramsay Transaction Proceeds	17
CK Auto Foothills Equipment Sales	9
Bank Account Interest	241
Total Receipts	\$ 12,619
Disbursements	
Interim Distribution to TD	(5,500)
Final Distribution to TD	(1,987)
Proceeds advanced to Company for Operations	(1,684)
Repayment of DIP	(1,183)
Final Distributions to MB Secured Creditors	(825)
Distributions to Critical Personnel	(517)
Payment of CRA Priority Charges	(246)
Burnsland Closing Costs	(70)
Operational Payments	(19)
Monitor	(95)
Monitor's Counsel	(71)
Total Disbursements	\$ (12,196)
Cash on Hand	\$ 423

20. As at April 15, 2025, the Monitor has collected receipts, which total approximately \$12.6 million, from the following sources:
- proceeds of sale from the Enhanced Stalking Horse APA;
 - collection of the Staking Horse APA Final Working Capital Amount;

- c. collection of part of the CARSTAR AR;
 - d. proceeds of sale from the Royal Vista APA and sales of the assets related to CK Auto Ramsay and CK Auto Foothills; and
 - e. bank interest in the amount of approximately \$241,000.
21. The proceeds from the Enhanced Stalking Horse APA are shown gross of the approximately \$70,000 in closing costs related to Arrow's operations.
22. In accordance with the March Stay Extension Order, the Monitor has made the following distributions:
- a. approximately \$1.7 million to the Applicants to fund operations and for the payment of professional fees; and
 - b. repayment of the Interim Facility in the amount of approximately \$1.2 million. The amounts repaid under the Interim Facility include the principal borrowings, accrued interest and fees and disbursements owed to the TD Bank as lender of the Interim Facility.
23. In accordance with the Interim Distribution Order, the Monitor has made the following distributions:
- a. to TD Bank, as an interim distribution, in the amount of \$5.5 million;
 - b. final distributions to the secured creditors of Nick's Repair, 100 Manitoba and Bunzy's totaling approximately \$825,000 in full satisfaction of those secured debts, which were made up of the following individual distributions:
 - i. Royal Bank of Canada ("RBC") in the amount \$223,325 with respect to Nick's Repair;

- ii. the Whites in the amount of \$114,982 with respect to 100 Manitoba; and
 - iii. ACU in the amount of \$486,250 with respect to Bunzy's.
 - c. to the Receiver General of Canada in satisfaction of the priority portion of CRA's claim with respect to each of the deemed trust claims and unpaid source deductions owed individually by the Applicants, which totaled \$246,080.
24. In accordance with the Stay Extension and Interim Enhanced Powers Order, the Monitor has made a distribution in the amount of approximately \$517,000 to the Critical Personnel based on Final Proceeds collected to date.
25. In accordance with the Allocation and Final Distribution Order, the Monitor has made a distribution in the amount of approximately \$2.0 million to TD Bank based on Final Proceeds collected to date. The Monitor expects that additional amounts will be paid to the Critical Personnel and TD Bank once the CARSTAR AR warranty holdback amounts are collected.
26. In accordance with the SARIO and the enhanced powers granted to the Monitor therein, the Monitor has made distributions of:
- a. approximately \$19,000 for operational payments including IT services and for the Applicants' accounting consultants;
 - b. approximately \$95,000 and \$71,000 respectively to the Monitor and Monitor's Counsel for professional fees incurred.
27. The Monitor is holding approximately \$423,000 of Funds in Trust as at April 15, 2025.

RONDEX BACKGROUND

28. As detailed in the Monitor's Fifth Report, the Monitor has held back a total of \$455,656 with respect to proceeds realized from two of the Manitoba entities, broken out as follows:

- a. \$125,279 from proceeds related to 100 Manitoba; and
- b. \$330,377 from proceeds related to Bunzy's.

(collectively the “**MB Unsecured Holdback**”)

- 29. As at the date of the Fifth Report, all known secured creditors of 100 Manitoba and Bunzy's had been paid out in full and therefore the Monitor intended to bring an application to initiate a claims process for unsecured creditors in order to facilitate distribution of the MB Unsecured Holdback.
- 30. Subsequent to the Monitor's Fifth Report being filed, the Monitor was advised by Rondex's counsel that it believed Rondex had a valid secured claim against 100 Manitoba and Bunzy's and therefore had a secured priority claim over the entirety of the MB Unsecured Holdback.
- 31. Accordingly, the Monitor's counsel has undertaken a review of the security documents provided by Rondex related to 100 Manitoba and Bunzy's in order to determine the validity and enforceability of the Purported Rondex Secured Claim over the assets of 100 Manitoba and Bunzy's, which would include the security position Rondex asserted over the MB Unsecured Holdback.

PURPORTED RONDEX SECURED CLAIM

- 32. Since filing the Monitor's Fifth Report and Supplement to the Fifth Report, the Monitor's counsel has reviewed the documents upon which Rondex has indicated the Purported Rondex Secured Claim is based (“**Rondex Security Documents**”) and corresponded on multiple occasions with Rondex's counsel to request additional documents and information and ask clarifying questions. After a fulsome review of the Rondex Security Documents the Monitor's counsel identified several flaws with the Rondex Security Documents and the Purported Rondex Secured Claim and determined that based on the information provided to the Monitor's counsel, Rondex does not appear to have a valid and enforceable

security interest over 100 Manitoba or Bunzy's, meaning that Rondex would not have a secured claim as against the MB Unsecured Holdback.

33. The issues identified by Monitor's counsel with the Purported Rondex Secured Claim are set out in more detail in the Supplement to the Fifth Report but include, among other things:
- a. the only security documents provided were two demand debentures each dated September 16, 2020 and granted in favour of Rondex by 100 Manitoba and Bunzy's, respectively (the "**Debentures**"), which Debentures *only* secured obligations owing under the guarantees dated September 16, 2020 granted by each of 100 Manitoba and Bunzy's (the "**Guarantees**");
 - b. the obligations guaranteed under the Guarantees are limited to the obligations of CMD Holdings and CKGI (the "**Primary Obligors**") to Rondex under a Credit Support and Supply Agreement dated on or about September 16, 2020 entered into by the Primary Obligors and Rondex (the "**Credit Support Agreement**"). The practical implication of this is that if the amounts owing to Rondex by Bunzy's and 100 Manitoba are not owing as a result of the Primary Obligors obligations to Rondex *under the Credit Support Agreement*, then the amounts owing to Rondex by Bunzy's and 100 Manitoba would not be covered by the Debentures and would not create secured obligations (even if the Debentures otherwise create valid and enforceable security interests that are properly perfect). Rondex has not been able to provide counsel to the Monitor with sufficient evidence to establish that the Purported Rondex Secured Claim represents amounts owing as a result of the Primary Obligors obligations to Rondex under the Credit Support Agreement. For example, some of the amounts allegedly owing appear to have been set off and others may have been forgiven. Additionally, the amount of the Purported Rondex Secured Claim does not align with the books and records of the Applicants;
 - c. the 100 Manitoba Guarantee is executed by 100 Manitoba, but the "Guarantor" as defined therein is listed as Nick's Repair, which may be a fundamental flaw in the 100 Manitoba Guarantee as the Monitor and its counsel are not aware of any arrangement

whereby 100 Manitoba can bind Nick's Repair to the terms of the 100 Manitoba Guarantee;

- d. Rondex entered into releases and discharges in relation to debentures granted by each of Bunzy's and Nick's Repair (collectively, the "**Releases**"). Counsel to the Monitor has asked for a copy of the Nick's Repair debenture but is advised such debenture does not exist. As such, the Monitor understands that the Releases may have been intended to relate to the 100 Manitoba Debenture (instead of a Nick's Repair Debenture). This is further supported by the error in the 100 Manitoba Guarantee (where Nick's Repair was listed as the guarantor) and the fact that real property held by 100 Manitoba was used in the operations of Nick's Repair, suggesting that Rondex may have erroneously treated these two entities interchangeably; and
 - e. pursuant to the Releases, Rondex agreed to release each of Bunzy's and Nick's Repair from all obligations under their respective Debentures upon a sale of the assets or shares of Bunzy's or Nick's Repair. It appears to the Monitor that the Releases have been triggered by the asset sales in the CCAA Proceedings.
34. The Monitor understands that on April 3, 2025, Grant Thornton Limited was appointed as receiver and manager (in such capacity, the "**Receiver**") over the assets of Rondex (among others). Counsel to the Monitor has reached out to the Receiver and its counsel to advise them of the matters surrounding the Purported Rondex Secured Claim and the relief that the Monitor intends to seek during the April 29, 2025 application, including the Claims Procedure Order. Counsel to the Monitor has also provided counsel to the Receiver with the Rondex Security Documents. As at the date of this Report, counsel to the Receiver has not advised whether they intend to take a position on the Monitor's application.

CLAIMS PROCESS

35. The Monitor is seeking approval of the Claims Procedure Order and authorization to run the Claims Process. The Claims Process is required so that the Monitor can distribute the MB Unsecured Holdback to the proven creditors of 100 Manitoba and Bunzy's.

36. The Monitor is seeking this Court’s approval of the Claims Process to determine the nature, status, quantum, validity and enforceability of all provable claims against the 100 Manitoba and Bunzy’s prior to February 7, 2024 (each a “**Claim**”).
37. The approval and completion of the Claims Process is a necessary step in the Monitor’s ability to distribute the MB Unsecured Holdback of approximately \$445,000, net of administrative costs, remaining in the estates of 100 Manitoba and Bunzy’s.
38. If the Claims Procedure Order is granted, the Monitor intends to undertake a negative claims process utilizing the Applicants’ books and records to send a package (the “**Negative Notice Claims Package**”) to each of the known creditors (collectively, the “**Known Creditors**”) informing them of the Claims Process and the quantum and characterization of their Claim by prepaid ordinary mail, fax, courier or email on or before May 15, 2025.
39. The Monitor will publish a notice of the Claims Process on or before May 15, 2025, in the Neepawa Banner and Winnipeg Free Press. The Monitor will also post electronic copies of the Negative Notice Claims Package on the Monitor’s website as soon as practically possible after the date on which the Claims Procedure Order is granted. The intention of publishing notice of the Claims Process is to provide notice of the Claims Process to any creditors who may not be listed in the books and records of 100 Manitoba and Bunzy’s (collectively, the “**Unknown Creditors**”).
40. Known Creditors who agree with the amount and classification of their claim as set out in the Negative Notice Claims Package, need not take any further action as their claim will be deemed to have been accepted in the amount and classification as set out in the Negative Notice Claims Package.
41. Any Unknown Creditors who believe they have a claim against 100 Manitoba or Bunzy’s must submit a proof of claim to the Monitor prior to 5:00 pm (Calgary Time) on June 16, 2025 (the “**Claims Bar Date**”). Any Known Creditors who dispute the amount or characterization of their claim as listed in the Negative Notice Claims Package must submit

a Notice of Dispute of a Negative Notice Claim to the Monitor prior to 5:00 pm (Calgary Time) on the Claims Bar Date.

42. The Monitor will review each proof of claim or Notice of Dispute of Negative Notice Claim submitted by the Claims Bar Date. The Monitor will accept, revise or disallow the amounts of each Claim set out therein, for distribution purposes.
43. Any Unknown Creditor that does not file a proof of claim prior to the Claims Bar Date, shall: (i) not be entitled to participate as a creditor in the Claims Process; (ii) not be entitled to receive any distribution in respect of the MB Unsecured Holdback; and (iii) be forever extinguished and barred from making or enforcing any Claim.
44. Prior to accepting, revising or disallowing a Claim, the Monitor may, attempt to consensually resolve any dispute regarding the classification and/or amount of any Claim with the applicable creditor.
45. If the Monitor determines to revise or disallow a Claim, the Monitor shall send a notice of revision or disallowance (“**NORD**”) to the applicable creditor no later than June 30, 2025.
46. Any creditor who disputes the classification or amount of its Claim as set forth in a NORD shall deliver a Notice of Dispute of Revision or Disallowance to the Monitor by no later than 5:00 pm on the date that is fifteen (15) Business Days after the date on which the NORD is deemed to be received under the Claims Procedure Order. In addition, the disputing creditor must file an application with the Court supported by an affidavit setting out the basis for the dispute and must send the application and affidavit to the Monitor immediately upon filing. The application and affidavit must be filed by the disputing creditor within fifteen (15) days after sending the Notice of Dispute to the Monitor and the application must be scheduled to be heard no later than August 29, 2025.
47. Upon receipt of a Notice of Dispute of Revision or Disallowance, the Monitor may attempt to consensually resolve the classification and the amount of the Claim with the Creditor.

48. If a Creditor does not deliver a Notice of Dispute of Revision or Disallowance by the deadlines set out in the Claims Procedure Order, it shall be deemed to accept the classification and amount of its Claim as set forth in the applicable NORD.

MONITOR'S COMMENTS ON THE CLAIMS PROCESS

49. Upon completion of the Claims Process, the Monitor intends to return to Court to seek a final distribution of the MB Unsecured Holdback to the proven creditors of 100 Manitoba and Bunzy's.
50. The Monitor is of the view that the Claims Process is reasonable in the circumstances based on the following:
- a. the negative claims process proposed has been designed to:
 - i. include broad notice requirements to provide adequate opportunity for both Known Creditors and Unknown Creditors to be aware of the Claims Process and file a proof of claim or Notice of Dispute of Negative Notice Claim in relation to their Claim;
 - ii. eliminate the need for filing proofs of claim and supporting evidence for all Known Creditors who do not dispute the quantum or characterization of their Claim (which the Monitor anticipates will be the vast majority of cases) and it ensure that Known Creditors do not fall through the cracks due to a failure to file a proof of claim on timely basis;
 - iii. make the process as easy as possible for Known Creditors to have their Claims recognized and resolved while also being mindful of remaining estate funds and reducing the administrative costs, which will eat into creditor recoveries; and

- iv. make reasonable efforts to notify any Unknown Creditors of the Claims Process through the requirements to post advertisements in local papers and on the Monitor's website;
- b. the Claims Process will not prejudice Rondex (or the Receiver), as it will provide an opportunity for the Receiver (on behalf of Rondex) to provide additional documentation to support the Purported Rondex Secured Claim if the Receiver disagrees with the quantum or characterization of Rondex's Claim in the applicable Negative Notice Claims Package;
- c. the Claims Procedure Order requires the Monitor to advertise in the local newspapers and on the Monitor's website, which is intended to capture possible Unknown Creditors not included in the Applicants' books and records while balancing administrative costs;
- d. these CCAA Proceedings have been on-going for more than a year and the Monitor anticipates that the majority of the creditors of 100 Manitoba and Bunzy's are (or ought to be) aware of the CCAA Proceedings and the ability to track the progress of these proceedings through the Monitor's website;
- e. in the Monitor's view, the timelines contemplated in the Claims Process provide sufficient time for Unknown Creditors to be made aware of the Claims Process, complete and submit their proof of claims, for Known Creditors to review the Negative Notice Claims Package and for any disputed Claims to be reconciled or adjudicated; and
- f. negative claims processes have been approved in circumstances such as this where a large insolvent company has adequate books and records and details of amounts owing to its creditors. The Monitor is not aware of any reason to question the reliability of the books and records of the Applicants.

51. With respect to 100 Manitoba, the Monitor also notes that:

- a. 100 Manitoba is a real estate holding company whose only asset was a parcel of land and a building located in Neepawa, MB (the “**Neepawa Property**”). 100 Manitoba’s books and records indicated they had only one creditor, which was RBC who held a secured mortgage over the Neepawa Property. RBC was previously paid out in full during these CCAA Proceedings from the proceeds of the sale of the Neepawa Property as part of the Stalking Horse APA;
- b. the lack of trade and other creditors listed in the books and records of 100 Manitoba is consistent with an entity that did not carry on operations; however, the Claims Process will also include 100 Manitoba out of an abundance of caution to ensure there are no Unknown Creditors of 100 Manitoba; and
- c. if the Claims Process does not reveal any other creditors of 100 Manitoba, it is anticipated that the portion of the MB Unsecured Holdback allocated to 100 Manitoba will flow up to CKGI (as 100 Manitoba is a wholly owned subsidiary of CKGI) and will ultimately be distributed to the creditors of CKGI. See Appendix B of the Supplement to the Fifth Report for an organizational chart which presents the relationship between CKGI and 100 Manitoba.

EXTENSION OF THE STAY OF PROCEEDINGS

52. The Monitor is seeking the Stay Extension Order extending of the Stay of Proceedings to September 30, 2025. The extension of the Stay of Proceedings is necessary for the Monitor to complete the following tasks:
- a. collected the remaining CARSTAR AR, which was subject to a warranty holdback until March 31, 2025;
 - b. complete the Claims Process;
 - c. apply to this Court for a distribution of the MB Unsecured Holdback, net of administrative costs, pursuant to the results of the Claims Processes; and

- d. apply to this Court to seek the termination of these CCAA Proceedings.
53. The Monitor has not included a cash flow forecast as part of the requested extension of the Stay of Proceedings as the remaining expenses within these CCAA Proceedings will relate to the professional fees to be incurred by the Monitor and Monitor's counsel in relation to administering the proposed Claims Process and certain minor operational expenses relating to the Applicant's accounting consultants and IT services. The Monitor estimates that these collective expenses will not exceed \$90,000 which is significantly less than the quantum of the MB Unsecured Holdback (approximately \$455,000) and therefore, the Monitor notes there will be sufficient funds within the estate to fund disbursements through the proposed extension of the Stay of Proceedings.
54. The Monitor has the following comments with respect to the reasonability of the proposed Stay Extension Order:
- a. with access to the MB Unsecured Holdback, the Monitor will have sufficient available liquidity to fund the administrative expenses related to the Claims Process;
 - b. there will be no material prejudice to the Applicants' creditors and other stakeholders as a result of the extension of the Stay of Proceedings; and
 - c. the Applicants have acted and continue to act in good faith and with due diligence.

APPROVAL OF THE ACTIVITIES OF THE MONITOR

55. The proposed Stay Extension Order seeks the approval of the conduct and activities of the Monitor described in this Report.
56. As outline in this Report (as well as the Monitor's previous reports to this Court), the Monitor and its counsel have played and continue to play, a significant role in these CCAA Proceedings. The Monitor respectfully submits that its actions, conduct and activities in

these CCAA Proceedings have been carried out in good faith and in accordance with the provisions of the orders issued therein and should therefore be approved.

CONCLUSIONS AND RECOMMENDATIONS

57. The Monitor is of the view that the relief requested is necessary, reasonable and justified in the circumstances.
58. Accordingly, the Monitor respectfully recommends that this Court grant:
- a. the Stay Extension Order; and
 - b. the Claims Procedure Order.

All of which is respectfully submitted this 22nd day of April 2025.

FTI Consulting Canada Inc.,
in its capacity as Monitor of
the Collision Kings Group
and not in its personal or corporate capacity



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