

COURT FILE NUMBER

2501 - 13057

COURT

COURT OF KING'S BENCH OF ALBERTA

JUDICIAL CENTRE

CALGARY

MATTER

IN THE MATTER OF THE COMPANIES  
CREDITORS ARRANGEMENT ACT, RSC 1985,  
c C-36, as amended



AND IN THE MATTER OF A PLAN OF  
COMPROMISE OR ARRANGEMENT OF  
2345137 ALBERTA LTD., 2351497 ALBERTA  
LTD., 2497902 ALBERTA LTD., SUMMIT S  
AUTO LTD., SUMMIT V AUTO LTD., MK  
AUTO K-M LTD., 2437342 ALBERTA LTD.,  
1972207 ALBERTA LTD., 1175104 B.C. LTD.,  
1262113 B.C. LTD., 1272986 B.C. LTD., 2412170  
ALBERTA LTD. AND 2416326 ALBERTA LTD.

APPLICANT

BANK OF MONTREAL

RESPONDENTS

2345137 ALBERTA LTD., 2351497 ALBERTA  
LTD., 2497902 ALBERTA LTD., SUMMIT S  
AUTO LTD., SUMMIT V AUTO LTD., MK  
AUTO K-M LTD., 2437342 ALBERTA LTD.,  
1972207 ALBERTA LTD., 1175104 B.C. LTD.,  
1262113 B.C. LTD., 1272986 B.C. LTD., 2412170  
ALBERTA LTD. AND 2416326 ALBERTA LTD.

DOCUMENT

**FIFTH REPORT OF BDO CANADA  
LIMITED, IN ITS CAPACITY AS THE  
COURT-APPOINTED MONITOR**

ADDRESS FOR SERVICE AND  
CONTACT INFORMATION OF  
PARTY FILING THIS  
DOCUMENT

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## INTRODUCTION

1. On August 22, 2025 (the “**Filing Date**”), upon the application by the Bank of Montreal (“**BMO**”) in its capacity as senior secured lender to 2345137 Alberta Ltd. (“**Vermilion Chrysler**”), 1262113 B.C. Ltd. (“**Western Sport Products**”), 2497902 Alberta Ltd. (“**Castle Ford**”), 1175104 B.C. Ltd. (“**Cranbrook Mitsubishi**”), 1272986 B.C. Ltd. (“**Sun Valley Nissan**”), Summit V Auto Ltd. (“**Arrow Volkswagen**” or “**Arrow VW**”, with Vermilion Chrysler, Western Sport Products, Castle Ford, Cranbrook Mitsubishi, and Sun Valley Nissan, the “**Omnibus Dealerships**”), 2437342 Alberta Ltd. (“**Squamish Chrysler**”, with the Omnibus Dealerships, the “**Dealerships**”), Summit S Auto Ltd. (“**Real Co**”, with the Omnibus Dealerships, the “**Omnibus Debtors**”), MK Auto K-M Ltd. (“**MK Auto**”), 1972207 Alberta Ltd. (“**197 AB**”, with Squamish Chrysler, the “**Squamish Debtors**”) and 2351497 Alberta Ltd. (“**235 AB**” with the Omnibus Debtors, the Squamish Debtors, and MK Auto, collectively, the “**Summit Auto Group**”, or the “**Companies**”), the Court of King’s Bench of Alberta (the “**Court**”) issued an order (the “**Initial Order**”) granting protection to the Companies from their creditors under the *Companies’ Creditors Arrangement Act*, RSC 1985, c C-36, as amended (the “**CCAA**”). Pursuant to the Initial Order, BDO Canada Limited (“**BDO**”) was appointed as monitor of the Companies (in such capacity, the “**Monitor**”).
2. Among other things, pursuant to the Initial Order the Court:
  - a) granted an initial stay of proceedings (the “**Stay of Proceedings**”) in favour of the Companies until and including September 1, 2025, to stabilize the Debtors’ operations and permit the Monitor to assess the Companies’ then ongoing sales process;
  - b) appointed the Monitor and granted expanded powers of the Monitor during the CCAA proceedings (the “**CCAA Proceedings**”);
  - c) appointed the chief restructuring officer (“**CRO**”), Full Circle Automotive Solutions Inc. (“**Full Circle**”) over the Companies;
  - d) granted a charge over the Companies’ property (the “**Property**”) to stand as security for payment by the Companies of the professional fees and disbursements of BMO’s legal counsel, the Monitor and its independent legal counsel, and the

- CRO, in an aggregate amount not to exceed \$350,000 (the “**Administration Charge**”);
- e) authorized the Monitor to borrow funds in the maximum amount of \$500,000 to fund the Companies’ operations during the CCAA Proceedings and a charge over the Property to stand as security (the “**Monitor’s Borrowing Charge**”); and
  - f) granted a charge over the Property to stand as security for the Debtors’ obligation to indemnify the directors from any liabilities they may incur in such capacity from and after the commencement of the CCAA Proceedings, up to a maximum amount of \$250,000 (the “**Director’s Charge**”, together with the Administration Charge and Monitor’s Borrowing Charge, the “**Court Ordered Charges**”).
3. The Initial Order contemplated a comeback application on August 27, 2025 (the “**Comeback Hearing**”).
4. At the Comeback Hearing, the Court granted an amended and restated initial order (the “**ARIO**”). The ARIO, among other things:
- a) extended the Stay of Proceedings until and including September 26, 2025;
  - b) approved an increase to the Administration Charge up to the maximum amount of \$750,000;
  - c) approved an increase to the Monitor’s Borrowing Charge up to the maximum amount of \$3.5 million (plus interest, costs and fees);
  - d) authorized continued payments to BMO under the existing floor plan arrangements once the Monitor confirmed the validity of BMO’s security; and
  - e) reaffirmed the Monitor’s authority to manage and operate the Companies’ businesses and oversee sales efforts through its expanded powers.
5. On September 19, 2025, upon the application of the Monitor, the Court granted the following additional orders:
- a) an order (the “**Stay Extension Order**”) which, among other things:
    - (i) extended the Stay of Proceedings up to and including November 21, 2025;and

- (ii) granted the Monitor certain powers, in addition to and in no way limiting the powers of the Monitor as set out in the ARIO, to authorize the Monitor to conduct investigations, compel production of records relating to the Companies or the businesses of the Companies, and to compel examination under oath of any person reasonably thought to have knowledge relating to the Companies or the businesses of the Companies (“**Investigative Powers**”); and
  - b) an order (the “**SISP Approval Order**”) which, among other things:
    - (i) approved a sale and investment solicitation process (the “**SISP**”); and
    - (ii) approved the appointment of the Debtors’ pre-filing sales agent, the Tim Lamb Group (the “**Sales Agent**” or “**Tim Lamb**”) to administer and manage the SISP with the oversight of the Monitor.
6. On November 13, 2025, upon the application of the Monitor, the Court granted the following additional orders:
- a) an order (the “**Second Stay Extension Order**”) which, among other things:
    - (i) extended the Stay of Proceedings up to and including January 30, 2026;
    - (ii) approved the activities of the Monitor since the Second Report;
    - (iii) approved the accounts of the Monitor and its legal counsel, Miller Thomson LLP (“**Miller Thomson**”), for fees and disbursements incurred to date;
    - (iv) authorized the Monitor to make distributions to BMO in its capacity as the senior secured lender;
    - (v) authorized the Monitor to have full access to all bank accounts, financial records, constating documents, minute books and other documents required by the Monitor in respect of the assets and/or business of 2412170 Alberta Ltd. (“**Westcastle Dealership**”) and 2416326 Alberta Ltd. (“**Westcastle RealCo**”), together operating as Westcastle Chevrolet Buick

GMC (“**Westcastle GMC**”, and together with Summit Auto Group, the “**Debtors**”); and

(vi) temporarily sealed the Confidential Supplement to the Third Report until the termination of the within CCAA Proceedings or until further order of this Honourable Court;

- b) an order to approve and authorize the sale transaction (the “**Arrow VW Transaction**”) for certain assets, undertakings and properties of Arrow VW and Real Co (together, the “**Arrow VW Vendors**”), pursuant to a purchase and sale agreement between the Arrow VW Vendors as vendors and K5 IG Holdings Inc. as purchaser (the “**Arrow VW Purchaser**”) dated as of November 7, 2025 (the “**Arrow VW Sale Agreement**”); and
  - c) an order to approve and authorize the sale transaction (the “**Castle Ford Transaction**”, and together with the Arrow VW Transaction, the “**Transactions**”) for certain assets, undertakings and properties of Castle Ford and Real Co (together, the “**Castle Ford Vendors**”), pursuant to a purchase and sale agreement between the Castle Ford Vendors as vendors and Davis Auto Group Ltd. as purchaser (the “**Castle Ford Purchaser**”) dated as of November 6, 2025 (the “**Castle Ford Sale Agreement**”).
7. On January 7, 2026, the Court granted an Order (the “**Westcastle GMC CCAA Order**”) among other things:
- a) Including each of the Westcastle GMC entities in the within CCAA Proceedings;
  - b) granting an administration charge in the in the maximum amount of \$150,000 (the “**Westcastle Administration Charge**”) in favour of counsel to BMO, the Monitor, the Monitor’s counsel, and the CRO charging the Westcastle GMC Asssets (defined herein);
  - c) confirming The Toronto Dominion Bank (“**TD Bank**”) is to be treated as an unaffected creditor in the CCAA Proceedings; and
  - d) authorizing the Monitor to make a distribution to the Sales Agent in the amount of \$105,000.

8. On January 7, 2026, the Court further granted an Order vesting all of the rights, title and interests of Westcastle GMC in substantially all of its assets to 2672671 Alberta Ltd., a third-party purchaser (the “**Westcastle Dealership Purchaser**”) free and clear of all encumbrances pursuant to certain sale agreements.
9. On January 9, 2026, the Court granted an Order, amending and restating the Westcastle GMC CCAA Order (the “**Amended and Restated Westcastle GMC CCAA Order**”). The Amended and Restated Westcastle GMC CCAA Order, among other things:
  - a) approved an increase to the Westcastle Administration Charge up to the maximum \$250,000;
  - b) provided for a charge up to a maximum amount of \$150,000 (the “**Westcastle Borrowing Charge**”), to secure the payment of expenses required for the administration of certain assets of Westcastle GMC (the “**Westcastle GMC Assets**”) to cover for the Monitor’s borrowing directly from BMO through the issuance of borrowing certificates;
  - c) authorized a distribution to TD Bank;
  - d) created a holdback for a reserve of funds pending the resolution of certain disputes and unresolved claims (the “**Disputed Funds Reserve**”); and
  - e) authorized a payment to counsel for Westcastle GMC in respect of the Westcastle GMC Transactions (defined herein).
10. To date, the Monitor has provided the Court with the following reports (the “**Previous Reports**”):
  - a) the Pre-Filing Report of the Proposed Monitor filed August 20, 2025 (the “**Pre-Filing Report**”) in connection with the application for the Initial Order. The Pre-Filing Report (without appendices) is attached hereto as **Appendix “A”**;
  - b) the First Report of the Monitor filed August 27, 2025 (the “**First Report**”) in connection with the application for the ARIO. The First Report (without appendices) is attached hereto as **Appendix “B”**;

- c) the Second Report of the Monitor filed September 10, 2025 (the “**Second Report**”) in connection with the application for the Stay Extension Order and the SISP Approval Order. The Second Report (without appendices) is attached hereto as **Appendix “C”**;
- d) the Third Report of the Monitor filed on November 7, 2025 (the “**Third Report**”) in connection with the application for the Second Stay Extension Order, and approval of the Transactions. The Third Report (without appendices) is attached hereto as **Appendix “D”**; and
- e) the Fourth Report of the Monitor filed on January 6, 2026 (the “**Fourth Report**”) in connection with the Westcastle GMC CCAA Order. The Fourth Report (without appendices) is attached hereto as **Appendix “E”**.

## **PURPOSE**

11. The purpose of this Fifth Report of the Monitor (the “**Fifth Report**”) is to provide information to the Court with respect to:

- a) the activities of the Monitor since the Third Report;
- b) the Debtors’ actual cash flow results for the 9-week period ended January 4, 2026, versus the budgeted results for that period, as outlined in the Debtors’ revised 13-week consolidated cash flow from November 3, 2025, to the week ended February 1, 2026 (the “**Revised Cash Flow Forecast**”);
- c) an overview of the Debtors’ updated 12-week consolidated cash flow forecast (the “**Second Revised Cash Flow Forecast**”) for the period January 5, 2026, to March 29, 2026 (the “**Second Revised Cash Flow Period**”);
- d) the status of the ongoing Dealership sales and closing of the Transactions;
- e) the status of Westcastle GMC and the closing of the Westcastle GMC Transactions;
- f) the Monitor’s comments and recommendations with respect to its application returnable on January 22, 2026 (the “**Application**”) seeking:
  - (i) an order (the “**Third Stay Extension Order**”) to, among other things:

- I. extend the Stay of Proceedings up to and including March 29, 2026, as supported by the Second Revised Cash Flow Forecast;
- II. freezing and prohibiting The Loan Store (or 1292709 Alberta Ltd. “**129 AB**”), or any affiliates from transferring or otherwise dealing with any and all vehicles transferred from Westcastle GMC to the Loan Store, including the Unaccounted for Vehicles (as defined herein);
- III. approve the accounts of the Monitor and its legal counsel, Miller Thomson LLP (“**Miller Thomson**”), for fees and disbursements incurred to date; and

(ii) such further and other relief as the Court may deem just and equitable.

12. The Previous Reports and other Court materials in connection with the CCAA Proceedings are available on the Monitor’s website at: <https://www.bdo.ca/services/financial-advisory-services/business-restructuring-turnaround-services/current-engagements/submit-automotive-group> (the “**Monitor’s Website**”). All Court documents and certain other relevant documents have been and will continue to be posted as they are made available.

13. Capitalized terms not otherwise defined herein have the meanings ascribed to them in the Previous Reports.

#### **TERMS OF REFERENCE**

14. In preparing this Fifth Report and making the comments herein, the Monitor has been provided with, and has relied upon, unaudited financial information, books and records prepared by the Debtors, the Gil Affidavit (herein defined), discussions between the CRO and management of the Debtors (“**Management**”), discussions with BMO and information from other third-party sources (collectively, the “**Information**”). Except as described in the Fifth Report in respect of the Second Revised Cash Flow Forecast:

- a) the Monitor has reviewed the Information for reasonableness, internal consistency and use in the context in which it was provided. However, the Monitor has not audited or otherwise attempted to verify the accuracy or completeness of such information in a manner that would wholly or partially comply with Generally

Accepted Assurance Standards (“GAAS”) pursuant to the Chartered Professional Accountants Canada Handbook and, accordingly, the Monitor expresses no opinion or other form of assurance contemplated under GAAS in respect of the Information; and

- b) some of the information referred to in this Fifth Report consists of forecasts and projections. An examination or review of the financial forecast and projections, as outlined in the Chartered Professional Accountants Canada Handbook, has not been performed.
15. Future oriented financial information referred to in this Fifth 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 will vary from the projections, even if the assumptions materialize, and the variation could be significant.
16. Unless otherwise indicated, the Monitor’s understanding of the factual matters expressed in this Fifth Report concerning the Debtors and their business is based on the Information, and not independent factual determinations made by the Monitor.
17. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian dollars.

## **BACKGROUND INFORMATION**

18. This Fifth Report should be read in conjunction with the affidavit of John Gil sworn August 15, 2025 (the “**Gil Affidavit**”), and the Previous Reports which can be found on the Monitor’s Website and contain background information with respect to the Companies’ businesses and operations as well as matters leading up to the commencement of these CCAA Proceedings.

## **MONITOR’S ACTIVITIES TO DATE**

19. Since the date of the Third Report, the Monitor has:
- a) continued to update the Monitor’s Website;
  - b) continued to hold regular discussions with Management, the CRO, the Sales Agent and key stakeholders, including BMO, regarding operations, liquidity, and broader restructuring initiatives;

- c) continued to assist the Companies with stakeholder communications;
- d) provided oversight and support to the Companies' treasury functions, including cash flow reporting through:
  - (i) implementing a weekly treasury monitoring protocol;
  - (ii) conducting variance analysis between actual and forecasted cash flow and submitting variance updates to BMO; and
  - (iii) facilitating interim financing requests/Monitor's borrowings;
- e) supervised and assisted with activities related to the ongoing dealership sales , including but not limited to:
  - (i) continuing discussions with the representatives of the Sales Agent regarding the status of offers;
  - (ii) managing and supporting the closing of the Transactions;
  - (iii) entering into the asset purchase agreement for the sale of Mitsubishi Cranbrook;
  - (iv) developing strategies to market or liquidate the remaining Dealerships and their assets;
  - (v) providing regular updates to key stakeholders, including OEMs and BMO, on the status of the remaining Dealership and sale opportunities;
- f) continued review of personnel matters with the assistance of the CRO, and issued termination notices to certain personnel;
- g) continued to investigate into numerous matters, irregularities, and concerns raised by the employees of the Companies, the CRO, and Management;
- h) continued to correspond with the Companies' former ownership and TD Bank and its counsel with regards to the TD financed dealership, Westcastle GMC;

- i) continued to respond to correspondence received from creditors and other parties regarding the CCAA Proceedings;
- j) continued to participate in various discussions with Management and the CRO regarding operations, treasury functions, and vehicle sales activities;
- k) corresponded with BMO, BMO's counsel, and the independent counsel to the Monitor, Miller Thomson, regarding matters related to these CCAA Proceedings;
- l) engaged in correspondence with dealer finance partners or third-party finance providers through which the Dealerships submit customer credit applications on behalf of customers seeking vehicle financing at the point of sale;
- m) prepared the Second Revised Cash Flow Forecast with the assistance of the CRO;
- n) reviewed the Westcastle GMC Sale Agreements and Westcastle GMC Transactions;
- o) attended the November 19, 2025, Court hearing;
- p) brought an application to bring Westcastle GMC into the CCAA Proceedings;
- q) prepared the Fourth Report;
- r) attended the January 7, 2026 and January 9, 2026 Court hearings; and
- s) prepared this Fifth Report.

#### **UPDATE ON DEALERSHIP SALES AND CLOSING TRANSACTIONS**

20. The Monitor, along with the Sales Agent has continued to actively market the remaining Dealerships.

21. In parallel with transaction specific discussions, the Sales Agent has undertaken additional marketing efforts and buyer outreach. Since the expiration of the SISP, the Sales Agent has implemented additional marketing initiatives, including:

- a) continued direct outreach to franchised dealers across Alberta and British Columbia;
- b) LinkedIn and email campaigns generating approximately 7,300 impressions; and

- c) direct discussions with experienced general managers regarding potential ownership opportunities.

#### Cranbrook Mitsubishi

22. On behalf of Cranbrook Mitsubishi, the Monitor and JELD Auto Sales Ltd. (the “**Prospective Purchaser**”) entered into asset and purchase agreement dated December 30, 2025 (the “**Cranbrook Mitsubishi APA**”). The Monitor and the Prospective Purchaser are in discussions with the original equipment manufacturer (the “**OEM**”) to facilitate the transaction. The Cranbrook Mitsubishi APA was submitted to the OEM for approval. The Monitor and its counsel have entered into discussions with OEM and its counsel as to the OEM’s potential support of the transaction.

#### Squamish Chrysler

- 23. The Sales Agent and the Monitor continue to engage with three (3) interested parties for the sale of Squamish Chrysler.
- 24. At this stage, all offers are highly conditional. The Monitor will continue to support these prospective purchasers to facilitate a sale of Squamish Chrysler.

#### Vermillion Chrysler

- 25. There is one (1) interested party for the purchase of Vermillion Chrysler. This prospective purchaser has expressed an interest in submitting an offer and APA.
- 26. The Monitor and Sales Agent continue to assist and support the interested party with its due diligence requests.
- 27. If no offer is submitted within a reasonable period of time, or if the OEM is not prepared to provide its consent to the underlying contract, the Monitor intends to wind down Vermillion Chrysler as recommended by the Sales Agent.

#### Sun Valley Nissan

- 28. The Sales Agent continues to work with an interested party that is in the process of preparing an asset purchase agreement.

### Western Sport Products

29. The Monitor and CRO are working together to liquidate approximately \$50K-\$75K of remaining inventory before disclaiming the lease which has been moved off-site.
30. The Monitor will be disclaiming the lease with respect to the real estate.

### Arrow VW Transaction

31. The Arrow VW Transaction required a Phase I environmental site assessment (the “**Phase I**”) be completed by a qualified third-party (the “**Environmental Consultant**”) and result of such assessment, to be to the satisfaction of the Arrow VW Purchaser or a more comprehensive environmental assessment would be required.
32. The Phase I report was received by the Monitor on November 25, 2025 The Phase I report did not disclose and any material environmental concerns, however it included a recommendation to complete a Phase II environmental assessment (the “**Phase II**”). The Monitor understands from the Environmental Consultant that British Columbia regulations almost always require a Phase II to be completed for a satisfactory report to be issued.
33. The Arrow VW Transaction remains subject to completion of the Phase II.
34. The Arrow VW Purchaser is working with the Monitor to engage an assessor to complete the Phase II.
35. The Arrow VW Purchaser and Arrow VW Vendors entered into an agreement extending the outside date of the transaction from January 15, 2026, to March 1, 2026.
36. The Monitor expects the Arrow VW Transaction will close on or around March 1, 2026.

### Castle Ford Transaction

37. The Castle Ford Transaction remains subject to OEM approval. The Monitor expects the OEM to approve the Castle Ford Transaction by the last week of January 2026.
38. The Castle Ford Purchaser and Castle Ford Vendors have or will be entering into an agreement extending the outside date of the transaction January 15, 2026, to February 6, 2026.
39. The Monitor and the CRO continue to work with the Castle Ford Purchaser to true-up and finalize the purchased asset amounts and various other operational transition items.

40. The Monitor expects the Castle Ford Transaction will close on February 1, 2026.

#### **WESTCASTLE GMC**

41. As set out above, on January 7, 2026, Westcastle GMC was brought into the within CCAA Proceedings.

42. The necessity for the inclusion of Westcastle GMC in the CCAA Proceedings is more thoroughly discussed in the Fourth Report. At a high level, Westcastle GMC is an affiliate of the Summit Auto Group, and intertwined with the Summit Auto Group, including having the same mind and management prior to the CCAA Proceedings, and sharing resources with Summit Auto Group entities.

43. On September 22, 2025, Westcastle GMC entered into the Westcastle Sale Agreements, to sell substantially all of Westcastle GMC's operating assets to the Westcastle Dealership Purchaser pursuant to an asset purchase agreement ("**Westcastle Dealership Sale Agreement**") between the Westcastle Dealership as vendor and two (2) real estate commercial purchase contracts between Westcastle RealCo as vendor (the "**Westcastle RealCo Sale Agreements**", and together with the Westcastle Dealership Sale Agreement, the "**Westcastle Sale Agreements**").

44. Notwithstanding the lack of shareholder consent for the Westcastle Sale Agreements, Westcastle GMC proceeded to close the corresponding transactions (the "**Westcastle GMC Transactions**").

45. Since the Monitor's appointment over Westcastle GMC, it has been working to facilitate the closing of Westcastle GMC Transactions, including:

- a) reviewing the Westcastle Sale Agreements, including:
  - (i) the Westcastle RealCo Sale Agreements;
  - (ii) the Westcastle Dealership Sale Agreement; and
  - (iii) other Westcastle GMC Transactions related listings, records, etc.;
- b) various operational transition items with the Westcastle Dealership Purchaser;
- c) finalizing the purchase price and the obtaining the remaining funding from the respective parties;

- d) reviewing legal bills associated with the transactions and obtaining the sales proceeds held in trust by those respective counsels; and
- e) making the required distributions and payments set out in the Amended and Restated Westcastle GMC CCAA Order.

46. Further, the Monitor is working with the CRO to review all transactions and activities of Westcastle GMC including the wholesale vehicle sales and purchases. This preliminary review has included working with TD to understand financed vehicles that were unaccounted for at or around the close of the Westcastle GMC Transactions and the specific security registrations that were registered by TD's counsel regarding the same (the "**Unaccounted for Vehicles**").

47. There are a number of creditors and stakeholders with claims against Westcastle GMC. It is the intention of the Monitor that it will need a claims process to review all claims. Further, it intends to review the security and will also require a review of the validity and enforceability of these outstanding claims.

48. The Monitor will work with key stakeholders to develop a claims process in the coming weeks. The Monitor will seek Court approval of any proposed claims process.

#### **STAY OF PROCEEDINGS EXTENSION**

49. The Stay of Proceedings currently expires on January 30, 2026. The Monitor is requesting an extension of the Stay of Proceedings until March 29, 2026. The Monitor seeks an extension of the Stay of Proceedings for the following reasons, among others:

- a) the Debtors, through the Monitor with its enhanced powers, are acting in good faith and with due diligence;
- b) the Stay of Proceedings will provide the Monitor and Debtors with time to stabilize the businesses of the Debtors, complete and close the Arrow VW Transaction and Castle Ford Transaction , review potential transactions in respect of the remaining Dealerships, including any liquidations or wind down of the Dealerships, and develop a claims process in respect of Westcastle GMC; and
- c) as of the date of this Fifth Report, the Monitor is not aware of any party opposed to the requested extension.

50. According to the Second Revised Cash Flow Forecast (as described below), there will be a need for approximately \$1 million in funding to operate the Companies' businesses during the proposed extension of the Stay of Proceedings to March 29, 2026. This funding will be provided from a \$1 million reserve to be withheld by the Monitor from the Castle Ford Transaction sales proceeds.
51. The Monitor believes it is just, convenient, necessary, and in the best interest of the Debtors and their stakeholders that the Stay of Proceedings be extended.

#### **FREEZING OF UNACCOUNTED FOR VEHICLES**

52. The Monitor and the CRO have identified significant financial interactions between Westcastle GMC and The Loan Store (and/or other 129AB operating entities) where a number of vehicles were transferred to The Loan Store and related entities for little or no consideration by Mr. Michael Koch.
53. The Monitor understands that TD Bank has registered specific VIN security registration for some of these missing vehicles that remain part TD Bank's floor line credit facilities, including the Unaccounted for Vehicles.
54. In light of these transfers, the Monitor seeks a freezing order to ensure that there is no erosion of TD Bank's interest or Westcastle GMC's assets.
55. Additionally, the Monitor understands that irregular vehicle wholesale activities also have occurred, similar to transactions in other Summit Auto Group dealerships, as outlined the CRO's reports. The Monitor and its counsel are examining various options to undo these transactions and/or seek compensation from parties that may have benefited from them at the cost of the Westcastle GMC estate.

#### **COMPANIES' RECEIPTS AND DISBURSEMENTS SINCE THIRD REPORT**

56. The Monitor's Third Report included a Revised Cash Flow Forecast for the 13-week period from November 3, 2025, to the week ending February 1, 2026. A copy of the Revised Cash Flow Forecast is attached hereto as **Appendix "F"**.
57. The Monitor has reviewed the actual cash flow from operations for the 9-week period ending January 4, 2026 (the "**Second Review Period**"), through monitoring the banking activities of the Companies.

58. The Companies' actual cash flow from operations for the Review Period were below the projected cash usage as set out in the Revised Cash Flow Forecast for that same period by approximately \$727,690. This variance is a combination of lower than forecast dealership activity (permanent differences) and certain timing differences of receipts and disbursements, outlined, as follows:

- a) the positive variance is largely due to the:
  - (i) delay in professional and restructuring fee payments of approximately \$898,000;
  - (ii) reduction in the payment of trade-in vehicle lien payouts of approximately \$189,000 primarily due to lower than forecasted new and used vehicle sales and/or lower lien amounts on the actual trade-in vehicles;
  - (iii) decrease in contingency expenses that were not incurred of approximately \$180,000;
  - (iv) reduction in the net repayment of the outstanding Floorplan Credit Facilities for new and used vehicles sold (net of chatteling of new/used vehicles purchased or taken in as trade-ins) and borrowing costs/bank fees of approximately \$136,000;
  - (v) reduction in net operating (including rent, vendor, insurance payments and credit card payments) and contingency payments of approximately \$25,000; and
  - (vi) reduction in consulting fees of approximately \$25,000; (\$1,453,000);
- b) the above positive variances are partially offset by:
  - (i) reduction in receipts from new/used vehicles sales and parts and services revenue (excluding GST/PST) of approximately \$310,000;
  - (ii) increase in net GST/PST payments of approximately \$188,000;
  - (iii) increase in vehicle purchases/dealer trades of approximately \$87,000 not previously forecasted;
  - (iv) increase in part purchases of approximately \$58,000;

- (v) increase in finance product costs of approximately \$44,000 due to increase finance and insurance revenue; and
- (vi) increase in payroll and associated benefits of approximately \$36,000.

59. A summary of the variance analysis described above is attached hereto as **Appendix “G”**.

#### **SECOND REVISED CASH FLOW FORECAST**

60. The CRO, with the assistance of the Monitor, prepared the Second Revised Cash Flow Forecast for the purposes of projecting the Debtors’ estimated liquidity needs during the Second Revised Cash Flow Period. A copy of the Second Revised Cash Flow Forecast is attached hereto as **Appendix “H”**.

61. The Second Revised Cash Flow Forecast is presented on a weekly basis and represents the CRO’s estimates of the projected cash flow during the Second Revised Cash Flow Period. The Second Revised Cash Flow Forecast has been prepared using probable and hypothetical assumptions (the “**Assumptions**”) as set out in the notes to the Second Revised Cash Flow Forecast.

62. The Monitor has reviewed the Second Revised Cash Flow Forecast to the standard required of a Court-appointed monitor by section 23(1)(b) of the CCAA. In accordance with this standard, the Monitor conducted inquiries, performed analytical procedures, held discussions, and read documents related to the Information supplied to it by the CRO or employees of the Debtors.

63. Based on the Monitor’s review, nothing has come to its attention that causes it to believe, in all material respects, that:

- a) the Assumptions are not consistent with the purpose of the Second Revised Cash Flow Forecast;
- b) as at the date of this Fifth Report, the Assumptions are not suitably supported or do not provide a reasonable basis for the Second Revised Cash Flow Forecast, given the probable and hypothetical assumptions; or
- c) the Second Revised Cash Flow Forecast does not reflect the Assumptions.

64. The Monitor notes that the Second Revised Cash Flow Forecast has been prepared solely for the purpose described above and since the Second Revised Cash Flow Forecast is based on Assumptions regarding future events, actual results will vary from the information presented

even if the Assumptions occur, and the variations could be material. Readers are cautioned that the Second Revised Cash Flow Forecast may not be appropriate for other purposes.

65. The Second Revised Cash Flow Forecast shows that during the Second Revised Cash Flow Period; the Debtors will experience a net cash outflow of approximately \$2.3 million. The Second Revised Cash Flow Forecast projects that during the Second Revised Cash Flow Period the Debtors should have sufficient liquidity through a combination of approximately \$682,649 cash on hand at the beginning of the Second Revised Cash Flow Period, funds advanced via the remaining \$650,000 available pursuant to the Monitor's Borrowing Certificates, and \$1 million of proceeds from the Castle Ford Transaction to be withheld as a reserve by the Monitor. As detailed below, the Monitor believes that the amount on the Monitor's Borrowing Certificates and Monitor's Borrowing Charge is appropriate and necessary given the Second Revised Cash Flow Forecast and is limited to the amounts reasonably necessary.

#### **MONITOR AND ITS COUNSEL'S FEES**

66. Pursuant to paragraph 31 of the ARIO, the Monitor and its counsel are to be paid their reasonable fees and disbursements at their standard rates and charges. Pursuant to paragraph 32 of the ARIO, the Monitor and its counsel shall pass their accounts from time to time.

67. The Monitor seeks to have its fees and disbursements, including those of its legal counsel, approved by the Court. The Monitor and its counsel have maintained detailed records of their professional time and costs.

68. The Monitor's fees from November 1, 2025, to November 30, 2025, were \$150,745.00, plus disbursements of \$5,628.67, less a courtesy discount of \$30,000.00, plus GST of \$6,318.68, for a total of \$132,692.35.

69. Miller Thomson's fees, as legal counsel to the Monitor, from November 1, 2025, to December 31 2025, were \$88,337.00, plus disbursements of \$502.89, plus GST of \$4,430.26, for a total of \$93,270.15 for the Companies' estate, and \$39,896.50, plus disbursements of \$0.00, plus GST of \$5,186.55, for a total of \$45,083.05 for Westcastle GMC' estate.

70. A summary of the accounts rendered by the Monitor and its legal counsel is attached hereto as **Appendix "I"**. Detailed accounts are available for review by the Court upon request. The

amount of the fees is based on the hourly rates of the professionals involved in this matter multiplied by actual time spent on this matter.

71. It is the Monitor's opinion that the fees and disbursements of the Monitor and Miller Thomson accurately reflect the work performed by the Monitor and Miller Thomson in connection with the administration of the CCAA Proceedings for the dates of their respective invoices. It is the Monitor's opinion that the fees and disbursements of Miller Thomson are fair, reasonable and justified in the circumstances. The Monitor recommends approval of Miller Thomson's accounts by this Court.
72. This Fifth Report has been prepared by the Monitor in support of the Monitor's Application. For reasons set out herein, the Monitor respectfully recommends that this Court grant the relief set out in the Monitor's Application.

**All of which is respectfully submitted this 14<sup>th</sup> day of January 2026.**

**BDO CANADA LIMITED, in its capacity  
as the Monitor of the Summit Auto Group, and  
not in its corporate or personal capacity.**

**Per:**



---

**Clark Lonergan, CA, CPA, CIRP, LIT  
Partner/Senior Vice President**

**Appendix “A” – Pre-Filing Report of the Proposed Monitor dated August 20, 2025 (without appendices)**

COURT FILE NUMBER

COURT

COURT OF KING'S BENCH ALBERTA

JUDICIAL CENTRE

CALGARY

MATTER

IN THE MATTER OF THE COMPANIES' CREDITORS  
ARRANGEMENT ACT, RSC 1985, c C-36, as amended

AND IN THE MATTER OF A PLAN OF COMPROMISE OR  
ARRANGEMENT OF 2345137 ALBERTA LTD., 2351497  
ALBERTA LTD., 2497902 ALBERTA LTD., SUMMIT S  
AUTO LTD., SUMMIT V AUTO LTD., MK AUTO K-M  
LTD., 2437342 ALBERTA LTD., 1972207 ALBERTA LTD.,  
1175104 B.C. LTD., 1262113 B.C. LTD., AND 1272986 B.C.  
LTD.

APPLICANT

BANK OF MONTREAL

RESPONDENTS

2345137 ALBERTA LTD., 2351497 ALBERTA LTD.,  
2497902 ALBERTA LTD., SUMMIT S AUTO LTD.,  
SUMMIT V AUTO LTD., MK AUTO K-M LTD., 2437342  
ALBERTA LTD., 1972207 ALBERTA LTD., 1175104 B.C.  
LTD., 1262113 B.C. LTD., AND 1272986 B.C. LTD.

DOCUMENT

PRE-FILING REPORT OF THE PROPOSED MONITOR,  
BDO CANADA LIMITED

ADDRESS FOR SERVICE  
AND CONTACT  
INFORMATION OF PARTY  
FILING THIS DOCUMENT

**PROPOSED MONITOR**  
BDO CANADA LIMITED  
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## INTRODUCTION

1. BDO Canada Limited (“**BDO**” or the “**Proposed Monitor**”) understands that the Applicant, the Bank of Montreal (“**BMO**” or the “**Applicant**”), in its capacity as the senior secured lender to 2345137 Alberta Ltd. (“**Vermilion Chrysler**”), 1262113 B.C. Ltd. (“**Western Sport Products**”), 2497902 Alberta Ltd. (“**Castle Ford**”), 1175104 B.C. Ltd. (“**Cranbrook Mitsubishi**”), 1272986 B.C. Ltd. (“**Sun Valley Nissan**”), Summit V Auto Ltd. (“**Arrow Volkswagen**” or “**Arrow VW**”, with Vermilion Chrysler, Western Sport Products, Castle Ford, Cranbrook Mitsubishi, and Sun Valley Nissan, the “**Omnibus Dealerships**”), 2437342 Alberta Ltd. (“**Squamish Chrysler**”, with the Omnibus Dealerships, the “**Dealerships**”), Summit S Auto Ltd. (“**Real Co**”, with the Omnibus Dealerships, the “**Omnibus Debtors**”), MK Auto K-M Ltd. (“**MK Auto**”), 1972207 Alberta Ltd. (“**197 AB**”, with Squamish Chrysler, the “**Squamish Debtors**”) and 2351497 Alberta Ltd. (“**235 AB**” with the Omnibus Debtors, the Squamish Debtors, and MK Auto, collectively, the “**Summit Auto Group**”, the “**Debtors**” or the “**Companies**”), has brought an application (the “**CCAA Application**”) before the Court of King’s Bench of Alberta (the “**Court**”) returnable on August 22, 2025, seeking an initial order (the “**Proposed Initial Order**”) pursuant to the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”).
2. The Proposed Initial Order, among other things, provides for (i) an initial stay of proceedings to and including September 1, 2025 (the “**Stay Period**”) to allow the Debtors an opportunity to restructure their business, (ii) a declaration that each Summit Auto Group entity is a party to which the CCAA applies, (iii) the appointment of BDO as monitor (in such capacity, the “**Monitor**”) in the CCAA proceedings (the “**CCAA Proceedings**”), (iv) approval of a Monitor’s borrowing certificate mechanism allowing the Monitor to borrow funds directly from BMO through the issuance of borrowing certificates (“**Borrowing Certificate(s)**”), (v) expansion of the powers of the Monitor, (vi) authority for the Monitor to amend the Omnibus Debtors’ financial advisor and chief restructuring officer engagement with Full Circle Automotive (“**Full Circle**” or the “**CRO**”) to include the Squamish Debtors, and (vii) certain court-ordered charges to secure fees and disbursements of the Monitor, counsel to the Monitor, the CRO and the CRO’s counsel.
3. The Applicant has scheduled a comeback hearing, returnable on August 27, 2025 (the “**Comeback Hearing**”).

4. This report (the “**Pre-Filing Report**”) has been prepared by the Proposed Monitor prior to and in contemplation of its proposed appointment as Monitor in the CCAA Proceedings, to provide information to this Court in considering the Applicant’s request for the Proposed Initial Order, as well as the relief that will be requested by the Applicant at the Comeback Hearing should the Proposed Initial Order be granted.

## **PURPOSE**

5. The purpose of this Pre-Filing Report is to provide information to the Court on:
  - a) BDO’s familiarity and involvement with the Debtors’ business and qualifications to act as the Monitor, if appointed;
  - b) the Summit Auto Group;
  - c) the circumstances leading to the Applicant’s decision to commence CCAA Proceedings with respect to the Summit Auto Group;
  - d) the Debtors’ 13-week cash flow forecast, on a consolidated basis, for the period August 22, 2025, to November 23, 2025 (the “**Cash Flow Forecast**”) and the Proposed Monitor’s comments regarding the reasonableness thereof;
  - e) other matters relevant to the relief contemplated in the Proposed Initial Order; and
  - f) the Proposed Monitor’s conclusions and recommendations.

## **TERMS OF REFERENCE**

6. In preparing this Pre-Filing Report and making the comments herein, the Proposed Monitor has been provided with, and has relied upon, unaudited financial information, books and records prepared by the Debtors, discussions between the CRO and management of the Debtors (“**Management**”), discussions with the Applicant and information from other third-party sources (collectively, the “**Information**”). Except as described in this Pre-Filing Report in respect of the Cash Flow Forecast:
  - a) the Proposed Monitor has reviewed the Information for reasonableness, internal consistency and use in the context in which it was provided. However, the Proposed Monitor has not audited or otherwise attempted to verify the accuracy or completeness of such information in a manner that would wholly or partially comply with Generally Accepted Assurance Standards (“**GAAS**”) pursuant to the

Chartered Professional Accountants Canada Handbook and, accordingly, the Proposed Monitor expresses no opinion or other form of assurance contemplated under GAAS in respect of the Information; and

- b) some of the information referred to in this Pre-Filing Report consists of forecasts and projections. An examination or review of the financial forecast and projections, as outlined in the Chartered Professional Accountants Canada Handbook, has not been performed.
7. Future oriented financial information referred to in this Pre-Filing 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 will vary from the projections, even if the assumptions materialize, and the variation could be significant.
  8. Unless otherwise indicated, the Proposed Monitor’s understanding of the factual matters expressed in this Pre-Filing Report concerning the Respondents and their business is based on the Information, and not independent factual determinations made by the Proposed Monitor.
  9. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian dollars.

#### **BDO’S QUALIFICATION TO ACT AS THE MONITOR**

10. BDO has been actively involved with the Summit Auto Group since December 27, 2024, initially through an engagement with the Summit Auto Group (the “**Company Engagement**”) and then subsequently through an engagement with the Applicant on February 12, 2025 (the “**BMO Engagement**”). Pursuant to the BMO Engagement, BDO conducted a review of the Dealerships and delivered a memorandum of findings dated March 11, 2025 (the “**BDO Memorandum**”) summarizing results of BDO’s review and observations with respect to the Debtors’ liquidity, credit facility breaches, governance, and the status of the Debtor-led Sales Process (as defined herein). Through producing the BDO Memorandum, BDO developed a detailed, working understanding of the Summit Auto Group’s operations and financial position. Since the delivery of the BDO Memorandum, BDO has continued to assist BMO with monitoring and analysis of the Debtors’ affairs, including in connection with the Forbearance Agreements (herein defined) and the Tim Lamb Group’s sales process milestones.

11. BDO is a licensed insolvency trustee within the meaning of section 2 of the BIA. BDO is not subject to any of the restrictions set out in section 11.7(2) of the CCAA on who may be appointed as Monitor.
12. BDO has consented to act as the Monitor in the CCAA Proceedings should this Court grant the Proposed Initial Order. A copy of BDO's consent to act as Monitor is attached hereto as **Appendix "A"**.
13. The Proposed Monitor has retained Miller Thomson LLP ("**MT**") to act as its independent legal counsel in the CCAA Proceedings.
14. Should BDO be appointed as Monitor, it will be able to leverage its familiarity with Summit Auto Group to safeguard their business and maximize value for creditors on a much more expeditious and efficient basis than if it had no prior involvement or knowledge of the Respondent's affairs.

#### **OVERVIEW OF THE SUMMIT AUTO GROUP**

15. This Pre-Filing Report should be read in conjunction with the affidavit of John Gil sworn August 15, 2025 (the "**Gil Affidavit**"), which provides additional background and financial information with respect to the Debtors. Any terms not expressly defined herein are otherwise defined in the Gil Affidavit.
16. The Summit Auto Group operates seven (7) Dealerships across the Province of Alberta ("**AB**") and the Province of British Columbia ("**BC**"), plus related Non-Operating Entities (herein defined). The Summit Auto Group operated brands are Chrysler, Dodge, Jeep, Ram (together with Chrysler, Dodge, and Jeep, "**Stellantis**"), Volkswagen, Mitsubishi, Nissan, and Ford. A detailed description of the Dealerships is set out below:
  - a) Vermilion Chrysler operates a showroom and service garage for Stellantis vehicles (Chrysler, Dodge, Jeep, and Ram) vehicles located at 4524 Railway Ave, Vermilion, AB. Vermilion Chrysler leases its premises from Real Co;
  - b) Western Sport Products operates a showroom for all-terrain vehicles, utility terrain vehicles and other sport and leisure vehicles located at 4520 Railway Ave Vermilion, AB. Western Sport Products leases its premises from 1231440 Alberta Ltd.;

- c) Castle Ford operates a showroom and service garage for Ford vehicles located at 1050 Corner Mountain Street Pincher Creek, AB. Castle Ford leases its premises from Real Co;
- d) Cranbrook Mitsubishi operates a showroom and service garage for Mitsubishi vehicles located at 2032 Cranbrook St North, Cranbrook, BC. Cranbrook Mitsubishi leases its premises from The Scott Group;
- e) Sun Valley Nissan operates a showroom and service garage for Nissan vehicles located at 2024 Cranbrook St North Cranbrook, BC. Sun Valley Nissan leases its premises from Real Co;
- f) Arrow VW operates a showroom and service garage for Volkswagen vehicles located at 2034 Cranbrook Street North, Cranbrook, BC. Arrow VW leases its premises from Real Co; and
- g) Squamish Chrysler (with Vermilion Chrysler, the “**Stellantis Dealerships**”) operates a showroom and service garage for Stellantis vehicles located at 1180 Hunter Pl, Squamish, BC. Squamish Chrysler leases the premises from Ami Tapper.

Of the Dealerships, Cranbrook Mitsubishi, Sun Valley Nissan, and Arrow VW (together, the “**Cranbrook Dealerships**”) are located adjacent to each other.

- 17. One additional dealership, Western Chevrolet (selling General Motors (“**GM**”) branded vehicles), financed by the Toronto Dominion Bank (the “**TD Dealership**”), is not included in this CCAA Application. BDO understands that the TD Dealership was in breach of its financial and reporting obligations to Toronto Dominion Bank (“**TD**”) as of May 16, 2024, pursuant to a default letter issued by TD Bank.
- 18. BDO understands that Mr. Michael Koch (“**Mr. Koch**”), acts as the principal decision-maker for the Dealerships (including the TD Dealership) and oversees day-to-day operations of the Dealerships from the Cranbrook Dealerships.
- 19. The Dealerships operate in provincially regulated industries and are required to maintain valid motor dealer licences and related permits in the jurisdictions in which they operate. For Vermilion Chrysler, Western Sports Products, and Castle Ford, oversight is provided by the

Alberta Motor Vehicle Industry Council (the “**AMVIC**”). For the Cranbrook Dealerships and Squamish Chrysler, oversight is provided by the Vehicle Sales Authority (the “**VSA**”). The Proposed Monitor understands that the Dealerships currently hold the necessary licences for their operations and, if appointed with enhanced powers, intends to continue operations under the existing licences, and liaise with AMVIC / VSA as needed.

20. As of the date of this Pre-Filing Report, the Proposed Monitor understands that the Dealerships employ approximately 103 individuals in total. These employees are not unionized and the Debtors do not sponsor any registered pension plans.
21. In addition to the Dealerships, the Summit Auto Group includes several non-operating entities that do not carry on active operations or have employees, including:
  - a) Real Co, a real property holding company that owns, among other properties, the properties in which Arrow VW, Vermilion Chrysler, Sun Valley Nissan, and Castle Ford operate; and
  - b) 197 AB, MK Auto, and 235 AB, non-operating entities that each serve as holding companies and/or corporate guarantors (together with Real Co, the “**Non-Operating Entities**”).

The Non-Operating Entities have no other business or operations and have no employees.

### **Ownership Structure**

22. The Proposed Monitor understands that the Summit Auto Group is a closely held group of private companies primarily controlled and owned by Mr. Koch. In addition, BDO understands that:
  - a) Mr. Donald Liddell, the chief financial officer of the Summit Auto Group (the “**CFO**” or “**Mr. Liddell**”) has a minority direct beneficial interest in Arrow VW, Cranbrook Mitsubishi, Sun Valley Nissan, and Vermilion Chrysler; and
  - b) Mr. Adam Mounzer (“**Mr. Mounzer**”) has a minority ownership in Castle Ford, though BDO is uncertain on how the ownership structure is set up. Mr. Mounzer also owns 100% of 197 AB, which is a guarantor for Squamish Chrysler and holds preferred shares in Squamish Chrysler.

23. Overall, the direct and beneficial interests in the Dealerships based on BDO’s understanding is summarized as follows:

Dealership	Mr. Koch	Mr. Liddell	Mr. Mounzer
Arrow VW	80%	20%	0%
Cranbrook Mitsubishi	80%	20%	0%
Sun Valley Nissan	80%	20%	0%
Vermilion Chrysler	80%	20%	0%
Western Sport Products	80%	20%	0%
Castle Ford	65%	0%	35%
Squamish Chrysler	60%	0%	40%

**Governance**

24. As previously noted, BDO understands that day-to-day operational decisions for the Dealerships are concentrated with Mr. Koch (through various general managers (“GM(s)”) at the respective dealerships), and the Debtors’ financial functions are largely decentralized through Mr. Liddell, and various controllers. Financial oversight does not consolidate to a single finance lead, resulting in a fragmented reporting structure.

25. During the BMO Engagement, BDO observed significant operational governance deficiencies arising from this decentralized management approach. The lack of clear operational and financial reporting structure significantly impacted Management’s decision-making and cash-flow management, which resulted in an overall lack of financial accountability.

26. To date, BDO has had limited visibility into Squamish Chrysler, as a significant amount of reporting required under the Squamish Forbearance Agreement (herein defined) has not been delivered, including the fiscal year end 2024 financial statements which still have not be finalized. BDO understands that Squamish Chrysler’s records are significantly out of date, and regulatory filings with the Canada Revenue Agency (“CRA”) including 2023 and 2024 corporate income taxes and excise tax filings/remittances remain outstanding. As such, BDO believes there may be outstanding statutory remittances/deemed trusts amounts owing to the CRA.

27. The Debtors do not operate any other lines of business and do not have any foreign operations.

**Current Financial Position**

28. On a cumulative basis, the Debtors as of August 12, 2025, owe BMO in excess of \$58 million net of accrued costs and interests. The Debtors are currently insolvent, with \$9.4 million of SIV (herein defined) balance and operational losses expected to continue, the Debtors’ financial positions are likely to worsen. Absent the CCAA Proceedings, the Debtors will not be able to meet their current financial obligations without incurring further SIVs. Based on the financial information available to the Proposed Monitor, the Dealerships have been operating at a loss since 2023. Using fiscal year (“FY”) 2023 financial statements of the Dealerships, the Proposed Monitor noted a combined net loss of approximately \$448,249 in FY 2023.
29. Though FY 2024 financial statements of the Dealerships have not been finalized and provided to the Proposed Monitor, the Proposed Monitor understands that losses have worsened in FY2024. Using dealer statements, the Proposed Monitor, with the help of the CRO, has produced the Dealerships’ net operating loss summary for the period January 1, 2025 to May 31, 2025 (“YTD May 2025”):

<b>Combined Net Operating Losses for the Period January 1, 2025 to May 31, 2025</b>	
<b>Gross Margin</b>	
New Vehicles	1,880,200
Used Vehicles	1,421,219
Finance Department	161,281
Service Department	987,774
Sales Department	683,765
<b>Total Gross Margin</b>	<b>5,134,239</b>
Less: Expenses	(6,214,344)
<b>Net Operating Loss</b>	<b>(1,080,105)</b>

30. For YTD May 2025, net operating loss for all Dealerships is approximately \$1,080,105. The loss does not include debt servicing related expenses, Real Co expenses, and other Non-Operating Entities’ expenses Given the Companies’ books and records are not up to date, the Proposed Monitor believes this figure is significantly understated.
31. A copy of the most recent consolidated financial statements available for the applicable Dealerships is attached as **Appendix “B”**.

**CIRCUMSTANCES LEADING TO THE APPLICANT’S CCAA FILING**

32. In 2024, the Debtors faced mounting liquidity pressure driven by high interest costs, heavy curtailments on slow-moving inventory (particularly at the Stellantis dealerships), and multiple

operational deficiencies. As of late 2024, with several of the Dealerships at or near their facility limits, the Debtors faced significant liquidity constraints and were in breach of certain covenants under their' credit facilities provided by BMO. As a result, the Debtors circumvented the terms of their credit facilities by carrying out numerous sold-in-violation (“**SIV(s)**”) transactions. A SIV arises when a floorplan-financed vehicle is sold and the dealership fails to remit sale proceeds to the floorplan lender within the required time, which circumvents the financing agreements. This practice began in late 2024 and continued into 2025 as liquidity tightened. Floor-plan lenders provide this form of inexpensive financing because of the associated collateral (vehicle) in support of these advances and the original equipment manufacturers’ (“**OEM(s)**”) new vehicle buy-back program available to the lender. When SIVs occur, the floor-line facility now lacks the associated collateral in support of the loans and the respective vehicle sale proceeds have been used to artificially create liquidity for the dealership to fund operating activities.

33. As a result, BDO was engaged by the Companies on December 27, 2024, to provide consulting services. The Company Engagement contemplated, among other things, a review of the Companies’ financial position and performance and assessment of the Companies’ sales efforts. During the Company Engagement, BDO was made aware that a sales process led by Management (the “**Debtor-led Sales Process**”) was already in progress. This process was poorly executed and lacked the transparency/oversight necessary to make BMO comfortable that a sales transaction(s) was advancing and/or could be completed. Ultimately this Debtor-led Sales Process did not result in any material progress.
34. By February 2025, BMO transferred the file to its special accounts management unit (“**SAMU**”) for intensive monitoring, as the Debtor-led Sales Process did not have material progress and total SIVs increased across the Dealerships. BDO was subsequently engaged by BMO, to assess its strategic options. The BMO Engagement included, among other things, assessment of the Dealerships’ financial position, floor line analysis, vehicle inventory reviews, treasury function reviews, review of vehicle audit results, and a review of the Debtor-led Sales Process.
35. Pursuant to the BMO Engagement, BDO conducted a review of the Dealerships and delivered a summary of findings to BMO with respect to liquidity, credit facility breaches, governance,

and the status of the Debtor-led Sales Process. The BDO Memorandum, attached hereto as **Appendix “C”**, highlighted, among other things:

- a) a severe liquidity crisis as a result of operational cash burn;
- b) approximately \$6.4 million of SIVs;
- c) the Companies’ weak internal controls and lack of managerial oversight, and reporting structure; and
- d) that the Debtor-led Sales Process that had not materially progressed.

36. As a result of the facts set out in paragraph 35, the Debtors:

- a) engaged Tim Lamb Group as the sales agent of the Omnibus Dealerships (“**Tim Lamb**” or the “**Sales Agent**”) and;
- b) entered into two (2) forbearance agreements with BMO (collectively, the “**Forbearance Agreements**”):
  - (i) a forbearance agreement dated May 29, 2025 (the “**Omnibus Forbearance Agreement**”) between BMO and the Omnibus Debtors, attached hereto as **Appendix “D”**; and
  - (ii) a forbearance agreement dated June 9, 2025 (the “**Squamish Forbearance Agreement**”) between BMO and the Squamish Debtors, attached hereto as **Appendix “E”**.

37. The Forbearance Agreements prohibited further SIVs, embedded an automatic consent CCAA Order (as defined in the Forbearance Agreements) mechanism upon a Termination Event (as defined in the Forbearance Agreements), and formalized a sales process timeline with closing milestones which the Sales Agent had to periodically report on. The Forbearance Agreements also gave BMO a right to request a CRO.

38. Following multiple breaches of the Forbearance Agreements and Termination Events, BMO requested that a CRO be put in place, which led to the Omnibus Debtors retaining Full Circle as its CRO at the end of July 2025.

39. Since appointment, Full Circle’s updates to BMO confirmed the Debtors’ continuing financial deterioration, with SIVs continued to increase, and reaching approximately \$9.4 million per

BMO's audit result as of August 13, 2025 (an increase of approximately \$3 million after the Forbearance Agreements were signed). Further, the CRO uncovered significant financial irregularities including that the Omnibus Dealerships wholesaled vehicles for approximately \$1.4 million below market value from March 1, 2025, to August 8, 2025, including \$120,000 of losses on August 8, 2025, alone. Other financial irregularities included purchasing vehicles from these same vehicle wholesalers at inflated prices.

40. Given the continued breaches under the Forbearance Agreements, the rapid increase in SIVs to approximately \$9.4 million as of August 13, 2025, and the CRO's recently disclosed financial irregularities, the Proposed Monitor believes further erosion to BMO's collateral value will occur absent the timely CCAA Proceedings.
41. The Forbearance Agreements, provided for a court-supervised framework via Consent CCAA Order, including enhanced powers for the Monitor to execute and close transactions to stabilize operations and preserve value for the Debtors' stakeholders.
42. The Applicant has determined that the status quo is not sustainable. The Applicant requires more insight into the operational issues facing the Debtors and a clear path towards going-concern sales of the Dealerships through the Companies' sales process currently being run by the Sales Agent and/or a Court approved sale process if required. For this reason, BDO understands that commencement of these CCAA Proceedings with BDO being appointed as Monitor with expanded powers as set out in the proposed Initial Order is a necessary precondition before BMO will provide any further funding to the Companies. At this time, the Applicant is only prepared to fund such critical amounts needed to preserve the business until the Proposed Initial Order is granted.

#### **OVERVIEW OF THE DEBTORS' 13-WEEK CASH FLOW**

43. The CRO, with the assistance of BDO, prepared the Cash Flow Forecast for the 13-week period from August 22, 2025, to the week ending November 23, 2025 (the "**Cash Flow Period**") for the purposes of projecting the Debtors' estimated liquidity needs during the Cash Flow Period. A copy of the Cash Flow Forecast is attached hereto as **Appendix "F"**.
44. The Cash Flow Forecast is presented on a weekly basis and represents the CRO's estimates of the projected cash flow during the Cash Flow Period. The Cash Flow Forecast has been

prepared using probable and hypothetical assumptions (the “**Assumptions**”) as set out in the notes to the Cash Flow Forecast.

45. The Proposed Monitor has reviewed the Cash Flow Forecast to the standard required of a Court-appointed monitor by section 23(1)(b) of the CCAA. In accordance with this standard, the Proposed Monitor conducted inquiries, performed analytical procedures, held discussions, and read documents related to the Information supplied to it by the CRO or employees of the Debtors. Based on the Proposed Monitor’s review, nothing has come to its attention that causes it to believe, in all material respects, that:

- a) the Assumptions are not consistent with the purpose of the Cash Flow Forecast;
- b) as at the date of this Pre-Filing Report, the Assumptions are not suitably supported and consistent with the plans of the Applicant or do not provide a reasonable basis for the Cash Flow Forecast, given the probable and hypothetical assumptions; or
- c) the Cash Flow Forecast does not reflect the Assumptions.

46. The Proposed Monitor notes that the Cash Flow Forecast has been prepared solely for the purpose described in paragraph 43 and since the Cash Flow Forecast is based on Assumptions regarding future events, actual results will vary from the information presented even if the Assumptions occur, and the variations could be material. Readers are cautioned that the Cash Flow Forecast may not be appropriate for other purposes.

47. The Cash Flow Forecast shows that during the initial 10-day Stay Period (as defined herein) the Debtors will experience a net cash outflow of approximately \$454,565 and that during the Cash Flow Period, this amount will increase to \$3,415,024. The Cash Flow Forecast projects that during the Cash Flow Period the Debtors should have sufficient liquidity, with funds advanced via the Monitor’s Borrowing Certificates. As detailed below, the Proposed Monitor believes that the amount on the Monitor’s Borrowing Certificates and Monitor’s Borrowing Charge (herein defined) is appropriate and necessary given the Cash Flow Forecast and is limited to the amounts reasonably necessary.

#### **RELIEF SOUGHT BY THE APPLICANT**

48. The Proposed Initial Order seeks, among other things, a stay of proceedings the granting of various Court-ordered charges, and other relief to stabilize and protect the Debtors’ businesses

pending the Comeback Hearing, with a view to ultimately pursuing several dealership sales transactions to maximum enterprise value.

49. The Proposed Monitor understands that the majority of the Summit Auto Group's entities are incorporated in Alberta. Including the TD Dealership, there are 4 dealerships located in Alberta, and 4 located in British Columbia. In addition, the Debtors' counsel, based in Alberta, requested that any CCAA proceeding occur in Alberta to avoid the Debtors needing to retain B.C. counsel at an additional expense. The Proposed Monitor believes this request is reasonable and is supportive of the CCAA Proceedings and within application being brought in Alberta.

### **Initial Stay of Proceedings**

50. The Applicant seeks a stay of proceedings for the Debtors for an initial period through and including September 1, 2025 (the "**Stay Period**"), which will allow the Monitor and the CRO to stabilize the operations of the Summit Auto Group, preserve the asset base and work with the Sales Agent to assess the Debtors' current sales process (determine which sales transaction(s) are in their final stages of closing requiring only Court approval to complete and/or create a Court approved sales process for those dealerships without an advanced purchase and sale offer, etc.).
51. The Proposed Monitor is of the view that the Stay Period is appropriate in the circumstances and is necessary to maintain operations through funding from the Applicant which, in turn, will allow the Applicant, the Monitor, and the CRO to achieve an efficient transition of control over the business to the CRO, under the Monitor's oversight.

### **Appointment of BDO as the Monitor with Expanded Powers**

52. The Applicant is requesting that the Court appoint BDO as Monitor of the Debtors in these CCAA Proceedings, and that the Court grant the Monitor enhanced powers. These enhanced powers are intended to support the orderly administration of the Debtors' business and affairs with a view to preserving the businesses and maximizing value for the benefit of the Summit Auto Group's stakeholders.
53. The enhanced powers of the Monitor are described in the Proposed Initial Order and include the authority to, among other things:

- a) take actions and steps to manage, operate, and carry on the businesses of the Summit Auto Group, including authority to enter contractual arrangements on behalf of the Debtors;
  - b) continue any current engagement with the Summit Auto Group's current Sales Agent or alternatively terminate the current Sales Agent agreement and engage a new sales agent, for and on behalf of the Summit Auto Group;
  - c) continue the Debtors engagement with Full Circle as CRO within these CCAA Proceedings or amend the engagement with Full Circle as necessary, including to add Squamish Chrysler under its engagement;
  - d) take possession of, preserve, protect, and exercise control over the property of the Summit Auto Group including the Debtors' bank accounts;
  - e) report to, meet, discuss, and share information with affected persons on all matters relating to the Summit Auto Group's businesses and property;
  - f) oversee and direct the preparation and dissemination of financial and other information of the Summit Auto Group, including cash flow statements;
  - g) proceed to continue negotiations for the sale of the Dealerships; and
  - h) market and sell the assets of the Summit Auto Group;
54. The enhanced powers will allow the Monitor to facilitate the safeguarding of the businesses and the continuation of the CCAA Proceedings in a cost effective and efficient manner pending the Comeback Hearing at which point it is expected that the Applicant will seek to further expand the Monitor's powers.
55. Accordingly, the Proposed Monitor is of the view that granting the enhanced powers is imperative in the circumstances and consents to the enhanced powers if so, ordered by the Court.

**CRO Engagement**

56. Led by Mr. Lionel Robins, Full Circle is a consulting firm that specializes in automotive dealerships. It has the experience and capability to operate dealerships and has a strong reputation in the marketplace.

57. Full Circle was retained as financial advisor and CRO to the Omnibus Debtors at the end of July 2025 pursuant to the engagement letter between the CRO and the Omnibus Debtors (the “**CRO Engagement Agreement**”). Under the CRO Engagement Agreement, the CRO has reviewed and assisted in the preparation of the Cash Flow Forecast and has provided reporting to BDO and BMO. The CRO also assisted the Omnibus Debtors with the preparation of information pursuant to the terms of the Omnibus Forbearance Agreement. Full Circle has firm knowledge and understanding of the Summit Auto Group, other than Squamish Chrysler, but advised BDO it can quickly get up to speed and take over operations of Squamish Chrysler given its background knowledge of the other Dealerships and how they are currently being operated.
58. As part of the Proposed Initial Order, the Applicant seeks the appointment of Full Circle as CRO in respect of Squamish Chrysler within the CCAA Proceedings. Upon the granting of the Proposed Initial Order, the Monitor will execute an amended CRO engagement agreement with Full Circle which, among other things, will be expanded to include Squamish Chrysler (the “**Amended CRO Engagement Agreement**”). A copy of the Amended CRO Engagement Agreement is attached hereto as **Appendix “G”**.
59. BDO is supportive of a continued engagement and expanded role of the CRO who will be instrumental in replacing the role of Mr. Koch in an effective and cost-efficient manner.

**Monitor’s Borrowing Charge**

60. In the Proposed Initial Order, the Applicant seeks the approval of a Monitor’s borrowing certificate mechanism akin to a borrowing certificate within a receivership proceeding. This will allow BDO as the Monitor (if appointed) to borrow up to a maximum principal amount of \$500,000 during the Initial Stay Period (the “**Initial Maximum Amount**”), with an increase to such authorized borrowings to \$3,500,000 following the Comeback Hearing, directly from BMO through the issuance of Monitor’s Borrowing Certificates to fund the Dealerships’ operations in accordance with the Cash Flow Forecast. Further, the Proposed Initial Order seeks the granting of a Monitor’s Borrowing Charge (the “**Monitor’s Borrowing Charge**”) up to the Initial Maximum Amount.
61. The Proposed Monitor believes that the Initial Maximum Amount and Monitor’s Borrowing Charge is appropriate and necessary to fund operations as detailed in the Cash Flow Forecast.

The Proposed Monitor believes the amounts are limited to the amounts reasonably necessary for the Initial Stay Period.

### **Administration Charges**

62. The Proposed Initial Order provides for a charge up to a maximum amount of \$350,000 (the “**Administration Charge**”) in favour of counsel to the Applicant, the Monitor and its independent counsel, the CRO, and the CRO’s counsel. Professional fee obligations secured by the Administration Charge are proposed to be paid in the ordinary course in accordance with the Cash Flow Forecast.
63. The Proposed Monitor is of the view that given the current liquidity constraints of the Applicants, the proposed Administration Charge is required. The Proposed Monitor is of the view that the Administration Charge is necessary for the effective participation of the professionals in the CCAA Proceedings and believes the quantum of the Administration Charge is reasonable in the circumstances based upon a review and assessment of the anticipated professional costs to be incurred during this matter.
64. The Proposed Monitor understands that should the Proposed Initial Order be granted, the Applicant intends to request that the Administration Charge be increased to a maximum of \$750,000 at the Comeback Hearing.

### **Director’s Charge**

65. The Proposed Initial Order provides for a director’s charge up to a maximum amount of \$250,000 (the “**Director’s Charge**”), subordinated to the Administration Charge and Monitor’s Borrowing Charge. The Proposed Monitor is supportive of the Director’s Charge, as the Monitor may require certain transitional assistance from Mr. Koch as a director of the Debtors.

## **SALES AGENT ENGAGEMENT**

### **Sales Agent Update**

66. As of the date of this Pre-Filing Report, all Omnibus Dealerships have received either letters of intent (“**LOI(s)**”), draft asset purchase agreements (“**APA(s)**”), or draft share purchase agreements (“**SPA(s)**”). Near-term milestones summarized as follows:

- a) Sun Valley Nissan: APA in near-final form;
- b) Arrow VW: LOI just received;
- c) Vermilion Chrysler: SPA finalized in circulation for execution;
- d) Castle Ford: OEM is supportive with a December 1, 2025, target closing;
- e) Western Sport Products: transaction expected to conclude by month-end; and
- f) Cranbrook Mitsubishi: OEM application in process (timing dependent on purchaser availability).

67. Squamish Chrysler has not been a part of the Sales Agent's process, instead, it is run by Mr. Koch and Mr. Mounzer. BDO understands, through discussions with the Sales Agent, that Squamish Chrysler's purchase has been approved by the OEM, and that a closing date is set for September 3, 2025.

**Monitor's Oversight and Next Steps with regards to the current Sales Process**

68. If appointed, the Monitor intends to work with the Sales Agent to assess the adequacy of the Debtor-led Sales Process. The Monitor's objective is to preserve momentum and, where transactions are substantially completed and commercially reasonable, seek Court approval to close near-ready deals. If the existing process or offers prove insufficient or face significant delays, or if the Monitor believes sales efforts have been inadequate, the Monitor will return to Court to seek approval of a sale investment and solicitation process with defined bid procedures, standard forms of APA, and clear milestones. The Monitor also intends to amend the existing Sales Agent agreement to include Squamish Chrysler should that deal not close.

69. Per initial estimates of the Sales Agent and CRO, it is anticipated that sale proceeds from the respective sales transactions will be insufficient to repay BMO, given the significant and on-going operating losses; losses created by the financial irregularities; the significant \$9.4 million SIV balance, and delinquent/delayed financials records making due diligence more challenging. As such, the Proposed Monitor believes that BMO is fulcrum creditor with regards to the Debtors and is supportive of the CCAA Proceedings.

## **CONCLUSION AND RECOMMENDATION**

70. The Proposed Monitor has reviewed the Applicant's CCAA Application materials and has consented to act as the Monitor of the Debtors, should this Court grant the Proposed Initial Order.
71. For the reasons stated herein, the Proposed Monitor is of the view that the relief requested by the Applicant as set forth in the Proposed Initial Order is necessary, reasonable, and justified and will provide the Summit Auto Group the best opportunity to preserve value and maximize recoveries for their stakeholders.
72. The Proposed Monitor is therefore supportive of the Applicant's request for relief pursuant to the CCAA and the terms of the Proposed Initial Order.

**BDO CANADA LIMITED, in its capacity  
as Proposed Monitor of the Summit Auto Group, and  
not in its corporate or personal capacity.**

**Per:**



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**Clark Lonergan, CA, CPA, CIRP, LIT  
Partner/Senior Vice President**

**Appendix “B” – First Report of the Monitor dated August 27, 2025 (without appendices)**



COURT FILE NUMBER 2501-13057

COURT COURT OF KING'S BENCH ALBERTA

JUDICIAL CENTRE CALGARY

MATTER IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, RSC 1985, c C-36, as amended

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF 2345137 ALBERTA LTD., 2351497 ALBERTA LTD., 2497902 ALBERTA LTD., SUMMIT S AUTO LTD., SUMMIT V AUTO LTD., MK AUTO K-M LTD., 2437342 ALBERTA LTD., 1972207 ALBERTA LTD., 1175104 B.C. LTD., 1262113 B.C. LTD., AND 1272986 B.C. LTD.

APPLICANT BANK OF MONTREAL

RESPONDENTS 2345137 ALBERTA LTD., 2351497 ALBERTA LTD., 2497902 ALBERTA LTD., SUMMIT S AUTO LTD., SUMMIT V AUTO LTD., MK AUTO K-M LTD., 2437342 ALBERTA LTD., 1972207 ALBERTA LTD., 1175104 B.C. LTD., 1262113 B.C. LTD., AND 1272986 B.C. LTD.

DOCUMENT **FIRST REPORT OF BDO CANADA LIMITED, IN ITS CAPACITY AS THE MONITOR**

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**LIST OF APPENDICES**

- A. MONITOR’S PRE-FILING REPORT (W/O APPENDICES)**
- B. CASH FLOW FORECAST FOR THE PERIOD AUGUST 22, 2025 TO  
NOVEMBER 22, 2025**

## INTRODUCTION

1. On August 22, 2025 (the “**Filing Date**”), upon application (the “**CCAA Application**”) by the Bank of Montreal (“**BMO**” or the “**Applicant**”) in its capacity as senior secured lender to 2345137 Alberta Ltd. (“**Vermilion Chrysler**”), 1262113 B.C. Ltd. (“**Western Sport Products**”), 2497902 Alberta Ltd. (“**Castle Ford**”), 1175104 B.C. Ltd. (“**Cranbrook Mitsubishi**”), 1272986 B.C. Ltd. (“**Sun Valley Nissan**”), Summit V Auto Ltd. (“**Arrow Volkswagen**” or “**Arrow VW**”, with Vermilion Chrysler, Western Sport Products, Castle Ford, Cranbrook Mitsubishi, and Sun Valley Nissan, the “**Omnibus Dealerships**”), 2437342 Alberta Ltd. (“**Squamish Chrysler**”, with the Omnibus Dealerships, the “**Dealerships**”), Summit S Auto Ltd. (“**Real Co**”, with the Omnibus Dealerships, the “**Omnibus Debtors**”), MK Auto K-M Ltd. (“**MK Auto**”), 1972207 Alberta Ltd. (“**197 AB**”, with Squamish Chrysler, the “**Squamish Debtors**”) and 2351497 Alberta Ltd. (“**235 AB**” with the Omnibus Debtors, the Squamish Debtors, and MK Auto, collectively, the “**Summit Auto Group**”, the “**Debtors**”, or the “**Companies**”), the Honourable Justice M. A Marion of the Court of King’s Bench of Alberta (the “**Court**”) issued an order (the “**Initial Order**”) granting protection to the Companies from their creditors under the *Companies’ Creditors Arrangement Act*, RSC 1985, c. C-36, as amended (the “**CCAA**”). Pursuant to the Initial Order, BDO Canada Limited (“**BDO**”) was appointed as monitor of the Companies (in such capacity, the “**Monitor**”).
2. BDO, as proposed monitor, prepared a pre-filing report dated August 20, 2025 (the “**Pre-Filing Report**”) attached (without appendices) as **Appendix “A”** hereto to provide information to the Court for its consideration in respect of the CCAA Application.
3. Capitalized terms not otherwise defined herein have the meanings ascribed to them in the Initial Order or the Pre-Filing Report.
4. Among other things, pursuant to the Initial Order the Court granted:
  - a. an initial stay of proceedings (the “**Stay of Proceedings**”) in favour of the Debtors until and including September 1, 2025, to stabilize the Debtors’ operations and permit the Monitor to assess the Debtors’ current sales process to ultimately preserve the business as a going concern and maximizing value;

- b. the appointment of the Monitor and expanded powers of the Monitor during the CCAA proceedings (the “**CCAA Proceedings**”);
  - c. the appointment of the chief restructuring officer (“**CRO**”), Full Circle Automotive Solutions Inc. (“**Full Circle**” or the CRO) over the Debtors (inclusive of Squamish Chrysler);
  - d. charge over the Debtors’ property (the “**Property**”) to stand as security for payment by the Companies of the professional fees and disbursements of the Applicant’s legal counsel, the Monitor and its independent legal counsel, the CRO, and the CRO’s counsel, in an aggregate amount not to exceed \$350,000 (the “**Administration Charge**”);
  - e. the power for the Monitor to borrow funds in the maximum amount of \$500,000 to fund the Debtors’ operations during the CCAA Proceedings and a charge over the Property to stand as security (the “**Monitor’s Borrowing Charge**”); and
  - f. a charge over the Property to stand as security for the Debtors’ obligation to indemnify the directors from any liabilities they may incur in such capacity from and after the commencement of the CCAA Proceedings, up to a maximum amount of \$250,000 (the “**Director’s Charge**”).
5. The Initial Order contemplates a comeback application to be heard on August 27, 2025 (the “**Comeback Hearing**”) at which time the Applicant is seeking an Amended and Restated Initial Order (the “**ARIO**”).

## **PURPOSE**

6. The purpose of this first report of the Monitor (the “**First Report**”) is to provide information to the Court with respect to:
- a. the activities of the Monitor since the Filing Date;
  - b. the ARIO sought by the Applicant, including, among other things the following relief:
    - i. extending the Stay of Proceedings until and including September 26, 2025;

- ii. approving an increase to the Administration charge up to the maximum amount of \$750,000;
  - iii. approving an increase to the Monitor’s Borrowing Charge up to the maximum amount of \$3.5 million (plus interest, cost and fees); and
  - iv. such further and other relief as the Court may deem just and equitable. and
- c. the Monitor’s comments and recommendations with respect to:
- i. the Debtors’ 13-week cash flow forecast, on a consolidated basis, for the period August 22, 2025, to November 23, 2025 (the “**Cash Flow Forecast**”);
  - ii. BMO’s pre-filing credit facilities, the ongoing operation of the Floorplan Credit Facilities (as defined below), the results of a review of BMO’s pre-filing security and ongoing paydowns of BMO’s Indebtedness (as defined below); and
  - iii. the reasonableness of the amounts and relative priority of the Monitor’s Borrowing Charge, Administration Charge, and Director’s Charge (collectively, the “**Court Ordered Charges**”).
7. The Initial Order and all other materials filed with the Court in these CCAA Proceedings are accessible on the Monitor’s website at: <https://www.bdo.ca/services/financial-advisory-services/business-restructuring-turnaround-services/current-engagements/Summit-Automotive-Group> (the “**Monitor’s Website**”).

## **TERMS OF REFERENCE**

8. In preparing this First Report and making the comments herein, the Monitor has been provided with, and has relied upon, unaudited financial information, books and records prepared by the Debtors, the affidavit of John Gil sworn August 15, 2025 (the “**Gil Affidavit**”), discussions between the CRO and management of the Debtors (“**Management**”), discussions with the Applicant and information from other third-party sources (collectively, the “**Information**”). Except as described in this First Report in respect of the Cash Flow Forecast:

- a. the Monitor has reviewed the Information for reasonableness, internal consistency and use in the context in which it was provided. However, the Monitor has not audited or otherwise attempted to verify the accuracy or completeness of such information in a manner that would wholly or partially comply with Generally Accepted Assurance Standards (“GAAS”) pursuant to the Chartered Professional Accountants Canada Handbook and, accordingly, the Monitor expresses no opinion or other form of assurance contemplated under GAAS in respect of the Information; and
  - b. some of the information referred to in this First Report consists of forecasts and projections. An examination or review of the financial forecast and projections, as outlined in the Chartered Professional Accountants Canada Handbook, has not been performed.
9. Future oriented financial information referred to in this First 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 will vary from the projections, even if the assumptions materialize, and the variation could be significant.
  10. Unless otherwise indicated, the Monitor’s understanding of the factual matters expressed in this First Report concerning the Debtors and their business is based on the Information, and not independent factual determinations made by the Monitor.
  11. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian dollars.

#### **BACKGROUND INFORMATION.**

12. This First Report should be read in conjunction with the Gil Affidavit and the Pre-Filing Report, which can be found on the Monitor’s Website and contain background information with respect to the Companies’ business and operations as well as matters leading up to the commencement of these CCAA Proceedings.

#### **INITIAL ACTIVITIES OF THE MONITOR**

13. Since the commencement of these CCAA Proceedings, the Monitor has:

- a. established the Monitor's Website;
- b. undertaken the necessary steps to prepare a notice containing information regarding the CCAA Proceedings (the "**Notice to Creditors**"), based on the contact information of known creditors with claims against the Companies in excess of \$1,000, as provided by the Companies. A copy of the Notice to Creditors will be posted on the Monitor's website once it has been mailed;
- c. met with former ownership regarding the CCAA Proceedings, terminated their employment and prepared term and task letters for them to assist the Monitor and CRO with potential transition items;
- d. notified each of the original equipment manufacturers ("**OEM(s)**") of the CCAA Proceedings, including having initial discussions with a number of them regarding the same;
- e. notified each of the Companies' landlords (as applicable) of the CCAA Proceedings;
- f. filed the statutory Forms 1 and 2 containing certain prescribed information regarding the proceedings with the Office of the Superintendent of Bankruptcy;
- g. reviewed the terms of the Initial Order with Management as they relate to the administration of pre-filing and post-filing payment obligations;
- h. completed an inventory count of the Companies new and used at certain of the Companies' dealership assets;
- i. assisted the Companies with stakeholder communications;
- j. engaged in discussions with representatives of the Tim Lamb Group ("**Tim Lamb**" or the "**Sales Agent**"), who were the Companies' sales agent with regards to the majority of dealership assets currently for sale (the "**Debtor-led Sales Process**") including but not limited to, the status of any letters of intent ("**LOI(s)**") and/or asset purchase agreements ("**APA(s)**") received to date and any remaining due diligence requirements of the prospective purchasers (the "**Prospective Purchasers**");

- k. engaged in discussions with various Prospective Purchasers and/or their respective counsels regarding the CCAA Proceedings and potential next steps;
- l. engaged in discussions with the Toronto Dominion Bank (“**TD**”) with regards to the TD financed dealership, Western Chevrolet;
- m. responded to correspondence received from creditors and other parties with respect to the CCAA Proceedings;
- n. participated in various discussions with the Companies and the CRO regarding operations, treasury functions and key stakeholders;
- o. engaged in various discussions with the Applicant’s counsel and the Monitor’s counsel with regards to the CCAA Proceedings; and
- p. created a weekly monitoring protocol with the Companies and the CRO to allow the Monitor to review and report on the Companies’ weekly cash receipts and disbursements.

#### **CASH FLOW FORECAST**

- 14. The CRO, with the assistance of Proposed Monitor, prepared the Cash Flow Forecast for the 13-week period from August 22, 2025, to the week ending November 23, 2025 (the “**Cash Flow Period**”) for the purposes of projecting the Debtors’ estimated liquidity needs during the Cash Flow Period. A copy of the Cash Flow Forecast is attached hereto as **Appendix “B”**.
- 15. The Cash Flow Forecast is presented on a weekly basis and represents the CRO’s estimates of the projected cash flow during the Cash Flow Period. The Cash Flow Forecast has been prepared using probable and hypothetical assumptions (the “**Assumptions**”) as set out in the notes to the Cash Flow Forecast.
- 16. The Monitor has reviewed the Cash Flow Forecast to the standard required of a Court-appointed monitor by section 23(1)(b) of the CCAA. In accordance with this standard, the Proposed Monitor conducted inquiries, performed analytical procedures, held discussions, and read documents related to the Information supplied to it by the CRO or employees of the Debtors. Based on the Monitor’s review, nothing has come to its attention that causes it to believe, in all material respects, that:

- a. the Assumptions are not consistent with the purpose of the Cash Flow Forecast;
  - b. as at the date of this First Report, the Assumptions are not suitably supported and consistent with the plans of the Applicant or do not provide a reasonable basis for the Cash Flow Forecast, given the probable and hypothetical assumptions; or
  - c. the Cash Flow Forecast does not reflect the Assumptions.
17. The Monitor notes that the Cash Flow Forecast has been prepared solely for the purpose described above and since the Cash Flow Forecast is based on Assumptions regarding future events, actual results will vary from the information presented even if the Assumptions occur, and the variations could be material. Readers are cautioned that the Cash Flow Forecast may not be appropriate for other purposes.
18. The Cash Flow Forecast shows that during the Cash Flow Period; the Debtors will experience a new cash outflow of approximately \$3,415,024. The Cash Flow Forecast projects that during the Cash Flow Period the Debtors should have sufficient liquidity, with funds advanced via the Monitor's Borrowing Certificates. As detailed below, the Monitor believes that the amount on the Monitor's Borrowing Certificates and Monitor's Borrowing Charge is appropriate and necessary given the Cash Flow Forecast and is limited to the amounts reasonably necessary.

#### **COURT-ORDERED CHARGES**

19. The Initial Order granted an Administration Charge up to a maximum amount of \$350,000, a Monitor's Borrowing Charge up to a maximum amount of \$500,000 and a Director's Charge up to a maximum amount of \$250,000.

#### ***Administration Charge***

20. The Applicant is seeking to increase the maximum amount secured by the Administration Charge to a maximum amount of \$750,000.
21. The Monitor is of the view that the increased quantum of the Administration Charge is necessary and appropriate for the reasons set out in the Pre-Filing Report.

### *Monitor's Borrowing Charge*

22. In the proposed ARIO, the Applicant is seeking to increase the maximum amount secured by the Monitor's Borrowing Charge to \$3,500,000, plus interest, costs and fees to ensure that the maximum amount as outlined in the Cash Flow Forecast is made available to fund the Debtors' operations.
23. The Cash Flow Forecast illustrates that the Debtors have a critical and immediate need for interim financing. Without access to the \$3,500,000 in advances that are made available pursuant to the Monitor's Borrowing Certificate, the Debtors will be unable to continue operations during the Cash Flow Period as:
- a. the Debtors have payroll periods following the Comeback Hearing, together with other overhead operating expenses (including insurance, utilities and technology costs) all of which are critical to their operations, which they cannot presently fund without BMO's support; and
  - b. the professionals associated with the CCAA Proceedings have accrued and will accrue fees and disbursements and need assurance that their fees and disbursements will be paid during the CCAA Proceedings.
24. The Monitor's Borrowing Charge ranks subordinate to the Administration Charge, but ahead of the Director's Charge.
25. The requested increase to the Monitor's Borrowing Charge is a condition to advances continuing to be made available pursuant to the Monitor's Borrowing Certificate. As such, the Monitor is of the view that such increase is appropriate in the circumstances to maintain the Debtors' business in the normal course and to fund these CCAA Proceedings.

### **BMO CREDIT FACILITIES, SECURITY REVIEW AND POST-FILING PAYMENTS OF BMO INDEBTEDNESS**

#### *Credit Facilities and Security Review*

26. As described in greater detail in the Gil Affidavit, the Summit Auto Group have a number of pre-filing secured credit facilities with BMO (collectively, the "**Pre-Filing Credit Facilities**"), including certain floor plan facilities pursuant to which BMO finances the acquisition of new and used vehicles (the "**Floorplan Credit Facilities**").

27. The Monitor has requested an independent legal opinion from its legal counsel, Miller Thomson LLP to determine the validity and enforceability of the security granted by the Summit Auto Group to BMO associated with the Pre-Filing Credit Facilities (the “**Security Opinion**”).
28. As of August 12, 2025, BMO was owed in excess of \$58 million under the Pre-Filing Credit Facilities (together with applicable interest, fees and expenses, the “**Indebtedness**”).

***Floorplan Credit Facilities***

29. In order for the Summit Auto Group to continue to operate as a going concern and purchase new or used vehicles in the ordinary course, it is necessary that the Summit Auto Group continue to have access to the Floorplan Credit Facilities, which BMO is prepared to permit, provided that (i) as a condition precedent to advances being made available after the Comeback Hearing, all vehicles sold by the Debtors have had the amount financed through the Floorplan Credit Facilities repaid pursuant to the terms thereof, and (ii) the Debtors shall conduct all business and operations in compliance with the Cash Flow Forecast.
30. The Cash Flow Forecast, which has been approved by BMO, contemplates certain paydowns of the Indebtedness, including (i) payment of interest under the Floorplan Credit Facilities, and (ii) paydown of the Floorplan Credit Facilities upon the sale of vehicles financed thereunder. The Cash Flow Forecast does not contemplate any other paydowns of the Indebtedness.
31. The Monitor has considered the types of claims and potential claims that would or could rank in priority to BMO’s security. As set out below, the Monitor is of the view that there are no amounts owing which are payable in priority to BMO, pending confirmation that BMO’s security is valid and enforceable (“**Positive Security Opinion Results**”), or which could not otherwise be addressed pursuant to the Cash Flow Forecast.
32. Pursuant to and in accordance with the terms of the Initial Order, the Company has paid all pre-filing and post-filing employee wages, source deductions, withholding taxes, and employee contributions as required. As at the date of this First Report, the Monitor is not aware that any of these amounts are owing by the Companies or that any claims have been asserted against the Companies that remain unpaid. To the extent the Monitor becomes aware of any of these amounts, they will be remitted as required.

33. Accordingly, the Monitor requests authority from the Court to make payments to BMO under the Floorplan Credit Facilities, pending Positive Security Option Results, in accordance with Cash Flow Forecast.

#### **ONGOING DEBTOR-LED SALES PROCESS**

34. The Monitor continues to work with the Sales Agent to assess the adequacy of the Debtor-led Sales Process. The Monitor's objective is to preserve momentum and, where transactions are substantially completed and commercially reasonable, seek Court approval to close near-ready deals. If the existing process or offers prove insufficient or face significant delays, or if the Monitor believes sales efforts have been inadequate, the Monitor will return to Court to seek approval of a sale investment and solicitation process with defined bid procedures, standard forms of APA, and clear milestones.

#### **CONCLUSION**

35. For the reasons set out above, the Monitor is of the view that the relief sought by the Applicant at the Comeback Hearing is reasonable and respectfully recommends that the relief sought by the Applicant be granted.

**All of which is respectfully submitted this 27<sup>th</sup> day of August 2025.**

**BDO CANADA LIMITED, in its capacity  
as Monitor of the Summit Auto Group, and  
not in its corporate or personal capacity.**

**Per:**



---

**Clark Lonergan, CA, CPA, CIRP, LIT  
Partner/Senior Vice President**

**Appendix “C” –Second Report of the Monitor dated September 10, 2025 (without  
appendices)**

COURT FILE NUMBER 2501 - 13057

COURT COURT OF KING'S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY

MATTER IN THE MATTER OF THE COMPANIES' CREDITORS  
ARRANGEMENT ACT, RSC 1985, c C-36, as amended

AND IN THE MATTER OF A PLAN OF COMPROMISE  
OR ARRANGEMENT OF 2345137 ALBERTA LTD.,  
2351497 ALBERTA LTD., 2497902 ALBERTA LTD.,  
SUMMIT S AUTO LTD., SUMMIT V AUTO LTD., MK  
AUTO K-M LTD., 2437342 ALBERTA LTD., 1972207  
ALBERTA LTD., 1175104 B.C. LTD., 1262113 B.C. LTD.,  
AND 1272986 B.C. LTD.

APPLICANT BANK OF MONTREAL

RESPONDENTS 2345137 ALBERTA LTD., 2351497 ALBERTA LTD.,  
2497902 ALBERTA LTD., SUMMIT S AUTO LTD.,  
SUMMIT V AUTO LTD., MK AUTO K-M LTD., 2437342  
ALBERTA LTD., 1972207 ALBERTA LTD., 1175104 B.C.  
LTD., 1262113 B.C. LTD., AND 1272986 B.C. LTD.

DOCUMENT SECOND REPORT OF BDO CANADA LIMITED, IN ITS  
CAPACITY AS THE MONITOR

ADDRESS FOR SERVICE AND **MONITOR**  
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**Appendix “A” – Pre-Filing Report of the Proposed Monitor dated August 20, 2025 (without appendices)**

**Appendix “B” – First Report of the Monitor dated August 27, 2025 (without appendices)**

**Appendix “C” – Cash Flow Forecast for the Period August 22, 2025, to November 23, 2025**

**Appendix “D” – Cash Flow Variance for the Period August 22, 2025, to September 5, 2025**

**Appendix “E” – Proposed Sale and Investment Solicitation Process**

**Appendix “F” – CRO’s Report dated September 9, 2025**

**Appendix “G” – Professional Fees Schedule**

## INTRODUCTION

1. On August 22, 2025 (the “**Filing Date**”), upon application (the “**CCAA Application**”) by the Bank of Montreal (“**BMO**” or the “**Applicant**”) in its capacity as senior secured lender to 2345137 Alberta Ltd. (“**Vermilion Chrysler**”), 1262113 B.C. Ltd. (“**Western Sport Products**”), 2497902 Alberta Ltd. (“**Castle Ford**”), 1175104 B.C. Ltd. (“**Cranbrook Mitsubishi**”), 1272986 B.C. Ltd. (“**Sun Valley Nissan**”), Summit V Auto Ltd. (“**Arrow Volkswagen**” or “**Arrow VW**”, with Vermilion Chrysler, Western Sport Products, Castle Ford, Cranbrook Mitsubishi, and Sun Valley Nissan, the “**Omnibus Dealerships**”), 2437342 Alberta Ltd. (“**Squamish Chrysler**”, with the Omnibus Dealerships, the “**Dealerships**”), Summit S Auto Ltd. (“**Real Co**”, with the Omnibus Dealerships, the “**Omnibus Debtors**”), MK Auto K-M Ltd. (“**MK Auto**”), 1972207 Alberta Ltd. (“**197 AB**”, with Squamish Chrysler, the “**Squamish Debtors**”) and 2351497 Alberta Ltd. (“**235 AB**” with the Omnibus Debtors, the Squamish Debtors, and MK Auto, collectively, the “**Summit Auto Group**”, the “**Debtors**”, or the “**Companies**”), the Honourable Justice M. A. Marion of the Court of King’s Bench of Alberta (the “**Court**”) issued an order (the “**Initial Order**”) granting protection to the Companies from their creditors under the *Companies’ Creditors Arrangement Act*, RSC 1985, c. C-36, as amended (the “**CCAA**”). Pursuant to the Initial Order, BDO Canada Limited (“**BDO**”) was appointed as monitor of the Companies (in such capacity, the “**Monitor**”).
2. Among other things, pursuant to the Initial Order the Court granted:
  - a) an initial stay of proceedings (the “**Stay of Proceedings**”) in favour of the Debtors until and including September 1, 2025, to stabilize the Debtors’ operations, permit the Monitor to assess the Debtors’ pre-filing sales process, and to ultimately preserve the business as a going concern and maximizing value;
  - b) the appointment of the Monitor and expanded powers of the Monitor during the CCAA proceedings (the “**CCAA Proceedings**”);
  - c) the appointment of the chief restructuring officer (“**CRO**”), Full Circle Automotive Solutions Inc. (“**Full Circle**” or the CRO) over the Debtors (inclusive of Squamish Chrysler);

- d) a charge over the Debtors' property (the "**Property**") to stand as security for payment by the Companies of the professional fees and disbursements of the Applicant's legal counsel, the Monitor and its independent legal counsel, the CRO, and the CRO's counsel (if any), in an aggregate amount not to exceed \$350,000 (the "**Administration Charge**");
  - e) the power for the Monitor to borrow funds in the maximum amount of \$500,000 to fund the Debtors' operations during the CCAA Proceedings and a charge over the Property to stand as security (the "**Monitor's Borrowing Charge**"); and
  - f) a charge over the Property to stand as security for the Debtors' obligation to indemnify the directors from any liabilities they may incur in such capacity from and after the commencement of the CCAA Proceedings, up to a maximum amount of \$250,000 (the "**Director's Charge**", together with the Administration Charge and Monitor's Borrowing Charge, the "**Court Ordered Charges**").
3. The Initial Order contemplated a comeback application on August 27, 2025 (the "**Comeback Hearing**").
4. At the Comeback Hearing, the Court granted an amended and restated initial order (the "**ARIO**"). Amongst other things, the ARIO:
- a) extended the Stay of Proceedings until and including September 26, 2025;
  - b) approved an increase to the Administration Charge up to the maximum amount of \$750,000;
  - c) approved an increase to the Monitor's Borrowing Charge up to the maximum amount of \$3.5 million (plus interest, costs and fees);
  - d) authorized continued payments to BMO under the existing floor plan arrangements once the Monitor confirmed the validity of BMO's security; and
  - e) reaffirmed the Monitor's authority to manage and operate the Companies' businesses and oversee sales efforts through its expanded powers.

5. To date, the Monitor has provided the Court with the following reports:
- a) the Pre-Filing Report of the Proposed Monitor filed August 20, 2025 (the “**Pre-Filing Report**”) in connection with the Applicant’s application for protection under the CCAA. The Pre-Filing Report (without appendices) is attached hereto as **Appendix “A”**; and
  - b) the First Report of the Monitor filed August 27, 2025 (the “**First Report**”) in connection with BMO’s application for the ARIO. The First Report (without appendices) is attached hereto as **Appendix “B”**.

## **PURPOSE**

6. The purpose of this second report of the Monitor (the “**Second Report**”) is to provide information to the Court with respect to:
- a) the activities of the Monitor since the First Report;
  - b) the Debtors’ actual cash flow results for the 2-week period ended September 5, 2025, versus the budgeted results for that period, as outlined in the Debtors’ 13-week consolidated cash flow from August 22, 2025, to the week ended November 23, 2025 (the “**Cash Flow Forecast**”);
  - c) the Monitor’s application to the Court returnable on September 19, 2025 (the “**Monitor’s Application**”), seeking the following:
    - (i) an order (the “**Stay Extension Order**”) to, among other things:
      - I. extend the Stay of Proceedings up to and including November 21, 2025, as supported by the Cash Flow Forecast;
      - II. approve the activities of the Monitor to date;
      - III. approve the accounts of the Monitor and its counsel, Miller Thomson LLP (“**Miller Thomson**”), for fees and disbursements incurred to date;

IV. confirm that the Court Ordered Charges apply against the following Personal Property Registry parties (collectively, the “**PPR Registrants**”):

- a) GE Canada Equipment;
- b) Canadian Imperial Bank of Commerce;
- c) Pattison Sign Group; and
- d) Wells Fargo Equipment Finance Company; and

V. grant the Monitor certain powers, in addition to and in no way limiting the powers of the Monitor as set out in the ARIO, to authorize the Monitor to conduct investigations, compel production of records relating to the Companies or their businesses, and to compel examinations under oath of any person reasonably thought to have knowledge relating to the Companies or their business (“**Investigative Powers**”); and

(ii) an order (the “**SISP Approval Order**”) to, among other things:

I. approve a proposed sale and investment solicitation process (the “**Proposed SISP**”); and

II. approve the appointment of the Debtors’ pre-filing sales agent, the Tim Lamb Group (the “**Sales Agent**” or “**Tim Lamb**”) to administer and manage the Proposed SISP with the oversight of the Monitor;

d) the Monitor’s recommendations on the relief sought in the Monitor’s Application.

7. This Second Report should be read in conjunction with the affidavit of John Gil sworn August 15, 2025 (the “**Gil Affidavit**”), the Pre-Filing Report, and the First Report, which can be found on the Monitor’s Website (herein defined) and contain background information with respect to

the Companies' businesses and operations as well as matters leading up to the commencement of these CCAA Proceedings.

8. Any terms not expressly defined herein shall have the meaning ascribed in the Gil Affidavit, the Pre-Filing Report, the First Report, the Initial Order, and the ARIO, as applicable. All materials filed with the Court in the CCAA Proceedings are accessible on the Monitor's website at: <https://www.bdo.ca/services/financial-advisory-services/business-restructuring-turnaround-services/current-engagements/summit-automotive-group> (the "**Monitor's Website**"). All Court documents and certain other relevant documents have been and will continue to be posted as they are made available.

#### **TERMS OF REFERENCE**

9. In preparing this Second Report and making the comments herein, the Monitor has been provided with, and has relied upon, unaudited financial information, books and records prepared by the Debtors, the Gil Affidavit, discussions between the CRO and management of the Debtors ("**Management**"), discussions with the Applicant and information from other third-party sources (collectively, the "**Information**"). Except as described in this Second Report in respect of the Cash Flow Forecast:
  - a) the Monitor has reviewed the Information for reasonableness, internal consistency and use in the context in which it was provided. However, the Monitor has not audited or otherwise attempted to verify the accuracy or completeness of such information in a manner that would wholly or partially comply with Generally Accepted Assurance Standards ("**GAAS**") pursuant to the Chartered Professional Accountants Canada Handbook and, accordingly, the Monitor expresses no opinion or other form of assurance contemplated under GAAS in respect of the Information; and
  - b) some of the information referred to in this Second Report consists of forecasts and projections. An examination or review of the financial forecast and projections, as outlined in the Chartered Professional Accountants Canada Handbook, has not been performed.

10. Future oriented financial information referred to in this Second 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 will vary from the projections, even if the assumptions materialize, and the variation could be significant.
11. Unless otherwise indicated, the Monitor's understanding of the factual matters expressed in this Second Report concerning the Debtors and their business is based on the Information, and not independent factual determinations made by the Monitor.
12. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian dollars.

#### **STAY EXTENSION**

13. The Stay of Proceedings currently expires on September 26, 2025. The Monitor is requesting an extension of the Stay of Proceedings until November 21, 2025. The Monitor supports an extension of the Stay of Proceedings for the following reasons, among others:
  - a) the Debtors, through the Monitor with its enhanced powers, are acting in good faith and with due diligence;
  - b) the Stay will provide the Monitor and Debtors with time to stabilize the businesses of the Debtors, continue the Proposed SISP, and review potential transactions in respect of the Dealerships; and
  - c) as of the date of this Report, the Monitor is not aware of any party opposed to the requested extension.
14. According to the Cash Flow Forecast (as described below), there will be sufficient funding to operate the Debtors' businesses during the proposed extension of the Stay of Proceedings to November 21, 2025.
15. The Monitor believes it is just, convenient, necessary, and in the best interest of the Debtors and their stakeholders that the Stay of Proceedings be extended.

## MONITOR'S ACTIVITIES TO DATE

16. Since the date of the First Report, the Monitor has:

- a) continued to update the Monitor's Website;
- b) met with former ownership regarding the CCAA Proceedings, terminated their employment and prepared term and task letters for them to assist the Monitor and CRO with potential transition items;
- c) held regular discussions with Management, the CRO, the Sales Agent and key stakeholders (including BMO) regarding operations, liquidity, the Debtors' current sales process status ("**Debtor-led Sale Process**"), the Proposed SISP, and broader restructuring initiatives;
- d) continued to communicate with each of the original equipment manufacturers ("**OEM(s)**") regarding OEM billing statements reconciliation, the Debtor-led Sale Process and the Proposed SISP;
- e) continued to assist the Companies with stakeholder communications;
- f) continued discussion with representatives of the Sales Agent, including but not limited to, the status of any letters of intent ("**LOI(s)**") and/or asset purchase agreements ("**APA(s)**") received to date with regards to the Debtor-led Sale Process and any remaining due diligence requirements of the prospective purchasers (the "**Prospective Purchasers**");
- g) continued discussions with various Prospective Purchasers and/or their respective counsel regarding the CCAA Proceedings and potential next steps, including the Proposed SISP;
- h) began preparation for the Proposed SISP in consultation with the Sales Agent and counsel, including drafting the Proposed SISP process letter, and assisting with marketing activities and materials;

- i) continued to engage in discussions with the Toronto Dominion Bank (“**TD**”) and its counsel with regard to the TD financed dealership, 2412170 Alberta Ltd. o/a Westcastle Chevrolet Buick GMC (“**Westcastle GMC**”);
- j) continued to respond to correspondence received from creditors and other parties regarding the CCAA Proceedings;
- k) continued to participate in various discussions with Management and the CRO regarding operations, treasury functions and vehicle inventory;
- l) held various discussions with the Applicant’s counsel and the Monitor’s counsel with regards to the CCAA Proceedings;
- m) continued to work with the CRO to oversee the Debtors’ treasury functions, including the monitoring of weekly receipts and disbursements against the Cash Flow Forecast;
- n) reviewed Miller Thomson’s security opinion on the validity and enforceability of BMO’s security over the Debtors;
- o) reviewed outstanding sold-in-violation (“**SIV(s)**”) vehicle amounts and began, with the assistance of the CRO, preparing for floor plan repayment initiatives;
- p) investigated numerous matters, irregularities, and concerns raised by employees of the Companies, the CRO, and Management;
- q) began review of personnel with the assistance of the CRO, as well as continued discussions with the CRO regarding proposed new personnels needed across the Dealerships;
- r) attended the Comeback Hearing; and
- s) prepared this Second Report.

## CASH FLOW FORECAST

17. The Monitor's First Report included a Cash Flow Forecast for the 13-week period from August 22, 2025, to the week ending November 23, 2025 (the "**Cash Flow Period**"). A copy of the Cash Flow Forecast is attached hereto as **Appendix "C"**.
18. The Monitor has reviewed the actual cash flow from operations for the 2-week period ending September 5, 2025 (the "**Initial Review Period**"), through monitoring the banking activities of the Debtors.
19. The Debtors' actual cash flow from operations for the Initial Review Period exceeded the projections for that same period by approximately \$2.0 million. This variance is a combination of timing differences of receipts and disbursements, as follows:
- a) the positive variance is largely due to the:
    - (i) delay in the net repayment of the outstanding Floorplan Credit Facilities (herein defined) for new and used vehicles sales and/or collection of vehicle sale proceeds (net of chatteling of new/used vehicles) after the Filing Date of \$4.6 million;
    - (ii) delay in the payment of trade-in vehicle lien payouts of \$1.1 million due primarily to lower than forecasted new and used vehicle sales and/or lower lien amounts on the actual trade-in vehicles;
    - (iii) delay in professional and restructuring fee payments of approximately \$380,000;
    - (iv) approximately \$232,000 of variance related to payroll and associated benefits, which is primarily due to decreased employee levels/ownership payroll and/or a classification of contractor amounts as vendor payments, which was budgeted in the payroll expense;
    - (v) delay in part purchases of approximately \$120,000 due to the CCAA Proceedings and the ramp up with OEMs regarding extending credit;

- (vi) net operating expenses (include rent, vendor and insurance payments) and contingency payments were 116,000 lower than forecast;
- b) the above positive variances are partially offset by:
  - (i) approximately \$3.3 million delay in receipts from new and used vehicles sales largely due to timing differences, and notice of the CCAA proceedings. These receipts are expected to catch up in later weeks;
  - (ii) net HST collection of approximately \$404,000 due to lower vehicles sales and disbursement levels;
  - (iii) \$375,000 of pre-filing HST was remitted in error by the Companies and an amended return will be filed to recoup the funds and/or offset future HST amounts owed;
  - (iv) approximately \$344,000 of dealer trades were purchased of which the vast majority was or will be chatted with the Floorplan Credit Facilities; and
  - (v) delay in part sales of \$184,000 due to reduced sales activity, the CCAA Proceedings and part purchases.
- c) A summary of the variance analysis described above is attached hereto as **Appendix “D”**.

## **PROPOSED SALES INVESTMENT AND SOLICITATION PROCESS**

20. As noted in the First Report, the Debtors had commenced the Debtor-led Sale Process, with Tim Lamb as the Sales Agent. The Monitor’s objective was to preserve momentum and, where transactions are substantially completed and commercially reasonable, seek Court approval to close near-ready deals.

21. Following the Monitor’s review of the Debtor-led Sales Process, the Monitor is of the view that a more formal, Court-approved and supervised sales process is required to maximize realizations for the Debtors’ stakeholders. As such, the Proposed SISP has been developed by the Monitor, in consultation with the Sales Agent and the Applicant, and is intended to solicit

interest in, and opportunities for, a sale of, or investment in, all or part of the Companies' Property (the "**Opportunity**").

22. During the Proposed SISP, the Monitor shall be permitted to remove any of the Dealerships from the Proposed SISP if the Monitor, in consultation with the Sales Agent and the Applicant, is of the view that any transaction with a Potential Purchaser from the Debtor-led Sales Process is sufficiently advanced, and is the highest and best value for the applicable Dealership business in the circumstances.
23. The Opportunity may include one or more of a restructuring, recapitalization or other forms of reorganization of the business and affairs of the Companies as a going concern or a sale of all, substantially all or one or more components of the Companies' Property as a going concern or otherwise.
24. Below is a summary of the key features of the Proposed SISP and the milestones contemplated thereby. Any terms not expressly defined in this section shall have the meaning ascribed in the Proposed SISP attached hereto as **Appendix "E"**.

**Proposed SISP Summary and Timelines**

25. A summary of the key milestones of the Proposed SISP are as follows:

MILESTONE	DEADLINE
Go to market	As soon as practicable and in any event no later than the Monitor's Application
Expression of Interest Deadline (EOI Deadline)	Friday, October 3, 2025 (12:00 PM MT)
EOI Selection Date	Tuesday, October 7, 2025
Binding Bid Deadline	Friday, October 24, 2025 (12:00 PM MT)
Selection of Qualified Bids	Tuesday, October 28, 2025
Selection of Successful Bidder(s) and Execution of Definitive Transaction Agreement(s)	Friday, October 31, 2025
Hearing of the Sale Approval Motion	Subject to Court availability, week of November 10, 2025
Closing the Transaction (Outside Date)	No later than Wednesday, December 3, 2025

26. Pursuant to the Proposed SISP, the various deadlines herein may be extended by and at the discretion of the Monitor, in consultation with the CRO and BMO.

***Solicitation of Interest***

- a) If approved by this Court, as soon as reasonably practicable, but in any event by no later than the Monitor's Application:
  - (i) The Sales Agent, with the assistance of the Monitor, will prepare a list of potentially interested parties, including (i) parties that have approached the Companies, Monitor or the Sales Agent indicating an interest in the Opportunity, and (ii) local and international strategic and financial parties that the Sales Agent in consultation with the Monitor, believes may be interested in purchasing all or part of the Property or investing in the Companies pursuant to the Proposed SISP (collectively, the "**Known Potential Bidders**").
  
- b) the Sales Agent, with the approval of the Monitor, will prepare:
  - (i) a process summary (the "**Teaser Letter**") describing the Opportunity, outlining the process under the Proposed SISP and inviting recipients of the Teaser Letter to express their interest pursuant to the Proposed SISP; and
  - (ii) a non-disclosure agreement in form and substance satisfactory to the Monitor which inures to the benefit of any purchaser of the business or Property of the Companies, or any portion thereof (the "**NDA**").
  
- c) The Sales Agent will send the Teaser Letter and NDA to all Known Potential Bidders, and to any other party who requests a copy of the Teaser Letter and NDA or who is identified to the Companies or the Sales Agent as a potential bidder as soon as reasonably practicable after such request or identification, as applicable.

### **Key Activities and Dates**

27. **Go to Market:** The marketing efforts will commence as soon as practicable and in any event no later than the Monitor's Application.
28. **EOI Deadline:** The solicitation of non-binding expressions of interest ("**EOIs**") will proceed with a submission deadline of 12:00 p.m. (Mountain Time) on Friday, October 3, 2025, or such later date as may be modified in the process letter circulated by the Sales Agent with the Monitor's approval. While EOIs may be non-binding, they must include the information and disclosures set out in the Proposed SISP.
29. **EOI Selection:** The Sales Agent will notify each potential bidder in writing as to whether their EOI has been selected to continue in the process (a "**Selected EOI**") by Tuesday, October 7, 2025, or such later date as determined appropriate by the Monitor in consultation with the Sales Agent and BMO.
30. **Binding Bid Deadline:** Bidders with a Selected EOI that wish to make a formal proposal ("**Bidders**") must submit a binding bid (a "**Binding Bid**") to the Monitor and Sales Agent by 12:00 p.m. (Mountain Time) on Friday, October 24, 2025 (the "**Binding Bid Deadline**"), or such later date as may be modified in the bid process letter circulated by the Sales Agent with the Monitor's approval. Binding Bids must comply with all the requirements set out in the Proposed SISP, and in each case, be delivered in the form of a signed agreement based upon the relevant template (if any) included in the virtual data room with all exhibits and schedules thereto completed (a "**Definitive Transaction Agreement**").
31. **Qualified Bid Selection:** The Sales Agent, in consultation with the Monitor and BMO, will assess the Binding Bids and determine which constitute "**Qualified Bids**" in accordance with the criteria set out in the Proposed SISP. The Sales Agent will notify each Bidder as to whether their Binding Bid has been designated a Qualified Bid by Tuesday, October 28, 2025, or such later date as determined appropriate by the Monitor.

### *Selection of a Successful Bid*

32. The Monitor, in consultation with the Sales Agent and the Applicant, will, by Friday October 31, 2025:

- a) review each Qualified Bid, the finalized Definitive Transaction Agreement and accompanying exhibits and schedules with consideration of the following:
  - (i) the amount of consideration being offered, and, if applicable, the proposed form, composition, and allocation of same;
  - (ii) the value of any assumption of liabilities or waiver of liabilities;
  - (iii) the likelihood of the respective OEMs of each of the Dealerships accepting the purchaser and identified individual/party as the dealer principal;
  - (iv) the likelihood of the Bidder's ability to close a transaction by the week of November 10, 2025 or earlier (including factors such as the Transaction structure and execution risk, including conditions to, timing of, and certainty of closing; termination provisions; availability of financing and financial wherewithal to meet all commitments and required governmental or other approvals);
  - (v) the likelihood of the Court's approval of the Successful Bid (as defined below), if required;
  - (vi) the net benefit to the Companies' and their estates; and
  - (vii) any other factors the Monitor may reasonably deem relevant;
- b) identify and select the highest or otherwise best bid received (the "**Successful Bid**", and the Bidder making such bid, the "**Successful Bidder**"), and notify or inform the Successful Bidder that its bid or Qualified Bid is the Successful Bid; and
- c) if the Monitor, in consultation with the Sales Agent and BMO, determines it to be appropriate to do so, the Monitor may identify a particular bid other than the

Successful Bid as a backup bid (the “**Backup Bid**”, and the bidder making such bid the “**Backup Bidder**”), and notify or inform the Backup Bidder that its bid or Qualified Bid is the Backup Bid.

33. Any Successful Bid will be subject to approval by this Court.
34. In the Monitor’s view, the Proposed SISP is a fair, reasonable, and transparent process that is consistent with sale processes approved in other insolvency proceedings in this industry. The Monitor is of the view that the proposed SISP will sufficiently canvass the market for and maximize the value of the Property, to the benefit of Companies’ creditors and stakeholders more generally. Accordingly, the Monitor recommends that this Court approve the Proposed SISP.

#### **BMO SECURITY REVIEW UPDATE**

35. As described in greater detail in the Gil Affidavit, the Debtors have a number of pre-filing secured credit facilities with BMO (collectively, the “**Pre-Filing Credit Facilities**”), including certain floor plan facilities pursuant to which BMO finances the acquisition of new and used vehicles by the Dealerships (the “**Floorplan Credit Facilities**”). In order for the Summit Auto Group to continue to operate as a going concern and purchase new or used vehicles in the ordinary course, it is necessary that the Summit Auto Group continue to have access to Floorplan Credit Facilities.
36. As advised by the Monitor in the First Report, the Monitor has requested an independent legal opinion from its legal counsel to determine the validity and enforceability of security granted by the Summit Auto Group to BMO associated with the Pre-Filing Credit Facilities (the “**Security Opinion**”). Upon confirmation that BMO’s security is valid and enforceable (“**Positive Security Opinion Results**”) the Monitor intended to make payments to BMO under the Floorplan Credit Facilities.
37. Miller Thomson delivered the Security Opinion which confirms the Positive Security Opinion Results. Based on the Positive Security Opinion Results, and in discussion with Miller Thomson, the Monitor is satisfied that ordinary course payments, including pre-filing amounts

owing, to BMO under the Floorplan Credit Facilities shall be, and will continue to be made in accordance with the ARIIO, in line with the Cash Flow Forecast.

## **MONITOR'S INVESTIGATIVE POWERS**

38. To date, the Monitor and the CRO have identified certain transaction irregularities requiring further review, including potential related-party transactions at under value, wholesale vehicle sales resulting in substantial losses, and undocumented intercompany advances, all of which may have resulted in the erosion of BMO's collateral.

39. Since the commencement of the CCAA Proceedings, the CRO has advanced multiple investigative workstreams. The CRO's investigations have confirmed several material concerns, such as:

- a) an incident at Vermilion Chrysler in which an estimated 25–50 original deal files were shredded and discarded. While duplicate files were subsequently identified, the destruction of the original documents raises significant concerns regarding the preservation of dealership records and the integrity of historical reporting;
- b) cumulative losses exceeding \$1 million were confirmed through further review of wholesale vehicle transactions, with units sold significantly below fair market value and subsequently certain of those same vehicles resold by the wholesale purchasers at materially higher prices. The CRO believes that these transactions may suggest undisclosed revenue-sharing arrangements that benefitted third parties at the expense of the Dealerships and BMO; and
- c) the widespread use of third-party finance “pod” agreements across Dealerships. These arrangements have resulted in falsified credit applications, lender chargebacks, and the termination of certain lender relationships (such as RBC). Certain agreements have been linked to potential misrepresentations, undisclosed commissions, and ongoing regulatory investigations by the Vehicle Sales Authority of British Columbia (“VSA”) and the Alberta Motor Vehicle Industry Council (“AMVIC”).

40. A copy of the CRO's report on its preliminary findings on these irregularities is attached hereto as **Appendix “F”**.

41. Through various inquiries, the Monitor has come to understand that funds from Squamish Chrysler, a BMO-financed debtor, may have been redirected through separate entities and paid to related companies not subject to the CCAA Proceedings. The Monitor understands that there were transfers or redirection of funds of at least \$500,000.
42. In light of the above, the Monitor is seeking the Investigative Powers, as contemplated in the Stay Extension Order. These powers would authorize the Monitor to compel the production of books, records and correspondence, and to conduct examinations under oath if necessary and where appropriate.
43. The Monitor considers the Investigative Powers to be necessary and appropriate to further investigate the irregularities identified to date, to ensure transparency in the conduct of the CCAA Proceedings, and to protect the interests of the Companies' stakeholders. The Monitor intends to exercise such powers in a targeted and proportionate manner, in consultation with its counsel and the Applicant.

#### **MONITOR AND ITS COUNSEL'S FEES**

44. Pursuant to paragraph 31 of the ARIO, the Monitor and its counsel are to be paid their reasonable fees and disbursements at their standard rates and charges. Pursuant to paragraph 32 of the ARIO, the Monitor and its counsel shall pass their accounts from time to time.
45. The Monitor seeks to have its fees and disbursements, including those of its legal counsel, approved by the Court. The Monitor and its counsel have maintained detailed records of their professional time and costs.
46. The Monitor's fees from April 1, 2025, to August 31, 2025, were \$223,219.50, plus disbursements of \$2,421.39, plus GST of \$11,282.04 for a total of \$236,922.93.
47. Miller Thomson's fees, as legal counsel to the Monitor, from August 11, 2025, to August 29, 2025, were \$91,796.00, plus disbursements of \$3,465.08, plus GST of \$4,719.32 for a total of \$99,980.40.
48. A summary of the accounts rendered by the Monitor and its legal counsel is attached hereto as **Appendix "G"**. Detailed accounts are available for review by the Court upon request. The

amount of the fees is based on the hourly rates of the professionals involved in this matter multiplied by actual time spent on this matter.

49. It is the Monitor's opinion that the fees and disbursements of the Monitor and Miller Thomson accurately reflect the work performed by the Monitor and Miller Thomson in connection with the administration of the CCAA Proceedings for the dates of their respective invoices. It is the Monitor's opinion that the fees and disbursements of Miller Thomson are fair, reasonable and justified in the circumstances. The Monitor recommends approval of Miller Thomson's accounts by this Court.

## **CONCLUSION**

50. This Second Report has been prepared by the Monitor is in support of the Monitor's Application. For reasons set out herein, the Monitor respectfully recommends that this Court grant the relief set out in the Monitor's Application.

**All of which is respectfully submitted this 10<sup>th</sup> day of September 2025.**

**BDO CANADA LIMITED, in its capacity  
as the Monitor of the Summit Auto Group, and  
not in its corporate or personal capacity.**

**Per:**



---

**Clark Lonergan, CA, CPA, CIRP, LIT**

**Partner/Senior Vice President**

**Appendix “D” – Third Report of the Monitor dated November 7, 2025 (without  
appendices)**

COURT FILE NUMBER

2501 - 13057

COURT

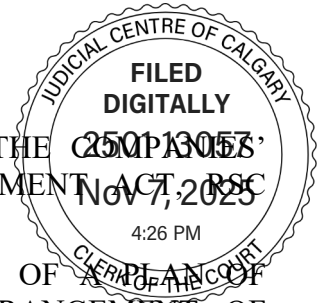
COURT OF KING'S BENCH OF ALBERTA

JUDICIAL CENTRE

CALGARY

MATTER

IN THE MATTER OF THE ~~2501-13057~~  
CREDITORS ARRANGEMENT ACT, RSC  
1985, c C-36, as amended  
Nov 7, 2025



AND IN THE MATTER OF A PLAN OF  
COMPROMISE OR ARRANGEMENT OF  
2345137 ALBERTA LTD., 2351497 ALBERTA  
LTD., 2497902 ALBERTA LTD., SUMMIT S  
AUTO LTD., SUMMIT V AUTO LTD., MK  
AUTO K-M LTD., 2437342 ALBERTA LTD.,  
1972207 ALBERTA LTD., 1175104 B.C. LTD.,  
1262113 B.C. LTD., AND 1272986 B.C. LTD.

APPLICANT

BANK OF MONTREAL

RESPONDENTS

2345137 ALBERTA LTD., 2351497 ALBERTA  
LTD., 2497902 ALBERTA LTD., SUMMIT S  
AUTO LTD., SUMMIT V AUTO LTD., MK  
AUTO K-M LTD., 2437342 ALBERTA LTD.,  
1972207 ALBERTA LTD., 1175104 B.C. LTD.,  
1262113 B.C. LTD., AND 1272986 B.C. LTD.

DOCUMENT

**THIRD REPORT OF BDO CANADA  
LIMITED, IN ITS CAPACITY AS THE  
COURT-APPOINTED MONITOR**

ADDRESS FOR SERVICE AND  
CONTACT INFORMATION OF PARTY  
FILING THIS DOCUMENT

MILLER THOMSON LLP  
Eighth Avenue Place East  
43<sup>rd</sup> Floor, 525 8<sup>th</sup> Avenue S.W.

Attention: James W. Reid/Monica Faheim/  
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## LIST OF APPENDICES

**Appendix “A” – Pre-Filing Report of the Proposed Monitor dated August 20, 2025 (without appendices)**

**Appendix “B” – First Report of the Monitor dated August 27, 2025 (without appendices)**

**Appendix “C” – Second Report of the Monitor dated September 10, 2025 (without appendices)**

**Appendix “D” – Cash Flow Forecast for the Period August 22, 2025, to November 23, 2025**

**Appendix “E” – Cash Flow Variance for the Period**

**Appendix “F” – Revised Cash Flow Forecast**

**Appendix “G” – Redacted Arrow VW Sale Agreement**

**Appendix “H” – Redacted Castle Ford Sale Agreement**

**Appendix “I” – September 23, 2025 Letter Correspondence**

**Appendix “J” – October 21, 2025 Letter Correspondence**

**Appendix “K” – Corporate Search Westcastle Dealership**

**Appendix “L” – Corporate Search Westcastle Real Co**

**Appendix “M” – Professional Fees Schedule**

## INTRODUCTION

1. On August 22, 2025 (the “**Filing Date**”), upon the application by the Bank of Montreal (“**BMO**”) in its capacity as senior secured lender to 2345137 Alberta Ltd. (“**Vermilion Chrysler**”), 1262113 B.C. Ltd. (“**Western Sport Products**”), 2497902 Alberta Ltd. (“**Castle Ford**”), 1175104 B.C. Ltd. (“**Cranbrook Mitsubishi**”), 1272986 B.C. Ltd. (“**Sun Valley Nissan**”), Summit V Auto Ltd. (“**Arrow Volkswagen**” or “**Arrow VW**”, with Vermilion Chrysler, Western Sport Products, Castle Ford, Cranbrook Mitsubishi, and Sun Valley Nissan, the “**Omnibus Dealerships**”), 2437342 Alberta Ltd. (“**Squamish Chrysler**”, with the Omnibus Dealerships, the “**Dealerships**”), Summit S Auto Ltd. (“**Real Co**”, with the Omnibus Dealerships, the “**Omnibus Debtors**”), MK Auto K-M Ltd. (“**MK Auto**”), 1972207 Alberta Ltd. (“**197 AB**”, with Squamish Chrysler, the “**Squamish Debtors**”) and 2351497 Alberta Ltd. (“**235 AB**” with the Omnibus Debtors, the Squamish Debtors, and MK Auto, collectively, the “**Summit Auto Group**”, the “**Debtors**”, or the “**Companies**”), the Court of King’s Bench of Alberta (the “**Court**”) issued an order (the “**Initial Order**”) granting protection to the Companies from their creditors under the *Companies’ Creditors Arrangement Act*, RSC 1985, c C-36, as amended (the “**CCAA**”). Pursuant to the Initial Order, BDO Canada Limited (“**BDO**”) was appointed as monitor of the Companies (in such capacity, the “**Monitor**”).
2. Among other things, pursuant to the Initial Order the Court granted:
  - a) an initial stay of proceedings (the “**Stay of Proceedings**”) in favour of the Debtors until and including September 1, 2025, to stabilize the Debtors’ operations and permit the Monitor to assess the Debtors’ then ongoing sales process;
  - b) the appointment of the Monitor and expanded powers of the Monitor during the CCAA proceedings (the “**CCAA Proceedings**”);
  - c) the appointment of the chief restructuring officer (“**CRO**”), Full Circle Automotive Solutions Inc. over the Debtors;
  - d) a charge over the Debtors’ property (the “**Property**”) to stand as security for payment by the Companies of the professional fees and disbursements of the BMO’s legal counsel, the Monitor and its independent legal counsel, and the CRO, in an aggregate amount not to exceed \$350,000 (the “**Administration Charge**”);

- e) the power for the Monitor to borrow funds in the maximum amount of \$500,000 to fund the Debtors' operations during the CCAA Proceedings and a charge over the Property to stand as security (the "**Monitor's Borrowing Charge**"); and
  - f) a charge over the Property to stand as security for the Debtors' obligation to indemnify the directors from any liabilities they may incur in such capacity from and after the commencement of the CCAA Proceedings, up to a maximum amount of \$250,000 (the "**Director's Charge**", together with the Administration Charge and Monitor's Borrowing Charge, the "**Court Ordered Charges**").
3. The Initial Order contemplated a comeback application on August 27, 2025 (the "**Comeback Hearing**").
4. At the Comeback Hearing, the Court granted an amended and restated initial order (the "**ARIO**"). The ARIO, among other things:
- a) extended the Stay of Proceedings until and including September 26, 2025;
  - b) approved an increase to the Administration Charge up to the maximum amount of \$750,000;
  - c) approved an increase to the Monitor's Borrowing Charge up to the maximum amount of \$3.5 million (plus interest, costs and fees);
  - d) authorized continued payments to BMO under the existing floor plan arrangements once the Monitor confirmed the validity of BMO's security; and
  - e) reaffirmed the Monitor's authority to manage and operate the Companies' businesses and oversee sales efforts through its expanded powers.
5. On September 19, 2025, upon an application of the Monitor, the Court granted the following additional relief:
- a) an order (the "**Stay Extension Order**") which, among other things:
    - (i) extended the Stay of Proceedings up to and including November 21, 2025; and
    - (ii) granted the Monitor certain powers, in addition to and in no way limiting the powers of the Monitor as set out in the ARIO, to authorize the Monitor

to conduct investigations, compel production of records relating to the Companies or the businesses of the Companies, and to compel examination under oath of any person reasonably thought to have knowledge relating to the Companies or the businesses of the Companies (“**Investigative Powers**”).

- b) an order (the “**SISP Approval Order**”) which, among other things:
  - (i) approved a sale and investment solicitation process (the “**SISP**”); and
  - (ii) approved the appointment of the Debtors’ pre-filing sales agent, the Tim Lamb Group (the “**Sales Agent**” or “**Tim Lamb**”) to administer and manage the SISP with the oversight of the Monitor.

6. To date, the Monitor has provided the Court with the following reports (the “**Previous Reports**”):

- a) the Pre-Filing Report of the Proposed Monitor filed August 20, 2025 (the “**Pre-Filing Report**”) in connection with the application for the Initial Order. The Pre-Filing Report (without appendices) is attached hereto as **Appendix “A”**;
- b) the First Report of the Monitor filed August 27, 2025 (the “**First Report**”) in connection with the application for the ARIO. The First Report (without appendices) is attached hereto as **Appendix “B”**; and
- c) the Second Report of the Monitor filed September 10, 2025 (the “**Second Report**”) in connection with the application for the Stay Extension Order and the SISP Approval Order. The Second Report (without appendices) is attached hereto as **Appendix “C”**.

## **PURPOSE**

7. The purpose of this third report of the Monitor (the “**Third Report**”) is to provide information to the Court with respect to:

- a) the activities of the Monitor since the Second Report;
- b) the Debtors’ actual cash flow results for the 10-week period ended November 2, 2025, versus the budgeted results for that period, as outlined in the Debtors’ initial

13-week consolidated cash flow from August 22, 2025, to the week ended November 23, 2025 (the “**Initial Cash Flow Forecast**”);

- c) the Debtors’ revised 13-week cash flow forecast (the “**Revised Cash Flow Forecast**”), on a consolidated basis, for the period November 3, 2025, to February 1, 2026 (the “**Revised Cash Flow Period**”) and the Monitor’s comments regarding the reasonableness thereof;
- d) an update on the SISP;
- e) the Monitor’s comments and recommendations with respect to its application returnable on November 13, 2025 (the “**Application**”) seeking:
  - (i) an order (the “**Arrow VW AVO**”) to approve and authorize the sale transaction (the “**Arrow VW Transaction**”) of certain of the assets, undertakings and properties of Arrow VW and Real Co (together, the “**Arrow VW Vendors**”), pursuant to a purchase and sale agreement between the Arrow VW Vendors as vendors and K5 IG Holdings Inc. as purchaser (the “**Arrow VW Purchaser**”) dated as of November 6, 2025 (the “**Arrow VW Sale Agreement**”);
  - (ii) an order (the “**Castle Ford AVO**”) to approve and authorize the sale transaction (the “**Castle Ford Transaction**”, and together with the Arrow VW Transaction, the “**Transactions**”) of certain of the assets, undertakings and properties of Castle Ford and Real Co (together, the “**Castle Ford Vendors**”), pursuant to a purchase and sale agreement between the Castle Ford Vendors as vendors and Davis Auto Group Ltd. as purchaser (the “**Castle Ford Purchaser**”) dated as of November 6, 2025 (the “**Castle Ford Sale Agreement**”);
  - (iii) an order (the “**Second Stay Extension Order**”) to, among other things:
    - I. extend the Stay of Proceedings up to and including January 30, 2026, as supported by the Cash Flow Forecast;
    - II. approve the activities of the Monitor since the Second Report;

- III. approve the accounts of the Monitor and its legal counsel, Miller Thomson LLP (“**Miller Thomson**”), for fees and disbursements incurred to date;
  - IV. authorize the Monitor to make distributions to BMO in its capacity as the senior secured lender;
  - V. authorize the Monitor to have full access to all bank accounts, financial records, constating documents, minute books and other documents required by the Monitor in respect of the assets and/or business of 2412170 Alberta Ltd. (“**Westcastle Dealership**”) and 2416326 Alberta Ltd. (“**Westcastle RealCo**”), together operating as Westcastle Chevrolet Buick GMC (“**Westcastle GMC**”);
  - VI. temporarily seal the Confidential Supplement to the Third Report until the closing of the Transactions or until further order of this Honourable Court; and
  - VII. such further and other relief as the Court may deem just and equitable.
8. The Previous Reports and other Court materials in connection with the CCAA Proceedings are available on the Monitor’s website at: <https://www.bdo.ca/services/financial-advisory-services/business-restructuring-turnaround-services/current-engagements/summit-automotive-group> (the “**Monitor’s Website**”). All Court documents and certain other relevant documents have been and will continue to be posted as they are made available.
9. Capitalized terms not otherwise defined herein have the meanings ascribed to them in the Previous Reports.

#### **TERMS OF REFERENCE**

10. In preparing this Third Report and making the comments herein, the Monitor has been provided with, and has relied upon, unaudited financial information, books and records prepared by the Debtors, the Gil Affidavit (herein defined), discussions between the CRO and management of the Debtors (“**Management**”), discussions with BMO and information from other third-party

sources (collectively, the “**Information**”). Except as described in this Third Report in respect of the Revised Cash Flow Forecast:

- a) the Monitor has reviewed the Information for reasonableness, internal consistency and use in the context in which it was provided. However, the Monitor has not audited or otherwise attempted to verify the accuracy or completeness of such information in a manner that would wholly or partially comply with Generally Accepted Assurance Standards (“**GAAS**”) pursuant to the Chartered Professional Accountants Canada Handbook and, accordingly, the Monitor expresses no opinion or other form of assurance contemplated under GAAS in respect of the Information; and
  - b) some of the information referred to in this Third Report consists of forecasts and projections. An examination or review of the financial forecast and projections, as outlined in the Chartered Professional Accountants Canada Handbook, has not been performed.
11. Future oriented financial information referred to in this Third 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 will vary from the projections, even if the assumptions materialize, and the variation could be significant.
12. Unless otherwise indicated, the Monitor’s understanding of the factual matters expressed in this Third Report concerning the Debtors and their business is based on the Information, and not independent factual determinations made by the Monitor.
13. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian dollars.

## **BACKGROUND INFORMATION**

14. This Third Report should be read in conjunction with the affidavit of John Gil sworn August 15, 2025 (the “**Gil Affidavit**”), the Pre-Filing Report, the First Report, and the Second Report, which can be found on the Monitor’s Website and contain background information with respect

to the Companies' businesses and operations as well as matters leading up to the commencement of these CCAA Proceedings.

## **MONITOR'S ACTIVITIES TO DATE**

15. Since the date of the Second Report, the Monitor has:

- a) continued to update the Monitor's Website;
- b) continued to hold regular discussions with Management, the CRO, the Sales Agent and key stakeholders, including BMO, regarding operations, liquidity, and broader restructuring initiatives;
- c) continued to communicate with each of the original equipment manufacturers ("OEM(s)") regarding OEM billing, SISP updates, and operations;
- d) continued to assist the Companies with stakeholder communications;
- e) provided oversight and support to the Companies' treasury functions, including cash flow reporting through:
  - (i) implementing a weekly treasury monitoring protocol;
  - (ii) conducting variance analysis between actual and forecasted cash flow and submitting variance updates to BMO; and
  - (iii) facilitating interim financing requests/Monitor's borrowings;
- f) supervised and assisted with activities related to the SISP, including but not limited to:
  - (i) continued discussions with the representatives of the Sales Agent regarding the status of bidders;
  - (ii) providing regular updates to key stakeholders, including OEMs and BMO, on the status of the SISP;
  - (iii) assisting with preparation of due diligence items and review of materials uploaded to the virtual data room ("VDR");

- (iv) reviewing the teaser materials and coordinating the distribution of it with the Sales Agent;
  - (v) tracking the execution of non-disclosure agreements (“NDA(s)”) and monitoring of the Sales Agent’s outreach efforts;
  - (vi) holding discussions with all prospective purchasers that participated in the SISP by submitting an expression of interest (“EOI”);
  - (vii) reviewing EOIs received, and providing comparative EOI in summary format to key stakeholders;
  - (viii) reviewing the draft asset purchase agreement (“APA”) template;
  - (ix) reviewing binding bids/APAs received and facilitating negotiations with bidders regarding the same;
  - (x) setting up a trust account for purchase deposits;
  - (xi) coordinating environmental assessments and real estate appraisals;
  - (xii) coordinating with counsel and bidders to finalize APAs; and
  - (xiii) preparing and issuing communications to successful and unsuccessful bidders at various stages of the SISP;
- g) continued review of personnel matters with the assistance of the CRO, and issued termination notices to certain personnel;
  - h) continued to investigate into numerous matters, irregularities, and concerns raised by the employees of the Companies, the CRO, and Management;
  - i) continued to correspond with the Companies’ former ownership and the Toronto Dominion Bank (“TD”) and its counsel with regards to the TD financed dealership, Westcastle GMC;
  - j) continued to respond to correspondence received from creditors and other parties regarding the CCAA Proceedings;

- k) continued to participate in various discussions with Management and the CRO regarding operations, treasury functions, and vehicle sales activities;
- l) corresponded with BMO, BMO's counsel, and the independent counsel to the Monitor, Miller Thomson, regarding matters related to these CCAA Proceedings;
- m) engaged in correspondence with dealer finance partners or third-party finance providers through which the Dealerships submit customer credit applications on behalf of customers seeking vehicle financing at the point of sale;
- n) prepared the Revised Cash Flow Forecast with the assistance of the CRO and Management;
- o) attended the September 19, 2025, Court hearing; and
- p) prepared this Third Report.

#### **STAY OF PROCEEDINGS EXTENSION**

16. The Stay of Proceedings currently expires on November 21, 2025. The Monitor is requesting an extension of the Stay of Proceedings until January 30, 2026. The Monitor seeks an extension of the Stay of Proceedings for the following reasons, among others:

- a) the Debtors, through the Monitor with its enhanced powers, are acting in good faith and with due diligence;
- b) the Stay of Proceedings will provide the Monitor and Debtors with time to stabilize the businesses of the Debtors, complete and close the Transactions, review potential transactions in respect of the Dealerships; and
- c) as of the date of this Report, the Monitor is not aware of any party opposed to the requested extension.

17. According to the Revised Cash Flow Forecast (as described below), there will be sufficient funding to operate the Debtors' businesses during the proposed extension of the Stay of Proceedings to January 30, 2026.

18. The Monitor believes it is just, convenient, necessary, and in the best interest of the Debtors and their stakeholders that the Stay of Proceedings be extended.

## **DEBTORS' RECEIPTS AND DISBURSEMENTS SINCE FILING DATE**

19. The Monitor's First Report included a Cash Flow Forecast for the 13-week period from August 22, 2025, to the week ending November 23, 2025. A copy of the Cash Flow Forecast is attached hereto as **Appendix "D"**.
20. The Monitor has reviewed the actual cash flow from operations for the 10-week period ending November 2, 2025 (the "**Second Review Period**"), through monitoring the banking activities of the Debtors.
21. The Debtors' actual cash flow from operations for the Second Review Period exceeded the projections for that same period by approximately \$2.1 million. This variance is a combination of significantly lower than forecast dealership activity (permanent differences) and certain timing differences of receipts and disbursements, outlined, as follows:
- a) the positive variance is largely due to the:
    - (i) reduction in the net repayment of the outstanding Floorplan Credit Facilities in the amount of approximately \$17.7 million for new and used vehicles sold (net of chatteling of new/used vehicles purchased or taken in as trade-ins), due to significantly lower than anticipated vehicle sales activity after the Filing Date;
    - (ii) reduction in the payment of trade-in vehicle lien payouts of approximately \$6.7 million primarily due to lower than forecasted new and used vehicle sales and/or lower lien amounts on the actual trade-in vehicles;
    - (iii) delay in professional and restructuring fee payments of approximately \$0.7 million;
    - (iv) reduction in part purchases of approximately \$0.6 million due to lower dealership activity and respective OEMs extending credit;
    - (v) reduction in finance product costs of approximately \$0.5 million due to lower dealership activity;
    - (vi) reduction in net operating (including rent, vendor and insurance payments) and contingency payments of approximately \$0.4 million lower than forecast; and

- (vii) reduction in payroll and associated benefits of approximately \$0.3 million, which is primarily due to decreased employee levels/ownership payroll;
- b) the above positive variances are partially offset by:
- (i) reduction in receipts from new and used vehicles sales of approximately \$21.2 million largely due to lower than forecasted vehicles sales from the removal of the high sale volume/low margin/high risk financing pods (the “**Pods**”) operating out of certain dealerships, suspension of the significant number of third-party lenders for vehicle financing due to these Pods, and decreased sales personnel;
  - (ii) increased vehicle purchases/dealer trades of approximately \$1.6 million not previously forecast;
  - (iii) reduction in net HST collections of approximately \$1.2 million due to lower vehicle sales and disbursement levels; and
  - (iv) reduction in parts/service sales of approximately \$0.8 million due to decreased dealership activity.

22. A summary of the variance analysis described above is attached hereto as **Appendix “E”**.

### **REVISED CASH FLOW FORECAST**

23. The CRO, with the assistance of the Monitor, prepared the Revised Cash Flow Forecast for the purposes of projecting the Debtors’ estimated liquidity needs during the Revised Cash Flow Period. A copy of the Revised Cash Flow Forecast is attached hereto as **Appendix “F”**.

24. The Revised Cash Flow Forecast is presented on a weekly basis and represents the CRO’s estimates of the projected cash flow during the Revised Cash Flow Period. The Revised Cash Flow Forecast has been prepared using probable and hypothetical assumptions (the “**Assumptions**”) as set out in the notes to the Revised Cash Flow Forecast.

25. The Monitor has reviewed the Revised Cash Flow Forecast to the standard required of a Court-appointed monitor by section 23(1)(b) of the CCAA. In accordance with this standard, the Monitor conducted inquiries, performed analytical procedures, held discussions, and read documents related to the Information supplied to it by the CRO or employees of the Debtors.

26. Based on the Monitor's review, nothing has come to its attention that causes it to believe, in all material respects, that:

- a) the Assumptions are not consistent with the purpose of the Revised Cash Flow Forecast;
- b) as at the date of this Third Report, the Assumptions are not suitably supported or do not provide a reasonable basis for the Revised Cash Flow Forecast, given the probable and hypothetical assumptions; or
- c) the Revised Cash Flow Forecast does not reflect the Assumptions.

27. The Monitor notes that the Revised Cash Flow Forecast has been prepared solely for the purpose described above and since the Revised Cash Flow Forecast is based on Assumptions regarding future events, actual results will vary from the information presented even if the Assumptions occur, and the variations could be material. Readers are cautioned that the Revised Cash Flow Forecast may not be appropriate for other purposes.

28. The Revised Cash Flow Forecast shows that during the Revised Cash Flow Period, the Debtors will experience a new cash outflow of approximately \$3.5 million. The Revised Cash Flow Forecast projects that during the Revised Cash Flow Period the Debtors should have sufficient liquidity, with funds advanced via the Monitor's Borrowing Certificates. As detailed below, the Monitor believes that the amount on the Monitor's Borrowing Certificates and Monitor's Borrowing Charge is appropriate and necessary given the Revised Cash Flow Forecast and is limited to the amounts reasonably necessary.

#### **BACKGROUND TO COURT-APPROVED SISP**

29. As noted in the First Report, the Debtors had commenced a Debtor-led sale process ("**Previous Sales Process**"), with the Tim Lamb Group as their sales agent. The Monitor's objective was to preserve momentum and, where transactions were substantially completed and commercially reasonable, seek Court approval to close near-ready deals.

30. Following the Monitor's review of the Previous Sales Process, the Monitor was of the view that a more formal, Court-approved and supervised sales process was required to maximize realizations for the Debtors' stakeholders. As such, the SISP was developed by the Monitor, in

consultation with the Sales Agent and BMO, to solicit interest in, and opportunities for, a sale of, or investment in, all or part of the Companies' Property (the **"Opportunity"**).

31. Following the SISP Approval Order, the Monitor together with the Sales Agent conducted the SISP in accordance therewith.
32. The SISP contemplated the following key features and milestones which could each be extended at the discretion of the Monitor, in consultation with the Sales Agent and BMO:

<b>MILESTONE</b>	<b>DEADLINE</b>
Go to market	Monday, September 8, 2025
Expression of Interest Deadline (EOI Deadline)	Friday, October 3, 2025 (12:00 PM MT)
EOI Selection Date	Tuesday, October 7, 2025
Binding Bid Deadline	Friday, October 24, 2025 (12:00 PM MT)
Selection of Qualified Bids	Tuesday, October 28, 2025
Selection of Successful Bidder(s) and Execution of Definitive Transaction Agreement(s)	Friday, October 31, 2025
Hearing of the Sale Approval Motion	Subject to Court availability, week of November 10, 2025
Closing the Transaction (Outside Date)	No later than Wednesday, December 3, 2025

33. The Sales Agent, in consultation with the Monitor, solicited non-binding expression of interests from interested parties after going to market. After receiving the EOIs, the Monitor, in consultation with the Sales Agent, assessed the EOIs to determine which parties to invite for submission of "Qualified Bids".
34. As set out above, the SISP established a binding bid deadline of October 24, 2025 (the **"Bid Deadline"**). A summary of the SISP results up to the Bid Deadline is as follows:

Dealership	Parties Contacted	NDA's Completed	EOIs Received	Invited to Bid	Bids Received
Squamish Chrysler			4	3	1
Sun Valley Nissan			3	2	1
Vermilion Chrysler			2	1	0
Arrow VW			4	2	2
Western Sport Products			0	0	0
Cranbrook Mitsubishi			6	4	1
Castle Ford			3	2	1
All Stores	7,784*	63*	22	14	6

*\*Figures shown as aggregate as multiple parties had interest in all Dealerships.*

35. Pursuant to paragraph 12 and 40 of the SISP, in consultation with the Sales Agent and BMO, the Monitor extended the “Selection of Qualified Bids” and “Selection of Successful Bidders and Execution of Definitive Transaction Agreements” by two (2) business days to Thursday, October 30<sup>th</sup>, 2025 and Tuesday November 4, 2025 respectively, to allow Monitor and Sales Agent additional time assess and confirm certain deal points and conditions associated with the bids. The remaining dates and milestone remained the same.
36. Of the six (6) bids received, only two (2) were deemed Qualified Bids, one (1) for the Arrow VW dealership and one (1) for the Castle Ford dealership. All other bids received contained significant conditions, including financing, and/or where the prospective purchasers would not be accepted by the respective OEM(s) to own and operate a dealership.
37. The letters of intent and asset purchase agreements from the Previous Sales Process were determined not to be Qualified Bids, with most offers remaining subject to financing that never materialized and/or prospective purchasers that were never going to be approved by the OEMs.
38. Now that a fulsome and transparent SISP has been run, the Monitor will continue to examine options to monetize the remaining dealership assets not subject to binding sale, which may include the sale of dealership(s) to other potential buyers that may still be interested and/or start a liquidation process for the remaining vehicles assets and real estate.
39. Additional details concerning the outcome of the SISP, including the number and nature of bids submitted, are set out in the confidential supplement to this Third Report (the “**Confidential Supplement**”). As discussed in greater detail below, the Monitor is seeking the Sealing Order with respect to the Confidential Supplement. Disclosure of this information in the public version of the Third Report could prejudice the Monitor’s efforts to market and sell

the remaining property, compromise the integrity of the SISP and adversely impact stakeholder value.

## **PROPOSED TRANSACTIONS AND SALE AGREEMENTS**

40. The Confidential Supplement includes additional details of the results of the SISP as it pertains to the Transactions. The Monitor, in consultation with the Sales Agent and BMO, determined that the binding bid submitted by the VW Purchaser (the “**Arrow VW Bid**”) and Castle Ford Purchaser (“**Castle Ford Bid**”) represented the highest and best offer received under the SISP for the respective assets and real properties. Accordingly, the Monitor designated the Arrow VW Bid and Castle Ford Bid as the Successful Bids on November 4, 2025.
41. Apart from the Arrow VW Bid and Castle Ford Bid, the Monitor did not receive bids for the purchase of other Dealerships’ assets that would be considered a “Qualified Bid” based on the criteria set out in paragraph 29 of the SISP. As such, the Monitor has decided to not pursue any transactions on Dealerships other than Arrow VW and Castle Ford at the Application.

### **Arrow VW Transaction and Arrow VW Sale Agreement**

42. Subject to Court approval, the Monitor, for and on behalf of the Arrow VW Vendors, intends to enter into the Arrow VW Sale Agreement. A copy of the draft Arrow VW Sale Agreement, which has the purchase price redacted, is attached hereto as **Appendix “G”**.
43. An unredacted copy of the Arrow VW Sale Agreement is included in the Confidential Supplement. As at the date of the Third Report, the Arrow VW Sale Agreement has not been executed.
44. The Arrow VW Sale Agreement contemplates a transaction whereby the Arrow VW Purchaser will acquire substantially all of the assets and business operations of the Arrow VW Vendors (the “**Arrow VW Purchased Assets**”), excluding only those assets expressly identified in the Arrow VW Sale Agreement as “Excluded Assets”.
45. The Arrow VW Purchased Assets include, among other things:
- a) all new, deferred new, and demonstrator vehicles as of closing, and certain used vehicles identified in advance of closing;
  - b) the real properties which Arrow VW operates a dealership on, owned by Real Co, located at 2014 and 2034 Cranbrook Street North, Cranbrook, BC (“**Arrow VW Real Properties**”);

- c) parts and accessories, including “Obsolete Inventory”, as of closing;
  - d) equipment, fixtures, furniture, and related assets used in the business; and
  - e) goodwill, licenses, permits, assigned contracts, customer deposits, warranty rights, work in progress, telephone and fax numbers, domain names, social media accounts, trade names, and software/hardware used in the business.
46. The Excluded Assets include any assets not specifically identified as “Purchased Assets” in the Arrow VW Sale Agreement, including, among other things, cash, bank accounts, short term investments, corporate records unrelated to the Arrow VW Purchased Assets, tax refunds, all “Receivables”, insurance policies, and “Excluded contracts”.
47. Given the inventory levels and other Arrow VW Purchased Assets may fluctuate (i.e. customer deposits) before closing, the Arrow VW Sale Agreement provides for a purchase price adjustment mechanism to align the cash purchase price with assets on hand at close.
48. No less than two (2) days before the closing date, the Arrow VW Vendors must provide the Monitor and Arrow VW Purchaser with a reconciliation (the “**Arrow VW Reconciliation**”) including a physical count and listings of vehicles, parts, accessories, customer deposits, work in progress, and obsolete inventory.
49. Based on the Arrow VW Reconciliation, the Arrow VW Vendors will prepare a statement of adjustments reflecting agreed values for vehicles, parts, deposits, and work in progress no less than the day immediately prior to closing. Where figures cannot be finalized, the parties will agree on reasonable estimates that will be used and deemed final for closing.
- a) This mechanism ensures the purchase price accurately reflects Arrow VW Vendors’ actual vehicle inventory and other Purchased Assets at closing.
50. The Arrow VW Sale Agreement provides for the assignment of certain contracts (the “**Arrow VW Assigned Contracts**”) which will assist the Purchaser in preserving continued operation of the Arrow VW dealership following closing. The Monitor is working with the Arrow VW Purchaser to obtain consent to assignment of the Arrow VW Assigned Contracts from applicable counterparties but otherwise will seek the Court’s approval to assign the Arrow VW Assigned Contracts.

### *Employees*

51. Under the Arrow VW Sale Agreement, the Arrow VW Purchaser is required to provide a list of employees to whom it will offer employment at least fourteen (14) days before closing of the Arrow VW Transaction. Those employees that accept offers will be “Transferred Employees”.
52. The Arrow VW Purchaser will assume obligations for wages, benefits, and termination pay of the Transferred Employees on a post-hire basis, whereas vacation pay and overtime will be assumed on a pre-hire basis. Arrow VW remains responsible for obligations to employees who are not transferred, as well as for all other pre-closing obligations (excluding the pre-hire vacation pay and overtime assumed by the Arrow VW Purchaser).

### *Closing and Closing Conditions*

53. The Arrow VW Transaction is conditional upon, among other things, (i) approval of the Arrow VW Sale Agreement by this Court, (ii) delivery of customary transfer documents, (iii) satisfactory phase I environmental site assessment of Arrow VW Real Properties, and (iv) regulatory and manufacturer approvals necessary to complete the transaction, including approval from the respective OEM and the Vehicle Sales Authority of British Columbia (the “VSA”).
54. Closing of the Arrow VW Transaction is targeted for ten (10) business days following the later of: (i) waiver or satisfaction of the “Due Diligence Condition”, and (ii) the date of issuance of the Arrow VW AVO and must occur no later than the “Outside Date”, being January 15, 2026, or such other date as mutually agreed by the Arrow VW Vendors and Arrow VW Purchaser, with the consent of the Monitor and BMO.

### **Castle Ford Transaction and Castle Ford Sale Agreement**

55. On November 6, 2025, subject to Court approval, the Monitor, for and on behalf of the Castle Ford Vendors, entered into the Castle Ford Sale Agreement. A copy of the Castle Ford Sale Agreement, which has the purchase price redacted is attached hereto as **Appendix “H”**.
56. An unredacted copy of the Castle Ford Sale Agreement is included in the Confidential Supplement.

57. The Castle Ford Sale Agreement contemplates a transaction whereby the Castle Ford Purchaser will acquire substantially all of the assets and business operations of the Castle Ford Vendors (the “**Castle Ford Purchased Assets**”), excluding only those assets expressly identified in the Castle Ford Sale Agreement as “Excluded Assets”.
58. The Castle Ford Purchased Assets include, among other things:
- a) all new, deferred new, and demonstrator vehicles as of closing, and certain used vehicles identified in advance of closing;
  - b) the real property which Castle Ford operates a dealership on, owned by Real Co, located at 1050 Corner Mountain Street, Pincher Creek, AB (the “**Castle Ford Real Property**”);
  - c) parts and accessories as of closing;
  - d) equipment, fixtures, furniture, and related assets used in the business; and
  - e) goodwill, licenses, permits, assigned contracts, customer deposits, warranty rights, work in progress, telephone and fax numbers, domain names, social media accounts, trade names, and software/hardware used in the business.
59. The Excluded Assets include any assets not specifically identified as “Purchased Assets” in the Castle Ford Sale Agreement, including, among other things, cash, bank accounts, short term investments, corporate records unrelated to the Castle Ford Purchased Assets, tax refunds, all “Receivables”, insurance policies, computer hardware, Obsolete Inventory and “Excluded Contracts”.
60. Given the inventory levels and other Castle Ford Purchased Assets may fluctuate (i.e. customer deposits) before closing, the Castle Ford Sale Agreement provides for a purchase price adjustment mechanism to align the cash purchase price with assets on hand at close.
61. No more than four (4) and no less than two (2) days before the closing date, the Castle Ford Vendors must provide the Monitor and Castle Ford Purchaser with a reconciliation (the “**Castle Ford Reconciliation**”) including a physical count and listings of vehicles, parts, accessories, customer deposits, and work in progress.

62. Based on the Castle Ford Reconciliation, the Castle Ford Vendors will prepare a statement of adjustments reflecting agreed values for vehicles, parts, deposits, and work in progress by no later than 3:00 p.m. Mountain Time on the day immediately prior to the closing date. Where figures cannot be finalized, the parties will agree on reasonable estimates that will be used and deemed final for closing. Where vehicle figures cannot be agreed upon by the parties, the Castle Ford Vendors will sell such retained vehicles on or around the closing date, and the Castle Ford Purchaser shall allow the Castle Ford Vendors to store and have access to the retained vehicles at the Castle Ford Real Property for a period of 45 days following closing date at no cost.

a) This mechanism ensures the purchase price accurately reflects Castle Ford Vendors' actual vehicle inventory and other Purchased Assets at closing.

63. The Castle Ford Sale Agreement provides for the assignment of certain contracts (the "**Castle Ford Assigned Contracts**") which will assist the Purchaser in preserving continued operation of the Castle Ford dealership following closing. The Monitor is working with the Castle Ford Purchaser to obtain consent to assignment of the Castle Ford Assigned Contracts from applicable counterparties but otherwise will seek the Court's approval to assign the Castle Ford Assigned Contracts.

### ***Employees***

64. Under the Castle Ford Sale Agreement, the Castle Ford Purchaser is required to provide a list of employees to whom it will offer employment at least fourteen (14) days before closing of the Castle Ford Transaction. Those employees that accept offers will be "Transferred Employees".

65. The Castle Ford Purchaser will assume obligations for wages, benefits, and termination pay of the Transferred Employees on a post-hire basis, whereas vacation pay and overtime will be assumed on a pre-hire basis. Castle Ford remains responsible for obligations to employees who are not transferred, as well as for all other pre-closing obligations (excluding the pre-hire vacation pay and overtime assumed by the Castle Ford Purchaser).

### ***Closing and Closing Conditions***

66. The Castle Ford Transaction is conditional upon, among other things, (i) approval of the Castle Ford Sale Agreement by this Court, (ii) delivery of customary transfer documents, and (iii)

regulatory and manufacturer approvals necessary to complete the transaction, including approval from the respective OEM and the Alberta Motor Vehicle Industry Council (the “AMVIC”).

67. Closing of the Castle Ford Transaction is targeted for the third business day following issuance of the Castle Ford AVO and must occur no later than the “Outside Date”, being January 15, 2026, or such other date as mutually agreed by the Castle Ford Vendors and Castle Ford Purchaser, with the consent of the Monitor and BMO.

### **Monitor’s Comments on the Transactions**

68. The Monitor is of the view that the Arrow VW Bid represents the highest and best offer for the assets of the Arrow VW Vendors received in the SISP. The Monitor is also of the view that the Castle Ford Bid represents the highest and best offer received for the assets of the Castle Ford Vendors.

69. The Monitor believes that the SISP was conducted in a fair, transparent, and professional manner. The Monitor is satisfied that the process appropriately canvassed the market and that the Proposed Transactions represent the best outcomes available in the circumstances.

70. In reviewing the Arrow VW Bid and the Castle Ford Bid, the Monitor considered the following factors:

- a) the Arrow VW Bid represents the highest and best offer for the assets of the Arrow VW Vendors. The Castle Ford Bid represents the highest and best offer for the assets of Castle Ford Vendors;
- b) completion of the Arrow VW Transaction and Castle Ford Transaction will maintain the goodwill, customer base, and operating continuity for both Arrow VW and Castle Ford, which would be lost in a liquidation;
- c) completion of the Arrow VW Transaction and Castle Ford Transaction creates the potential for continued employment for existing employees of Arrow VW and Castle Ford, respectively, that are ultimately designated as Transferred Employees;
- d) BMO and the OEMs were consulted and are supportive of the Transactions, therefore reducing the closing risk; and

- e) both the Transactions are structured to close early in the new year due to holiday season, reducing closing risk.

71. Based on this analysis, the Monitor is satisfied that:

- a) the SISP was transparent, fair, and reasonable, given the circumstances;
- b) BMO, who is expected to suffer a significant shortfall on outstanding amounts owed to it by the Debtors (as set out in greater detail below), was consulted throughout the SISP and supports the Transactions;
- c) the Transactions maximize value for stakeholders relative to available alternatives;
- d) the Transactions provide a going-concern outcome for Arrow VW and Castle Ford; and
- e) in the Monitor's view, the Transactions are a superior outcome when compared to anticipated recoveries in a bankruptcy proceeding, which would materially erode value available to the Debtors' creditors and stakeholders through forced liquidation of assets and result in a cessation of the Debtors' business.

72. The Monitor is of the view that the Transactions represent fair value in the circumstances and recommends that this Court approve the Transactions.

#### **PROPOSED DISTRIBUTION TO BMO**

73. As of August 12, 2025, BMO was owed in excess of \$58 million (the "**Pre-Filing Credit Facilities**") net of accrued costs and interests, and as of the date of this Third Report, BMO has advanced \$1,800,000 to the Monitor through issuance of Monitor's Borrowing Certificates (together with all applicable interest, fees and expenses, the "**Indebtedness**").

74. Based on the Revised Cash Flow Forecast and the anticipated proceeds arising from the Transactions, the Monitor is of the view that: (i) insufficient proceeds will be generated to pay the full amount of the Indebtedness owing to BMO described immediately above, and (ii) the Monitor will, subject to maintaining a reserve from distributions to BMO, hold sufficient cash to fund the post-filing obligations of the Debtors during the period of the Stay of Proceedings.

75. Accordingly, the Monitor requests authority from this Court to distribute the proceeds generated from any sale of the Debtors' assets to BMO from time-to-time, subject only to a

reasonable holdback, as determined by the Monitor, in consultation with BMO, sufficient to enable the Debtors to meet any post-filing obligations during the course of the CCAA Proceedings, including any necessary wind-down activities.

76. As described in the Second Report, the Monitor has been provided with an independent legal opinion from Miller Thomson which addresses the laws of Alberta and British Columbia, and provides that, subject to the customary assumptions and qualifications contained therein, BMO's security over the Summit Auto Group associated with its Pre-Filing Credit Facilities is valid and enforceable.

### **WESTCASTLE GMC**

77. The Monitor was made aware on or about September, 2025 of a potential transaction in respect of Westcastle GMC and has been provided with a copy of a draft asset purchase agreement in respect of this transaction.

78. Given that MK Auto is the sole voting shareholder of Westcastle GMC, the Monitor has sought transparency and oversight in respect of the business and affairs of Westcastle GMC, pursuant to the Monitor's powers under the ARIIO (including the authority to exercise any shareholder rights held by MK Auto) and the investigatory powers under the Stay Extension Order.

79. In particular, the Monitor made a number of important and time-sensitive information and document requests to Mr. Koch concerning Westcastle GMC, including requests for the corporate minute book of Westcastle GMC, the articles of incorporation, bylaws, shareholder and director registers, and all related corporate governance materials, access to the dealer management system, access to the last twelve (12) months of transactions for all Westcastle GMC bank accounts, and copies of any purchase offers relating to Westcastle GMC (the "**Westcastle Information Requests**"). Despite follow up, the Monitor has not received responses to the Westcastle Information Requests from Mr. Koch.

80. The Westcastle Information Requests are necessary for the Monitor to carry out its Court-appointed mandate to preserve and protect the property of MK Auto, which include its equity interests in Westcastle GMC.

81. On September 23, 2025, Miller Thomson delivered letter correspondence to counsel to the Debtors and Mr. Koch, and counsel to The Toronto Dominion Bank (secured creditor of

Westcastle GMC) requesting any information and visibility on any proposed transaction(s) related to Westcastle GMC. A copy of the letter correspondence is attached as **Appendix “I”**.

82. On October 21, 2025, counsel for the Monitor sent correspondence to then counsel for Mr. Koch requesting certain additional necessary documentation. A copy of the letter correspondence is attached as **Appendix “J”**.
83. The Monitor needs to have transparency and oversight of any transaction related to the Westcastle GMC business, including any proceeds of sale that may be for the benefit of MK Auto, as 100% voting shareholder.
84. The Monitor is seeking an order directing full access to all bank accounts, financial records, constating documents, minute books and other documents required by the Monitor in respect of the assets and/or business of Westcastle GMC.
85. A copy of the Alberta corporate registry search for Westcastle Dealership and Westcastle Real Co are attached hereto as **Appendix “K”** and **Appendix “L”** respectively.
86. Following the Monitor’s Application materials being filed on November 5, 2025, the Monitor received email correspondence from Mr. Koch on November 7, 2025 with the debt balances of Westcastle GMC. This was one of the items previously requested by the Monitor, however to date the Monitor has not been provided with the remaining information requested.

#### **MONITOR AND ITS COUNSEL’S FEES**

87. Pursuant to paragraph 31 of the ARIIO, the Monitor and its counsel are to be paid their reasonable fees and disbursements at their standard rates and charges. Pursuant to paragraph 32 of the ARIIO, the Monitor and its counsel shall pass their accounts from time to time.
88. The Monitor seeks to have its fees and disbursements, including those of its legal counsel, approved by the Court. The Monitor and its counsel have maintained detailed records of their professional time and costs.
89. The Monitor’s fees from September 1, 2025, to October 31, 2025, were \$375,712.50, plus disbursements of \$14,242.73, plus GST of \$19,497.76 for a total of \$409,452.99.
90. Miller Thomson’s fees, as legal counsel to the Monitor, from September 1, 2025, to October 31 2025, were \$121,725.50, plus disbursements of \$469.86, plus GST of \$6,099.54 for a total of \$128,294.90.

91. A summary of the accounts rendered by the Monitor and its legal counsel is attached hereto as **Appendix “M”**. Detailed accounts are available for review by the Court upon request. The amount of the fees is based on the hourly rates of the professionals involved in this matter multiplied by actual time spent on this matter.

92. It is the Monitor’s opinion that the fees and disbursements of the Monitor and Miller Thomson accurately reflect the work performed by the Monitor and Miller Thomson in connection with the administration of the CCAA Proceedings for the dates of their respective invoices. It is the Monitor’s opinion that the fees and disbursements of Miller Thomson are fair, reasonable and justified in the circumstances. The Monitor recommends approval of Miller Thomson’s accounts by this Court.

### **CONCLUSION**

93. This Third Report has been prepared by the Monitor is in support of the Monitor’s Application. For reasons set out herein, the Monitor respectfully recommends that this Court grant the relief set out in the Monitor’s Application.

**All of which is respectfully submitted this 7<sup>th</sup> day of November 2025.**

**BDO CANADA LIMITED, in its capacity  
as the Monitor of the Summit Auto Group, and  
not in its corporate or personal capacity.**

**Per:**



---

**Clark Lonergan, CA, CPA, CIRP, LIT  
Partner/Senior Vice President**

**Appendix “A” – Pre-Filing Report of the Proposed Monitor dated August 20, 2025 (without appendices)**

COURT FILE NUMBER

COURT

COURT OF KING'S BENCH ALBERTA

JUDICIAL CENTRE

CALGARY

MATTER

IN THE MATTER OF THE COMPANIES' CREDITORS  
ARRANGEMENT ACT, RSC 1985, c C-36, as amended

AND IN THE MATTER OF A PLAN OF COMPROMISE OR  
ARRANGEMENT OF 2345137 ALBERTA LTD., 2351497  
ALBERTA LTD., 2497902 ALBERTA LTD., SUMMIT S  
AUTO LTD., SUMMIT V AUTO LTD., MK AUTO K-M  
LTD., 2437342 ALBERTA LTD., 1972207 ALBERTA LTD.,  
1175104 B.C. LTD., 1262113 B.C. LTD., AND 1272986 B.C.  
LTD.

APPLICANT

BANK OF MONTREAL

RESPONDENTS

2345137 ALBERTA LTD., 2351497 ALBERTA LTD.,  
2497902 ALBERTA LTD., SUMMIT S AUTO LTD.,  
SUMMIT V AUTO LTD., MK AUTO K-M LTD., 2437342  
ALBERTA LTD., 1972207 ALBERTA LTD., 1175104 B.C.  
LTD., 1262113 B.C. LTD., AND 1272986 B.C. LTD.

DOCUMENT

PRE-FILING REPORT OF THE PROPOSED MONITOR,  
BDO CANADA LIMITED

ADDRESS FOR SERVICE  
AND CONTACT  
INFORMATION OF PARTY  
FILING THIS DOCUMENT

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## INTRODUCTION

1. BDO Canada Limited (“**BDO**” or the “**Proposed Monitor**”) understands that the Applicant, the Bank of Montreal (“**BMO**” or the “**Applicant**”), in its capacity as the senior secured lender to 2345137 Alberta Ltd. (“**Vermilion Chrysler**”), 1262113 B.C. Ltd. (“**Western Sport Products**”), 2497902 Alberta Ltd. (“**Castle Ford**”), 1175104 B.C. Ltd. (“**Cranbrook Mitsubishi**”), 1272986 B.C. Ltd. (“**Sun Valley Nissan**”), Summit V Auto Ltd. (“**Arrow Volkswagen**” or “**Arrow VW**”, with Vermilion Chrysler, Western Sport Products, Castle Ford, Cranbrook Mitsubishi, and Sun Valley Nissan, the “**Omnibus Dealerships**”), 2437342 Alberta Ltd. (“**Squamish Chrysler**”, with the Omnibus Dealerships, the “**Dealerships**”), Summit S Auto Ltd. (“**Real Co**”, with the Omnibus Dealerships, the “**Omnibus Debtors**”), MK Auto K-M Ltd. (“**MK Auto**”), 1972207 Alberta Ltd. (“**197 AB**”, with Squamish Chrysler, the “**Squamish Debtors**”) and 2351497 Alberta Ltd. (“**235 AB**” with the Omnibus Debtors, the Squamish Debtors, and MK Auto, collectively, the “**Summit Auto Group**”, the “**Debtors**” or the “**Companies**”), has brought an application (the “**CCAA Application**”) before the Court of King’s Bench of Alberta (the “**Court**”) returnable on August 22, 2025, seeking an initial order (the “**Proposed Initial Order**”) pursuant to the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”).
2. The Proposed Initial Order, among other things, provides for (i) an initial stay of proceedings to and including September 1, 2025 (the “**Stay Period**”) to allow the Debtors an opportunity to restructure their business, (ii) a declaration that each Summit Auto Group entity is a party to which the CCAA applies, (iii) the appointment of BDO as monitor (in such capacity, the “**Monitor**”) in the CCAA proceedings (the “**CCAA Proceedings**”), (iv) approval of a Monitor’s borrowing certificate mechanism allowing the Monitor to borrow funds directly from BMO through the issuance of borrowing certificates (“**Borrowing Certificate(s)**”), (v) expansion of the powers of the Monitor, (vi) authority for the Monitor to amend the Omnibus Debtors’ financial advisor and chief restructuring officer engagement with Full Circle Automotive (“**Full Circle**” or the “**CRO**”) to include the Squamish Debtors, and (vii) certain court-ordered charges to secure fees and disbursements of the Monitor, counsel to the Monitor, the CRO and the CRO’s counsel.
3. The Applicant has scheduled a comeback hearing, returnable on August 27, 2025 (the “**Comeback Hearing**”).

4. This report (the “**Pre-Filing Report**”) has been prepared by the Proposed Monitor prior to and in contemplation of its proposed appointment as Monitor in the CCAA Proceedings, to provide information to this Court in considering the Applicant’s request for the Proposed Initial Order, as well as the relief that will be requested by the Applicant at the Comeback Hearing should the Proposed Initial Order be granted.

## **PURPOSE**

5. The purpose of this Pre-Filing Report is to provide information to the Court on:
  - a) BDO’s familiarity and involvement with the Debtors’ business and qualifications to act as the Monitor, if appointed;
  - b) the Summit Auto Group;
  - c) the circumstances leading to the Applicant’s decision to commence CCAA Proceedings with respect to the Summit Auto Group;
  - d) the Debtors’ 13-week cash flow forecast, on a consolidated basis, for the period August 22, 2025, to November 23, 2025 (the “**Cash Flow Forecast**”) and the Proposed Monitor’s comments regarding the reasonableness thereof;
  - e) other matters relevant to the relief contemplated in the Proposed Initial Order; and
  - f) the Proposed Monitor’s conclusions and recommendations.

## **TERMS OF REFERENCE**

6. In preparing this Pre-Filing Report and making the comments herein, the Proposed Monitor has been provided with, and has relied upon, unaudited financial information, books and records prepared by the Debtors, discussions between the CRO and management of the Debtors (“**Management**”), discussions with the Applicant and information from other third-party sources (collectively, the “**Information**”). Except as described in this Pre-Filing Report in respect of the Cash Flow Forecast:
  - a) the Proposed Monitor has reviewed the Information for reasonableness, internal consistency and use in the context in which it was provided. However, the Proposed Monitor has not audited or otherwise attempted to verify the accuracy or completeness of such information in a manner that would wholly or partially comply with Generally Accepted Assurance Standards (“**GAAS**”) pursuant to the

Chartered Professional Accountants Canada Handbook and, accordingly, the Proposed Monitor expresses no opinion or other form of assurance contemplated under GAAS in respect of the Information; and

- b) some of the information referred to in this Pre-Filing Report consists of forecasts and projections. An examination or review of the financial forecast and projections, as outlined in the Chartered Professional Accountants Canada Handbook, has not been performed.
7. Future oriented financial information referred to in this Pre-Filing 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 will vary from the projections, even if the assumptions materialize, and the variation could be significant.
  8. Unless otherwise indicated, the Proposed Monitor’s understanding of the factual matters expressed in this Pre-Filing Report concerning the Respondents and their business is based on the Information, and not independent factual determinations made by the Proposed Monitor.
  9. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian dollars.

#### **BDO’S QUALIFICATION TO ACT AS THE MONITOR**

10. BDO has been actively involved with the Summit Auto Group since December 27, 2024, initially through an engagement with the Summit Auto Group (the “**Company Engagement**”) and then subsequently through an engagement with the Applicant on February 12, 2025 (the “**BMO Engagement**”). Pursuant to the BMO Engagement, BDO conducted a review of the Dealerships and delivered a memorandum of findings dated March 11, 2025 (the “**BDO Memorandum**”) summarizing results of BDO’s review and observations with respect to the Debtors’ liquidity, credit facility breaches, governance, and the status of the Debtor-led Sales Process (as defined herein). Through producing the BDO Memorandum, BDO developed a detailed, working understanding of the Summit Auto Group’s operations and financial position. Since the delivery of the BDO Memorandum, BDO has continued to assist BMO with monitoring and analysis of the Debtors’ affairs, including in connection with the Forbearance Agreements (herein defined) and the Tim Lamb Group’s sales process milestones.

11. BDO is a licensed insolvency trustee within the meaning of section 2 of the BIA. BDO is not subject to any of the restrictions set out in section 11.7(2) of the CCAA on who may be appointed as Monitor.
12. BDO has consented to act as the Monitor in the CCAA Proceedings should this Court grant the Proposed Initial Order. A copy of BDO's consent to act as Monitor is attached hereto as **Appendix "A"**.
13. The Proposed Monitor has retained Miller Thomson LLP ("**MT**") to act as its independent legal counsel in the CCAA Proceedings.
14. Should BDO be appointed as Monitor, it will be able to leverage its familiarity with Summit Auto Group to safeguard their business and maximize value for creditors on a much more expeditious and efficient basis than if it had no prior involvement or knowledge of the Respondent's affairs.

#### **OVERVIEW OF THE SUMMIT AUTO GROUP**

15. This Pre-Filing Report should be read in conjunction with the affidavit of John Gil sworn August 15, 2025 (the "**Gil Affidavit**"), which provides additional background and financial information with respect to the Debtors. Any terms not expressly defined herein are otherwise defined in the Gil Affidavit.
16. The Summit Auto Group operates seven (7) Dealerships across the Province of Alberta ("**AB**") and the Province of British Columbia ("**BC**"), plus related Non-Operating Entities (herein defined). The Summit Auto Group operated brands are Chrysler, Dodge, Jeep, Ram (together with Chrysler, Dodge, and Jeep, "**Stellantis**"), Volkswagen, Mitsubishi, Nissan, and Ford. A detailed description of the Dealerships is set out below:
  - a) Vermilion Chrysler operates a showroom and service garage for Stellantis vehicles (Chrysler, Dodge, Jeep, and Ram) vehicles located at 4524 Railway Ave, Vermilion, AB. Vermilion Chrysler leases its premises from Real Co;
  - b) Western Sport Products operates a showroom for all-terrain vehicles, utility terrain vehicles and other sport and leisure vehicles located at 4520 Railway Ave Vermilion, AB. Western Sport Products leases its premises from 1231440 Alberta Ltd.;

- c) Castle Ford operates a showroom and service garage for Ford vehicles located at 1050 Corner Mountain Street Pincher Creek, AB. Castle Ford leases its premises from Real Co;
- d) Cranbrook Mitsubishi operates a showroom and service garage for Mitsubishi vehicles located at 2032 Cranbrook St North, Cranbrook, BC. Cranbrook Mitsubishi leases its premises from The Scott Group;
- e) Sun Valley Nissan operates a showroom and service garage for Nissan vehicles located at 2024 Cranbrook St North Cranbrook, BC. Sun Valley Nissan leases its premises from Real Co;
- f) Arrow VW operates a showroom and service garage for Volkswagen vehicles located at 2034 Cranbrook Street North, Cranbrook, BC. Arrow VW leases its premises from Real Co; and
- g) Squamish Chrysler (with Vermilion Chrysler, the “**Stellantis Dealerships**”) operates a showroom and service garage for Stellantis vehicles located at 1180 Hunter Pl, Squamish, BC. Squamish Chrysler leases the premises from Ami Tapper.

Of the Dealerships, Cranbrook Mitsubishi, Sun Valley Nissan, and Arrow VW (together, the “**Cranbrook Dealerships**”) are located adjacent to each other.

- 17. One additional dealership, Western Chevrolet (selling General Motors (“**GM**”) branded vehicles), financed by the Toronto Dominion Bank (the “**TD Dealership**”), is not included in this CCAA Application. BDO understands that the TD Dealership was in breach of its financial and reporting obligations to Toronto Dominion Bank (“**TD**”) as of May 16, 2024, pursuant to a default letter issued by TD Bank.
- 18. BDO understands that Mr. Michael Koch (“**Mr. Koch**”), acts as the principal decision-maker for the Dealerships (including the TD Dealership) and oversees day-to-day operations of the Dealerships from the Cranbrook Dealerships.
- 19. The Dealerships operate in provincially regulated industries and are required to maintain valid motor dealer licences and related permits in the jurisdictions in which they operate. For Vermilion Chrysler, Western Sports Products, and Castle Ford, oversight is provided by the

Alberta Motor Vehicle Industry Council (the “**AMVIC**”). For the Cranbrook Dealerships and Squamish Chrysler, oversight is provided by the Vehicle Sales Authority (the “**VSA**”). The Proposed Monitor understands that the Dealerships currently hold the necessary licences for their operations and, if appointed with enhanced powers, intends to continue operations under the existing licences, and liaise with AMVIC / VSA as needed.

20. As of the date of this Pre-Filing Report, the Proposed Monitor understands that the Dealerships employ approximately 103 individuals in total. These employees are not unionized and the Debtors do not sponsor any registered pension plans.
21. In addition to the Dealerships, the Summit Auto Group includes several non-operating entities that do not carry on active operations or have employees, including:
  - a) Real Co, a real property holding company that owns, among other properties, the properties in which Arrow VW, Vermilion Chrysler, Sun Valley Nissan, and Castle Ford operate; and
  - b) 197 AB, MK Auto, and 235 AB, non-operating entities that each serve as holding companies and/or corporate guarantors (together with Real Co, the “**Non-Operating Entities**”).

The Non-Operating Entities have no other business or operations and have no employees.

### **Ownership Structure**

22. The Proposed Monitor understands that the Summit Auto Group is a closely held group of private companies primarily controlled and owned by Mr. Koch. In addition, BDO understands that:
  - a) Mr. Donald Liddell, the chief financial officer of the Summit Auto Group (the “**CFO**” or “**Mr. Liddell**”) has a minority direct beneficial interest in Arrow VW, Cranbrook Mitsubishi, Sun Valley Nissan, and Vermilion Chrysler; and
  - b) Mr. Adam Mounzer (“**Mr. Mounzer**”) has a minority ownership in Castle Ford, though BDO is uncertain on how the ownership structure is set up. Mr. Mounzer also owns 100% of 197 AB, which is a guarantor for Squamish Chrysler and holds preferred shares in Squamish Chrysler.

23. Overall, the direct and beneficial interests in the Dealerships based on BDO’s understanding is summarized as follows:

Dealership	Mr. Koch	Mr. Liddell	Mr. Mounzer
Arrow VW	80%	20%	0%
Cranbrook Mitsubishi	80%	20%	0%
Sun Valley Nissan	80%	20%	0%
Vermilion Chrysler	80%	20%	0%
Western Sport Products	80%	20%	0%
Castle Ford	65%	0%	35%
Squamish Chrysler	60%	0%	40%

**Governance**

24. As previously noted, BDO understands that day-to-day operational decisions for the Dealerships are concentrated with Mr. Koch (through various general managers (“GM(s)”) at the respective dealerships), and the Debtors’ financial functions are largely decentralized through Mr. Liddell, and various controllers. Financial oversight does not consolidate to a single finance lead, resulting in a fragmented reporting structure.

25. During the BMO Engagement, BDO observed significant operational governance deficiencies arising from this decentralized management approach. The lack of clear operational and financial reporting structure significantly impacted Management’s decision-making and cash-flow management, which resulted in an overall lack of financial accountability.

26. To date, BDO has had limited visibility into Squamish Chrysler, as a significant amount of reporting required under the Squamish Forbearance Agreement (herein defined) has not been delivered, including the fiscal year end 2024 financial statements which still have not be finalized. BDO understands that Squamish Chrysler’s records are significantly out of date, and regulatory filings with the Canada Revenue Agency (“CRA”) including 2023 and 2024 corporate income taxes and excise tax filings/remittances remain outstanding. As such, BDO believes there may be outstanding statutory remittances/deemed trusts amounts owing to the CRA.

27. The Debtors do not operate any other lines of business and do not have any foreign operations.

**Current Financial Position**

28. On a cumulative basis, the Debtors as of August 12, 2025, owe BMO in excess of \$58 million net of accrued costs and interests. The Debtors are currently insolvent, with \$9.4 million of SIV (herein defined) balance and operational losses expected to continue, the Debtors’ financial positions are likely to worsen. Absent the CCAA Proceedings, the Debtors will not be able to meet their current financial obligations without incurring further SIVs. Based on the financial information available to the Proposed Monitor, the Dealerships have been operating at a loss since 2023. Using fiscal year (“FY”) 2023 financial statements of the Dealerships, the Proposed Monitor noted a combined net loss of approximately \$448,249 in FY 2023.
29. Though FY 2024 financial statements of the Dealerships have not been finalized and provided to the Proposed Monitor, the Proposed Monitor understands that losses have worsened in FY2024. Using dealer statements, the Proposed Monitor, with the help of the CRO, has produced the Dealerships’ net operating loss summary for the period January 1, 2025 to May 31, 2025 (“YTD May 2025”):

<b>Combined Net Operating Losses for the Period January 1, 2025 to May 31, 2025</b>	
<b>Gross Margin</b>	
New Vehicles	1,880,200
Used Vehicles	1,421,219
Finance Department	161,281
Service Department	987,774
Sales Department	683,765
<b>Total Gross Margin</b>	<b>5,134,239</b>
Less: Expenses	(6,214,344)
<b>Net Operating Loss</b>	<b>(1,080,105)</b>

30. For YTD May 2025, net operating loss for all Dealerships is approximately \$1,080,105. The loss does not include debt servicing related expenses, Real Co expenses, and other Non-Operating Entities’ expenses Given the Companies’ books and records are not up to date, the Proposed Monitor believes this figure is significantly understated.
31. A copy of the most recent consolidated financial statements available for the applicable Dealerships is attached as **Appendix “B”**.

**CIRCUMSTANCES LEADING TO THE APPLICANT’S CCAA FILING**

32. In 2024, the Debtors faced mounting liquidity pressure driven by high interest costs, heavy curtailments on slow-moving inventory (particularly at the Stellantis dealerships), and multiple

operational deficiencies. As of late 2024, with several of the Dealerships at or near their facility limits, the Debtors faced significant liquidity constraints and were in breach of certain covenants under their' credit facilities provided by BMO. As a result, the Debtors circumvented the terms of their credit facilities by carrying out numerous sold-in-violation (“**SIV(s)**”) transactions. A SIV arises when a floorplan-financed vehicle is sold and the dealership fails to remit sale proceeds to the floorplan lender within the required time, which circumvents the financing agreements. This practice began in late 2024 and continued into 2025 as liquidity tightened. Floor-plan lenders provide this form of inexpensive financing because of the associated collateral (vehicle) in support of these advances and the original equipment manufacturers’ (“**OEM(s)**”) new vehicle buy-back program available to the lender. When SIVs occur, the floor-line facility now lacks the associated collateral in support of the loans and the respective vehicle sale proceeds have been used to artificially create liquidity for the dealership to fund operating activities.

33. As a result, BDO was engaged by the Companies on December 27, 2024, to provide consulting services. The Company Engagement contemplated, among other things, a review of the Companies’ financial position and performance and assessment of the Companies’ sales efforts. During the Company Engagement, BDO was made aware that a sales process led by Management (the “**Debtor-led Sales Process**”) was already in progress. This process was poorly executed and lacked the transparency/oversight necessary to make BMO comfortable that a sales transaction(s) was advancing and/or could be completed. Ultimately this Debtor-led Sales Process did not result in any material progress.
34. By February 2025, BMO transferred the file to its special accounts management unit (“**SAMU**”) for intensive monitoring, as the Debtor-led Sales Process did not have material progress and total SIVs increased across the Dealerships. BDO was subsequently engaged by BMO, to assess its strategic options. The BMO Engagement included, among other things, assessment of the Dealerships’ financial position, floor line analysis, vehicle inventory reviews, treasury function reviews, review of vehicle audit results, and a review of the Debtor-led Sales Process.
35. Pursuant to the BMO Engagement, BDO conducted a review of the Dealerships and delivered a summary of findings to BMO with respect to liquidity, credit facility breaches, governance,

and the status of the Debtor-led Sales Process. The BDO Memorandum, attached hereto as **Appendix “C”**, highlighted, among other things:

- a) a severe liquidity crisis as a result of operational cash burn;
- b) approximately \$6.4 million of SIVs;
- c) the Companies’ weak internal controls and lack of managerial oversight, and reporting structure; and
- d) that the Debtor-led Sales Process that had not materially progressed.

36. As a result of the facts set out in paragraph 35, the Debtors:

- a) engaged Tim Lamb Group as the sales agent of the Omnibus Dealerships (“**Tim Lamb**” or the “**Sales Agent**”) and;
- b) entered into two (2) forbearance agreements with BMO (collectively, the “**Forbearance Agreements**”):
  - (i) a forbearance agreement dated May 29, 2025 (the “**Omnibus Forbearance Agreement**”) between BMO and the Omnibus Debtors, attached hereto as **Appendix “D”**; and
  - (ii) a forbearance agreement dated June 9, 2025 (the “**Squamish Forbearance Agreement**”) between BMO and the Squamish Debtors, attached hereto as **Appendix “E”**.

37. The Forbearance Agreements prohibited further SIVs, embedded an automatic consent CCAA Order (as defined in the Forbearance Agreements) mechanism upon a Termination Event (as defined in the Forbearance Agreements), and formalized a sales process timeline with closing milestones which the Sales Agent had to periodically report on. The Forbearance Agreements also gave BMO a right to request a CRO.

38. Following multiple breaches of the Forbearance Agreements and Termination Events, BMO requested that a CRO be put in place, which led to the Omnibus Debtors retaining Full Circle as its CRO at the end of July 2025.

39. Since appointment, Full Circle’s updates to BMO confirmed the Debtors’ continuing financial deterioration, with SIVs continued to increase, and reaching approximately \$9.4 million per

BMO's audit result as of August 13, 2025 (an increase of approximately \$3 million after the Forbearance Agreements were signed). Further, the CRO uncovered significant financial irregularities including that the Omnibus Dealerships wholesaled vehicles for approximately \$1.4 million below market value from March 1, 2025, to August 8, 2025, including \$120,000 of losses on August 8, 2025, alone. Other financial irregularities included purchasing vehicles from these same vehicle wholesalers at inflated prices.

40. Given the continued breaches under the Forbearance Agreements, the rapid increase in SIVs to approximately \$9.4 million as of August 13, 2025, and the CRO's recently disclosed financial irregularities, the Proposed Monitor believes further erosion to BMO's collateral value will occur absent the timely CCAA Proceedings.
41. The Forbearance Agreements, provided for a court-supervised framework via Consent CCAA Order, including enhanced powers for the Monitor to execute and close transactions to stabilize operations and preserve value for the Debtors' stakeholders.
42. The Applicant has determined that the status quo is not sustainable. The Applicant requires more insight into the operational issues facing the Debtors and a clear path towards going-concern sales of the Dealerships through the Companies' sales process currently being run by the Sales Agent and/or a Court approved sale process if required. For this reason, BDO understands that commencement of these CCAA Proceedings with BDO being appointed as Monitor with expanded powers as set out in the proposed Initial Order is a necessary precondition before BMO will provide any further funding to the Companies. At this time, the Applicant is only prepared to fund such critical amounts needed to preserve the business until the Proposed Initial Order is granted.

#### **OVERVIEW OF THE DEBTORS' 13-WEEK CASH FLOW**

43. The CRO, with the assistance of BDO, prepared the Cash Flow Forecast for the 13-week period from August 22, 2025, to the week ending November 23, 2025 (the "**Cash Flow Period**") for the purposes of projecting the Debtors' estimated liquidity needs during the Cash Flow Period. A copy of the Cash Flow Forecast is attached hereto as **Appendix "F"**.
44. The Cash Flow Forecast is presented on a weekly basis and represents the CRO's estimates of the projected cash flow during the Cash Flow Period. The Cash Flow Forecast has been

prepared using probable and hypothetical assumptions (the “**Assumptions**”) as set out in the notes to the Cash Flow Forecast.

45. The Proposed Monitor has reviewed the Cash Flow Forecast to the standard required of a Court-appointed monitor by section 23(1)(b) of the CCAA. In accordance with this standard, the Proposed Monitor conducted inquiries, performed analytical procedures, held discussions, and read documents related to the Information supplied to it by the CRO or employees of the Debtors. Based on the Proposed Monitor’s review, nothing has come to its attention that causes it to believe, in all material respects, that:
- a) the Assumptions are not consistent with the purpose of the Cash Flow Forecast;
  - b) as at the date of this Pre-Filing Report, the Assumptions are not suitably supported and consistent with the plans of the Applicant or do not provide a reasonable basis for the Cash Flow Forecast, given the probable and hypothetical assumptions; or
  - c) the Cash Flow Forecast does not reflect the Assumptions.
46. The Proposed Monitor notes that the Cash Flow Forecast has been prepared solely for the purpose described in paragraph 43 and since the Cash Flow Forecast is based on Assumptions regarding future events, actual results will vary from the information presented even if the Assumptions occur, and the variations could be material. Readers are cautioned that the Cash Flow Forecast may not be appropriate for other purposes.
47. The Cash Flow Forecast shows that during the initial 10-day Stay Period (as defined herein) the Debtors will experience a net cash outflow of approximately \$454,565 and that during the Cash Flow Period, this amount will increase to \$3,415,024. The Cash Flow Forecast projects that during the Cash Flow Period the Debtors should have sufficient liquidity, with funds advanced via the Monitor’s Borrowing Certificates. As detailed below, the Proposed Monitor believes that the amount on the Monitor’s Borrowing Certificates and Monitor’s Borrowing Charge (herein defined) is appropriate and necessary given the Cash Flow Forecast and is limited to the amounts reasonably necessary.

#### **RELIEF SOUGHT BY THE APPLICANT**

48. The Proposed Initial Order seeks, among other things, a stay of proceedings the granting of various Court-ordered charges, and other relief to stabilize and protect the Debtors’ businesses

pending the Comeback Hearing, with a view to ultimately pursuing several dealership sales transactions to maximum enterprise value.

49. The Proposed Monitor understands that the majority of the Summit Auto Group's entities are incorporated in Alberta. Including the TD Dealership, there are 4 dealerships located in Alberta, and 4 located in British Columbia. In addition, the Debtors' counsel, based in Alberta, requested that any CCAA proceeding occur in Alberta to avoid the Debtors needing to retain B.C. counsel at an additional expense. The Proposed Monitor believes this request is reasonable and is supportive of the CCAA Proceedings and within application being brought in Alberta.

### **Initial Stay of Proceedings**

50. The Applicant seeks a stay of proceedings for the Debtors for an initial period through and including September 1, 2025 (the "**Stay Period**"), which will allow the Monitor and the CRO to stabilize the operations of the Summit Auto Group, preserve the asset base and work with the Sales Agent to assess the Debtors' current sales process (determine which sales transaction(s) are in their final stages of closing requiring only Court approval to complete and/or create a Court approved sales process for those dealerships without an advanced purchase and sale offer, etc.).
51. The Proposed Monitor is of the view that the Stay Period is appropriate in the circumstances and is necessary to maintain operations through funding from the Applicant which, in turn, will allow the Applicant, the Monitor, and the CRO to achieve an efficient transition of control over the business to the CRO, under the Monitor's oversight.

### **Appointment of BDO as the Monitor with Expanded Powers**

52. The Applicant is requesting that the Court appoint BDO as Monitor of the Debtors in these CCAA Proceedings, and that the Court grant the Monitor enhanced powers. These enhanced powers are intended to support the orderly administration of the Debtors' business and affairs with a view to preserving the businesses and maximizing value for the benefit of the Summit Auto Group's stakeholders.
53. The enhanced powers of the Monitor are described in the Proposed Initial Order and include the authority to, among other things:

- a) take actions and steps to manage, operate, and carry on the businesses of the Summit Auto Group, including authority to enter contractual arrangements on behalf of the Debtors;
  - b) continue any current engagement with the Summit Auto Group's current Sales Agent or alternatively terminate the current Sales Agent agreement and engage a new sales agent, for and on behalf of the Summit Auto Group;
  - c) continue the Debtors engagement with Full Circle as CRO within these CCAA Proceedings or amend the engagement with Full Circle as necessary, including to add Squamish Chrysler under its engagement;
  - d) take possession of, preserve, protect, and exercise control over the property of the Summit Auto Group including the Debtors' bank accounts;
  - e) report to, meet, discuss, and share information with affected persons on all matters relating to the Summit Auto Group's businesses and property;
  - f) oversee and direct the preparation and dissemination of financial and other information of the Summit Auto Group, including cash flow statements;
  - g) proceed to continue negotiations for the sale of the Dealerships; and
  - h) market and sell the assets of the Summit Auto Group;
54. The enhanced powers will allow the Monitor to facilitate the safeguarding of the businesses and the continuation of the CCAA Proceedings in a cost effective and efficient manner pending the Comeback Hearing at which point it is expected that the Applicant will seek to further expand the Monitor's powers.
55. Accordingly, the Proposed Monitor is of the view that granting the enhanced powers is imperative in the circumstances and consents to the enhanced powers if so, ordered by the Court.

**CRO Engagement**

56. Led by Mr. Lionel Robins, Full Circle is a consulting firm that specializes in automotive dealerships. It has the experience and capability to operate dealerships and has a strong reputation in the marketplace.

57. Full Circle was retained as financial advisor and CRO to the Omnibus Debtors at the end of July 2025 pursuant to the engagement letter between the CRO and the Omnibus Debtors (the “**CRO Engagement Agreement**”). Under the CRO Engagement Agreement, the CRO has reviewed and assisted in the preparation of the Cash Flow Forecast and has provided reporting to BDO and BMO. The CRO also assisted the Omnibus Debtors with the preparation of information pursuant to the terms of the Omnibus Forbearance Agreement. Full Circle has firm knowledge and understanding of the Summit Auto Group, other than Squamish Chrysler, but advised BDO it can quickly get up to speed and take over operations of Squamish Chrysler given its background knowledge of the other Dealerships and how they are currently being operated.
58. As part of the Proposed Initial Order, the Applicant seeks the appointment of Full Circle as CRO in respect of Squamish Chrysler within the CCAA Proceedings. Upon the granting of the Proposed Initial Order, the Monitor will execute an amended CRO engagement agreement with Full Circle which, among other things, will be expanded to include Squamish Chrysler (the “**Amended CRO Engagement Agreement**”). A copy of the Amended CRO Engagement Agreement is attached hereto as **Appendix “G”**.
59. BDO is supportive of a continued engagement and expanded role of the CRO who will be instrumental in replacing the role of Mr. Koch in an effective and cost-efficient manner.

**Monitor’s Borrowing Charge**

60. In the Proposed Initial Order, the Applicant seeks the approval of a Monitor’s borrowing certificate mechanism akin to a borrowing certificate within a receivership proceeding. This will allow BDO as the Monitor (if appointed) to borrow up to a maximum principal amount of \$500,000 during the Initial Stay Period (the “**Initial Maximum Amount**”), with an increase to such authorized borrowings to \$3,500,000 following the Comeback Hearing, directly from BMO through the issuance of Monitor’s Borrowing Certificates to fund the Dealerships’ operations in accordance with the Cash Flow Forecast. Further, the Proposed Initial Order seeks the granting of a Monitor’s Borrowing Charge (the “**Monitor’s Borrowing Charge**”) up to the Initial Maximum Amount.
61. The Proposed Monitor believes that the Initial Maximum Amount and Monitor’s Borrowing Charge is appropriate and necessary to fund operations as detailed in the Cash Flow Forecast.

The Proposed Monitor believes the amounts are limited to the amounts reasonably necessary for the Initial Stay Period.

### **Administration Charges**

62. The Proposed Initial Order provides for a charge up to a maximum amount of \$350,000 (the “**Administration Charge**”) in favour of counsel to the Applicant, the Monitor and its independent counsel, the CRO, and the CRO’s counsel. Professional fee obligations secured by the Administration Charge are proposed to be paid in the ordinary course in accordance with the Cash Flow Forecast.
63. The Proposed Monitor is of the view that given the current liquidity constraints of the Applicants, the proposed Administration Charge is required. The Proposed Monitor is of the view that the Administration Charge is necessary for the effective participation of the professionals in the CCAA Proceedings and believes the quantum of the Administration Charge is reasonable in the circumstances based upon a review and assessment of the anticipated professional costs to be incurred during this matter.
64. The Proposed Monitor understands that should the Proposed Initial Order be granted, the Applicant intends to request that the Administration Charge be increased to a maximum of \$750,000 at the Comeback Hearing.

### **Director’s Charge**

65. The Proposed Initial Order provides for a director’s charge up to a maximum amount of \$250,000 (the “**Director’s Charge**”), subordinated to the Administration Charge and Monitor’s Borrowing Charge. The Proposed Monitor is supportive of the Director’s Charge, as the Monitor may require certain transitional assistance from Mr. Koch as a director of the Debtors.

## **SALES AGENT ENGAGEMENT**

### **Sales Agent Update**

66. As of the date of this Pre-Filing Report, all Omnibus Dealerships have received either letters of intent (“**LOI(s)**”), draft asset purchase agreements (“**APA(s)**”), or draft share purchase agreements (“**SPA(s)**”). Near-term milestones summarized as follows:

- a) Sun Valley Nissan: APA in near-final form;
- b) Arrow VW: LOI just received;
- c) Vermilion Chrysler: SPA finalized in circulation for execution;
- d) Castle Ford: OEM is supportive with a December 1, 2025, target closing;
- e) Western Sport Products: transaction expected to conclude by month-end; and
- f) Cranbrook Mitsubishi: OEM application in process (timing dependent on purchaser availability).

67. Squamish Chrysler has not been a part of the Sales Agent's process, instead, it is run by Mr. Koch and Mr. Mounzer. BDO understands, through discussions with the Sales Agent, that Squamish Chrysler's purchase has been approved by the OEM, and that a closing date is set for September 3, 2025.

**Monitor's Oversight and Next Steps with regards to the current Sales Process**

68. If appointed, the Monitor intends to work with the Sales Agent to assess the adequacy of the Debtor-led Sales Process. The Monitor's objective is to preserve momentum and, where transactions are substantially completed and commercially reasonable, seek Court approval to close near-ready deals. If the existing process or offers prove insufficient or face significant delays, or if the Monitor believes sales efforts have been inadequate, the Monitor will return to Court to seek approval of a sale investment and solicitation process with defined bid procedures, standard forms of APA, and clear milestones. The Monitor also intends to amend the existing Sales Agent agreement to include Squamish Chrysler should that deal not close.

69. Per initial estimates of the Sales Agent and CRO, it is anticipated that sale proceeds from the respective sales transactions will be insufficient to repay BMO, given the significant and on-going operating losses; losses created by the financial irregularities; the significant \$9.4 million SIV balance, and delinquent/delayed financials records making due diligence more challenging. As such, the Proposed Monitor believes that BMO is fulcrum creditor with regards to the Debtors and is supportive of the CCAA Proceedings.

## **CONCLUSION AND RECOMMENDATION**

70. The Proposed Monitor has reviewed the Applicant's CCAA Application materials and has consented to act as the Monitor of the Debtors, should this Court grant the Proposed Initial Order.
71. For the reasons stated herein, the Proposed Monitor is of the view that the relief requested by the Applicant as set forth in the Proposed Initial Order is necessary, reasonable, and justified and will provide the Summit Auto Group the best opportunity to preserve value and maximize recoveries for their stakeholders.
72. The Proposed Monitor is therefore supportive of the Applicant's request for relief pursuant to the CCAA and the terms of the Proposed Initial Order.

**BDO CANADA LIMITED, in its capacity  
as Proposed Monitor of the Summit Auto Group, and  
not in its corporate or personal capacity.**

**Per:**



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**Clark Lonergan, CA, CPA, CIRP, LIT  
Partner/Senior Vice President**

**Appendix “E” – Fourth Report of the Monitor dated January 5, 2026 (without appendices)**

COURT FILE NUMBER

2501 - 13057

COURT

COURT OF KING'S BENCH OF ALBERTA

JUDICIAL CENTRE

CALGARY

MATTER

IN THE MATTER OF THE COMPANIES  
CREDITORS ARRANGEMENT ACT, RSC  
1985, c C-36, as amended

AND IN THE MATTER OF A PLAN OF  
COMPROMISE OR ARRANGEMENT OF  
2345137 ALBERTA LTD., 2351497  
ALBERTA LTD., 2497902 ALBERTA LTD.,  
SUMMIT S AUTO LTD., SUMMIT V AUTO  
LTD., MK AUTO K-M LTD., 2437342  
ALBERTA LTD., 1972207 ALBERTA LTD.,  
1175104 B.C. LTD., 1262113 B.C. LTD., AND  
1272986 B.C. LTD.

APPLICANT

BANK OF MONTREAL

RESPONDENTS

2345137 ALBERTA LTD., 2351497  
ALBERTA LTD., 2497902 ALBERTA LTD.,  
SUMMIT S AUTO LTD., SUMMIT V AUTO  
LTD., MK AUTO K-M LTD., 2437342  
ALBERTA LTD., 1972207 ALBERTA LTD.,  
1175104 B.C. LTD., 1262113 B.C. LTD., AND  
1272986 B.C. LTD.

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**FOURTH REPORT OF BDO CANADA  
LIMITED, IN ITS CAPACITY AS THE  
COURT-APPOINTED MONITOR**

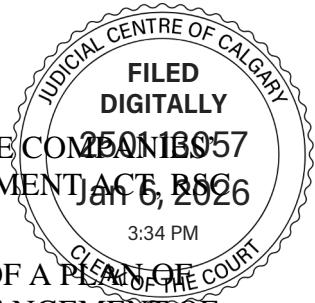
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## INTRODUCTION

1. On August 22, 2025 (the “**Filing Date**”), upon the application by the Bank of Montreal (“**BMO**”) in its capacity as senior secured lender to 2345137 Alberta Ltd. (“**Vermilion Chrysler**”), 1262113 B.C. Ltd. (“**Western Sport Products**”), 2497902 Alberta Ltd. (“**Castle Ford**”), 1175104 B.C. Ltd. (“**Cranbrook Mitsubishi**”), 1272986 B.C. Ltd. (“**Sun Valley Nissan**”), Summit V Auto Ltd. (“**Arrow Volkswagen**” or “**Arrow VW**”, with Vermilion Chrysler, Western Sport Products, Castle Ford, Cranbrook Mitsubishi, and Sun Valley Nissan, the “**Omnibus Dealerships**”), 2437342 Alberta Ltd. (“**Squamish Chrysler**”, with the Omnibus Dealerships, the “**Dealerships**”), Summit S Auto Ltd. (“**Real Co**”, with the Omnibus Dealerships, the “**Omnibus Debtors**”), MK Auto K-M Ltd. (“**MK Auto**”), 1972207 Alberta Ltd. (“**197 AB**”, with Squamish Chrysler, the “**Squamish Debtors**”) and 2351497 Alberta Ltd. (“**235 AB**” with the Omnibus Debtors, the Squamish Debtors, and MK Auto, collectively, the “**Summit Auto Group**”, the “**Debtors**”, or the “**Companies**”), the Court of King’s Bench of Alberta (the “**Court**”) issued an order (the “**Initial Order**”) granting protection to the Companies from their creditors under the *Companies’ Creditors Arrangement Act*, RSC 1985, c C-36, as amended (the “**CCAA**”). Pursuant to the Initial Order, BDO Canada Limited (“**BDO**”) was appointed as monitor of the Companies (in such capacity, the “**Monitor**”).
2. Among other things, pursuant to the Initial Order the Court:
  - a) granted an initial stay of proceedings (the “**Stay of Proceedings**”) in favour of the Debtors until and including September 1, 2025, to stabilize the Debtors’ operations and permit the Monitor to assess the Debtors’ then ongoing sales process;
  - b) appointed the Monitor and granted expanded powers of the Monitor during the CCAA proceedings (the “**CCAA Proceedings**”);
  - c) appointed the chief restructuring officer (“**CRO**”), Full Circle Automotive Solutions Inc. (“**Full Circle**”) over the Debtors;
  - d) granted a charge over the Debtors’ property (the “**Property**”) to stand as security for payment by the Companies of the professional fees and disbursements of BMO’s legal counsel, the Monitor and its independent legal counsel, and the CRO, in an aggregate amount not to exceed \$350,000 (the “**Administration Charge**”);

- e) authorized the Monitor to borrow funds in the maximum amount of \$500,000 to fund the Debtors' operations during the CCAA Proceedings and a charge over the Property to stand as security (the "**Monitor's Borrowing Charge**"); and
  - f) granted a charge over the Property to stand as security for the Debtors' obligation to indemnify the directors from any liabilities they may incur in such capacity from and after the commencement of the CCAA Proceedings, up to a maximum amount of \$250,000 (the "**Director's Charge**", together with the Administration Charge and Monitor's Borrowing Charge, the "**Court Ordered Charges**").
3. The Initial Order contemplated a comeback application on August 27, 2025 (the "**Comeback Hearing**").
4. At the Comeback Hearing, the Court granted an amended and restated initial order (the "**ARIO**"). The ARIO, among other things:
- a) extended the Stay of Proceedings until and including September 26, 2025;
  - b) approved an increase to the Administration Charge up to the maximum amount of \$750,000;
  - c) approved an increase to the Monitor's Borrowing Charge up to the maximum amount of \$3.5 million (plus interest, costs and fees);
  - d) authorized continued payments to BMO under the existing floor plan arrangements once the Monitor confirmed the validity of BMO's security; and
  - e) reaffirmed the Monitor's authority to manage and operate the Companies' businesses and oversee sales efforts through its expanded powers.
5. On September 19, 2025, upon the application of the Monitor, the Court granted the following additional orders:
- a) an order (the "**Stay Extension Order**") which, among other things:
    - (i) extended the Stay of Proceedings up to and including November 21, 2025; and
    - (ii) granted the Monitor certain powers, in addition to and in no way limiting the powers of the Monitor as set out in the ARIO, to authorize the Monitor

to conduct investigations, compel production of records relating to the Companies or the businesses of the Companies, and to compel examination under oath of any person reasonably thought to have knowledge relating to the Companies or the businesses of the Companies (“**Investigative Powers**”); and

- b) an order (the “**SISP Approval Order**”) which, among other things:
    - (i) approved a sale and investment solicitation process (the “**SISP**”); and
    - (ii) approved the appointment of the Debtors’ pre-filing sales agent, the Tim Lamb Group (the “**Sales Agent**” or “**Tim Lamb**”) to administer and manage the SISP with the oversight of the Monitor.
6. On November 13, 2025, upon the application of the Monitor, the Court granted the following additional orders:
- a) an order (the “**Second Stay Extension Order**”) which, among other things:
    - (i) extended the Stay of Proceedings up to and including January 30, 2026;
    - (ii) approved the activities of the Monitor since the Second Report;
    - (iii) approved the accounts of the Monitor and its legal counsel, Miller Thomson LLP (“**Miller Thomson**”), for fees and disbursements incurred to date;
    - (iv) authorized the Monitor to make distributions to BMO in its capacity as the senior secured lender;
    - (v) authorized the Monitor to have full access to all bank accounts, financial records, constating documents, minute books and other documents required by the Monitor in respect of the assets and/or business of 2412170 Alberta Ltd. (“**Westcastle Dealership**”) and 2416326 Alberta Ltd. (“**Westcastle RealCo**”), together operating as Westcastle Chevrolet Buick GMC (“**Westcastle GMC**”); and

- (vi) temporarily sealed the Confidential Supplement to the Third Report until the termination of the within CCAA Proceedings or until further order of this Honourable Court;
  - b) an order (the “**Arrow VW AVO**”) to approve and authorize the sale transaction (the “**Arrow VW Transaction**”) for certain assets, undertakings and properties of Arrow VW and Real Co (together, the “**Arrow VW Vendors**”), pursuant to a purchase and sale agreement between the Arrow VW Vendors as vendors and K5 IG Holdings Inc. as purchaser (the “**Arrow VW Purchaser**”) dated as of November 7, 2025 (the “**Arrow VW Sale Agreement**”); and
  - c) an order (the “**Castle Ford AVO**”) to approve and authorize the sale transaction (the “**Castle Ford Transaction**”, and together with the Arrow VW Transaction, the “**Transactions**”) for certain assets, undertakings and properties of Castle Ford and Real Co (together, the “**Castle Ford Vendors**”), pursuant to a purchase and sale agreement between the Castle Ford Vendors as vendors and Davis Auto Group Ltd. as purchaser (the “**Castle Ford Purchaser**”) dated as of November 6, 2025 (the “**Castle Ford Sale Agreement**”).
7. To date, the Monitor has provided the Court with the following reports (the “**Previous Reports**”):
- a) the Pre-Filing Report of the Proposed Monitor filed August 20, 2025 (the “**Pre-Filing Report**”) in connection with the application for the Initial Order. The Pre-Filing Report (without appendices) is attached hereto as **Appendix “A”**;
  - b) the First Report of the Monitor filed August 27, 2025 (the “**First Report**”) in connection with the application for the ARIO. The First Report (without appendices) is attached hereto as **Appendix “B”**; and
  - c) the Second Report of the Monitor filed September 10, 2025 (the “**Second Report**”) in connection with the application for the Stay Extension Order and the SISP Approval Order. The Second Report (without appendices) is attached hereto as **Appendix “C”**; and

- d) the Third Report of the Monitor filed on November 7, 2025 (the “**Third Report**”) in connection with the application for the Second Stay Extension Order, and approval of the Transactions. The Third Report (without appendices) is attached hereto as **Appendix “D”**.

**PURPOSE**

8. The purpose of this Fourth Report of the Monitor (the “**Fourth Report**”) is to provide information to the Court with respect to:

- a) background information with regards to Westcastle GMC, including BDO’s qualifications to act as the Monitor given its familiarity with Westcastle GMC, and BDO’s activities to date with regards to Westcastle GMC;
- b) initial findings of the CRO since its appointment as the director and officer of Westcastle GMC;
- c) details of the Westcastle GMC sale process and the Westcastle GMC Transactions (as herein defined);
- d) the Monitor’s comments and recommendations with respect to the application returnable on January 7, 2025 (the “**Jan 7 Application**”), seeking orders for the following relief:
  - (i) first, an order, among other things:
    - I. including Westcastle Dealership and Westcastle RealCo within the ambit of the CCAA proceedings;
    - II. granting two (2) super priority charges against the Westcastle GMC Sale Proceeds (as herein defined), Remaining Sales Proceeds (as herein defined) and any remaining realizations from the excluded assets not purchased in the Westcastle GMC Transactions (together the “**Westcastle GMC Assets**”) subject only to the interest of the Toronto Dominion Bank (“**TD Bank**”):
      - a) first, the Westcastle Administration Charge (as hereinafter defined) in the amount of \$250,000 in favour of the Professionals Group (as herein defined), to secure payment

of professional fees and disbursements related specifically to Westcastle GMC; and

b) second, a charge up to a maximum amount of \$150,000, to secure the payment of expenses required for the administration of the Westcastle GMC Assets (the “**Westcastle Borrowing Charge**”) to cover for Monitor’s borrowing directly from BMO through the issuance of Westcastle Borrowing Certificates.

III. authorizing the Monitor to make a pre-filing success fee payment to the Sales Agent for the Westcastle GMC Transactions; and

IV. authorizing the Monitor to make distributions to the senior secured lender of Westcastle GMC, TD Bank.

(ii) second, an order (“**Vesting Order**”), among other things,

I. certain of the assets, undertakings and properties of the Westcastle Dealership, pursuant to an asset purchase agreement (“**Westcastle Dealership Sale Agreement**”) between the Westcastle Dealership as vendor and 2672671 Alberta Ltd., a third-party purchaser (the “**Westcastle Dealership Purchaser**”), and two (2) real estate commercial purchase contracts between Westcastle RealCo and the Westcastle Dealership Purchaser (the “**Westcastle RealCo Sale Agreements**”, and together with the Westcastle Dealership Sale Agreement, the “**Westcastle Sale Agreements**”) in the name of the Westcastle Dealership Purchaser of Westcastle GMC’s right, title and interest in and to the purchased assets free and clear of any claims and encumbrances (the “**Westcastle GMC Transactions**”);

9. The Previous Reports and other Court materials in connection with the CCAA Proceedings are available on the Monitor’s website at: <https://www.bdo.ca/services/financial-advisory-services/business-restructuring-turnaround-services/current-engagements/summit->

[automotive-group](#) (the “**Monitor’s Website**”). All Court documents and certain other relevant documents have been and will continue to be posted as they are made available.

10. Capitalized terms not otherwise defined herein have the meanings ascribed to them in the Previous Reports.

#### **TERMS OF REFERENCE**

11. In preparing this Fourth Report and making the comments herein, the Monitor has been provided with, and has relied upon, unaudited financial information, books and records prepared by the Debtors, the Gil Affidavit (herein defined), discussions between the CRO and management of the Debtors (“**Management**”), discussions with BMO and information from other third-party sources (collectively, the “**Information**”). Except as described in the Third Report in respect of the Revised Cash Flow Forecast:

- a) the Monitor has reviewed the Information for reasonableness, internal consistency and use in the context in which it was provided. However, the Monitor has not audited or otherwise attempted to verify the accuracy or completeness of such information in a manner that would wholly or partially comply with Generally Accepted Assurance Standards (“**GAAS**”) pursuant to the Chartered Professional Accountants Canada Handbook and, accordingly, the Monitor expresses no opinion or other form of assurance contemplated under GAAS in respect of the Information; and
- b) some of the information referred to in this Fourth Report consists of forecasts and projections. An examination or review of the financial forecast and projections, as outlined in the Chartered Professional Accountants Canada Handbook, has not been performed.

12. Future oriented financial information referred to in this 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 will vary from the projections, even if the assumptions materialize, and the variation could be significant.

13. Unless otherwise indicated, the Monitor's understanding of the factual matters expressed in this Fourth Report concerning the Debtors and their business is based on the Information, and not independent factual determinations made by the Monitor.
14. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian dollars.
15. This Fourth Report should be read in conjunction with the affidavit of John Gil sworn August 15, 2025 (the "**Gil Affidavit**"), and the Previous Reports, which can be found on the Monitor's Website and contain background information with respect to the Companies' businesses and operations as well as matters leading up to the commencement of these CCAA Proceedings.

### **BACKGROUND INFORMATION**

16. Westcastle GMC operated a Chevrolet, Buick and GMC dealership in Pincher Creek, Alberta. MK Auto is the sole voting shareholder and owns or controls 100% of the interests of Westcastle GMC. Westcastle GMC is an affiliate of the Summit Auto Group.
17. Westcastle GMC's primary secured creditor is TD Bank.
18. Initially, it was contemplated that Westcastle GMC would be a part of the CCAA Proceedings as it is an affiliate of the Summit Auto Group and share the same mind and management (including through the shared oversight from Mr. Michael Koch ("**Mr. Koch**") and Mr. Don Liddell ("**Mr. Liddell**"). However, given that the primary secured creditor of Westcastle GMC is TD Bank rather than BMO, the Summit Auto Group determined that Westcastle GMC was to remain outside of the Summit Auto Group CCAA Proceedings. It is apparent to the Monitor that Westcastle GMC is intertwined with the Summit Auto Group entities for, but not limited to, the following:
  - a) Prior to the Filing Date, Mr. Koch (majority owner), was actively involved in the management and operation of both Westcastle GMC and the Summit Auto Group;
  - b) Mr. Liddell, who served as Chief Financial Officer (also minority owner of certain Dealerships) of the Summit Auto Group also acted as the senior finance resource for Westcastle GMC;
  - c) During the period prior to the commencement of the CCAA Proceedings, management oversight and operational resources for Westcastle GMC and certain

Summit Auto Group dealerships were not fully independent. In particular, personnel were shared across Westcastle GMC and Castle Ford, including accounting and operational support; and

- d) Prior to the CCAA Proceedings, Westcastle GMC and Castle Ford were marketed together for sale, first by Mr. Koch and later by Tim Lamb as part of the Debtor-led, pre-filing sales process. Castle Ford and Westcastle GMC are near one another in Pincher Creek, AB, and hence the two (2) dealerships historically operated with shared management oversight, including a previous general manager responsible for both stores. The joint sale approach was a result of this operational linkage and remained in place until an earlier proposed transaction did not proceed, after which Castle Ford and Westcastle GMC were marketed to be sold separately.

19. As outlined in Pre-Filing Report, prior to the CCAA filing, the Omnibus Debtors and Squamish Debtors operated under forbearance arrangements with BMO dated May 29, 2025, and June 9, 2025, respectively (collectively, the “**Forbearance Agreements**”). During this period, BMO required that dealership cashflows and value be preserved within the BMO financed entities, including prohibiting the Debtors from funding shared services with Westcastle GMC. As noted in the Fourth Report and the Second CRO Report, the Monitor and CRO have identified concerns regarding vehicle transfers under market values, related-party transactions, and undocumented intercompany advances that may have resulted in the erosion of BMO’s collateral.

20. Once appointed, the Monitor met with Mr. Koch where he disclosed a sale of a minority stake in Westcastle GMC to Mr. Blake Tibbo (“**Mr. Tibbo**”) which he indicated was drafted but never fully executed by both parties. Additionally, Mr. Koch noted that both TD Bank and the original equipment manufacturer (“**OEM**”), General Motors of Canada, (“**GMC**”) were never notified by Mr. Koch of this proposed transaction notwithstanding OEM approval is required for such a transaction. The Monitor highlighted in its Second Report the unusual activities regarding third-party finance “pod” arrangements (“**Financing Pod(s)**”), including arrangements with Mr. Tibbo where funds from Squamish Chrysler, a BMO-financed debtor, were possibly redirected through separate entities and paid to Westcastle GMC. The Monitor understands that there were transfers or redirection of funds of at least \$500,000. At or around

the time of these transfers, the Monitor understands that TD Bank demanded funds in similar amounts be injected into Westcastle GMC by Mr. Koch to cover certain defaults. These fund transfers are addressed later in the Fourth Report, where the Monitor discusses a reserve to be withheld in the Distribution Waterfall (herein defined) on funds from the Westcastle GMC Assets.

21. On September 22, 2025, Westcastle GMC entered into the Westcastle Sale Agreements, to sell substantially all of Westcastle GMC's operating assets to the Westcastle Dealership Purchaser, including real estate subject to customary conditions.
22. On November 7, 2025, the Monitor received letter correspondence requesting the shareholder consent of MK Auto pursuant to section 190 of the *Business Corporations Act*, RSA 2000, C B-9 (the "**Shareholder Resolution**") in respect of the Westcastle GMC Transactions. The Monitor made various requests to Westcastle GMC in order to satisfy its own due-diligence and determine whether it should provide the Shareholder Resolution on behalf of MK Auto. Notwithstanding these requests, the Monitor did not obtain sufficient information required to satisfy its due diligence requirements.
23. On December 19, 2025 ("**Westcastle Closing Date**"), Westcastle GMC, the Sales Agent and counsel to TD Bank advised the Monitor that the Westcastle Dealership Purchaser had advanced funds and that the Westcastle GMC Transactions had closed.
24. The Monitor now understands that the Westcastle GMC director at the time, Mr. Koch, executed the Shareholder Resolution on behalf of MK Auto when he lacked the authority to do so.
25. The Westcastle Dealership Purchaser sent the purchase price outlined in the Westcastle Sale Agreements to Westcastle GMC's counsel in the amount of approximately \$5.501 million and the Westcastle Dealership Purchaser's lender, the Royal Bank of Canada ("**RBC**"), sent its floor line vehicle financing directly to TD Bank in the amount of approximately \$3.292 million (totalling ~\$8.893 million, the "**Westcastle GMC Sale Proceeds**"), which the Monitor understands from TD Bank's counsel that those funds are being held in a suspense account pending full payout of the TD Bank debt. Additionally, the Monitor understands that the Westcastle Dealership Purchaser still has to send approximately \$290k directly to TD Bank for

purchased vehicles that GMC did not reinvoice for in error (“**Remaining Westcastle GMC Sale Proceeds**”).

26. On December 19, 2025, a termination letter, was issued by Westcastle GMC to GMC and a new dealer code was issued by GMC to the Westcastle Dealership Purchaser. Mr. Koch also issued termination letters to each of the employees of Westcastle GMC (the “**Westcastle Former Employees**”), indicating that the Westcastle Dealership Purchaser has taken over and that they would offer employment to them on the same or similar terms and conditions as their current employment. A copy of the employee termination letter and offer of employment are attached hereto as **Appendix “E”** and **Appendix “F”**. The Westcastle Former Employees were to be paid (including accrued vacation pay) on December 24, 2025, for all time up to an including Westcastle Closing Date. The Monitor understands from the CRO that this final payroll payment was made.
27. On December 19, 2025, the then director and officer of Westcastle GMC, Mr. Koch, was replaced by Mr. Lionel Robins (“**Mr. Robins**”) of Full Circle, the Court-appointed CRO in the CCAA Proceedings.
28. Following entry into of the Westcastle Sale Agreements, certain creditors made registrations in the Alberta Personal Property Registry or Alberta Land Titles Office against the assets of Westcastle GMC, including Great North Auto and Financing Ltd. (“**Great North**”, which is owned and operated by Mr. Tibbo) and The Loan Store (the “**Westcastle GMC New Creditors**”). The Monitor notes that The Loan Store (or 1292709 Alberta Ltd. “**129 AB**”) operates under various other names such as Cars on Whyte, Auto Finance Lease and America Fleet, some of which were involved in unusual wholesale vehicle activity the Summit Auto Group and prior to the CCAA Proceedings. Attached hereto as **Appendix “G”** is 129 AB’s Alberta Motor Vehicle Industry Counsel (“**AMVIC**”) license.
  - a) The Loan Store credit agreement dated April 3, 2024, for \$1.9 million, at 35% interest rate, was only disclosed to the Monitor during a phone call with Mr. Koch’s insolvency counsel on or around December 15, 2025.
  - b) The Monitor and the CRO also noted significant financial interactions between Westcastle GMC and The Loan Store (and/or other 129AB operating entities) around the Westcastle Closing Date where a number of vehicles were transferred

to The Loan Store and related entities for little or no consideration by Mr. Koch. The Monitor understands that TD Bank has registered specific VIN security registration for some of these missing vehicles that remain part their floor line credit facilities. The Monitor, on behalf of Westcastle GMC, will seek to file its own security registrations once TD Bank is fully repaid, until a determination is made regarding the validity of the security, and in particular whether appropriate consideration was received.

29. On December 22, 2025, TD Bank's legal counsel delivered written correspondence to the Westcastle Dealership Purchaser's counsel confirming that:

- a) TD Bank did not consent to the closing of the Westcastle GMC Transactions;
- b) TD Bank has not delivered any discharges or releases of security;
- c) all inventory and proceeds of sale remain subject to TD Bank's security; and
- d) TD Bank is actively considering enforcement remedies, including:
  - (i) appointment of a receiver;
  - (ii) VIN-specific registrations over inventory; and
  - (iii) other formal insolvency proceedings.

30. TD Bank further asserted that proceeds from vehicle sales belong to TD Bank and that the Westcastle Dealership Purchaser may be personally liable for proceeds and any erosion of collateral value.

31. The Westcastle Dealership Purchaser is therefore currently operating without clear and indefeasible title with regards to the purchased Westcastle GMC assets, while TD Bank has expressly reserved enforcement rights.

#### **BDO'S QUALIFICATION TO ACT AS MONITOR OF WESTCASTLE GMC**

32. BDO has been acting as Monitor in the CCAA Proceedings since its appointment under the Initial Order and, in that capacity, has developed detailed knowledge of the Summit Auto Group's operations, financial position, and stakeholder relationships.

33. Through its role as Monitor, BDO has been directly involved in reviewing and overseeing multiple investigative and reporting matters that relate to Westcastle GMC, including matters

relating to wholesale vehicle activity, intercompany and related-party transactions, flow of funds between Westcastle GMC and Summit Auto Group, and known governance and operational issues evident in both Westcastle GMC and the Summit Auto Group. The Monitor also notes that MK Auto, the sole voting shareholder of Westcastle GMC, is a part of the CCAA Proceedings, and that Westcastle GMC has historically operated with significant operational, management, and financial interconnectivity with other Summit Automotive Group entities. As a result, it is efficient and appropriate for BDO to act as Monitor in respect of Westcastle GMC, given its existing familiarity (see activities below) with the relevant operational matters and its ability to provide continuity of oversight within the existing CCAA framework.

34. BDO is a licensed insolvency trustee within the meaning of section 2 of the *Bankruptcy and Insolvency Act* (the “**BIA**”). BDO is not subject to any of the restrictions set out in section 11.7(2) of the CCAA on who may be appointed as Monitor.

35. The Monitor intends to continue with the previously retained counsel, Miller Thomson LLP, to act as its independent legal counsel in matters related to Westcastle GMC.

36. With regards to Westcastle GMC, the Monitor has:

- a) engaged in extensive correspondence, at times through counsel, with:
  - (i) counsel for Westcastle GMC; and
  - (ii) counsel for TD Bank;
- b) reviewed items related to the Westcastle GMC Transactions, including but not limited to:
  - (i) Westcastle Sale Agreements;
  - (ii) proposed distribution of Westcastle GMC Assets; and
  - (iii) Westcastle GMC Transactions related costs.
- c) asserted and clarified the Monitor’s right and authority to review and oversee the Westcastle GMC Transactions;
- d) issued and reviewed multiple formal information requests seeking documentation related to Westcastle GMC, including the review of:

- (i) corporate records and minute books;
  - (ii) bank statements and activities;
  - (iii) certain system reports produced by Westcastle GMC's dealer management system;
  - (iv) wholesale transactions listings;
  - (v) bills of sales for certain vehicles of interest; and
  - (vi) intercompany balances and transactions.
- e) reviewed and considered the findings of the First CRO Report and Second CRO Report regarding governance, management involvement, and other relevant matters to Westcastle GMC;
- f) reviewed and considered the implications of TD Bank's secured position over Westcastle GMC's assets;
- g) replaced the director of Westcastle GMC to assist in the fair and equitable distribution of funds from the Westcastle GMC Transactions; and
- h) worked closely with the CRO and Westcastle Dealership Purchaser to provide guidance regarding operation and financial cut-off issues associated with the snap-closing of the Westcastle GMC Transactions.

#### **CRO'S FINDINGS REGARDING WESTCASTLE GMC**

37. As previously reported, Full Circle was retained as the CRO in connection with the CCAA Proceedings. Following the closing of the Westcastle GMC Transactions, Mr. Robins of Full Circle was appointed as a director and officer of Westcastle GMC (the "**D&O Appointment**").
38. In connection with the D&O Appointment and based on the CRO's prior involvement with the Summit Auto Group and initial review of Westcastle GMC's operations, the CRO prepared a report setting out observations relevant to the Monitor's oversight (the "**Second CRO Report**"), a copy of which is attached hereto as **Appendix "H"**.
39. The Second CRO Report summarizes observations relating to, among other things:

- a) wholesale vehicle activity at Westcastle GMC, including the timing of certain wholesale transactions;
- b) interconnectivity between Westcastle GMC and Summit Auto Group Dealerships, including shared management involvement, personnel, systems access, and third-party counterparties;
- c) Financing Pods that continued at Westcastle GMC following the commencement of the CCAA Proceedings;
- d) financing arrangements involving Mr. Tibbo; and
- e) other relevant considerations observed since the D&O Appointment.

40. In particular, the CRO observed that, management oversight, decision-making, and certain personnel and operational resources at Westcastle GMC were not clearly segregated from those of Summit Auto Group dealerships. The CRO also identified limited transparency in respect of certain transactions, compensation arrangements, and financing relationships.

41. The Monitor notes that the CRO's observations are based on information reviewed by the CRO, access to certain systems and records, and information provided to the CRO in the course of its duties.

#### **INCLUSION OF WESTCASTLE GMC IN CCAA PROCEEDINGS**

42. The Monitor seeks the inclusion of Westcastle Dealership and Westcastle RealCo as Applicants in the CCAA Proceedings for the following reasons, among others:

- a) the Westcastle Dealership and Westcastle RealCo entities have acted, and are acting, in good faith and with due diligence;
- b) the Westcastle Dealership and Westcastle RealCo entities are affiliate companies to the Summit Auto Group;
- c) to bring the Westcastle GMC Transaction under Court supervision and vest the Purchased Assets free and clear of encumbrances to the Westcastle Purchaser;
- d) to authorize and pay out TD Bank to remove a proven senior secured creditor and its accruing interest and professional fees;
- e) to administer the assets, which were excluded from the Westcastle GMC

Transactions, and any proceeds thereof, and address any claims through an anticipated future claims process, as required;

- f) to ensure the Monitor can complete its duties effectively through the extension of the Monitor's existing Investigative Powers over Westcastle GMC; and
  - g) to ensure that Westcastle GMC obtains the benefit of the Stay of Proceedings, to provide the breathing space necessary for the CRO and Monitor to complete an efficient and cost-effective wind-up of Westcastle GMC.
43. The Westcastle GMC entities are insolvent and "debtor companies" to which the CCA applies and are eligible for protection under the CCAA.
44. As of the date of this Fourth Report, the Monitor understands that TD Bank is supportive of the inclusion of Westcastle GMC in the CCAA Proceedings on the following conditions:
- a) a security opinion confirming the validity and enforceability of TD Bank's security to support the proposed full repayment of the TD Bank Indebtedness as outlined in the Distribution Waterfall;
  - b) the Court shall have granted the following on or before January 7, 2026:
    - (i) the Vesting Order;
    - (ii) the proposed distribution to TD Bank to fully repay the TD Bank Indebtedness as outlined in the Distribution Waterfall (within 7 business days), which the Monitor has deemed to be valid and enforceable by obtaining an independent legal opinion from Miller Thomson;
    - (iii) an order which allows TD Bank to be unaffected by the CCAA Proceedings or any order granted in the CCAA Proceedings, in particular the Stay and any Court-ordered Charges; and
    - (iv) the Disputed Funds Reserve (herein defined) which is inclusive of any fees incurred by TD Bank up to \$50,000 in response to any claims to be approved by Court and held by the Monitor in trust.

45. The Monitor and its counsel, remain in discussions with TD Bank and its counsel, and the Monitor is optimistic that all parties will agree to the Westcastle GMC inclusion in the CCAA Proceedings prior to the Jan 7 Application hearing given the above conditions are met.

- a) The Monitor understands that TD Bank intends to seek to appoint FTI (herein defined) as receiver of Westcastle GMC under the BIA if these conditions are not met.

46. According to the Revised Cash Flow Forecast (as described in the Third Report) and based on receipt of the Westcastle GMC Assets, there will be sufficient funding to operate the Debtors' businesses (inclusive of the Westcastle Dealership and Westcastle RealCo) during the Stay of Proceedings to January 30, 2026. A copy of the Revised Cash Flow Forecast is attached hereto as **Appendix "I"**.

**Circumstances Leading up the Inclusion of Westcastle GMC in the CCAA Proceedings**

47. In May and June 2025, the Summit Auto Group entities entered into the Forbearance Agreements which included terms limiting intercompany transfers and restricting cash flow to Westcastle GMC. At or around this time the, Summit Auto Group had approximately \$6.4 million in sold-in-violation<sup>1</sup> ("SIV") units with the BMO credit facilities (this number subsequently reached \$11+ million at Filing Date). The Monitor was told by Mr. Koch and Mr. Liddel that Westcastle GMC had no SIV units with TD Bank.

48. Additionally, around that time Westcastle GMC was in breach of its financial and reporting obligations to TD Bank as of May 16, 2024, pursuant to a default letter issued by TD.

49. In August 2025, the commencement of the CCAA Proceedings impacted Mr. Koch's ability to transfer funds and resources between the respective entities. The Monitor and the CRO leading up to the Filing Date noted financial irregularities and transfers from the Summit Auto Group entities (namely Squamish Chrysler) to Westcastle GMC which was in contravention to the Forbearance Agreements. TD Bank and BMO were made aware by the Monitor of these financial irregularities.

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<sup>1</sup> Sold-in-violation refers to vehicles that are sold by a dealership without the corresponding repayment of the secured lender's floorplan financing in accordance with the applicable lending arrangements, resulting in the lender's collateral being sold without the corresponding repayment.

50. On September 19, 2025, TD Bank issued a demand for repayment in the amount of \$7,667,748.12 (as at September 11, 2025) and a Notice to Intention to Enforce Security in accordance with section 244 of the BIA.
51. On October 16, 2025, TD Bank engaged FTI Consulting Canada Inc. (“**FTI**”) as its financial advisor to perform a business review regarding Westcastle GMC. FTI issued a report on its findings at the end of October or early November 2025 (the “**FTI Report**”). The FTI Report assessed the Westcastle Sale Agreements and provided an estimated proceeds waterfall based on Westcastle GMC’s balance sheet (assets and liabilities) at that time (the “**November 2025 Waterfall Estimate**”), which indicated that proceeds from asset realizations would range between \$11.2 - \$11.4 million (approximately \$10.5 million was attributed to the Purchased Assets associated with the Westcastle GMC Transactions, including approximately \$5 million in vehicle inventory and associated floor line financing of the same amount). The November 2025 Waterfall Estimate also indicated that all liabilities (including intercompany amounts owed to Arrow VW and Real Co) would be paid and that approximately \$500k-\$800k of surplus realization proceeds would be available to equity (MK Auto).
- a) FTI assumed the vehicle inventory to equal the debt associated with the respective vehicles (at or around Oct 31, 2025).
  - b) The Loan Store debt of \$1.9 million (principal only) was evidentially not disclosed to FTI, and as such, did not appear in the November 2025 Waterfall Estimate.
52. Per the actual realizations from the Westcastle GMC Transactions (detailed in the distribution section below), approximately \$9.2 million was or will be received from the Westcastle Dealership Purchaser and the TD Bank debt is the same or higher which represents at a minimum a \$1.3 million (\$10.5 million less \$9.2 million) erosion of value from the November 2025 Waterfall Estimate which is almost entirely due to a reduction of inventory.
53. Given the apparent misappropriation of inventory by Mr. Koch before and at the Westcastle Closing Date (which resulted in additional SIV units as the TD Bank debt for those vehicles remains outstanding) and the recently disclosed and registered The Loan Store debt (if valid), there will be a significant shortfall within the Westcastle GMC estates.

54. The Monitor believes it is just, convenient, necessary, and in the best interest of the Debtors and their stakeholders that Westcastle Dealership and Westcastle RealCo be included in the Stay of Proceedings.

#### **WESTCASTLE GMC CHARGES**

55. The Initial Order and ARIO provided for an Administration Charge, Monitor's Borrowing Charge and Directors Charge (the "**Court-ordered Charges**"). Given that TD Bank is the senior secured lender of Westcastle Dealership and Westcastle RealCo, the Court-ordered Charges will not apply to the Westcastle GMC Assets.

56. The proposed order provides for an administration charge up to a maximum amount of \$250,000 (the "**Westcastle GMC Administration Charge**") in favour of counsel to BMO, the Monitor and its independent counsel and the CRO (the "**Professionals Group**"). Professional fee obligations secured by the Westcastle GMC Administration Charge are proposed to be paid out of the net Westcastle GMC Assets after TD Bank is repaid pursuant to the proposed distribution.

57. The Monitor is of the view that given the current liquidity constraints of Westcastle GMC, the proposed Westcastle Administration Charge is required and necessary. The Monitor is of the view that the Westcastle Administration Charge is necessary for the effective participation of the professionals in the CCAA Proceedings and believes the quantum of the Westcastle Administration Charge is reasonable in the circumstances based upon a review and assessment of the anticipated professional costs accrued to the date of this Fourth Report and to be incurred during this matter.

58. The proposed order provides for the Westcastle Borrowing Charge up to a maximum principal amount of \$150,000 should funds be required to be borrowed from BMO through the issuance of borrowing certificates to fund for Westcastle GMC costs (the "**Westcastle Borrowing Certificates**"). The Westcastle Borrowing Charge provides for a charge for amounts not covered by the Westcastle Administration Charge.

59. The Monitor believes that the Westcastle Borrowing Charge is appropriate and necessary to fund any wind-down costs of the remaining Westcastle GMC operations given that the Westcastle GMC Assets after payment to TD Bank may be subject to potential secured claims.

60. The Monitor will maintain separate trust accounts and accounting for matters related to Westcastle GMC.

## **WESTCASTLE GMC SALE PROCESS AND WESTCASTLE GMC TRANSACCIONES**

### Sales Process:

61. As noted in the Pre-Filing Report and First Report, the Debtors had commenced a Debtor-led sale process in 2024 led by Mr. Koch and in early 2025, where Tim Lamb Group was engaged as the sales agent (“**Previous Sales Process**”).

62. On January 24, 2025, as part of the Previous Sales Process, Tim Lamb entered into an agreement to act as the sales agent and administer a sales process for both Westcastle GMC (the “**Westcastle Sales Process**”) and Castle Ford to be marketed, and interested parties were encouraged to bid on one or both dealerships. A copy of the agreement is attached hereto as **Appendix “J”**.

63. As part of the Sales Agent’s outreach efforts, the Sales Agent was able to reach over 1,000 franchised dealers and 380 non-franchised dealers in Canada with an email blast. In addition, the Sales Agent made a LinkedIn post which received over 7,700 impressions. Through continuous follow up by call or text to each dealer in Western Canada, the Sales Agent was able to attract 52 parties that signed a confidentiality agreement to access additional information. Of the 52 parties, 37 parties expressed interest in Westcastle GMC. Any expressed interest received with regards to Castle Ford was eventually included in the CCAA Proceedings.

64. Though the Westcastle Sales Process did not have a definitive timeline set for delivery of letters of intent (“**LOI**”) or binding bids, the Sales Agent was able to secure one (1) LOI on August 22, 2025 (the “**Westcastle LOI**”). The Westcastle LOI included a non-solicitation / exclusivity clause that required the Sales Agent’s marketing initiatives to be paused upon receipt, and ultimately resulted in the successful sale of Westcastle GMC’s assets to the Westcastle Dealership Purchaser, for which the Sales Agent is owed a transaction fee of \$100,000 plus GST from Westcastle GMC.

65. The Monitor seeks authorization from this Court to make the pre-filing transaction fee to the Sales Agent under its entitlement for the Westcastle GMC Transactions.

66. As a result of the Westcastle Sales Process, a purchaser was identified that the Monitor understands to be acceptable to both Mr. Koch, TD Bank and GMC.

**Westcastle GMC Transactions and Westcastle Sale Agreements**

67. On September 22, 2025, Westcastle Dealership entered into the Westcastle Dealership Sale Agreement with the Westcastle Dealership Purchaser. A copy of the Westcastle Dealership Sale Agreement is attached hereto as **Appendix “K”**.

68. On September 23, 2025, Westcastle RealCo entered into the Westcastle RealCo Sale Agreements with the Westcastle Dealership Purchaser. Copies of the Westcastle RealCo Sale Agreements are attached hereto as **Appendix “L”**.

69. The Westcastle Sale Agreements contemplate a transaction whereby the Westcastle Dealership Purchaser will acquire substantially all the assets and business operations of Westcastle GMC (the “**Westcastle Purchased Assets**”), excluding only those assets expressly identified in the Westcastle Dealership Sale Agreement as “Excluded Assets”.

70. The Westcastle Purchased Assets include, among other things:

- a) all new, deferred new, and demonstrator vehicles as of closing, and certain used vehicles identified in advance of closing, unless defined as “Excluded Assets”;
- b) the real properties which Westcastle Dealership operates on, owned by Westcastle RealCo, located at 1100 Waterton Avenue, Pincher Creek, AB (“**Westcastle Real Properties**”) and severed into two (2) properties:
  - (i) legal description Plan 9311234, Block 4, Lot 5; and
  - (ii) legal description Plan 9311234, Block 4, Lot 6 (“**Lot 6**”).
- c) parts and accessories as agreed upon as of closing;
- d) equipment, fixtures, furniture, and related assets used in the business; and
- e) goodwill, licenses, permits, assigned contracts, customer deposits, warranty rights, work in progress, telephone and fax numbers, domain names, social media accounts, trade names, and software/hardware used in the business.

71. The Excluded Assets include any assets not specifically identified as “Purchased Assets” in the Westcastle Sale Agreements, including, among other things, cash, bank accounts, short term investments, corporate records unrelated to the Westcastle Purchased Assets, tax refunds, various receivables, insurance policies, and Westcastle Dealership’s lease portfolio.
72. Given the inventory levels and other Westcastle Purchased Assets may fluctuate (i.e. customer deposits) before closing, the Westcastle Dealership Sale Agreement provides for a purchase price adjustment mechanism to align the cash purchase price with assets on hand at close.
73. On or prior to the Westcastle Closing Date, the Westcastle Dealership must provide the Westcastle Dealership Purchaser with a statement of adjustment including a physical count and listings of vehicles, parts, accessories, customer deposits, work in progress, and obsolete inventory.
74. The Westcastle Dealership Sale Agreement provides for the assignment of certain contracts which will assist the Westcastle Dealership Purchaser in preserving continued operation of the Westcastle GMC dealership following closing.
75. Based on closing documents provided by the Westcastle GMC Counsel, the Westcastle Purchaser and TD Bank, the Monitor understands the purchase price was as follows:

Westcastle GMC Transactions Purchase Price	
Goodwill, Fixed Asset, Parts, etc.	\$1,700,000.00
Macleod Street Property	\$50,092.13
Lot 6	<u>\$3,751,474.08</u>
Received by Westcastle GMC Counsel	\$5,501,566.21
Vehicle Inventory (Received by TD)	<u>\$3,392,163.35</u>
Westcastle Sale Proceeds	\$8,893,729.56
Remaining Westcastle Sale Proceeds	<u>\$290,547.39</u>
Total Purchase Price	<u>\$9,184,276.95</u>

### ***Employees***

76. Under the Westcastle Dealership Sale Agreement, the Westcastle Dealership Purchaser was to provide offers of employment to all of the “Vendor’s Personnel”, at the same salary and bonus plans, otherwise on no less favourable terms and conditions, including benefits.
77. On the Westcastle Closing Date, the Westcastle Dealership was required to terminate all Vendor’s Personnel at the same time, and pay all amounts owing to Vendor’s Personnel for wages, benefits, and overtime pay up to the Westcastle Closing Date.

### *Closing and Closing Conditions*

78. The Westcastle GMC Transactions were conditional upon, among other things, (i) Westcastle Dealership Purchaser obtaining third-party financing, (ii) delivery of customary transfer documents, (iii) Westcastle RealCo and Westcastle Dealership Purchaser having entered into a real estate purchase contract, and (iv) regulatory and manufacturer approvals necessary to complete the transaction, including approval from the respective OEM and AMVIC.
79. Closing of the Westcastle GMC Transactions occurred on December 19, 2025.

### **Monitor's Comments on the Westcastle GMC Transactions**

80. Following the Monitor's review of the Westcastle Sales Process, the Monitor is satisfied that the Sales Agent sufficiently canvassed the market. The process involved a broad marketing effort conducted by the Sales Agent, outreach to a wide range of potential purchasers, and the solicitation of interest over an extended period.
81. The Monitor is of the view that the purchase price reflects the fair value of the purchased Westcastle GMC assets. The Monitor further notes that TD Bank, as the primary secured lender, has reviewed the transaction and supports the Westcastle GMC Transactions and Mr. Koch, who closed the transaction without shareholder approval, appears to also be supportive. In the Monitor's view, these factors (along GMC's approval of the Westcastle Dealership GMC Purchaser) collectively support the conclusion that the Westcastle GMC Transactions represent a reasonable and appropriate outcome in the circumstances.
82. The Westcastle Dealership Purchaser is a bona fide purchaser for value.
83. Based on the above-mentioned facts, the Monitor recommends that this Court grant an Order vesting the Westcastle Purchased Assets in the name of the Westcastle Dealership Purchaser, free and clear of all encumbrances.

### **PROPOSED DISTRIBUTION**

84. As of January 2, 2026, TD Bank was owed approximately \$7,829,495 plus additional interest and fees of its professionals for December 2025 and up to and including repayment of the TD Bank debt (together with all applicable interest, fees and expenses, the "**TD Bank Indebtedness**"). Attached hereto as **Appendix "M"** is the TD Payout Email dated January 2, 2026.

85. The Monitor has been provided with an independent legal opinion from Miller Thomson which addresses the laws of Alberta, and provides that, subject to the customary assumptions and qualifications contained therein, TD Bank’s security over Westcastle GMC associated with its TD Bank Indebtedness is valid and enforceable.

86. An interim distribution to TD Bank will prevent further accruing interest on the TD Bank Indebtedness benefitting the Westcastle GMC estate.

87. Based on the Westcastle GMC Sale Proceeds and Remaining Westcastle GMC Sale Proceeds arising from the Westcastle GMC Transactions and subject to maintaining a reserve for disputed funds and the new Court-ordered charges the estimated distribution waterfall (“**Distribution Waterfall**”) is as follows:

<b>Westcastle GMC Transactions Estimated Distribution January 2, 2025</b>	<b>CDNS</b>
1) Westcastle Dealership Sale Agreement	
Goodwill, Fixed Asset, Parts, etc.	\$1,700,000.00
Vehicles (New - 44 Units)	\$3,081,568.35
Vehicles (Used - 7 Units)	\$310,595.00
	<u>\$3,392,163.35</u>
Remaining Vehicles to Fund	\$290,547.39
Total	<u>\$3,682,710.74</u>
2) Westcastle RealCo Sale Agreements	
Macleod Street Property	\$50,092.13
Lot 6	\$3,751,474.08
Total	<u>\$3,801,566.21</u>
Total Purchase Price	\$9,184,276.95
Less:	
a) Sales Agent Fee	<u>(\$105,000.00)</u>
Funds available for Distribution	\$ 9,079,276.95
b) TD Bank Debt as at January 2, 2025	(\$7,827,494.96)
Additional fees & interest	<u>(\$200,000.00)</u>
Total TD Indebtedness	(\$8,027,494.96)
c) Westcastle Administration Charge	(\$250,000.00)
d) Westcastle Borrowing Charge	(\$150,000.00)
e) Disputed Funds Reserve	(\$650,000.00)
Total Charges and Reserve	<u>(\$1,050,000.00)</u>
Remaining Funds After TD Payout, Charges & Reserve	<u>\$ 1,781.99</u>

88. The Distribution Waterfall does not take into account any potential realizations from the excluded assets from the Westcastle GMC Transactions. The Monitor and the CRO are

currently trying to ascertain what asset may exist and/or be investigated to have assets returned to the Westcastle GMC estate for the benefit of its creditors.

89. The disputed funds reserve of \$650,000 (the “**Disputed Fund Reserve**”) relates to fund transfers from the Summit Auto Group entities to Westcastle GMC in contravention of the Forbearance Agreements and as highlighted in the Second Report. As previously mentioned, the Monitor and BMO notified TD Bank and its counsel that these transfers occurred and that they would be investigated in the CCAA Proceedings. The Monitor requires fulsome access to the Westcastle GMC books and records to assess these transactions (which to date has not been adequately provided despite various requests). The relevant parties have agreed that the Monitor shall hold these funds as a reserve pending a fulsome review by the Monitor and a claims process to be run at a later date.

90. Accordingly, the Monitor requests authority from this Court to distribute proceeds generated from the Westcastle GMC Transactions sufficient to repay the TD Bank Indebtedness.

91. If appropriate, the Monitor will seek approval of a claims process order at a future date to address any competing creditor claims including but not limited to: Mr. Tibbo (or his related corporate entities) and The Loan Store.

## **CONCLUSION**

92. This Fourth Report has been prepared by the Monitor in support of the Monitor’s Application. For reasons set out herein, the Monitor respectfully recommends that this Court grant the relief set out in the Monitor’s Application.

**All of which is respectfully submitted this 5<sup>th</sup> day of January 2026.**

**BDO CANADA LIMITED, in its capacity  
as the Monitor of the Summit Auto Group, and  
not in its corporate or personal capacity.**

**Per:**



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**Clark Lonergan, CA, CPA, CIRP, LIT  
Partner/Senior Vice President**

**Appendix “F” – Revised Cash Flow Forecast for the Period November 3, 2025, to  
February 1, 2026**

2345137 ALBERTA LTD., 2351497 ALBERTA LTD., 2497902 ALBERTA LTD., SUMMIT S AUTO LTD., SUMMIT V AUTO LTD., MK AUTO K-M LTD., 2437342 ALBERTA LTD., 1972207 ALBERTA LTD., 1175104 B.C. LTD., 1262113 B.C. LTD., AND 1272986 B.C. LTD. (THE "COMPANIES" OR "SUMMIT AUTO GROUP")

COMBINED CASH FLOW FORECAST FOR THE PERIOD  
NOVEMBER 3, 2025 TO FEBRUARY 1, 2026  
PRESENTED IN CANADIAN DOLLARS (\$CAD)

Week #		1	2	3	4	5	6	7	8	9	10	11	12	13	Total
Week Ending		11/9/2025	11/16/2025	11/23/2025	11/30/2025	12/7/2025	12/14/2025	12/21/2025	12/28/2025	1/4/2026	1/11/2026	1/18/2026	1/25/2026	2/1/2026	
<b>Receipts</b>	<b>Notes</b>														
New Vehicle Sales	1	779,890	533,143	649,908	636,692	731,147	499,822	609,289	596,898	731,147	599,305	588,573	627,341	722,077	8,305,230
Used Vehicle Sales	1	226,776	142,780	188,980	197,384	212,603	133,856	177,169	185,048	212,603	164,698	190,658	212,454	232,056	2,477,063
Parts & Service Sales	2	102,320	101,634	104,530	96,232	152,320	101,634	104,530	96,232	102,320	101,634	67,626	63,200	67,799	1,262,010
GST/PST Collected	3	114,180	76,989	96,892	98,308	107,656	72,774	91,456	92,736	107,656	86,703	93,274	101,218	112,375	1,252,217
<b>Total Receipts</b>		<b>1,223,165</b>	<b>854,546</b>	<b>1,040,310</b>	<b>1,028,616</b>	<b>1,203,725</b>	<b>808,086</b>	<b>982,443</b>	<b>970,915</b>	<b>1,153,725</b>	<b>952,339</b>	<b>940,130</b>	<b>1,004,213</b>	<b>1,134,307</b>	<b>13,296,520</b>
<b>Operating Disbursements</b>															
Finance Product Costs	4	8,053	5,407	6,711	6,673	7,550	5,069	6,292	6,256	7,550	6,112	6,234	6,718	7,633	86,258
Lien Payouts	5	201,891	111,993	168,243	190,844	199,820	110,267	166,517	189,463	199,820	113,719	158,121	183,570	190,980	2,185,246
Vehicle Purchases	6	101,388	125,833	125,111	141,562	95,052	117,969	117,292	141,562	114,600	116,885	125,969	143,120	150,172	1,616,516
Parts Purchases	7	25,042	23,073	24,057	24,057	22,664	20,695	19,302	19,302	18,701	16,732	12,540	12,540	13,525	252,230
Payroll (Including Taxes)	8	-	145,298	-	-	290,595	-	145,298	-	346,176	-	100,550	-	201,100	1,229,017
Employee Benefits	9	-	19,973	-	-	-	-	19,973	-	-	-	11,595	-	-	51,542
Consultants Fees	10	-	24,000	-	-	-	-	24,000	-	-	-	24,000	-	-	72,000
Corporate Credit Card Repayment	11	-	-	75,000	-	-	-	75,000	-	-	-	75,000	-	-	225,000
Vendor Payments	12	33,792	127,616	33,795	33,795	33,795	127,616	33,795	33,795	33,795	103,616	50,007	26,007	26,007	697,432
Rent Payments	13	55,289	-	-	-	55,289	-	-	-	55,289	-	-	-	-	165,867
Insurance Payments	14	25,996	-	22,576	-	-	4,500	22,576	-	-	4,500	14,335	-	-	94,483
Professionals & Restructuring Costs	15	515,000	-	95,000	-	150,000	-	155,000	-	150,000	-	80,000	-	195,000	1,340,000
Contingency	16	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	15,000	15,000	15,000	245,000
GST/PST Paid	17	82,577	29,305	40,275	19,990	38,131	27,618	48,562	19,584	39,161	24,323	23,607	15,745	17,852	426,731
GST/PST Remittance (Refund)	18	-	-	-	-	248,793	-	-	-	263,759	-	-	-	321,055	833,607
<b>Debt Service</b>															
Floor Plan Payments to/(from) BMO	19	1,424,402	343,620	450,335	466,983	496,080	316,870	413,400	427,250	496,080	416,204	483,472	539,638	588,273	6,862,607
BMO Floor Plan Interest	20	145,920	-	-	-	140,000	-	-	-	140,000	-	-	-	-	425,920
Bank Fees and Charges	21	-	20,917	-	-	-	-	20,917	-	-	-	10,420	-	-	52,254
<b>Total Disbursements</b>		<b>2,639,350</b>	<b>997,035</b>	<b>1,061,104</b>	<b>903,905</b>	<b>1,797,769</b>	<b>750,604</b>	<b>1,287,923</b>	<b>857,212</b>	<b>1,884,932</b>	<b>822,090</b>	<b>1,190,850</b>	<b>942,339</b>	<b>1,726,596</b>	<b>16,861,709</b>
Net Cash Inflow/(Outflow)		(1,416,185)	(142,489)	(20,794)	124,711	(594,045)	57,483	(305,480)	113,703	(731,207)	130,249	(250,720)	61,874	(592,290)	
<b>Cumulative Net Cash Flow</b>		<b>(1,416,185)</b>	<b>(1,558,674)</b>	<b>(1,579,468)</b>	<b>(1,454,757)</b>	<b>(2,048,801)</b>	<b>(1,991,318)</b>	<b>(2,296,798)</b>	<b>(2,183,095)</b>	<b>(2,914,302)</b>	<b>(2,784,053)</b>	<b>(3,034,773)</b>	<b>(2,972,899)</b>	<b>(3,565,189)</b>	<b>(3,565,189)</b>
<b>Opening Cash Balance</b>		<b>69,261</b>	<b>(1,346,924)</b>	<b>(1,489,413)</b>	<b>(1,510,207)</b>	<b>(1,385,496)</b>	<b>(1,979,540)</b>	<b>(1,922,057)</b>	<b>(2,227,537)</b>	<b>(2,113,834)</b>	<b>(2,845,041)</b>	<b>(2,714,792)</b>	<b>(2,965,512)</b>	<b>(2,903,638)</b>	<b>69,261</b>
Net Cash Inflow/(Outflow)		(1,416,185)	(142,489)	(20,794)	124,711	(594,045)	57,483	(305,480)	113,703	(731,207)	130,249	(250,720)	61,874	(592,290)	(3,565,189)
<b>Closing Cash Balance</b>	<b>22</b>	<b>(1,346,924)</b>	<b>(1,489,413)</b>	<b>(1,510,207)</b>	<b>(1,385,496)</b>	<b>(1,979,540)</b>	<b>(1,922,057)</b>	<b>(2,227,537)</b>	<b>(2,113,834)</b>	<b>(2,845,041)</b>	<b>(2,714,792)</b>	<b>(2,965,512)</b>	<b>(2,903,638)</b>	<b>(3,495,928)</b>	<b>(3,495,928)</b>

COMBINED CASH FLOW FORECAST FOR THE PERIOD  
NOVEMBER 3, 2025 TO FEBRUARY 1, 2026  
PRESENTED IN CANADIAN DOLLARS (\$CAD)

**Notes to the Unaudited 13-Week Cash Flow Forecast of the Debtors**

In preparing this cash flow forecast (the "13-Week Cash Flow Forecast") the Chief Restructuring Officer (the "CRO") of Summit Auto Group have relied upon unaudited financial information and the CRO have not attempted to further verify the accuracy or completeness of such information. The 13-Week Cash Flow Forecast includes estimates concerning the operations of Summit Auto Group and additional information discussed below with respect to the requirements of a Companies Creditors Arrangements Act ("CCAA") filing. Since the 13-Week Cash Flow Forecast is based upon assumptions of future events and conditions that are not ascertainable, the actual results achieved during the period will vary from the 13-Week Cash Flow Forecast, even if the assumptions materialize, and such variation may be material. There is no representation, warranty or other assurances that any of the estimates, forecasts or projections will be realized.

**Overview**

The 13-Week Cash Flow Forecast includes the receipts and disbursements of Summit Auto Group during the 13-Week Cash Flow Forecast period. The CRO, with the assistance of BDO Canada Limited in its capacity as the monitor of the Debtors (the "Monitor") have prepared the 13-Week Cash Flow Forecast based primarily on estimated disbursements related to the ongoing operations and to the CCAA proceedings. The 13-Week Cash Flow Forecast excludes any amounts or proceeds expected to be realized from the sale of assets pursuant to the "SISP".

**Assumptions:**

- 1 Estimated vehicle sales considering the Companies' sales forecasts, average MSRP of vehicles in inventory, vehicle trade-in values, current market conditions, and the cyclical sales cycle reflective of the holiday season.
- 2 Parts and service sales calculated based on past sales figures and sales mix. In later weeks, parts sales are increased to reflect realization efforts on remaining parts inventory not acquired by purchasers under the "SISP".
- 3 GST and PST collected on receipts.
- 4 Costs related to finance products sold (warranties, car packages, credit insurance) as part of vehicle sales.
- 5 Projected lien payouts calculated based on forecasted trade-in vehicles, percentage of trade-in vehicles with liens, and an average lien amount.
- 6 Vehicle purchases (including dealer trades taken in) are for immediate resale to the customers, with proceeds reflected for each subsequent week through vehicle sales.
- 7 Calculated using historical average gross margin on projected parts sales. Figures in later weeks assume the ramp down of parts purchases in an effort to deplete existing inventory.
- 8 Payroll made up of salaried employees, hourly employees, and contractor amounts. Employee payroll is administered twice a month through an external service provider. Payroll at month end is higher as sales commissions are paid out. Additional payroll included in December Month end relating to year end vacation payouts.
- 9 Continuation of employee benefit plan with the Companies' current insurance provider.
- 10 External consultants brought-in by the CRO to help stabilize the operation of dealerships.
- 11 Periodic repayment of the BMO Mastercard used for operating expenses.
- 12 Payment of go-forward vendor payments, consistent with past weekly run rate.
- 13 Rent payments to third party landlords of Squamish Chrysler, Cranbrook Mitsubishi, and Western Sports Products.
- 14 Continuation of insurance policy premiums to be paid as scheduled.
- 15 Costs of the Monitor and its counsel, the CRO, the Companies' counsel, the sales agent, and BMO's counsel.
- 16 Contingency is assumed to cover unanticipated costs.
- 17 GST and PST paid on disbursements.
- 18 GST and PST remittance paid monthly for previous month's net GST collected and PST collected.
- 19 Represents the net of principal repayment of floor line financing on vehicles sold and/or financing provided for purchase of vehicles or trade ins.
- 20 Estimated based on latest floor line principal balance and the interest rate as stated in its loan agreement.
- 21 Miscellaneous bank fees and charges paid to BMO on a monthly basis.
- 22 Cash shortfall to be funded through Monitor's Borrowing Certificates, up to a maximum of \$3.5 million.

**Appendix “G” – Revised Cash Flow Variance Analysis for the 9-week Period ended  
January 4, 2026**

Summit Automotive Group  
Cumulative Budget to Actual Comparison  
November 3, 2025 to January 4, 2026  
(\$ CAD)

	Week 9			Cumulative			Notes
	Budget 2026-01-04	Actual 2026-01-04	Variance	Budget	Actual	Variance F(U)	
<b>Receipts</b>							
New Vehicle Sales	731,147	137,632	(593,514)	5,767,935	5,964,898	196,962	The unfavourable weekly variance reflects holiday-related disruption, as dealership operations were effectively reduced by approximately one to two days due to early closures and statutory holidays. Cumulative results remain supported by sales activity closing from prior-week vehicle purchases.
Used Vehicle Sales	212,603	84,891	(127,712)	1,677,198	1,405,390	(271,807)	The unfavourable variance is driven by declining used vehicle inventory levels, as inventory has not been replenished during the CCAA process, resulting in fewer units available for sale.
Parts & Service Sales	102,320	30,491	(71,829)	961,752	726,316	(235,436)	The unfavourable variance is due to the loss of several technicians, which reduced productive hours and constrained service capacity during the period.
GST/PST Collected	107,656	30,362	(77,294)	858,646	929,023	70,376	The unfavourable weekly variance reflects reduced sales activity during the holiday-impacted period, while the favourable cumulative variance reflects higher tax collections associated with increased new vehicle sales volumes in prior weeks.
<b>Total Receipts</b>	<b>1,153,725</b>	<b>283,375</b>	<b>(870,350)</b>	<b>9,265,531</b>	<b>9,025,627</b>	<b>(239,904)</b>	
<b>Disbursements</b>							
Finance Product Costs	7,550	3,993	3,557	59,561	104,170	(44,609)	The unfavourable cumulative variance is volume-driven and directly related to higher vehicle sales volumes earlier in the period, resulting in increased associated finance product costs.
Lien Payouts	199,820	71,011	128,808	1,538,857	1,350,157	188,700	The favourable variance reflects lower-than-budgeted lien payouts, driven by transaction mix and timing of vehicle sales.
Vehicle Purchases	114,600	-	114,600	1,080,370	1,167,835	(87,465)	The unfavourable cumulative variance reflects higher vehicle sales volumes than budgeted, requiring additional dealer trades and buy-ins to support demand. This variance is volume-driven rather than operational.
Parts Purchases	18,701	52,704	(34,003)	196,893	255,170	(58,277)	The unfavourable variance reflects timing differences in parts procurement and inventory replenishment relative to service activity during the period.
Payroll (Including Taxes)	346,176	20,815	325,361	927,366	907,044	20,323	
Employee Benefits	-	30,036	(30,036)	39,947	96,343	(56,397)	The unfavourable variance reflects higher payroll-related costs and timing differences, including statutory charges such as the BC Employer Health Tax, which is paid quarterly.
Consultants Fees	-	-	-	48,000	22,500	25,500	The favourable variance reflects timing differences, as certain consulting costs were incurred later than forecast and will be settled in subsequent periods
Corporate Credit Card Repayment	-	-	-	150,000	168,919	(18,919)	
Vendor Payments	33,795	34,068	(273)	491,795	483,090	8,705	
Rent Payments	55,289	12,188	43,102	165,867	126,358	39,509	The favourable variance reflects timing differences arising from holiday-related payment delays, with amounts expected to be settled in the subsequent week.
Insurance Payments	-	17,556	(17,556)	75,648	80,158	(4,510)	
Professionals & Restructuring Costs	150,000	-	150,000	1,065,000	167,308	897,692	The favourable variance reflects timing differences in invoice receipt and payment processing, and is expected to reverse as amounts are settled in subsequent periods
Contingency	20,000	-	20,000	180,000	-	180,000	This is anticipated to be a temporary timing variance to account for unexpected expenditures.
GST/PST Paid	39,161	26,003	13,158	345,203	289,028	56,175	The favourable variance reflects timing differences in remittances.
GST/PST Remittance (Refund)	263,759	129,328	134,431	512,553	827,509	(314,956)	The unfavourable GST/PST variance reflects unbudgeted remittances relating to prior periods, associated penalties, and delays in receiving applicable credits/refunds. These timing-driven items are temporary in nature.
<b>Debt Service</b>							
Floor Plan Payments to/(from) BMO	496,080	(237,673)	733,753	4,835,020	4,776,814	58,206	The favourable weekly variance reflects the timing of floor plan repayments, with payments initiated during the period and clearing subsequent to period-end.
BMO Floor Plan Interest	140,000	100,178	39,822	425,920	357,708	68,212	The favourable variance in BMO Floor Plan Interest is due to reduced principal balances.
Bank Fees and Charges	-	6,381	(6,381)	41,834	32,129	9,705	
<b>Total Disbursements</b>	<b>1,884,932</b>	<b>266,588</b>	<b>1,618,343</b>	<b>12,179,833</b>	<b>11,212,239</b>	<b>967,594</b>	
Net Cash Inflow/(Outflow)	(731,207)	16,787	747,994	(2,914,302)	(2,186,613)	727,690	
<b>Opening Balance</b>	<b>(2,113,834)</b>	<b>(2,134,139)</b>	<b>(20,304)</b>	<b>69,261</b>	<b>69,261</b>	<b>-</b>	
<b>Ending Balance Before Cumulative Monitor's Borrowing</b>	<b>(2,845,041)</b>	<b>(2,117,352)</b>	<b>727,690</b>	<b>(2,845,041)</b>	<b>(2,117,352)</b>	<b>727,690</b>	
Cumulative Monitor's Borrowing	2,845,041	2,800,000	(45,041)	2,845,041	2,800,000	(45,041)	
<b>Ending Balance</b>	<b>-</b>	<b>682,648</b>	<b>682,648</b>	<b>-</b>	<b>682,648</b>	<b>682,648</b>	The ending balance will be applied toward disbursements clearing subsequent to period-end.

**Appendix “H” – Second Revised Cash Flow Forecast for the Period January 5, 2026, to  
March 29, 2026**

2345137 ALBERTA LTD., 2351497 ALBERTA LTD., 2497902 ALBERTA LTD., SUMMIT S AUTO LTD., SUMMIT V AUTO LTD., MK AUTO K-M LTD., 2437342 ALBERTA LTD., 1972207 ALBERTA LTD., 1175104 B.C. LTD., 1262113 B.C. LTD., AND 1272986 B.C. LTD. (THE "COMPANIES" OR "SUMMIT AUTO GROUP")

COMBINED CASH FLOW FORECAST FOR THE PERIOD

JANUARY 5, 2026 TO MARCH 29, 2026

PRESENTED IN CANADIAN DOLLARS (\$CAD)

Week #		1	2	3	4	5	6	7	8	9	10	11	12	Total
Week Ending		1/11/2026	1/18/2026	1/25/2026	2/1/2026	2/8/2026	2/15/2026	2/22/2026	3/1/2026	3/8/2026	3/15/2026	3/22/2026	3/29/2026	
<b>Receipts</b>	<b>Notes</b>													
New Vehicle Sales	1	330,636	530,934	637,120	424,747	423,084	423,084	541,547	361,031	362,162	384,797	461,756	325,945	5,206,842
Used Vehicle Sales	1	220,901	85,063	103,439	67,469	63,745	63,745	81,781	113,031	49,713	101,902	63,645	42,691	1,057,125
Parts & Service Sales	2	68,232	79,369	79,369	131,325	95,964	62,302	62,302	81,065	41,631	44,365	44,365	39,921	830,209
Tax Refunds	3	-	-	-	-	-	-	-	-	388,952	-	-	-	388,952
GST/PST Collected	4	74,372	68,405	80,724	58,404	62,546	61,094	76,325	56,527	49,383	54,879	62,094	44,451	749,205
<b>Total Receipts</b>		<b>694,141</b>	<b>763,771</b>	<b>900,653</b>	<b>681,945</b>	<b>645,338</b>	<b>610,224</b>	<b>761,956</b>	<b>611,653</b>	<b>891,840</b>	<b>585,942</b>	<b>631,860</b>	<b>453,009</b>	<b>8,232,333</b>
<b>Operating Disbursements</b>														
Finance Product Costs	5	268	6,643	7,684	5,603	5,203	5,203	6,660	4,440	4,337	5,178	5,529	3,903	60,651
Lien Payouts	6	155,351	91,933	111,086	72,781	64,765	64,765	83,971	54,704	49,008	52,310	63,537	43,724	907,934
Vehicle Purchases	7	82,316	101,382	67,364	66,231	66,231	84,804	56,312	70,499	77,268	89,926	63,142	79,036	904,512
Parts Purchases	8	-	23,811	23,811	39,397	21,289	18,691	18,691	16,819	12,489	13,310	13,310	11,976	213,593
Payroll (Including Taxes)	9	18,000	219,000	-	265,000	-	178,000	-	225,000	-	143,000	-	195,000	1,243,000
Employee Benefits	10	1,100	27,663	-	13,511	-	21,230	-	7,078	-	17,812	-	3,660	92,054
Consultants Fees	11	-	24,000	-	-	-	24,000	-	-	-	24,000	-	-	72,000
Property Taxes	12	-	-	-	-	-	-	-	-	-	-	-	-	-
Corporate Credit Card Repayment	13	-	30,838	-	-	-	45,076	-	-	-	38,351	-	-	114,265
Vendor Payments	14	28,687	44,839	38,285	42,562	83,077	30,782	35,650	27,480	78,691	25,984	29,944	25,984	491,964
Rent Payments	15	-	1,500	-	48,100	-	1,500	-	48,100	-	1,500	-	-	100,700
Insurance Payments	16	4,796	790	-	7,080	17,984	-	-	2,997	17,984	-	-	-	51,629
Professionals & Restructuring Costs	17	-	104,565	244,646	-	349,807	15,000	125,000	-	190,000	15,000	125,000	-	1,169,018
Contingency	18	-	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	55,000
GST/PST Paid	19	14,082	27,027	35,028	10,777	41,806	21,378	28,953	8,641	33,528	21,276	28,666	10,262	281,423
GST/PST Remittance (Refund)	20	-	-	-	-	220,793	-	-	-	149,525	-	-	-	370,318
<b>Debt Service</b>														
Floor Plan Payments to/(from) BMO	21	508,297	430,281	368,448	342,817	348,681	348,681	447,719	295,664	293,850	311,665	376,110	162,177	4,234,389
BMO Floor Plan Interest	22	1,547	-	-	-	83,585	-	-	-	72,277	-	-	-	157,409
Bank Fees and Charges	23	(717)	-	-	14,909	-	-	-	12,054	-	-	-	-	26,246
<b>Total Disbursements</b>		<b>813,727</b>	<b>1,139,272</b>	<b>901,352</b>	<b>933,769</b>	<b>1,308,219</b>	<b>864,109</b>	<b>807,955</b>	<b>778,476</b>	<b>983,956</b>	<b>764,311</b>	<b>710,238</b>	<b>540,723</b>	<b>10,546,105</b>
<b>Net Cash Inflow/(Outflow)</b>		<b>(119,586)</b>	<b>(375,500)</b>	<b>(699)</b>	<b>(251,824)</b>	<b>(662,881)</b>	<b>(253,885)</b>	<b>(45,999)</b>	<b>(166,823)</b>	<b>(92,115)</b>	<b>(178,369)</b>	<b>(78,378)</b>	<b>(87,714)</b>	<b>(2,313,773)</b>
<b>Cumulative Net Cash Flow</b>		<b>(119,586)</b>	<b>(495,086)</b>	<b>(495,785)</b>	<b>(747,609)</b>	<b>(1,410,490)</b>	<b>(1,664,375)</b>	<b>(1,710,374)</b>	<b>(1,877,197)</b>	<b>(1,969,312)</b>	<b>(2,147,681)</b>	<b>(2,226,059)</b>	<b>(2,313,773)</b>	<b>(2,313,773)</b>
<b>Opening Cash Balance</b>		<b>682,649</b>	<b>563,063</b>	<b>837,562</b>	<b>836,864</b>	<b>585,040</b>	<b>(77,841)</b>	<b>(331,726)</b>	<b>(377,725)</b>	<b>(544,548)</b>	<b>(636,663)</b>	<b>(815,032)</b>	<b>(893,410)</b>	<b>682,649</b>
<b>Draw</b>	24	<b>-</b>	<b>650,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>650,000</b>
<b>Net Cash Inflow/(Outflow)</b>		<b>(119,586)</b>	<b>(375,500)</b>	<b>(699)</b>	<b>(251,824)</b>	<b>(662,881)</b>	<b>(253,885)</b>	<b>(45,999)</b>	<b>(166,823)</b>	<b>(92,115)</b>	<b>(178,369)</b>	<b>(78,378)</b>	<b>(87,714)</b>	<b>(2,313,773)</b>
<b>Closing Cash Balance</b>	24	<b>563,063</b>	<b>837,562</b>	<b>836,864</b>	<b>585,040</b>	<b>(77,841)</b>	<b>(331,726)</b>	<b>(377,725)</b>	<b>(544,548)</b>	<b>(636,663)</b>	<b>(815,032)</b>	<b>(893,410)</b>	<b>(981,124)</b>	<b>(981,124)</b>

COMBINED CASH FLOW FORECAST FOR THE PERIOD

JANUARY 5, 2026 TO MARCH 29, 2026

PRESENTED IN CANADIAN DOLLARS (\$CAD)

**Notes to the Unaudited 12-Week Cash Flow Forecast of the Debtors**

In preparing this cash flow forecast (the "12-Week Cash Flow Forecast") the Chief Restructuring Officer (the "CRO") of Summit Auto Group have relied upon unaudited financial information and the CRO have not attempted to further verify the accuracy or completeness of such information. The 12-Week Cash Flow Forecast includes estimates concerning the operations of Summit Auto Group and additional information discussed below with respect to the requirements of a Companies Creditors Arrangements Act ("CCAA") filing. Since the 12-Week Cash Flow Forecast is based upon assumptions of future events and conditions that are not ascertainable, the actual results achieved during the period will vary from the 12-Week Cash Flow Forecast, even if the assumptions materialize, and such variation may be material. There is no representation, warranty or other assurances that any of the estimates, forecasts or projections will be realized.

**Overview**

The 12-Week Cash Flow Forecast includes the receipts and disbursements of Summit Auto Group during the 12-Week Cash Flow Forecast period. The CRO, with the assistance of BDO Canada Limited in its capacity as the monitor of the Debtors (the "Monitor") have prepared the 12-Week Cash Flow Forecast based primarily on estimated disbursements related to the ongoing operations and to the CCAA proceedings. The 12-Week Cash Flow Forecast excludes any amounts or proceeds expected to be realized from the sale of assets pursuant to the "SISP". Any projected cash shortfall during the forecast period is expected to be funded from proceeds of the Castle Ford Transaction, up to approximately \$1 million. Westcastle GMC is excluded from this cash flow forecast, including amounts held under the \$1.0 million reserve. Net sale proceeds from the Westcastle GMC transaction are segregated and held in separate Monitor-controlled accounts and are not available for general operating liquidity.

**Assumptions:**

- 1 Estimated vehicle sales based on the Companies' sales forecasts, average MSRP of vehicles in inventory, vehicle trade-in values, current market conditions, and the cyclical sales cycle reflective of the winter season. In some weeks, vehicle sales reflect the Companies' ongoing effort to monetize old inventory through wholesale.
- 2 Calculated based on past sales figures and sales mix. In later weeks, parts sales are increased to reflect realization efforts on remaining parts inventory not acquired by purchasers under the "SISP", as well as the collection of certain large work-in-progress balances upon completion of related work orders.
- 3 Represents corporate tax refunds from the CRA upon catch-up of corporate tax filings.
- 4 GST and PST collected on receipts.
- 5 Costs related to finance products sold (warranties, car packages, and credit insurance) as part of vehicle sales.
- 6 Projected lien payouts calculated based on forecasted trade-in vehicles, the percentage of trade-in vehicles with liens, and an average lien amount.
- 7 Vehicle purchases (including dealer trades taken in) are for immediate resale to customers, with proceeds reflected in subsequent weeks through vehicle sales.
- 8 Calculated using historical average gross margin on projected parts sales. Figures in later weeks assume a ramp-down of parts purchases to deplete existing inventory and apply credits with OEMs arising from prior parts returns.
- 9 Payroll made up of salaried employees, hourly employees, and contractor amounts. Employee payroll is administered twice a month through an external service provider. Payroll at month end is higher as sales commissions are paid out.
- 10 Continuation of employee benefit plan with the Companies' current insurance provider.
- 11 External consultants brought-in by the CRO to help stabilize the operation of dealerships.
- 12 No property tax payments are assumed during the forecast period, as scheduled installments fall outside the current cash flow period.
- 13 Periodic repayment of the BMO Mastercard used for operating expenses.
- 14 Payment of go-forward vendor payments, consistent with past weekly run rate.
- 15 Rent payments to third party landlords of Squamish Chrysler, Cranbrook Mitsubishi, and Western Sports Products.
- 16 Continuation of insurance policy premiums to be paid as scheduled.
- 17 Costs of the Monitor and its counsel, the CRO, the Companies' counsel, the sales agent, and BMO's counsel, including the catch-up of invoices received to date from professionals.
- 18 Contingency is assumed to cover unanticipated costs.
- 19 GST and PST paid on disbursements.
- 20 GST and PST remittances paid monthly in respect of the prior month's net GST and PST collected. In later weeks, amounts are presented net of GST/PST credits arising from previously filed returns.
- 21 Represents the net of principal repayments of floor line financing on vehicles sold (capped at the sale proceeds collected for the corresponding vehicle) and financing provided for the purchase of vehicles or trade-ins. Certain later weeks reflect floor plan advances as the Companies chattel vehicles currently not on the floor plan.
- 22 Estimated based on the latest floor line principal balance and the interest rate stated in the loan agreement, and excludes vehicles previously crystallized as sold-in-violation as at the Filing Date.
- 23 Miscellaneous bank fees and charges paid to BMO on a monthly basis.
- 24 Cash shortfalls are expected to be funded through the issuance of Monitor's Borrowing Certificates up to a maximum of \$3.5 million, of which approximately \$650 thousand remains available. Any remaining shortfall of up to \$1.0 million is expected to be funded from proceeds of the Castle Ford transaction, which are not reflected in this cash flow forecast.

## **Appendix “I” – Professional Fees Schedule**

IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF

2345137 ALBERTA LTD., 2351497 ALBERTA LTD., 2497902 ALBERTA LTD., SUMMIT S AUTO LTD., SUMMIT V AUTO LTD., MK AUTO K-M LTD., 2437342 ALBERTA LTD., 1972207 ALBERTA LTD., 1175104 B.C. LTD., 1262113 B.C. LTD., AND 1272986 B.C. LTD.

SUMMARY OF PROFESSIONAL FEES  
FOR THE PERIOD OF NOVEMBER 1, 2025 TO DECEMBER 31, 2025

Invoice #	Period	Fees Incurred	Disbursements	Subtotal	GST/HST	Total
CINV3745713	November 1, 2025 to November 30, 2025	\$ 120,745.00	\$ 5,628.67	\$ 126,373.67	\$ 6,318.68	\$ 132,692.35
<b>Total Monitor's Fees</b>		<b>\$ 120,745.00</b>	<b>\$ 5,628.67</b>	<b>\$ 126,373.67</b>	<b>\$ 6,318.68</b>	<b>\$ 132,692.35</b>
4213313	November 1, 2025 to December 31, 2025	\$88,337.00	\$502.89	\$88,839.89	\$4,430.26	\$93,270.15
4213319	November 1, 2025 to December 31, 2025	\$39,896.50	\$0.00	\$39,896.50	\$5,186.55	\$45,083.05
<b>Total Monitor's Legal Counsel Fees</b>		<b>\$121,725.50</b>	<b>\$469.86</b>	<b>\$122,195.36</b>	<b>\$6,099.54</b>	<b>\$138,353.20</b>
<b>Total Professional Fees</b>		<b>\$ 242,470.50</b>	<b>\$ 6,098.53</b>	<b>\$ 248,569.03</b>	<b>\$ 12,418.22</b>	<b>\$ 271,045.55</b>