

CANADA  
PROVINCE OF QUEBEC  
DISTRICT OF MONTREAL  
No: 500-11-060613-227

SUPERIOR COURT  
(Commercial Division)  
(Sitting as a court designated pursuant to the  
*Companies' Creditors Arrangement Act*, R.S.C.  
(1985), ch C-36 as Amended)

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IN THE MATTER OF THE PLAN OF  
COMPROMISE AND ARRANGEMENT OF:

RISING PHOENIX INTERNATIONAL INC.

and

10864285 CANADA INC.

and

11753436 CANADA INC.

and

CDSQ IMMOBILIER INC.

and

COLLÈGE DE L'ESTRIE INC.

and

ÉCOLE D'ADMINISTRATION ET DE  
SECRÉTARIAT DE LA RIVE-SUD INC.

and

9437-6852 QUÉBEC INC.

and

9437-6845 QUÉBEC INC.

Debtors

and

RICHTER INC.  
(FORMERLY RICHTER ADVISORY GROUP INC.)

Monitor

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SEVENTH REPORT OF THE MONITOR  
RICHTER INC. (FORMERLY RICHTER ADVISORY GROUP INC.)

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**INTRODUCTION**

1. The present report ("**Seventh Report**") should be read in conjunction with the Amended Pre-Filing Report dated January 6, 2022 (the "**Pre-Filing Report**"), the Supplementary Report dated January 16, 2022, the Second Report dated February 2, 2022, the Third Report dated February 14, 2022, the Fourth Report dated February 24, 2022 (the "**Fourth Report**"), the Fifth Report dated March 10, 2022 (the "**Fifth Report**") and the Sixth Report dated April 11, 2022 (the "**Sixth Report**") prepared by Richter Inc. (formerly Richter Advisory Group Inc.) ("**Richter**" or the "**Monitor**"), in its capacity as Monitor of Rising Phoenix International Inc. ("**RPI**") and the other entities listed in the style of cause (collectively, the "**Debtors**" or the "**Company**").

2. This Seventh Report is subject to the Terms of Reference and Disclaimer found in the Pre-Filing Report. Capitalized terms not defined herein shall have the meanings ascribed thereto in the Monitor's previous reports.
3. This Seventh Report is intended to provide the Court with information relating to:
  - Procedural Background;
  - Monitor's Activities;
  - Company's Activities;
  - Financial Performance and Cash Flow Projections;
  - Extension Request; and
  - Conclusion.
4. Unless otherwise stated, all monetary amounts noted herein are expressed in Canadian dollars.

#### **PROCEDURAL BACKGROUND**

5. On January 5, 2022, the Debtors filed with the Superior Court of Québec, Commercial Division (the "**Court**"), an *Application for the Issuance of a First Day Initial Order and an Amended and Restated Initial Order* (the "**First Application**") and on January 6, 2022, the Court granted the *First-Day Initial Order* (the "**First-Day Initial Order**"). Pursuant to the First-Day Initial Order, among other things, all creditors were stayed from commencing or continuing any proceedings against the Debtors and/or the directors and officers of the Debtors until and including January 14, 2022 (the "**Stay Period**").
6. On January 13, 2022, Firm Capital Mortgage Fund Inc. ("**Firm Capital**") filed a *Contestation to the Applicants' request for an Amended and Restated Initial Order* (the "**Firm Capital Contestation**"). Firm Capital ultimately did not proceed with its Contestation in view of the settlement that preceded the hearing on January 17, 2022. Firm Capital agreed to provide interim financing, which has been used to fund the restructuring process to date and has fully collaborated with the Monitor and the Debtors throughout the CCAA process, including in respect of the SISP.
7. On January 16, 2022, the Debtors filed an *Amended Application for the Issuance of an Amended and Restated Initial Order* (the "**Amended and Restated Initial Order**") and on January 17, 2022, the Court granted the Amended and Restated Initial Order and extended the Stay Period to February 28, 2022.

8. On February 9, 2022, Anish Sachdeva, Manjot Singh, Sukhrajpreet Singh, Sukhmanpreet Singh and Jaspreet Singh filed an *Application for the Issuance of a Student Representation Order* (the “**Representation Application**”). Following certain revisions to the order requested, on February 15, 2022, the Court granted the Student Representation Order (the “**Student Representation Order**”) and McCarthy Tétrault LLP was appointed to act as representative counsel (the “**Students’ Representative Counsel**”).
9. On February 24, 2022, the Debtors filed an *Application for the Issuance of an Order Extending the Stay Period* (the “**First Extension Application**”). On February 28, 2022, the Court granted the First Extension Application and extended the Stay Period to April 29, 2022.
10. On March 10, 2022, the Debtors filed an *Application for (i) the Issuance of an Approval and Vesting Order (ii) the Approval of a Junior Interim Financing Agreement and (iii) a Re-Amended and Restated Initial Order* (the “**Approval and Vesting Application**”). On March 14, 2022, the Court granted the Approval and Vesting Application (the “**Approval and Vesting Order**”).
11. On March 15, 2022, Les Consultants 3 L M Inc. (hereafter “**ISI**”), filed a « *Demande de Bene Esse en Déclaration d’Inapplicabilité de la Suspension des Procédures et, Subsidairement, pour Lever la Suspension des Procédures en faveur des Administrateurs et Dirigeants* » (the “**ISI Application**”).
12. The ISI Application is contested by the Debtors, who are requesting that the debate on this question be postponed to a later date, as outlined in the *Application by the Debtors for the Continuance of the ISI Application*, filed on April 8, 2022 (the “**Stay Application Continuance**”). The ISI Application and the Stay Application Continuance are scheduled to be heard on April 20, 2022.
13. On April 8, 2022, the Student Representative Counsel filed an application entitled *Application for the Issuance of an Order Extending the CAQ and/or Study Permit of Certain Students and Implementing a Streamlined Process for the Reconsideration of Refused Study Permit Applications* (the “**Immigration Application**”). The hearing on the Immigration Application commenced on April 13, 2022 and is scheduled to continue on April 19, 2022.
14. On April 19, 2022, the Debtors filed an *Application for the Issuance of an Order Extending the Stay Period* (the “**Second Extension Application**”). The Second Extension Application is scheduled to be heard by the Court on April 20, 2022, concurrently with the ISI Application and the Stay Application Continuance.
15. The present report should be read concurrently with the Sixth Report dated April 11, 2022, which comments on the relief sought in the ISI Application and the Stay Application Continuance.

## MONITOR'S ACTIVITIES

16. Since the issuance of the Fourth Report dated February 24, 2022 the Monitor has, *inter alia*:

- Attended the February 28, 2022 Court hearing with respect to the First Extension Application, attended the March 14, 2022 Court hearing with respect to the Approval and Vesting Application, and attended the April 13, 2022 Court hearing with respect to the Immigration Application;
- Assisted in discussions with the Purchaser and its legal counsel on various matters related to dealings with the *Ministère de l'éducation* and the *Ministère de l'enseignement supérieur* (the "**Education Ministries**" or "**MEES**"), the Transition Service Agreement ("**TSA**"), the transfer of information between the parties and the closing of the Transaction;
- Continued to collaborate with Firm Capital and had several discussions and interactions with its legal counsel on matters relating to the CCAA Proceedings;
- Continued to collaborate with McCarthy Tétrault LLP, the student's counsel named in the Student Representation Order (the "**Students' Representative Counsel**");
- Assisted the Company in finalizing an Asset Purchase Agreement ("**APA**") and subsequently the TSA with the Purchaser;
- Facilitated discussions between the Debtors and the Purchaser in relation to the notice of breach of the APA delivered by the Buyer to the Sellers as described in our Sixth Report;
- Held discussions with the Debtors, the Purchaser and the Students' Representative Counsel with respect to the ISI Application;
- Held discussions with the Students' Representative Counsel in relation to immigration issues and the Immigration Application;
- Held discussions with the Purchaser and representatives of CCSQ Sherbrooke regarding the ongoing operations of CCSQ Sherbrooke;
- Continued to control receipts and disbursements of the Debtors;
- Participated, through counsel, in ongoing communications with legal counsel for the Education Ministries;
- Held numerous discussions and conference calls with representatives of the Company, the Debtors' counsel, Kaufman Lawyers LLP, and the Monitor's counsel, Stikeman Elliott LLP in connection with the various steps relating to the CCAA Proceedings, including, without limitation, implementing a formal claims process and the filing of a plan of compromise and arrangement ("**Plan of Arrangement**"); and
- Prepared and filed the Fifth Report, the Sixth Report and this Seventh Report.

## COMPANY'S ACTIVITIES

17. In addition to assisting the Monitor with regards to the items discussed above, since the issuance of the Fourth Report, the Company has, *inter alia*:
- Dealt with daily operational and administrative activities of the Company and the Colleges;
  - Overseen the education process of all students which, to date, has permitted 505 students to complete their curriculum;
  - Re-hired 41 teachers to allow 733 Registered students to recommence their studies at the Colleges; and
  - Collaborated with the Purchaser in providing multiple information requests to assist in the closing of the Transaction and ensure a seamless transition.

## FINANCIAL PERFORMANCE AND CASH FLOW PROJECTIONS

18. Since the filing of the CCAA proceedings, the Company has been paying its suppliers for the post-filing goods and services received. **Exhibit A** to this Seventh Report contains the comparative cash flow statement for the 5-week period ended April 15, 2022 which reflects a positive cash flow variance of approximately \$107,000, which primarily relates to timing variances.
19. The Company's weekly cash flow projections with the accompanying notes and reports (hereinafter the "**Projections**") prepared by Management for the period from April 16, 2022 to June 30, 2022 (hereinafter the "**Period**") are included in **Exhibit B**. We summarize the Projections as follows:

<b>Projected Cash Flow</b>	
<b>For the 76-days period ending June 30, 2022</b>	
<b>Receipts</b>	<b>\$ -</b>
Rent	(76,000)
Salaries	(178,400)
Educational Services	(443,500)
Municipal Taxes	(110,500)
Utilities	(40,000)
Other Operating Expenses	(112,000)
Student Insurance	(82,000)
<b>Operating Expenses</b>	<b>(1,042,400)</b>
Restructuring Fees	(300,000)
Interest - FCC's Term Loan	(79,000)
Interest & Fees - FCC's DIP	(78,000)
Interest & Fees - Purchaser's DIP	(109,000)
<b>Other Expenses</b>	<b>(566,000)</b>
<b>Net Cash Flow</b>	<b>(1,608,400)</b>
<b>Opening Cash Balance</b>	<b>1,613,338</b>
Net Cash Flow	(1,608,400)
<b>Ending Cash Balance</b>	<b>\$ 4,938</b>

## **EXTENSION REQUEST**

20. The Second Extension Application seeks an extension of the Stay Period until June 30, 2022 to allow for the following:
- The opportunity to complete the sale transaction with the Purchaser;
  - The time required to initiate a claim process and review the claims; and
  - The formulation and implementation of a Plan of Arrangement which is expected to include a distribution to unsecured creditors.

## **CONCLUSION**

21. The Monitor is of the opinion that the Court should grant the Debtors' Second Extension Application extending the Stay Period until June 30, 2022 for the following reasons:
- The Company is acting in good faith and with due diligence;
  - The extension provides additional time to complete the Transaction, formalize a claim process and file a Plan of Arrangement to the creditors, all to the benefit of the creditors, primarily the Students; and
  - The extension will not cause any prejudice to the various stakeholders.

Respectfully submitted at Montreal, this 19<sup>th</sup> day of April 2022.

### **Richter Inc. (formerly Richter Advisory Group Inc.)**

Monitor



Olivier Benchaya, CPA, CA, CIRP, LIT



Andrew Adessky, CPA, CA, MBA, CIRP, LIT

**Exhibit A**  
**Comparative Cash Flow Statement for**  
**the 5-week period ended April 15, 2022**

<b>RPI (Consolidated)</b>				
<b>Projected Cash Flow</b>	<b>Reported</b>	<b>Projected</b>	<b>Variance</b>	<b>Notes</b>
<i>For the period of Mar 12 to Apr 15, 2022</i>	<i>35 days</i>	<i>35 days</i>		
<b>Receipts</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	
Rent	(35,833)	(38,000)	2,167	
Salaries	(88,472)	(70,400)	(18,072)	<b>1</b>
Educational services	(136,363)	(202,500)	66,137	<b>2</b>
Municipal taxes	(1,928)	-	(1,928)	
Utilities	(21,052)	(34,000)	12,948	<b>2</b>
Other operating expenses	(31,424)	(90,000)	58,576	<b>2</b>
Student Insurance	(64,869)	(68,000)	3,131	
<b>Operating Expenses</b>	<b>(379,942)</b>	<b>(502,900)</b>	<b>122,958</b>	
Professional Fees	(1,058,452)	(1,025,000)	(33,452)	<b>3</b>
Interest - FCC's Term Loan	-	-	-	
Interest & Fees - FCC's DIP	(26,046)	(22,000)	(4,046)	
Interest & Fees - Purchaser's DIP	(150,000)	(172,000)	22,000	<b>2</b>
<b>Other Expenses</b>	<b>(1,234,498)</b>	<b>(1,219,000)</b>	<b>(15,498)</b>	
<b>Net Cash Flow</b>	<b>(1,614,440)</b>	<b>(1,721,900)</b>	<b>107,460</b>	
<b>Opening Cash Balance</b>	<b>727,778</b>	<b>731,352</b>	<b>(3,574)</b>	
Net Cash Flow	(1,614,440)	(1,721,900)	107,460	
DIP Advances - Purchaser	2,500,000	2,500,000	-	
<b>Ending Cash Balance</b>	<b>\$ 1,613,338</b>	<b>\$ 1,509,452</b>	<b>\$ 103,886</b>	

#### **NOTES**

1. The unfavorable variance is mainly due to additional staff required for accounting matters and the payment of post-filing accrued vacation pay (not reflected in the projections).
2. The favorable variance is timing related and should reverse in the coming weeks.
3. The unfavorable variance is timing related and should reverse in the coming weeks.

**Exhibit B  
Projections**

<b>RPI Group - Projected Cash Flow</b>												
<b>Week Ending:</b>	<b>22-Apr-22</b>	<b>29-Apr-22</b>	<b>06-May-22</b>	<b>13-May-22</b>	<b>20-May-22</b>	<b>27-May-22</b>	<b>03-Jun-22</b>	<b>10-Jun-22</b>	<b>17-Jun-22</b>	<b>24-Jun-22</b>	<b>30-Jun-22</b>	<b>Total</b>
<b>In CAD</b>	<i>7 days</i>	<i>7 days</i>	<i>7 days</i>	<i>7 days</i>	<i>7 days</i>	<i>7 days</i>	<i>7 days</i>	<i>7 days</i>	<i>7 days</i>	<i>7 days</i>	<i>6 days</i>	<i>76 days</i>
<b>Receipts</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Rent	-	-	(38,000)	-	-	-	(38,000)	-	-	-	-	(76,000)
Salaries	(33,000)	(3,400)	(33,000)	(3,400)	(25,500)	(3,400)	(25,500)	(3,400)	(25,500)	(3,400)	(18,900)	(178,400)
Educational Services	(77,000)	(40,000)	(70,000)	(40,000)	(47,750)	(33,750)	(27,000)	(27,000)	(27,000)	(27,000)	(27,000)	(443,500)
Municipal Taxes	-	(15,100)	(5,400)	-	-	-	-	-	-	-	(90,000)	(110,500)
Utilities	(4,000)	(4,000)	(4,000)	(4,000)	(4,000)	(4,000)	(3,200)	(3,200)	(3,200)	(3,200)	(3,200)	(40,000)
Other Operating Expenses	(23,500)	(7,000)	(23,500)	(7,000)	(7,000)	(7,000)	(10,000)	(7,000)	(7,000)	(7,000)	(6,000)	(112,000)
Student Insurance	-	-	(42,000)	-	-	-	(40,000)	-	-	-	-	(82,000)
<b>Operating Expenses</b>	<b>(137,500)</b>	<b>(69,500)</b>	<b>(215,900)</b>	<b>(54,400)</b>	<b>(84,250)</b>	<b>(48,150)</b>	<b>(143,700)</b>	<b>(40,600)</b>	<b>(62,700)</b>	<b>(40,600)</b>	<b>(145,100)</b>	<b>(1,042,400)</b>
Restructuring Fees	-	(30,000)	(30,000)	(30,000)	(30,000)	(30,000)	(30,000)	(30,000)	(30,000)	(30,000)	(30,000)	(300,000)
Interest - FCC's Term Loan	-	-	-	-	-	(40,000)	-	-	-	-	(39,000)	(79,000)
Interest & Fees - FCC's DIP	-	(26,000)	-	-	-	(26,000)	-	-	-	-	(26,000)	(78,000)
Interest & Fees - Purchaser's DIP	-	(46,000)	-	-	-	(32,000)	-	-	-	-	(31,000)	(109,000)
<b>Other Expenses</b>	<b>-</b>	<b>(102,000)</b>	<b>(30,000)</b>	<b>(30,000)</b>	<b>(30,000)</b>	<b>(128,000)</b>	<b>(30,000)</b>	<b>(30,000)</b>	<b>(30,000)</b>	<b>(30,000)</b>	<b>(126,000)</b>	<b>(566,000)</b>
<b>Net Cash Flow</b>	<b>(137,500)</b>	<b>(171,500)</b>	<b>(245,900)</b>	<b>(84,400)</b>	<b>(114,250)</b>	<b>(176,150)</b>	<b>(173,700)</b>	<b>(70,600)</b>	<b>(92,700)</b>	<b>(70,600)</b>	<b>(271,100)</b>	<b>(1,608,400)</b>
<b>Opening Cash Balance</b>	<b>1,613,338</b>	<b>1,475,838</b>	<b>1,304,338</b>	<b>1,058,438</b>	<b>974,038</b>	<b>859,788</b>	<b>683,638</b>	<b>509,938</b>	<b>439,338</b>	<b>346,638</b>	<b>276,038</b>	<b>1,613,338</b>
Net Cash Flow	(137,500)	(171,500)	(245,900)	(84,400)	(114,250)	(176,150)	(173,700)	(70,600)	(92,700)	(70,600)	(271,100)	(1,608,400)
<b>Ending Cash Balance</b>	<b>\$ 1,475,838</b>	<b>\$ 1,304,338</b>	<b>\$ 1,058,438</b>	<b>\$ 974,038</b>	<b>\$ 859,788</b>	<b>\$ 683,638</b>	<b>\$ 509,938</b>	<b>\$ 439,338</b>	<b>\$ 346,638</b>	<b>\$ 276,038</b>	<b>\$ 4,938</b>	<b>\$ 4,938</b>



Caroline Mastantuono



Joseph Mastantuono



Olivier Benchaya, CPA, CA, CIRP, LIT

CANADA  
Province of Québec  
District of: Montréal  
Court No.: 500-11-060613-227  
File No.: 0000546-2022-QC

SUPERIOR COURT  
(Commercial Division)  
*Companies' Creditors Arrangement Act*  
RSC 1985, c C-36, as amended

Report on Cash-Flow Statement by the Debtor Company  
(Sections 4, 5 and 11 of the *Companies' Creditors Arrangement Act*)

**In the Matter of a Plan of Compromise or Arrangement of  
Rising Phoenix International Inc., 10864285 Canada Inc., 11753436 Canada Inc., CDSQ Immobilier  
Inc., Collège de l'Estrie Inc., École d'Administration et de Secrétariat de la Rive-Sud Inc.,  
9437-6852 Québec Inc., and 9437-6845 Québec Inc.  
(collectively the "Debtors")**

The management of Rising Phoenix International Inc. et al has developed the assumptions and prepared the attached statement of projected cash flow of the debtor company, as of April 18, 2022, consisting of the period from April 16, 2022 to June 30, 2022.

The hypothetical assumptions are reasonable and consistent with the purpose of the projections described in the notes attached, and the probable assumptions are suitably supported and consistent with the plans of the debtor company and provide a reasonable basis for the projections. All such assumptions are disclosed in the notes attached.

Since the projections are based on assumptions regarding future events, actual results will vary from the information presented, and the variations may be material.

The projection has been prepared solely for the purpose described in the notes attached, using the probable and hypothetical assumptions set out in the notes attached. Consequently, readers are cautioned that it may not be appropriate for other purposes.

Dated at Montréal, in the Province of Quebec, this 18<sup>th</sup> day of April 2022.

\_\_\_\_\_  
Rising Phoenix International Inc.  
(Debtors)

Caroline Bonneville Mastantuono - President  
Name and title of signing officer

\_\_\_\_\_  
10864285 Canada Inc.  
11753436 Canada Inc.  
CDSQ Immobilier Inc.  
Collège de l'Estrie Inc.  
École d'Administration et de Secrétariat de la Rive-Sud Inc.  
9437-6852 Québec Inc.  
9437-6845 Québec Inc.  
(Debtors)

Joseph Mastantuono - President  
Name and title of signing officer

CANADA  
Province of Québec  
District of: Montréal  
Court No.: 500-11-060613-227  
File No.: 0000546-2022-QC

SUPERIOR COURT  
(Commercial Division)  
*Companies' Creditors Arrangement Act*  
RSC 1985, c C-36, as amended

Report on Cash-Flow Statement by the Debtor Company (Annex)  
(Sections 4, 5 and 11 of the *Companies' Creditors Arrangement Act*)

**In the Matter of a Plan of Compromise or Arrangement of  
Rising Phoenix International Inc., 10864285 Canada Inc., 11753436 Canada Inc., CDSQ Immobilier  
Inc., Collège de l'Estrie Inc., École d'Administration et de Secrétariat de la Rive-Sud Inc.,  
9437-6852 Québec Inc., and 9437-6845 Québec Inc.  
(collectively the "Debtors")**

**Purpose:**

On January 6, 2022, the Quebec Superior Court (sitting as Tribunal designated under the *Companies' Creditors Arrangement Act* ("CCAA")) issued an order granting the above-mentioned Company protection under the CCAA. Richter Inc. (formerly Richter Advisory Group Inc.) is the Court-Appointed Monitor during the period the Order is in force.

This Statement of Projected Cash Flow has been prepared by the management based on available financial information at that date in accordance with Section 11.02 of the *Companies' Creditors Arrangement Act*. Readers are cautioned that this information may not be appropriate for other purposes.

**Projection Notes:**

The Statement of Projected Cash-Flow has been prepared using probable assumptions supported and consistent with the plans of the Company for the period April 16, 2022 to June 30, 2022, considering the economic conditions that are considered the most probable by Management. As the cash-flow is based upon various assumptions regarding future events and circumstances, variances will exist and said variances may be material. Accordingly, we express no assurance as to whether the projections will be achieved.

**Assumptions:**

**(a) General**

- Assumes the transaction will close on June 30, 2022. However, this could occur at an earlier date.

**(b) Projected Net Operating Receipts**

- No cash receipts are reflected in the Projections on the basis that no new students will commence a new semester of study and pay the requisite tuition fees.

**(c) Projected Cash Disbursements**

- Rent – based on lease agreement with the lessors for one of the colleges;
- Salaries – for certain administrative positions at the head office and the colleges;
- Educational services – costs to resume the studies of the Registered Students;
- Municipal taxes/utilities – reflects the payment of post-filing costs in connection with the real estate owned within the group of companies;
- Other operating expenses – based on historical run rates to reflect the current level of activity and best estimates of Management;

- Student insurance – in respect of the post-filing monthly cost of emergency hospital and medical coverage for international students;
- Professional fees – relates to the Monitor and its legal counsel, the counsel for the Debtors as well as the Students' Representative counsel;
- Interest & Fees - includes interest, fees, and expenses in connection with the Term Loan, the Interim Facility and the Purchaser's DIP;
- The cash disbursements do not provide for the payment of arrears to unsecured creditors.

Dated at Montréal, in the Province of Quebec, this 18<sup>th</sup> day of April 2022.



\_\_\_\_\_  
Rising Phoenix International Inc.  
(Debtors)

Caroline Bonneville Mastantuono - President  
Name and title of signing officer



\_\_\_\_\_  
10864285 Canada Inc.  
11753436 Canada Inc.  
CDSQ Immobilier Inc.  
Collège de l'Estrie Inc.  
École d'Administration et de Secrétariat de la Rive-Sud Inc.  
9437-6852 Québec Inc.  
9437-6845 Québec Inc.  
(Debtors)

Joseph Mastantuono - President  
Name and title of signing officer

CANADA  
Province of Québec  
District of: Montréal  
Court No.: 500-11-060613-227  
File No.: 0000546-2022-QC

SUPERIOR COURT  
(Commercial Division)  
*Companies' Creditors Arrangement Act*  
RSC 1985, c C-36, as amended

**Monitor's Report on Cash-Flow Statement**  
(Sections 4, 5 and 11 of the *Companies' Creditors Arrangement Act*)

**In the Matter of a Plan of Compromise or Arrangement of**

**Rising Phoenix International Inc., 10864285 Canada Inc., 11753436 Canada Inc., CDSQ Immobilier Inc., Collège de l'Estrie Inc., École d'Administration et de Secrétariat de la Rive-Sud Inc., 9437-6852 Québec Inc., and 9437-6845 Québec Inc.**  
(collectively the "Debtors")

The attached statement of projected cash flow of Rising Phoenix International Inc. et al as of April 18, 2022, consisting of the period from April 16, 2022 to June 30, 2022, has been prepared by the management of the insolvent person for the purpose described in the notes attached, using the probable and hypothetical assumptions set out in the notes attached.

Our review consisted of inquiries, analytical procedures and discussion related to information supplied to us by the management and employees of the debtor company. Since hypothetical assumptions need not be supported, our procedures with respect to them were limited to evaluating whether they were consistent with the purpose of the projection. We have also reviewed the support provided by management for the probable assumptions and preparation and presentation of the projection.

Based on our review, nothing has come to our attention that causes us to believe that, in all material respects,

- (a) the hypothetical assumptions are not consistent with the purpose of the projection;
- (b) as at the date of this report, the probable assumptions developed are not suitably supported and consistent with the plans of the insolvent person or do not provide a reasonable basis for the projection, given the hypothetical assumptions; or
- (c) the projection does not reflect the probable and hypothetical assumptions.

Since the projection is based on assumptions regarding future events, actual results will vary from the information presented even if the hypothetical assumptions occur, and the variations may be material. Accordingly, we express no assurance as to whether the projection will be achieved.

The projection has been prepared solely for the purpose described in the notes attached, and readers are cautioned that it may not be appropriate for other purposes.

Dated at Montreal, in the Province of Québec, this 18<sup>th</sup> day of April 2022.

Richter Inc. (formerly Richter Advisory Group Inc.)  
Court-Appointed Monitor



Olivier Benchaya, CPA, CA, CIRP, LIT  
1981 McGill College Avenue, 11<sup>th</sup> Floor  
Montréal QC H3A 0G6  
Telephone: 514.908.3796 Facsimile: 514.934.8603

C A N A D A  
Province of Québec  
District of: Montréal  
Court No.: 500-11-060613-227  
File No.: 0000546-2022-QC

S U P E R I O R C O U R T  
(Commercial Division)  
*Companies' Creditors Arrangement Act*  
RSC 1985, c C-36, as amended

**Monitor's Report on Cash-Flow Statement (Annex)**  
(Sections 4, 5 and 11 of the *Companies' Creditors Arrangement Act*)

**In the Matter of a Plan of Compromise or Arrangement of**

**Rising Phoenix International Inc., 10864285 Canada Inc., 11753436 Canada Inc., CDSQ Immobilier Inc., Collège de l'Estrie Inc., École d'Administration et de Secrétariat de la Rive-Sud Inc., 9437-6852 Québec Inc., and 9437-6845 Québec Inc.**  
(collectively the "Debtors")

**Purpose:**

On January 6, 2022, the Québec Superior Court (sitting as Tribunal designated under the *Companies' Creditors Arrangement Act* ("CCAA")) issued an order granting the above-mentioned Company protection under the CCAA. Richter Inc. (formerly Richter Advisory Group Inc.) is the Court-Appointed Monitor during the period the Order is in force.

The purpose of the Statement of Projected Cash-Flow is to present an estimate of the receipts and disbursements of Rising Phoenix International Inc. et al for the period April 16, 2022 to June 30, 2022. This statement of projected cash-flow has been prepared by Management based on the financial information available at that date, in accordance with Section 11.02 of the CCAA. Readers are cautioned that this information may not be appropriate for other purposes.

**Projection Notes:**

The Statement of Projected Cash-Flow has been prepared using probable assumptions supported and consistent with the plans of the Company for the period April 16, 2022 to June 30, 2022, considering the economic conditions that are considered the most probable by Management.

As the cash-flow is based upon various assumptions regarding future events and circumstances, variances will exist and said variances may be material. Accordingly, we express no assurance as to whether the projections will be achieved.

**Assumptions:**

**(a) General**

- Assumes the transaction will close on June 30, 2022. However, this could occur at an earlier date.

**(b) Projected Net Operating Receipts**

- No cash receipts are reflected in the Projections on the basis that no new students will commence a new semester of study and pay the requisite tuition fees.

**(c) Projected Cash Disbursements**

- Rent – based on lease agreement with the lessors for one of the colleges;
- Salaries – for certain administrative positions at the head office and the colleges;
- Educational services – costs to resume the studies of the Registered Students;
- Municipal taxes/utilities – reflects the payment of post-filing costs in connection with the real estate owned within the group of companies;
- Other operating expenses – based on historical run rates to reflect the current level of activity and best estimates of Management;
- Student insurance – in respect of the post-filing monthly cost of emergency hospital and medical coverage for international students;

- Professional fees – relates to the Monitor and its legal counsel, the counsel for the Debtors as well as the Students' Representative counsel;
- Interest & Fees - includes interest, fees, and expenses in connection with the Term Loan, the Interim Facility and the Purchaser's DIP;
- The cash disbursements do not provide for the payment of arrears to unsecured creditors.

Dated at Montreal in the Province of Québec, this 18<sup>th</sup> day of April 2022.

Richter Inc. (formerly Richter Advisory Group Inc.)  
Court-Appointed Monitor



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Olivier Benchaya, CPA, CA, CIRP, LIT