COURT FILE NUMBER	2303-06543	Clerk's Stamp
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JUDICIAL CENTRE	EDMONTON	
APPLICANTS	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 J.W. CARR HOLDINGS LTD., SPRUCE GROVE INDUSTRIAL PARK INC., 272649 ALBERTA LTD., 279896 ALBERTA LTD., GRANDE PRAIRIE PLACE ENTERPRISES (1996) INC., 1170292 ALBERTA LTD. AND 627612 ALBERTA LTD.	
DOCUMENT	**FOURTH REPORT OF ERNST & YOUNG INC. IN ITS CAPACITY AS MONITOR OF THE APPLICANTS** **July 18, 2023**	
ADDRESS FOR SERVICE AND CONTACT INFORMATION OF PARTY FILING THIS DOCUMENT	**MONITOR** ERNST & YOUNG INC. EPCOR Tower 10423 – 101 Street, Suite 1400 Edmonton, Alberta T5H 0E7 Attention: Matt McCulloch / Peter Chisholm Telephone: 780.638.6642 / 403.206.5061 Fax: 780.428.8977 Email: matt.mcculloch@parthenon.ey.com peter.chisholm@partnenon.ey.com **MONITOR'S COUNSEL** McCarthy Tétrault LLP Suite 4000, 421 7th Ave SW Calgary, Alberta, T2P 4K9 Attn: Sean Collins / Erinn Wilson Telephone: 403.260.3531 Email: scollins@mccarthy.ca erinnwilson@mccarthy.ca	

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INTRODUCTION

1. On April 19, 2023, J.W. Carr Holdings Ltd. ("**JW Carr**") and certain of its subsidiaries and affiliates; namely, Spruce Grove Industrial Park Inc. ("**SGIP**"), 272649 Alberta Ltd. ("**272 AB**"), 279896 Alberta Ltd. ("**279 AB**"), Grande Prairie Place Enterprises (1996) Inc. ("**GPPE**"), 1170292 Alberta Ltd. ("**117 AB**") and 627612 Alberta Ltd. ("**627 AB**"), (collectively, the "**Subsidiaries**" and together with JW Carr, the "**JW Group**", the **"Companies"** or the **"Applicants"**) were granted protection and permission to commence proceedings pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, C-36 (the "**CCAA**") pursuant to an Order of this Honourable Court (the "**Initial Order**").

2. The Initial Order appointed Ernst & Young Inc. as Monitor ("**EY**" or the "**Monitor**") in the CCAA proceedings and established a stay period ("**Stay**") in favour of the Applicants up to and including April 29, 2023.

3. On April 26, 2023 (the "**Comeback Hearing**") this Honourable Court granted, *inter alia*, the following relief:

    a.) an Amended and Restated Initial Order ("**ARIO**");

    b.) a Sales and Investment Solicitation Process Order (a "**SISP Order**");

    c.) two Sale Approval and Vesting Orders ("**April 26 SAVOs**"); and

    d.) a Sealing Order to seal certain confidential materials prepared by the Applicants.

4. The ARIO includes, *inter alia*, the following provisions:

    a.) an extension of the Stay to August 31, 2023;

    b.) authorization for the Applicants to obtain and borrow up to $2,700,000 from the Interim Lender pursuant to the Interim Loan Facility; and

    c.) the appointment of Noteholder Representatives and Noteholder Representative Counsel.

5. On May 23, 2023, this Honourable Court granted the following relief:

    a.) four Orders approving the Expedited Sale Approval and Vesting Order Protocols ("**Expedited SAVO Protocol Orders**") in relation to the Applicants' various single family residential lots, residential duplex lots, residential duplexes, residential condos and 6 undeveloped commercial lots in Spruce Grove, Alberta; and b.) an Order sealing several affidavits containing sensitive information in relation to the Expedited SAVO Protocol Orders ("**Sealing Order #2**").

6. On June 29, 2023, this Honourable Court granted, *inter alia*, a Sale Approval and Vesting Order ("**Share SAVO**"):

   i.) approving and authorizing the sale of JW Carr's Class "A" common voting shares (the "**Shares**") in the capital stock of R'Ohan Well Services Ltd. ("**R'Ohan**") in accordance with a Share Purchase Agreement ("**SPA**") dated June 16, 2023;

   ii.) authorizing JW Carr to enter into and perform its obligations as required under the SPA; and

   iii.) granting Camilla Advisory Group Inc. ("**Camilla**") a first priority court-ordered charge (the "**Camilla Charge**") in the amount of $136,500.00 for its efforts and expenses incurred in acting as the selling agent in relation to this proposed transaction.

7. Also on June 19, 2023, the Noteholder Representative Counsel filed a notice of application to appear before this Honourable Court on June 29, 2023, for certain relief, including an Order, suspending the statutory limitation period governing the claims of Noteholders. Such application was subsequently adjourned and eventually withdrawn following execution of a tolling agreement, which was entered into by the Representative Noteholders and the Applicants (the "**Tolling Agreement**").

8. In early June 2023, the deadlines contained in the SISP Order were modified by agreement with respect to the eight properties currently being marketed by Colliers Macaulay Nicolls Inc. ("**Colliers**").

Current Relief Sought

9. Concurrently with this fourth report of the monitor (the "**Monitor's Fourth Report**"), the Monitor has filed a notice of application to be heard by this Honourable Court on July 26, 2023, at 10:00 am, seeking an order (the "**Approval Order**") approving:

   a.) the Monitor's activities in these CCAA Proceedings to date; and,

   b.) the fees paid to the Monitor and its counsel as invoiced to date.

10. The Monitor understands that the Applicants will also be filing a notice of application to be heard by this Honourable Court on July 26, 2023, at 10:00 am, the Monitor's comments with respect to such application will follow in a subsequent report.

MONITOR'S REPORTS AND PURPOSE

11. The Monitor has previously filed three (3) reports (the "**First Report**" through to the "**Third Report**") and supplemental reports to the First Report and the Third Report, (the "**Supplemental Reports**", together with the First Report through to the Third Report are collectively the "**Monitor's Reports**"), all of which are posted to the Monitor's Website.

12. The purpose of this Monitor's Fourth Report is to support the Monitor's request for the Approval Order. As such, the Monitor's Fourth Report will provide this Honourable Court and the Applicants' stakeholders with information and the Monitor's comments with respect to the following:

    a.) the activities of the Monitor since the Monitor's Third Report and generally to date; and

    b.) the fees paid to the Monitor and its counsel as invoiced to date.

TERMS OF REFERENCE AND DISCLAIMER

13. In preparing the Monitor's Fourth Report, the Monitor has been provided with, and has relied upon certain information, including unaudited financial information of the Companies, books and records, and discussions with the Applicants' Management.

14. 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 Canadian auditing standards pursuant to the Chartered Processional Accountants of Canada Handbook.

15. Future oriented information referred to in the Monitor's Fourth Report was prepared based on Management's estimates and assumptions. Readers are cautioned that since projections are based upon assumptions about future events and conditions that are not ascertainable; the actual results may vary from the projections and the variances may be material.

16. All references to dollars are in Canadian dollars.

17. Capitalized terms not defined herein are as defined in previous reports of the Monitor and other materials filed in connection with these CCAA proceedings to date and, as it relates to the Monitor's discussion of the SPA, capitalized terms have the same meaning as in the SPA.

18. Additional background information on the Applicants and these CCAA proceedings is available on the Monitor's website, located at: www.ey.com/ca/jwcarr (the **"Monitor's Website"**).

ACTIVITIES OF THE MONITOR SINCE THE MONITOR'S THIRD REPORT AND GENERALLY TO DATE

19. Since the Monitor's Third Report, the activities of the Monitor have included, but were not limited to the following:

    a.) continued monitoring of receipts and disbursements and advising the Applicants in respect of their cash flows, operational challenges and other matters pertaining to these CCAA proceedings;

    b.) preparing, on a weekly basis, an analysis of the actual cash transactions versus the projected amounts noted in CFS#4;

    c.) assisting the Applicants in discussions and various correspondence with Selling Agents, prospective purchasers and investors, and various other stakeholders;

    d.) working with legal counsel to establish a protocol for the closing of the various transactions to be completed under the Expedited SAVO Protocol Orders;

    e.) in consultation with legal counsel, assisting to finalize the transactions approved by the April 26 SAVOs;

    f.) working with legal counsel and Selling Agents to carry out various sales as per the Expedited SAVO Protocol Orders. Specifically, the Monitor is currently assisting with the sale of [seven] properties which are subject to Expedited SAVO Protocol Orders;

    g.) reviewing the Tolling Agreement;

    h.) worked with the Monitor's Internal Advisors to review the information and materials from Sequeira in relation to the proposed sale of the R'Ohan Shares;

    i.) continued participation in the implementation of the SISP, including, engaging in discussions with Colliers and the senior affected secured creditors regarding the SISP deadlines;

    j.) the continued participation in discussions with employees of the JW Group, secured creditors, advisors, counsel and other stakeholders with respect to specific inquiries of such parties and the status of the CCAA proceedings generally; and

    k.) preparing this Monitor's Fourth Report.

20. The Monitor advises that the nature of its activities since the onset of these CCAA proceedings has been consistent and has been commented on in previous reports filed to date. The Monitor

respectfully submits that it has acted, and continues to act, at all times in a diligent, practical, prudent and professional manner in regard to the Applicants and all of the various stakeholders. Further, the Monitor also respectfully submits that its assistance has aided the Court, the Applicants and the stakeholders in relation to these CCAA proceedings, the related SISP and the other asset sales/marketing efforts to date. On this basis, the Monitor is of the view that its actions to date are fair and reasonable and should be approved by the Court.

FEES AND EXPENSES OF THE MONITOR AND MONITOR'S COUNSEL

21. As described above, the Monitor has filed an application seeking approval of its fees and activities in respect of these CCAA proceedings for the period starting at the inception of this matter to June 2, 2023.

22. The Monitor's fees and disbursements from February 18, 2023, to June 2, 2023 (the "**Fee Period**") are detailed at Exhibit "A" of the First Affidavit of Matthew McCulloch, sworn on July 18, 2023, and filed with this Honourable Court which includes details with respect to hours spent by each employee during the period. A summary of these invoiced amounts is provided in the table below:

Monitor's Invoices to Applicants (as of July 17, 2023)				
Date	**Invoice No.**	**Net ($ CAD)**	**GST**	**Total**
01-May-23	CA12C5000009182	150,000.00	7,500.00	157,500.00
09-Jun-23	CA12C5000009369	225,000.00	11,250.00	236,250.00
	Total	**375,000.00**	**18,750.00**	**393,750.00**

23. During the Fee Period, the Monitor incurred approximately 822.50 hours and billed fees and disbursements of $375,000 (exclusive of GST). The activities of the Monitor during this period are documented in the reports that the Monitor has provided to this Honourable Court throughout these CCAA proceedings.

24. The amounts invoiced by the Monitor fall reasonably in line with the various projections filed in these CCAA Proceedings and based on the extent of the Monitor's actions and involvement in these CCAA proceedings (as discussed above), the Monitor believes its fees and expenses as invoiced to date are fair and commercially reasonable and should be approved.

25. The Monitor's counsel's fees and disbursements for from April 8, 2023, to June 30, 2023, are detailed at Exhibit "A" of the First Affidavit of Sean Collins, which the Monitor understands will be sworn on July 19, 2023, and filed with this Honourable Court, which includes details with respect to hours spent by each employee during the period. A summary of these invoiced amounts is provided in the table below:

Monitor's Counsel Invoices to Applicants (as of July 17, 2023)				
Date	**Invoice No.**	**Net ($ CAD)**	**GST**	**Total**
03-May-23	8029741	21,489.50	1,074.18	22,563.68
08-Jun-23	8030347	29,929.00	1,493.45	31,422.45
30-Jun-23	8030956	29,653.50	1,482.68	31,136.18
	Total	**81,072.00**	**4,050.31**	**85,122.31**

26. It is the Monitor's view that its counsel has been instrumental in assisting the Monitor (and to some extent also working with counsel for the Applicants) with the various challenges, legal issues and other matters faced by the Monitor and the Applicants to date.

27. Similar to the fees of the Monitor, the amounts invoiced by Monitor's Counsel fall reasonably in line with the various projections filed in these CCAA proceedings and based on the assistance provided to date, the Monitor believes its counsel's fees and expenses as invoiced to date are fair and commercially reasonable and should be approved.

CONCLUSION

28. Based on the information and content provided in this Monitor's Fourth Report, the Monitor respectfully requests that this Honourable Court grant an Order that approves:

    a.) the actions of the Monitor to date, and

    b.) the fees and expenses of the Monitor and its counsel as invoiced to date.

Dated at Edmonton, this 18th day of July, 2023.

ERNST & YOUNG INC.
Licensed Insolvency Trustee
acting solely in its capacity as the Monitor of the JW Group
and not in its personal or corporate capacity

per:

Matt McCulloch, CPA, CA, CIRP, LIT
Senior Vice President, Ernst & Young Inc.