

COURT FILE NUMBER BE03 1568045  
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 March 13<sup>th</sup>, 2012**


ADDRESS FOR SERVICE AND  
CONTACT INFORMATION OF  
PARTY FILING THIS  
DOCUMENT Taylor Law Office  
Suite 401, 10722 – 103 Avenue  
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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 2<sup>nd</sup>, 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 12<sup>th</sup>, 2011, sworn in the within action.
2. As indicated in my Affidavit dated October 19<sup>th</sup>, 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 1<sup>st</sup>, 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.

4. Pursuant to the Orders of the Honourable Mr. Justice D.R.G. Thomas dated February 15<sup>th</sup>, 2012, in the CCAA proceedings, the Purdy Group of Companies were granted an Extension of Stay Period to and including May 4<sup>th</sup>, 2012, and a Claims Procedure Order.
5. 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 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 February 25<sup>th</sup>, 2012 to May 4<sup>th</sup>, 2012 (the "Cash Flow"). The Cash Flow is attached as Appendix "B" to the Third Report of the Proposal Trustee dated March 14<sup>th</sup>, 2012 (the Third Report") to be filed.
7. There is sufficient cash flow throughout the requested stay extension period, as set out in the Cash Flow.
8. 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.
9. The Third Report of the Proposal Trustee supports the extension of time currently being sought in the within application.
10. I am acting in good faith and with due diligence, and in the best interests of my creditors.
11. I am confident and believe that I will be able to make a viable proposal if the extension being applied for is granted.
12. I believe that no creditor will be materially prejudiced if the extension being applied for is granted.
13. I make this Affidavit in support of an application for an extension of stay until May 3<sup>rd</sup>, 2012, and for no improper purposes.

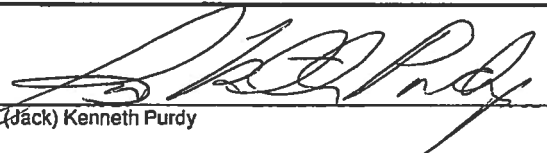
A Commissioner for Oaths in and for the  
Province of Alberta

  
John Kenneth Purdy

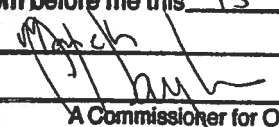
Appendix B

**JOHN (JACK) KENNETH PURDY**  
**Revised Cash Flow Statement\***  
 For the period of February 25, 2012 to May 4, 2012 (the "Forecast Period")  
 (in CDN dollars)

	Week 13 to Week 17 Feb.25/12 to Mar.30/12	Week 18 to Week 22 Mar.31/12 to May 4/12	Total
<b>RECEIPTS</b>			
Advances / Management fees from Purdy Group of Companies	4,400	5,200	9,600
<b>Total receipts</b>	<b>4,400</b>	<b>5,200</b>	<b>9,600</b>
<b>DISBURSEMENTS</b>			
Personal	1,500	1,500	3,000
Living	1,600	1,600	3,200
Transportation	1,500	1,500	3,000
Miscellaneous	250	250	500
Payment to the Purdy Group of Companies	9,600	-	9,600
<b>Total living expenses</b>	<b>14,450</b>	<b>4,850</b>	<b>19,300</b>
<b>Total disbursements</b>	<b>14,450</b>	<b>4,850</b>	<b>19,300</b>
<b>NET CHANGE IN CASH</b>	<b>(10,050)</b>	<b>350</b>	<b>(9,700)</b>
<b>OPENING CASH</b>	<b>11,154</b>	<b>1,104</b>	<b>11,154</b>
Net change in cash	(10,050)	350	(9,700)
<b>ENDING CASH</b>	<b>1,104</b>	<b>1,454</b>	<b>1,454</b>

  
 John (Jack) Kenneth Purdy

*March 17/2012*  
 Date

This is Exhibit "A" referred to in the  
 Affidavit of  
JOHN KENNETH PURDY  
 Sworn before me this 13<sup>th</sup> day  
 of March A.D., 2012  
  
 A Commissioner for Oaths  
 in and for the Province of Alberta

**CONAN J. TAYLOR**  
 Barrister and Solicitor