



COURT FILE NUMBER 2401-01422

COURT COURT OF KING'S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY

Aug 15, 2024  
COM

IN THE MATTER OF THE *COMPANIES' CREDITORS  
ARRANGEMENT ACT*, RSC 1985, c C-36, AS AMENDED

APPLICANTS AND IN THE MATTER OF GRIFFON PARTNERS  
CAPITAL MANAGEMENT LTD., GRIFFON PARTNERS  
HOLDING CORP and SPICELO LIMITED

DOCUMENT **SIXTH REPORT OF ALVAREZ & MARSAL CANADA  
INC. IN ITS CAPACITY AS MONITOR**

**AUGUST 2, 2024**

ADDRESS FOR SERVICE AND  
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## INTRODUCTION

1. On August 25, 2023, Griffon Partners Operation Corp. (“**GPOC**”), Griffon Partners Holding Corp. (“**GPHC**”), Griffon Partners Capital Management Ltd. (“**GPCM**”), 2437801 Alberta Ltd. (“**801 AB**”), 2437799 Alberta Ltd. (“**799 AB**”), 2437815 Alberta Ltd. (“**815 AB**”), Stellion Limited (“**Stellion**”), and Spicelo Limited (“**Spicelo**”) each filed Notices of Intention to Make a Proposal (“**NOI**”) pursuant to subsection 50.4(1) of the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, as amended (the “**BIA**”). Alvarez & Marsal Canada Inc. (“**A&M Inc.**”) consented to act as Trustee under the Proposal (“**Proposal Trustee**”).
2. For the purposes of this sixth report (the “**Sixth Report**” or “**this Report**”):
  - a) GPOC, GPHC, GPCM, 801 AB, 799 AB, 815 AB, Stellion and Spicelo are collectively referred to as the “**Companies**”;
  - b) GPHC and GPCM are together referred to as the “**Remaining Griffon Entities**”; and
  - c) 801 AB, 799 AB, 815 AB and Stellion are collectively referred to as the “**Griffon Ownership Companies**”.
3. Pursuant to section 50.4(8) of the BIA, the initial NOI period during which the Companies were required to file a proposal under the NOI proceedings (the “**NOI Proceedings**”) was from August 25, 2023 to September 24, 2023. The Companies subsequently applied to the Court of King’s Bench of Alberta (the “**Court**”) on various dates between September 2023 and January 2024 and were granted a number of stay extension orders, an order approving a sales and investment solicitation process (“**SISP**”) and all orders sought concerning the approval of the actions, activities, conduct, professional fees and costs of A&M Inc., acting in its capacity as the Proposal Trustee in the entire NOI Proceedings, and its counsel.
4. On February 7, 2024, this Honourable Court granted the Companies an initial order (the “**Initial Order**”) as well as an amended and restated initial order to continue the NOI Proceedings under the *Companies’ Creditors Arrangement Act*, RSC 1985,

- c C-36 (as amended the “**CCAA**” or the “**CCAA Proceedings**”), which granted, among other things, a stay of proceedings up to and including March 6, 2024 and appointed A&M Inc. as monitor pursuant to the provisions of the CCAA (in such capacity, the “**Monitor**”).
5. On March 6, 2024, this Honourable Court granted a further extension to the stay of proceedings for GPOC, the Remaining Griffon Entities and the Griffon Ownership Entities (together, the “**Griffon Entities**”) up to and including April 17, 2024. Spicelo was granted a separate extension to the stay of proceedings up to and including March 26, 2024. On March 26, 2024, Spicelo was granted an additional one day extension of the stay of proceedings up to and including March 27, 2024 to allow the Court to consider an application by Spicelo for the granting of enhanced powers to the Monitor and a cross-application by Signal Alpha C4 Limited and Trafigura Canada Ltd. (the “**Senior Secured Lenders**”) placing Spicelo into receivership and appointing a receiver.
  6. On March 27, 2024, this Honourable Court granted an order enhancing the powers of the Monitor of Spicelo in order to allow the Monitor to carry out many of the functions, duties and powers that would normally be carried out by the director of Spicelo, or a receiver appointed over Spicelo, to ensure an orderly and efficient transaction of Spicelo’s assets (or so much thereof as may be necessary) to pay the Senior Secured Lenders their outstanding indebtedness in full (the “**Spicelo EMP Order**”) and an extension of the stay of proceedings for Spicelo to April 17, 2024.
  7. On April 10, 2024, this Honourable Court approved, among other things, a share purchase and sale agreement between GPHC, GPCM and Metamorphic Energy Corp.<sup>1</sup> and granted an approval and reverse vesting order (“**RVO**”) to complete and implement the SPA (the “**Share Purchase Transaction**”). This Honourable Court further approved an order approving the actions, activities and conduct of the

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<sup>1</sup> On April 8, 2024, Metamorphic assigned its interests to an affiliated entity, 2600389 Alberta Ltd.

- Monitor (from February 1, 2024 to April 3, 2024) and additional protections for the Monitor pursuant to the Spicelo EMP Order.
8. The Share Purchase Transaction closed on April 16, 2024 and, further to the RVO, GPOC ceased to be an applicant in the CCAA Proceedings.
  9. On April 17, 2024, this Honourable Court granted an order:
    - a) enhancing the powers of the Monitor of the Remaining Griffon Entities and the Griffon Ownership Entities;
    - b) authorizing and permitting the Monitor to distribute to the Senior Secured Lenders the Spicelo Interim Distribution (as set out and defined in the Fourth Report of the Monitor dated April 10, 2024 (the “**Fourth Report**”) and quantified in Confidential Appendix 1 (the “**Confidential Appendix**”));
    - c) authorizing and permitting the Monitor to distribute to the Senior Secured Lenders the Griffon Entities Interim Distribution (as set out and defined in the Fourth Report and quantified in the Confidential Appendix)<sup>2</sup>;
    - d) extending the stay of proceedings to May 17, 2024; and
    - e) approving the fees and disbursements of the Monitor and its counsel as reported since the Monitor’s Pre-Filing Report dated February 1, 2024 through to the date of the Third Report, being April 3, 2024
  10. On May 15, 2024, this Honourable Court granted an order:

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<sup>2</sup> If the Application concerning marshalling and subrogation (following any appeal therefrom), which was heard by Madam Justice L.K. Harris on April 12, 2024 is decided in favour of Tamarack Valley Energy Ltd. (“**Tamarack**”), the funds from the sale of the Spicelo property (the “**Spicelo Proceeds**”) will be distributed in accordance with the decision in such marshalling and subrogation Application, and the Griffon Entities Interim Distribution will be taken into account in calculating the distributions to which the Lenders and Tamarack are entitled. The Griffon Entities Interim Distribution was made without prejudice to Tamarack’s interests arising from the marshalling and subrogation Application. Madam Justice L.K. Harris’ decision was not made in favour of Tamarack, but now is the subject of an Application for Leave to Appeal before the Alberta Court of Appeal. No decision on the Application of Leave to Appeal has yet been rendered.

- a) discharging the Monitor and terminating the CCAA Proceedings for the Griffon Ownership Entities;
  - b) extending the stay of proceedings for Spicelo and the Remaining Griffon Entities up to and including August 16, 2024; and
  - c) approving the actions, activities and conduct of the Monitor as reported in the Fourth Report and the Fifth Report of the Monitor dated May 7, 2024 (the “**Fifth Report**”), along with the fees and disbursements of the Monitor and its counsel, as set out in the Fifth Report.
11. The Monitor has scheduled an Application before this Honourable Court for August 15, 2024 seeking the following relief, among other things:
- a) a further extension of the stay of proceedings for Spicelo and the Remaining Griffon Entities up to and including November 15, 2024; and
  - b) approving the actions, activities and conduct of the Monitor, along with the fees and disbursements of the Monitor and its counsel, as set out in this Report.
12. All documents and information regarding the NOI Proceedings and the CCAA Proceedings, have been posted on the Monitor’s website at [www.alvarezandmarsal.com/griffonpartners](http://www.alvarezandmarsal.com/griffonpartners) (the “**Website**”).

## **PURPOSE**

13. The purpose of this Sixth Report is to provide this Honourable Court and the Companies’ stakeholders with the Monitor’s considerations and recommendations with respect to the following:
- a) an update concerning the activities of the Monitor since the Fifth Report;
  - b) the actual cash flow receipts and disbursements as compared to the cash flow forecast outlined in the Fifth Report;
  - c) an updated monthly cash flow forecast for the monthly period to November 15, 2024;

- d) the request for an extension of the stay of proceedings for Spicelo and the Remaining Griffon Entities;
  - e) the request for approval of the actions, activities and conduct of the Monitor, along with the fees and disbursements of the Monitor and its counsel, as set out in this Report; and
  - f) the Monitor's recommendations.
14. Further background of the Companies, their operations and the SISP is contained in the materials filed in the NOI Proceedings and CCAA Proceedings, which can be found on the Website.

#### **TERMS OF REFERENCE AND DISCLAIMER**

15. In preparing this Report, A&M Inc., in its capacity as the Monitor, has been provided with and has relied upon unaudited financial information and the books and records prepared by the Companies and has held discussions with the Companies' management and their respective counsel and directors (collectively, the "**Information**"). Except as otherwise described in this Report in respect of the Companies' 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 the Information in a manner that would wholly or partially comply with Canadian Auditing Standards ("**CASs**") pursuant to the Chartered Professional Accountants Canada Handbook (the "**CPA Handbook**") and, accordingly, the Monitor expresses no opinion or other form of assurance contemplated under CASs in respect of the Information; and
  - b) some of the Information referred to in this Report consists of forecasts and projections. An examination or review of the financial forecasts and projections, as outlined in the CPA Handbook, has not been performed.

16. Future oriented financial information referred to in this Report was prepared based on the Companies' 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 variations could be significant.
17. All references to dollars are in Canadian currency unless otherwise noted.

## **ACTIVITIES OF THE MONITOR**

18. The Monitor's activities since the Fifth Report (dated May 7, 2024) have included the following:
  - a) preparation for and attendance at an Application for Leave to Appeal heard by Paperny J.A. of the Alberta Court of Appeal (the "**Court of Appeal**"), concerning the Marshalling Decision (as defined below);
  - b) multiple communications and ongoing meetings with Sproule Asset Management ("**Sproule**") respecting the remaining administrative matters regarding Remaining Griffon Entities;
  - c) various communication and review of communication with stakeholders, including Mr. Klesch and his counsel, Tamarack's counsel and Monitor's counsel, regarding matters pertaining to the Court of Appeal and the remaining Greenfire Resources Ltd. ("**GFR**") shares;
  - d) analysis and legal review regarding tax implications of the Share Purchase Transaction and Spicelo's dividend receipt and share sale transaction of its investment in GFR; and
  - e) ongoing monitoring of the financial affairs and other activities by the Monitor.

### Marshalling

19. GPOC purchased its assets from Tamarack on July 21, 2022, for CAD \$70 million. As part of the sale, Tamarack issued a CAD \$20 million seller financing note (the

- “**Subordinated Secured Debt**”), which has a maturity date of July 21, 2025, and bears interest at 12% per annum. Interest not paid in cash can be paid in-kind (“**PIK**”) at 14% interest rate and deemed to be added to the principal amount. To date, all interest has been PIK.
20. Spicelo is an investment company incorporated pursuant to the laws of the Republic of Cyprus and extra-provincially registered in Alberta, whose primary asset is the shares (the “**Pledged Shares**”) held in GFR (publicly traded on the NYSE under the ticker symbol ‘**GFR**’).
  21. As part of the security package to the Senior Secured Lenders, Spicelo provided a Limited Recourse Guarantee and Securities Pledge Agreement dated July 21, 2022 (the “**Spicelo Guarantee**”), with respect to (a) the Pledged Shares; and (b) a USD \$6,624,583 dividend (the “**Spicelo Dividend**”) (together, the “**Spicelo Collateral**”).
  22. Upon this Honourable Court granting the Spicelo EMP Order and enhancing the powers of the Monitor of Spicelo, the Monitor arranged for the Pledged Shares (which were in the possession of the collateral agent for the Senior Secured Lenders), to be transferred to a broker account, in order for the Monitor to receive the Spicelo Dividend and to sell certain shares in order to satisfy the indebtedness owing to the Senior Secured Lenders.
  23. On May 1, 2024, the Monitor received the USD \$6,624,583 Spicelo Dividend and distributed the proceeds to the Senior Secured Lenders in accordance with the order granted authorizing and permitting the Monitor to make the Spicelo Interim Distribution
  24. On April 26, 2024, upon direction from the Monitor, the brokerage firm confirmed the trade of 4,741,697 shares for net proceeds of USD \$25,701,420.24. Upon settlement of the trade, the Monitor distributed USD \$24,359,175 to the Senior Secured Lenders in accordance with the order granted authorizing and permitting the Monitor to make the Spicelo Interim Distribution.

25. Tamarack made an application with this Honourable Court for a (i) claim against the assets of Spicelo; and (ii) decision that GPOC's Senior Secured Lenders were required to exhaust their remedies pursuant to the Spicelo Guarantee prior to realizing on the proceeds from GPOC's SISP.
26. On May 14, 2024, Madam Justice L.K. Harris rendered a decision that Tamarack has no claim against the assets of Spicelo and that GPOC's Senior Secured Lenders are not required to exhaust their remedies pursuant to the Spicelo Guarantee prior to realizing on the proceeds from GPOC's SISP (the "**Marshalling Decision**").
27. On June 13, 2024, an Application for Leave to Appeal was heard by Paperny J.A. of the Court of Appeal, concerning the Marshalling Decision No decision concerning the Application for Leave to Appeal has been released to date.
28. If the Court of Appeal grants leave to appeal the Marshalling Decision and the Marshalling Decision is overturned (following conclusion of any later appeal therefrom), the funds from the sale of the Spicelo Collateral will be distributed in accordance with the decision in such marshalling and subrogation Application, and the Griffon Entities Interim Distribution will be taken into account in calculating the distributions to which the Lenders and Tamarack are entitled, subject to the priority charges granted by this Honourable Court. The Griffon Entities Interim Distribution was made without prejudice to Tamarack's interests arising from the marshalling and subrogation Application.
29. If the Court of Appeal does not grant leave to appeal, or, the Court of Appeal grants leave to appeal the Marshalling Decision and the Marshalling Decision is upheld (following conclusion of any later appeal therefrom), Spicelo's obligations will have been settled and the residual Spicelo Collateral can be returned to the Spicelo beneficial shareholder, subject to the priority charges granted by this Honourable Court.

### Griffon Update

30. The Share Purchase Transaction closed on April 16, 2024. As a result, the Monitor distributed CAD \$13,817,000 to the Senior Secured Lenders in accordance with the order granted authorizing and permitting the Monitor to make the Griffon Entities Interim Distribution.
31. The remaining substantive administrative item is the reconciliation and payment of certain working interest partners for amounts which were accrued and owing but unpaid during the proceedings. This amount continues to be further reconciled by Sproule, which was held back from the interim distribution until it is further reconciled and confirmed by the related counterparties or by Court order.
32. As of the date of this Report, the material amounts owing have been paid (as discussed below in the actual cash flow results section) with minor amounts remaining to be paid (as discussed further below in the cash flow forecast section).

### Spicelo Update

33. Spicelo had previously received the USD \$6,624,583 Spicelo Dividend. When the Spicelo Dividend was paid, no tax was not withheld by the transfer agent. The Monitor's review of the tax consequences of the Spicelo Dividend determined withholding tax amounts were due and payable. As a result, on June 14, 2024, the Monitor remitted USD \$993,687 to the Receiver General on behalf of the Canada Revenue Agency representing the required withholding tax amount based on the advice of Monitor's counsel.
34. Of the 5,499,506 shares initially held, 757,809 shares remain with the brokerage firm who assisted the Monitor in executing upon the realization process on the GFR shares. As at August 1, 2024, the remaining shares making up the Spicelo Collateral is valued at USD \$5,039,430 (using a closing share price of "GFR" of USD \$6.65).

## ACTUAL CASH FLOW RESULTS COMPARED TO FORECAST

### Remaining Griffon Entities

35. The Remaining Griffon Entities' actual cash receipts and disbursements during the period of May 4, 2024 to August 2, 2024 (the "Reporting Period") as compared to the updated weekly cash flow forecast for the same period as outlined in the Fifth Report, is in the chart below:

Remaining Griffon Entities CCAA Cash Flow Variances <i>period-ending August 2, 2024</i>	Cash Flow Forecast	Actuals	Variance	Notes
<i>Unaudited, \$CAD</i>				
<u>Cash Receipts</u>				
Interest Received	\$ -	\$ 14,174	\$ 14,174	
<b>Total cash receipts</b>	<b>-</b>	<b>14,174</b>	<b>\$ 14,174</b>	
<u>Cash Disbursements</u>				
Senior Lender Distribution	-	-	\$ -	
Joint Venture Payments	(300,000)	(337,332)	\$ (37,332)	<i>a</i>
3rd Party Accounting Support	-	(15,189)	\$ (15,189)	
Professional Fees	(147,884)	(105,919)	\$ 41,965	<i>b</i>
<b>Total cash disbursements</b>	<b>(447,884)</b>	<b>(458,440)</b>	<b>\$ (10,556)</b>	
<b>Net cash flow</b>	<b>\$ (447,884)</b>	<b>\$ (444,266)</b>	<b>\$ 3,618</b>	
<u>Net Change in Cash</u>				
Beginning of period	447,884	447,884	\$ -	
Net Cash Flow	(447,884)	(444,266)	\$ 3,618	
Invoices applied against retainers	-	105,919	\$ 105,919	
<b>Ending of period</b>	<b>\$ -</b>	<b>\$ 109,537</b>	<b>\$ 109,537</b>	
Opening retainers	150,000	150,000	\$ -	
Invoices applied against retainers	-	(105,919)	\$ (105,919)	
<b>Ending of period</b>	<b>\$ 150,000</b>	<b>\$ 44,081</b>	<b>\$ (105,919)</b>	

36. Over the Reporting Period, the Remaining Griffon Entities experienced:
- a) a negative cash flow permanent variance relating to payments made to three working interest partners (two of which were the material amounts owing). There are minor amounts owing to other working interest partners which continues to be reconciled by Sproule for final sign-off by the Monitor (and the working interest partner) prior to the Monitor issuing payment; and

37. a positive cash flow variance relating to the payment of professional fees. The Monitor and its counsel utilized their retainers held from the Company (which were allowed for and disclosed in the ARIO) to satisfy certain outstanding invoices to assist with Company cash flow. The Monitor and its counsel have \$26,815 and \$17,266, respectively, remaining from their original retainers.

Spicelo

38. Spicelo's actual cash receipts and disbursements during the Reporting Period as compared to the updated weekly cash flow forecast for the same period as outlined in the Fifth Report, is in the chart below:

<b>Spicelo</b>				
<b>CCAA Cash Flow Variances</b>	<b>Cash Flow</b>	<b>Actuals</b>	<b>Variance</b>	<b>Notes</b>
<i>period-ending August 2, 2024</i>	<b>Forecast</b>			
<i>Unaudited, \$USD</i>				
<u>Cash Receipts</u>				
Share Proceeds	\$ 25,701,420	\$ 25,701,420	\$ -	
Interest Received	-	6,989	\$ 6,989	
<b>Total cash receipts</b>	<b>25,701,420</b>	<b>25,708,409</b>	<b>\$ 6,989</b>	
<u>Cash Disbursements</u>				
Senior Lender Distribution	(24,498,540)	(24,359,175)	\$ 139,365	<i>a</i>
Dividend Withholding Tax	-	(993,687)	\$ (993,687)	<i>b</i>
Operating Disbursements	-	(2,486)	\$ (2,486)	
Bank Fees	-	(3)	\$ (3)	
Professional Fees	(188,297)	(203,077)	\$ (14,780)	
<b>Total cash disbursements</b>	<b>(24,686,837)</b>	<b>(25,558,428)</b>	<b>\$ (871,591)</b>	
<b>Net cash flow</b>	<b>\$ 1,014,583</b>	<b>\$ 149,981</b>	<b>\$ 1,014,583</b>	
<u>Net Change in Cash</u>				
Beginning of period	-	-	\$ -	
Net Cash Flow	1,014,583	149,981	\$ (864,602)	
<b>Ending of period</b>	<b>\$ 1,014,583</b>	<b>\$ 149,981</b>	<b>\$ (864,602)</b>	

39. Over the Reporting Period, Spicelo experienced:
- a) a positive cash flow permanent variance relating to the distribution paid to Senior Secured Lenders. The Monitor had anticipated that additional interest and fees would accrue through the date of repayment; and
  - b) a negative cash flow permanent variance relating to the dividend withholding tax. The Monitor had anticipated that there would be tax withholdings from the dividend. When the dividend was paid, the tax was

not withheld and the Monitor distributed the entirety to the Senior Secured Lenders. The Monitor's review of the tax consequences of the dividend determined those amounts were due and payable and the Monitor remitted these funds to the Receiver General on behalf of the Canada Revenue Agency on June 14, 2024.

40. Of the \$308,996 professional fees and disbursements for the Monitor and its legal counsel in the Remaining Griffon Entities and Spicelo in the Reporting Period (\$105,919 + \$203,077), \$136,239 was previously approved by this Honourable Court. The Monitor is seeking approval of this Honourable Court for the remaining \$172,757, which is discussed in greater detail below.

## **CASH FLOW FORECAST**

### Remaining Griffon Entities

41. The Monitor has prepared an updated monthly cash flow forecast for the Remaining Griffon Entities for the monthly period to November 15, 2024 using the probable and hypothetical assumptions set out below:
- a) the remaining amounts owing to working interest partners will be reconciled and paid;
  - b) the remaining amounts owing to Sproule and for the preparation of final tax returns of GPOC will be finalized and paid; and
  - c) remaining professional fees will be paid (in addition to the utilization of the remainder of the original retainers discussed above). The Monitor is currently evaluating the benefit and/or necessity of assigning the Remaining Griffon Entities into bankruptcy, to among other things, to crystallize creditor claims. Should this be required, the Monitor estimates the professional fees may be in the range of \$35,000 to \$50,000.

<b>Remaining Griffon Entities</b>		<b>Month 1</b>	<b>Month 2</b>	<b>Month 3</b>	<b>Month 4</b>	<b>Total</b>
<b>Monthly Cash Flow Forecast</b>	<i>month ended</i>	<b>2024-08</b>	<b>2024-09</b>	<b>2024-10</b>	<b>2024-11</b>	
<i>Unaudited, \$CAD</i>						
<u>Cash Receipts</u>						
Interest		\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total cash receipts</b>		-	-	-	-	\$ -
<u>Cash Disbursements</u>						
Joint Venture Payments		(50,000)	-	-	-	\$ (50,000)
3rd Party Accounting & Tax Return Preparation Fees		(40,000)	-	-	-	\$ (40,000)
Professional Fees		(19,537)	-	-	-	\$ (19,537)
<b>Total cash disbursements</b>		<b>(109,537)</b>	-	-	-	<b>\$ (109,537)</b>
<b>Net cash flow</b>		<b>\$ (109,537)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (109,537)</b>
<u>Net Change in Cash</u>						
Beginning of period		109,537	-	-	-	\$ 109,537
Net Cash Flow		(109,537)	-	-	-	\$ (109,537)
<b>Ending of period</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

### Spicelo

42. The Monitor has prepared an updated monthly cash flow forecast for Spicelo for the monthly period to November 15, 2024 using the probable and hypothetical assumptions set out below:
- a) leave to appeal will not be granted; and
  - b) no further professional fees will be required to be funded (outstanding and any remaining professional fees and disbursements will be funded by the Remaining Griffon Entities and/or the retainers held by the professionals).
43. In the event leave to appeal is granted by the Court of Appeal, further professional fees will be incurred in those proceedings, which have not been forecast below.

Spicelo Monthly Cash Flow Forecast	<i>month ended</i>	Month 1 2024-08	Month 2 2024-09	Month 3 2024-10	Month 4 2024-11	Total
<i>Unaudited, \$USD</i>						
<u>Cash Receipts</u>						
Interest		-	-	-	-	\$ -
<b>Total cash receipts</b>		-	-	-	-	\$ -
<u>Cash Disbursements</u>						
Professional Fees		-	-	-	-	\$ -
<b>Total cash disbursements</b>		-	-	-	-	\$ -
<b>Net cash flow</b>		\$ -	\$ -	\$ -	\$ -	\$ -
<u>Net Change in Cash</u>						
Beginning of period		149,981	149,981	149,981	149,981	\$ 149,981
Net Cash Flow		-	-	-	-	\$ -
<b>Ending of period</b>		\$ 149,981	\$ 149,981	\$ 149,981	\$ 149,981	\$ 149,981

### APPROVAL OF PROFESSIONAL FEES AND EXPENSES

44. The Monitor and its legal counsel have now rendered their invoices for their respective fees and disbursements for services in connection with the CCAA Proceedings and are seeking approval of this Honourable Court.
45. The Monitor seeks approval from this Honourable Court of the professional fees and disbursements of the Monitor for the period of May 1, 2024 to June 30, 2024 (the “**Monitor Taxation Period**”), and Torys for the period of May 1, 2024 to July 15, 2024 (the “**Torys Taxation Period**”) totalling in aggregate, \$172,757.39 (inclusive of GST).
46. The total fees and expenses of the Monitor during the Monitor Taxation Period are \$69,700.12 (exclusive of GST), a summary of which is included below:

<b>Monitor Fees &amp; Disbursements - Taxation Period</b>						
Invoice	Period	Fees	Disbursements	Subtotal	GST	Total
<i>Taxation Period</i>						
#4	1-May-24 to 31-May-24	\$ 49,196.50	\$ 150.62	\$ 49,347.12	\$ 2,467.36	\$ 51,814.48
#5	1-Jun-24 to 30-Jun-24	\$ 10,993.00	\$ 975.00	\$ 11,968.00	\$ 598.40	\$ 12,566.40
#6	1-Jul-24 to 27-Jul-24	\$ 8,160.00	\$ 225.00	\$ 8,385.00	\$ 419.25	\$ 8,804.25
<b>Total</b>		\$ 68,349.50	\$ 1,350.62	\$ 69,700.12	\$ 3,485.01	\$ 73,185.13

47. The total fees and expenses of the Monitor’s counsel during the Torys Taxation Period total \$94,831.67 (exclusive of GST), a summary of which is included below:

<b>Torys Fees &amp; Disbursements - Taxation Period</b>						
<b>Invoice</b>	<b>Period</b>	<b>Fees</b>	<b>Disbursements</b>	<b>Subtotal</b>	<b>GST</b>	<b>Total</b>
<i>Taxation Period</i>						
1643207	1-May-24 to 31-May-24	\$ 63,589.00	\$ 66.67	\$ 63,655.67	\$ 3,182.43	\$ <b>66,838.10</b>
1645514	1-Jun-24 to 15-Jun-24	\$ 21,171.50	\$ 7.00	\$ 21,178.50	\$ 1,058.58	\$ <b>22,237.08</b>
1647456	16-Jun-24 to 15-Jul-24	\$ 9,991.50	\$ 6.00	\$ 9,997.50	\$ 499.58	\$ <b>10,497.08</b>
<b>Total</b>		\$ <b>94,752.00</b>	\$ <b>79.67</b>	\$ <b>94,831.67</b>	\$ <b>4,740.59</b>	\$ <b>99,572.26</b>

48. The Monitor and its counsel’s invoices outline the date of the work completed, the description of the work completed, the length of time taken to complete the work and the name of the individual who completed the work in question. Copies of the invoices of the Monitor and Torys will be made available to the Court upon request, if necessary.

49. The Monitor respectfully submits that its professional fees and disbursements and those of its legal counsel are fair and reasonable in the circumstances, given the substantive tasks required to be performed by the Monitor and its legal counsel in connection with the CCAA Proceedings.

**STAY EXTENSION**

50. Pursuant to the order of May 14, 2024, the stay of proceedings for Spicelo and the Remaining Griffon Entities will expire on August 16, 2024. The Monitor is seeking an extension of the stay of proceedings to November 15, 2024 (the “**Stay Extension**”).

51. The Monitor recommends the Stay Extension for the following reasons:
- a) the Stay Extension will maintain the *status quo* and allow for the Monitor to focus on completing the necessary work to bring the CCAA Proceedings to an orderly conclusion;
  - b) the Monitor anticipates that extending the stay of proceedings to November 15, 2024 should provide sufficient time for the Monitor to

finalize the administration of the CCAA Proceedings, including the impact concerning marshalling and subrogation (regarding leave to appeal the Marshalling Decision);

- c) the Monitor is not aware of any creditor who will be materially prejudiced by the Stay Extension;
- d) there continues to be sufficient cash availability forecast during the period of the Stay Extension and there is no interim financing required (and has not required to date); and
- e) in the Monitor's opinion, Spicelo and the Remaining Griffon Entities have acted in good faith and with due diligence in these CCAA Proceedings since the date of the Initial Order.

## **RECOMMENDATIONS**

52. The Monitor respectfully recommends that this Honourable Court approve the following:

- a) a further extension of the stay of proceedings for Spicelo and the Remaining Griffon Entities up to and including November 15, 2024; and
- b) approving the actions, activities and conduct of the Monitor, along with the fees and disbursements of the Monitor and its counsel, as set out in this Report.

All of which is respectfully submitted this 2<sup>nd</sup> day of August, 2024

**ALVAREZ & MARSAL CANADA INC.,  
in its capacity as Monitor of Spicelo and the Remaining Griffon Entities  
and not in its personal or corporate capacity**



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Orest Konowalchuk, CPA, CA, CIRP, LIT  
Senior Vice President



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Duncan MacRae, CPA, CA, CIRP, LIT  
Vice President