

COURT FILE NUMBER BE03 568045
COURT QUEEN'S BENCH OF ALBERTA
IN BANKRUPTCY
JUDICIAL CENTRE EDMONTON
IN THE MATTER OF THE
BANKRUPTCY AND
INSOLVENCY ACT, R.S.C. 1985,
c-B-3, AS AMENDED



AND IN THE MATTER OF THE
PROPOSAL OF JOHN KENNETH
PURDY OTHERWISE KNOWN AS
JACK PURDY

DOCUMENT **AFFIDAVIT OF JOHN KENNETH
PURDY sworn on April 27th,
2012**

ADDRESS FOR SERVICE AND
CONTACT INFORMATION OF
PARTY FILING THIS
DOCUMENT Taylor Law Office
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I, JOHN KENNETH PURDY (also known as "Jack Purdy"), businessman, of the County of Strathcona, in the Province of Alberta, MAKE OATH AND SAY THAT:


1. On December 2nd, 2011, I had filed by the Proposal Trustee, Alvarez & Marsal Canada Inc. a Notice of Intention to Make a Proposal pursuant to subsection 50.4(1) of the *Bankruptcy and Insolvency Act* (the "BIA"). A copy of the Certificate of Filing is attached as Exhibit "A" to my Affidavit dated December 12th, 2011, sworn in the within action.

2. As indicated in my Affidavit dated October 19th, 2011, filed in the within Action, my primary assets consist of my shareholdings in what have been described as the "Purdy Group of Companies", which Purdy Group of Companies are presently the subject of an Initial Order pursuant the *Companies Creditor Arrangement Act* (the "CCAA") dated December 1st, 2011 (Court of Queen's Bench File No. 1103 18646 – the "CCAA Action"). In addition, I also have other assets (the "Purdy Personal Assets") that have value and are listed as Appendix B to the first report of the Proposal Trustee dated December 15, 2011.
3. The Monitor in the CCAA proceeding, also Alvarez & Marsal Canada Inc., is presently in the process of assisting the Purdy Group of Companies in assessing their property assets and determining their liabilities for the purpose of putting together a compromise or Plan of Arrangement that I believe will be acceptable to the creditors and other stakeholders of the Purdy Group of Companies. Significant progress has been made in this regard, as is further described in the Third Report of the Monitor to be filed in the concurrent application to be made by the Purdy Group of Companies seeking a further extension in the CCAA proceeding to June 29th, 2012.
4. Pursuant to the Order of the Honourable Madam Justice Veit dated March 16, 2012, in the CCAA proceedings, the Purdy Group of Companies were granted an Extension of Stay Period to and including May 3rd, 2012..
5. I continue to believe, and indeed substantial evidence has been put before the Court in both the within matter and the CCAA Action, as to the likelihood that there are sufficient assets to address the outstanding liabilities of both the Purdy Group of Companies and myself personally.
6. Attached hereto as Exhibit "A" to this my Affidavit is a copy of the Revised Cash Flow Statement for the period of April 26th, 2012 to June 1st, 2012 (the "Cash Flow"). The Cash Flow is also attached as Appendix "B" to the Fourth Report of the Proposal Trustee dated April 26th, 2012 (the "Fourth Report") to be filed.
7. I have reviewed the Fourth Report of the Proposal Trustee and confirm that all statements I have made to the Proposal Trustee and upon which they have based their conclusions and recommendations as set out in the Fourth Report have been made in good faith and are true to the best of my knowledge.
8. There is sufficient cash flow throughout the requested stay extension period, as set out in the Cash Flow. I believe that the underlying assumptions, upon which this Cash Flow is based, as set out at paragraph 24 of the Fourth Report, are reasonable, soundly founded, and achievable by me.
9. A further extension until June 1st, 2012, is required, however, to further allow the Purdy Group of Companies, with the assistance of the Monitor, to continue

10. The Fourth Report of the Proposal Trustee supports the extension of time currently being sought in the within application.
11. If the requested extension is granted, it is my intention to file a proposal to my personal creditors before the expiration of this last stay extension.
12. I am acting in good faith and with due diligence, and in the best interests of my creditors.
13. I am confident and believe that I will be able to make a viable proposal if the extension being applied for is granted.
14. I believe that no creditor will be materially prejudiced if the extension being applied for is granted.
15. I make this Affidavit in support of an application for an extension of stay until June 1st, 2012, and for no improper purposes.

Conan Taylor
Barrister & Solicitor

CONAN J. TAYLOR
Barrister and Solicitor


John Kenneth Purdy