

COURT FILE NUMBER

BE03 568045

~~BK03 115487~~

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 January 20th, 2012**

ADDRESS FOR SERVICE
AND
CONTACT INFORMATION
OF
PARTY FILING THIS
DOCUMENT

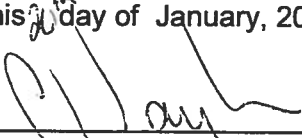
Taylor Law Office
Suite 401, 10722 – 103 Avenue
Edmonton, Alberta
T5J 5G7
Attention: Conan J. Taylor
Phone: (780) 428-7770
Fax: (780) 428-7775

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 is 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 substantial 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.

4. I 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 more than address the outstanding liabilities of both the Purdy Group of Companies and myself personally.
5. Attached hereto as Exhibit "A" to this my Affidavit is a copy of the Projected Cash Flow Statement for the period of January 19th, 2012 to March 30th, 2012 (the "Cash Flow"). The Cash Flow is attached as Appendix "B" to the second report of the Proposal Trustee (the Second Report") to be filed.
6. There is sufficient cash flow throughout the requested stay extension period, as set out in the Cash Flow.
7. Time is required, however, to allow the Purdy Group of Companies, with the assistance of the Monitor, to undertake the necessary assessment and restructuring that is required in respect of the Purdy Group of Companies, which will allow me in turn to satisfy my personal obligations, the majority of which arise from personal guarantees executed in respect of Purdy Group of Companies' liabilities.
8. A First Report of the Proposal Trustee has been filed and a second report will be filed, which I believe supports the extension of time currently being sought in the within application.
9. I am acting in good faith and with due diligence, and in the best interests of my creditors.
10. I am very confident and believe that I will be able to make a viable proposal if the extension being applied for were granted.
11. I believe that no creditor will be materially prejudiced if the extension being applied for were granted.
12. I make this Affidavit in support of an application for an extension of stay until March 19, 2012, and for no improper purposes.

SWORN BEFORE ME at Edmonton, Alberta,
this 20th day of January, 2012.



A Commissioner for Oaths in and for the
Province of Alberta

CONAN J. TAYLOR
Barrister and Solicitor

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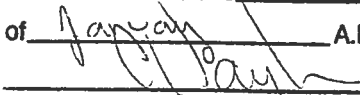

John Kenneth Purdy

JOHN (JACK) KENNETH PURDY
Revised Cash Flow Statement*
For the period of January 19, 2012 to March 30, 2012 (the "Forecast Period")
(in CDN dollars)

	Week 8 to Week 13 Jan.19/12 to Mar.2/12	Week 13 to Week 17 Mar.3/12 to Mar.30/12	Total
RECEIPTS			
Advances / Management fees from Purdy Group of Companies	4,400	5,200	9,600
Total receipts	4,400	5,200	9,600
DISBURSEMENTS			
Personal	1,200	1,500	2,700
Living	1,600	1,500	3,100
Transportation	2,000	1,500	3,500
Miscellaneous	600	750	1,350
Total living expenses	5,400	5,250	10,650
Total disbursements	5,400	5,250	10,650
NET CHANGE IN CASH	(1,000)	(50)	(1,050)
OPENING CASH	1,654	654	1,654
Net change in cash	(1,000)	(50)	(1,050)
ENDING CASH	654	604	604


John (Jack) Kenneth Purdy

January 20, 2012
Date

This is Exhibit "A" referred to in the
Affidavit of
JOHN KENNETH PURDY
Sworn before me this 20th day
of January A.D., 2012

A Commissioner for Oaths
in and for the Province of Alberta

CONAN J. TAYLOR
Barrister and Solicitor