

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

B E T W E E N :

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
R.S.C. C. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
INDALEX LIMITED, INDALEX HOLDINGS (B.C.) LTD., 6326765 CANADA INC. and
NOVAR INC.

Applicants

**SUPPLEMENTARY RESPONDING MOTION RECORD OF KEITH CARRUTHERS,
LEON KOZIEROK, MAX DEGEN, BERTRAM MCBRIDE, EUGENE D'IORIO, NEIL
FRASER, ROBERT LECKIE AND RICHARD SMITH - FORMER EMPLOYEES OF
INDALEX**

(Pension Matter Motion, returnable July 20, 2009)

July 18, 2009

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Neil Fraser, Robert Leckie and Richard Smith

TO: ATTACHED SERVICE LIST

INDEX

TAB	DOCUMENT	PAGES
1.	Affidavit of Keith Carruthers	1-4

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**AFFIDAVIT OF KEITH B. CARRUTHERS
(sworn July 20, 2009)**

I, KEITH B. CARRUTHERS, of the City of London, in the Province of Ontario, MAKE OATH AND SAY:

1. I am a former executive employee of the Indalex Division of Indal Limited, which is a predecessor company to Indalex Limited and/or one of its affiliated companies, (collectively, "Indalex Canada" or the "company"), who are the Applicants in these proceedings.
2. I am currently 67 years of age. I have been retired for 10 years. When I retired, I was President and CEO of Indalex Division of Caradon Limited. I worked with the Indalex group of companies for over 27 years. As a former employee and current retiree of Indalex Canada, I have knowledge of the matters to which I hereinafter depose, except where stated to be based upon information and belief.
3. My fellow retirees, Leon Kozierok, Bertram McBride, Max Degen, Eugene D'Iorio, Richard Smith, Robert Leckie, Neil Fraser and I are members of the Indalex supplemental executive retirement plan or "SERP", referred to collectively herein as the "SERP Group."
4. This Affidavit is sworn further to the Affidavit of Andrea McKinney, sworn July 17, 2009. It is in reply to the Monitor's Seventh Report, dated July 15, 2009 and the Applicants' approval of a sale transaction returnable July 20, 2009.

Background

5. I was hired by Indal Limited on September 8, 1972 as Sales Manager for the Toronto operations of Indalex Division of Indal Limited. Prior to my employment with Indalex Canada, I was a salesman for Kaiser Aluminium and had been involved in the aluminium extrusion industry for approximately six years.

6. During my 27 years of service with the company, I became a member of the management team responsible for the company's Canadian operations, and eventually, I became a member of the management team responsible for the company's entire North American operations.

7. I worked as Sales Manager for the Toronto operations for approximately 5 years before moving into positions as General Manager of Toronto, then Vice-President of Eastern Region and then President of Indalex Canada, at which point I became responsible for overseeing all four plants in Canada. For the last 8 to 10 years of my employment with the company, I was President and Chief Executive Officer of the Indalex Division of Caradon Limited (which the division had been re-named after it was acquired by Caradon Limited).

8. In my position as President and CEO of Indalex Division, I was responsible for all North American extrusion operations, which included seven extrusion operations and one ladder manufacturing plant.

Liquidation Analyses

9. I disagree with the liquidation analysis prepared by the monitor.

a) Plant and Equipment Value

10. At Appendix C of the Monitor's Seventh Report, under the category, "Plant and Equipment," the Monitor states the realized value may be only \$2.84 million.

11. Indalex has just completed a brand new extrusion facility in the United States with one extrusion press line at an estimated cost of USD \$13 million plus the cost of land and building. It is a large press installation (5,500 tons).

12. A more typical installation of a press and handling equipment of 2,500 tons would cost approximately USD \$6 million.

13. From discussions with the rest of the SERP Group and my own knowledge, I verily believe that the SAPA sale transaction in Canada includes 10 extrusion press lines, three vertical paint lines and a re-melt facility. Even on a "Fire Sale" basis these lines should be worth approximately USD \$750,000 and \$1,000,000.

14. As such, the forced liquidation number used in this analysis should be closer to \$60 to \$65 million, rather than the \$52 million indicated by the monitor.

15. Please note, that we are unsure whether the presses are leased or owned by Indalex, which would make a difference in the estimate of the liquidation.

b) Preserving 750 jobs – subparagraph 34 c)

16. At subparagraph 34c) of the Monitor's Seventh Report, the Monitor states that the APA acquisition would preserve 750 jobs for employees in Canada. I question the accuracy of that statement for a number of reasons.

17. SAPA owns a large extrusion operation in Portland, Oregon, which is in direct competition with the Indalex Vancouver plant and the Calgary plant.

18. There would be no reason for SAPA not to close the Vancouver operation due to high labour costs associated with that plant, particular since it could provide material to that market from Portland Oregon.

19. SAPA may also shut down the Calgary plant because it is the oldest operation in Canada, and SAPA already ships to that market from Portland. This would leave only one extruder, and a small one at that, in western Canada as a competitor to SAPA.

c) Claims by Suppliers and Customers – subparagraph 34 d)

20. At subparagraph 34d) of the Monitor's Seventh Report, the Monitor expresses concerns that there may be potential damage claims resulting from breaches under existing supply agreements or other like claims which may arise in the even of liquidation.

21. There is no supporting detail provided. Based on my knowledge of the extrusion industry, I believe the number of claims would be rather minimal as there are lots of other extruders who could fill that capacity.

e) Environmental Claims – subparagraph 34 e)

22. At subparagraph 34e) of the Monitor's Seventh Report, the Monitor expresses concerns that there may be Environmental issues.

23. I believe that any environmental issues would be small enough as to be insignificant. If there were significant environmental issues, SAPA would not even be looking at the company.

d) Recent Tariffs on Competitors

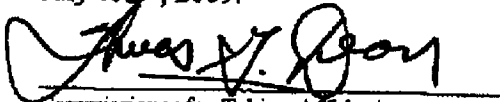
24. Imported extrusions from China over the last approximate ten years had taken over approximately 20% of the Canadian market. This represents the production of three to four extrusion press lines.

25. Over the past half year or so, these imports have now been stopped in their tracks with six companies, which provide extrusions, now have to pay a 40% tariff on any extrusions coming into Canada. Other Chinese extrusion companies shipping into the Canadian market must now pay a 100% tariff.

26. Imported extrusions have basically dried up. As a result, the volume at Canadian extruders has increased significantly.

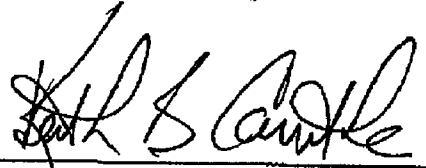
27. I swear this Affidavit in good faith and for no improper purpose.

SWORN BEFORE ME at the
City of London in the
Province of Ontario, on
July 20, 2009.



Commissioner for Taking Affidavits

L.S.U.C. 15486 U



KEITH B. CARRUTHERS

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AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
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INC.

Court File No: CV-09-8122-00CL

Applicants

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
Proceeding commenced at **Toronto**

AFFIDAVIT OF KEITH B CARRUTHERS
(SWORN JULY , 2009)

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Lawyers for Keith Carruthers, Leon Kozierek,
Bertram McBride, Max Degen, Eugene D'Iorio,
Richard Smith, Robert Leckie and Neil Fraser
(the "SERP Group")

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R.S.C. 1985, c. C-36 AND IN THE MATTER OF A PLAN OF COMPROMISE OR
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**SUPPLEMENTARY RESPONDING
MOTION RECORD**

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