



**KPMG Inc.**  
600 de Maisonneuve Blvd. West  
Suite 1500, KPMG Tower  
Montréal Québec H3A 0A3

Telephone 514-840-2100  
Fax 514-840-2443  
Internet www.kpmg.ca

C A N A D A

PROVINCE OF QUÉBEC  
DISTRICT OF MONTRÉAL

N°: 500-11-063165-233

**SUPERIOR COURT**  
(Commercial Division)

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

**15695651 Canada Inc.**, a company incorporated under the Canada Business Corporations Act, having its head office at 101-501 Boulevard Laurier, Sainte-Marie-Madeleine, Province of Québec, J0H 1S0

- and-

**15695724 Canada Inc.**, a company incorporated under the Canada Business Corporations Act, having its head office at 101-501 Boulevard Laurier, Sainte-Marie-Madeleine, Province of Québec, J0H 1S0

*Debtors*

- and-

**KPMG INC.**, a company incorporated under the laws of Canada, having a place of business at 600 De Maisonneuve Blvd. West, in the city of Montreal, Province of Quebec, H3A 0A3

*Monitor*

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

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April 23, 2024



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## A. INTRODUCTION

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1. 13517985 Canada Inc., d/b/a Wholesale Express Inc. (“**Wholesale Express**”), is a private company with its head office in Sainte-Marie-Madeleine, Québec that operates an online trading platform for pre-owned cars. In short, the Company acts as an intermediary for the exchange of vehicles between sellers and buyers in order to facilitate and simplify transactions.
2. On November 20, 2023, Wholesale Express’ first-secured ranking creditor, Highcrest Lending Corporation (“**HLC**” or the “**Secured Creditor**”) filed an application (the “**Application**”) before the Québec Superior Court (the “**Court**”) pursuant to the CCAA, seeking, at the time of the first day hearing, the issuance of an Initial Order.
3. On December 20, 2023, the Court issued an Initial Order providing for, *inter alia*, the appointment of KPMG as monitor (the “**Monitor**”) in respect of the Wholesale Express as part of the CCAA proceedings.
4. On December 28, 2023, the Court issued an Amended and Restated Initial Order extending the Stay Period until February 28, 2023.
5. On January 12, 2024, the Court approved the sale of Wholesale Express pursuant to an Approval and Reverse Vesting Order (the “**RVO**”).
6. On January 23, 2024, the Monitor issued its certificate confirming the closing of the sale transaction pursuant to the RVO (the “**Transaction**”). As such, Wholesale Express is no longer subject to CCAA proceedings. In keeping with the RVO, and as more fully outlined in the RVO, the assets and liabilities of Wholesale Express not otherwise assumed as part of the transaction have been transferred to 1569724 Canada Inc. (“**ResidualCo 1**”) and 15695651 Canada Inc. (“**ResidualCo 2**”) (collectively, the “**Debtors**”), which have replaced Wholesale Express as debtors in these CCAA proceedings.
7. As a result of the transactions more fully described in the RVO,
  - a) the balance of the cash purchase price, net of the distributions authorized in the RVO, is currently held by the Monitor for and behalf of ResidualCo 2;
  - b) any eventual recoveries and other funds that may become available for distribution to creditors will be held by the Monitor for and behalf of ResidualCo 2; and
  - c) All of Wholesale Express’ liabilities were transferred to ResidualCo 2.
8. On February 23, 2024, the Court issued a Claims Process Order in order to allow, in a fair and efficient way, the definitive determination of the validity and quantum of all claims against ResidualCo 2, and allow the certainty necessary for ResidualCo 2 to either propose an arrangement, or distribute the balance of cash proceeds to its creditors.



9. The purpose of this report (the “**Report**”) is limited to providing the Court with an update regarding the claims process (Section **B**), namely in light of the application for leave to file a late claim (entitled *Requête de Revenu Québec pour être autorisé à produire une preuve de réclamation hors délai*) filed by Revenu Québec (the “**Late Claim Application**”).

## **B. UPDATE REGARDING THE CLAIM PROCESS**

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10. The Claims Process Order provided, *inter alia*, for a claims process (the “**Claims Process**”) with the following components and features. Capitalized terms in the following subparagraph have the meaning ascribed to them in the Claims Process Order:
- a) The Determination Date of December 20, 2023, being the date of the Initial Order;
  - b) A Claims Bar Date of filing a Proof of Claim of March 25, 2024 at 5:00 p.m. (Montreal time);
  - c) The Claims Process Order will be published on the Monitor’s website, in Designated Newspapers and sent to all Known Creditors, along with a Claims Package; and
  - d) Disputed Claims will be settled before this Court.
11. The Monitor completed the following in short order following the issuance of the Claims Process Order:
- a) Published the Claims Process Order and the Claims Package on the Monitor’s website;
  - b) Published the Claims Process Order in The Globe and Mail newspaper and Le Devoir newspaper on March 1, 2024.
  - c) Sent all Known Creditors a Claims Package by mail and/or electronic mail.
12. The Monitor received nine (9) Proofs of Claim prior to the Claims Bar Date (refer to **Appendix A** for a list of as-filed claims). The Monitor is in the process of reviewing the Proofs of Claim received and is currently in discussions with certain creditors to obtain further support/understanding of their Proof of Claim. As at the date of this Report, the Monitor has not accepted or rejected any Proof of Claim.
13. The Monitor received one (1) Proof of Claim subsequent to the Claims Bar Date. On April 5, 2024, the Monitor received a Proof of Claim via electronic mail from Revenu Québec. Revenu Québec explained that the delay was a result of an administrative impediment<sup>1</sup>. The Monitor informed Revenu Québec that their Proof of Claim could not be accepted by the Monitor as it was subsequent to the Claims Bar Date.
14. Revenu Québec has since filed the Late Claim Application, which is scheduled to be heard on April 25, 2024.
15. Members of the Service List were given a deadline of 3:00 pm on April 23, 2024 to contest and, to the Monitor’s knowledge, the Late Claim Application is not contested.

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<sup>1</sup> Translated from French - “*Nous constatons que la preuve de réclamation n’a pas été produite en raison d’un empêchement administratif*”



16. The Monitor intends to file a more fulsome report, including a further update regarding the Claims Process, in connection with the next extension hearing, which is scheduled for June 13, 2024.

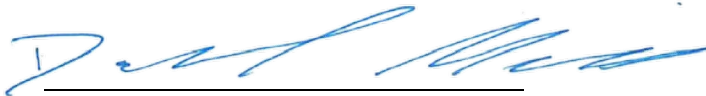
All of which is respectfully submitted this 23<sup>rd</sup> day of April 2024.

**KPMG Inc.**

**Licensed Insolvency Trustee**

In its capacity as Monitor of 15695651 Canada Inc. and 1569724 Canada Inc.

And not in its personal capacity

Per: 

David Malin, CPA, CIRP, LIT  
Senior Vice President



## APPENDIX A

<b>15695651 Canada Inc. (ResidualCo 2) Creditor Listing as-filed</b>		
<b>Creditor name</b>	<b>Amount filed</b>	<b>Secured / Unsecured as per POC</b>
1 2053719 Ontario Inc.[Alex Gallacher]	\$ 150,000.00	U
2 AIMIA Inc	\$ 2,867,261.88	U
	\$ 40,417,424.53	S
3 Dentons	\$ 952,510.61	S
4 Groupe Gregor Inc.	\$ 2,818,599.30	U
5 Gucciardi Holdings Inc.	\$ 1,570,250.61	N/A
6 James McManes Holdings Ltd., Alberta	\$ 1,330,000.00	S
7 John Grassl	\$ 2,000,000.00	S
8 Trade X Group of Companies	\$ 11,927,220.06	U
9 Van Essen Pur. Cos.		
1309767 Ontario Ltd	\$ 1,462,443.74	U
2601658 Ontario Ltd	\$ 450,144.54	U
	<b>\$ 65,945,855.27</b>	