

JUDICIAL CENTRE      CALGARY  
COURT FILE NUMBER / ESTATE NUMBER

Peavey Industries LP. 25-3238361

IN THE MATTER OF THE BANKRUPTCY OF  
PEAVEY INDUSTRIES LP.

OF THE CITY OF CALGARY  
IN THE PROVINCE OF ALBERTA

TRUSTEE'S REPORT TO CREDITORS ON PRELIMINARY ADMINISTRATION

July 8, 2025

**BACKGROUND**

1. On January 27, 2025 (“**Filing Date**”), Court of the King's Bench of Alberta (the "**Court**") granted an initial order (the “**Initial Order**”) under the Companies’ Creditors Arrangement Act, R.S.C. 1985., c. C-36, as amended (the “**CCAA**”). The Initial Order applies to Peavey Industries General Partner Limited, Peavey Industries LP, Peavey Industries Limited, Peavey Industries Mutual Fund Trust, TSC Stores GP Inc., Guy's Freightways Ltd., and (collectively, “**Peavey Group**” and the “**Applicants**”). The proceedings commenced by the Applicants under the CCAA will be referred to herein as the “**CCAA Proceedings**”. Pursuant to the Initial Order, FTI Consulting Canada Inc. has been appointed as monitor (the “**Monitor**”).

2. On May 15, 2025, the Court granted an order (the “**Enhanced Monitor’s Power Order**”). Pursuant to Paragraph 3(p) of the Enhanced Monitor’s Power Order, the Applicants are authorized to make an voluntary assignment in bankruptcy pursuant to the Bankruptcy and Insolvency Act (Canada) (the “**BIA**”). In that regard, pursuant to Paragraph 3(s) of the Enhanced Monitor’s Power Order, the Monitor is authorized to sign such documents in the name of any of the Applicants and take all such steps as are necessary to make the assignments in bankruptcy and commence proceedings under the BIA (the “**BIA Proceedings**”).
3. On June 18, 2025, a board resolution was signed authorizing Peavey Industries Limited Partnership (“**PILP**”) to make an assignment in bankruptcy to the BIA in the City of Calgary, Province of Alberta naming FTI Consulting Canada Inc. as the trustee in bankruptcy (the “**Trustee**”).
4. On June 20, 2025 (“**Bankruptcy Date**”), the Office of the Superintendent of Bankruptcy Canada (“**OSB**”) issued the certification of appointment for PILP, recognizing the assignments and both companies are officially in bankruptcy.

## **PRELIMINARY EVALUATION OF ASSETS AND DETAILS OF SECURITY INTERESTS**

### **Summary of Assets**

5. PILP operates as a retailer, selling agriculture, farm and ranch, pet, work wear, lawn and garden, hardware and homesteading supplies, principally to rural customers and those who enjoy a rural lifestyle. Peavey LP operates 88 Peavey Mart branded retail stores (42 in Western Canada and 46 in Eastern Canada) and six other branded retail stores. The head office is location in Red Deer, Alberta.
6. As of Q4 2024, the date of the most recent (unaudited) financial statements, PILP had total assets with a book value of approximately \$172.1 million comprising:

- a) Cash of \$3.8 million;
- b) Trade and other receivables of \$2.7 million;
- c) Inventory of \$132.2 million;
- d) Prepaid expenses of \$5.5 million;
- e) Property, plant and equipment of \$17.0 million; and
- f) Other long-term assets of \$10.8 million comprising:
  - i. Trademark valued at \$6.0 million;
  - ii. Investment in Turtle Mountain Seed Co Investment valued at \$967,000;
  - iii. Guy's Freightways valued at \$2.5 million; and
  - iv. \$1.4 million for other long-term assets.

### **Security Interests**

- 7. As of the Bankruptcy Date, PILP had approximately \$3.7 million including accrued interest and legal costs to 1903 Partners, LLC (“**1903 Partners**”) and 1903p Loan Agent, LLC, as 1903 Partners’ administrative agent (the “**Agent**”).

### **Asset Sales in CCAA Proceedings**

- 8. The Applicants worked with the Agent to liquidate inventory, close additional stores, and identify any parts of Peavey Group that may be able to survive as going concerns. Store closure sales was commenced at all Peavey Group retail store locations.

9. On April 25, 2025, the Court of King’s Bench of Alberta granted the following:
- a) a sale approval and vesting order approving the sale of all issued and outstanding Class “A” commons shares of Turtle Mountain Seed Co. to 2607781 Alberta Ltd. (“**260 AB**”), a party related to the Applicants;
  - b) A sale approval and vesting order approving the sale of intellectual property relating to the TSC brand, certain of the Peavey Group IP Property and furnishing, trade fixtures, equipment, machinery, office supplies, racking, rolling stock and other personal property located at eight of the locations to 260 AB (the “**Peavey Assets SAVO**”). 260 AB’s proposed purchase of the common shares of Turtle Mountain and the assets included in the Peavey Assets SAVO are collectively referred to as the “**260 AB Offer**”);
  - c) An order assigning the lease of the premises located in Mount Forest, Ontario to Shoppers Realty Inc. (“**Shoppers**”, the “**Shoppers Transaction**”);
  - d) An order requiring the Canadian Internet Registration Authority to release the name of the entity or entities who registered transfers and became transferees of the tractorsupply.ca domain name; and
10. The Peavey Group has completed its liquidation processes, closed all of its stores. The Inventory Liquidation and FF&E Process have been completed.
11. Pursuant to the initial order, the Honourable Court granted an exemption for the Agent, on behalf of 1903 Partners, to sweep the cash management accounts where all proceeds from collateral are deposited.
12. As of the Bankruptcy Date, PILP had approximately \$3.7 million including accrued interest and legal costs owing to 1903 Partners.

13. The CCAA Proceedings have not yet been completed. However, all of the PILP's assets were realized upon (and net proceeds swept) as part of the CCAA Proceedings.

#### **BOOKS AND RECORDS**

14. The Monitor has backed up the Peavey Group's electronic records on external hard drives. The Trustee will have access to the Peavey Group's records as required to complete the administration of the bankruptcy estates.

#### **CONSERVATORY AND PROTECTIVE MEASURES**

15. As the PILP's assets were realized on as part of the CCAA Proceedings, no property has been transferred into the bankruptcy estate, therefore there is no property requiring conservatory or protective measures to be performed by the Trustee.

#### **PROVABLE CLAIMS**

16. As at the date of this report, the Trustee has received 74 proof of claims from unsecured creditors totalling \$8,088,802.13.

#### **LEGAL PROCEEDINGS, REVIEWABLE TRANSACTIONS AND PREFERENCE PAYMENTS**

17. The Trustee has not commenced any legal proceedings and is not aware of any proceedings commenced against the estate at this time.

#### **THIRD PARTY GUARANTEES**

18. The Monitor has guaranteed the Trustee with respect to reasonable fees, expenses and claims in respect of its activities as the Trustee of the estate.

## **SECURITY REVIEW**

19. The Monitor's legal counsels completed independent reviews of the security granted by PILP in favour of 1903 Partners. The legal opinions confirmed the validity and enforceability of the security held by 1903 Partners in each jurisdiction, subject to standard qualifications. The legal opinions will be tabled at the first meeting of creditors.

## **ANTICIPATED ASSET REALIZATIONS AND PROJECTED DISTRIBUTIONS**


20. All of the PILP's assets were realized on as part of the CCAA Proceedings.
21. Based on the above noted asset sales and distributions, the CCAA does not expect the recoveries to be sufficient to repay the Secured Lenders debt in full. As a result, the Trustee does not expect any assets to be transferred into the bankruptcy estate of the PILP.
22. The Trustee does not expect there to be any distribution of funds to the creditors.

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### **FTI Consulting Canada Inc.**

Solely in its capacity as Trustee in Bankruptcy of  
Peavey Industries LP  
and not in its personal or corporate capacity

Per:



Deryck Helkaa, CA, CPA, CIRP, LIT  
Senior Managing Director