

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)

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

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

INTRODUCTION

1. The present report ("**Eighth 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**"), the Sixth Report dated April 11, 2022 (the "**Sixth Report**") and the Seventh Report dated April 19, 2022 (the "**Seventh 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 Eighth 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 Eighth Report is intended to provide the Court with information relating to:
 - Procedural Background;
 - Update on the Transaction and Closing;
 - Immigration Status Update;
 - Actions Following the ISI Judgment;
 - CCSQ Sherbrooke;
 - 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. On April 8, 2022 the Debtors filed an *Application by the Debtors for the Continuance of the ISI Application* (the “**Stay Application Continuance**”). The Court rejected the Stay Application Continuance and the ISI Application was heard by the Court on April 20, 2022. On May 9, 2022, the Court issued its judgement (the “**ISI Judgment**”).
13. On April 8, 2022, the Students’ 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**”). On April 22, 2022, the Court dismissed the Immigration Application.
14. On April 19, 2022, the Debtors filed an *Application for the Issuance of an Order Extending the Stay Period* (the “**Second Extension Application**”). On April 20, 2022, the Court granted the Second Extension Application and extended the Stay Period to June 30, 2022.

15. On June 14, 2022, the Debtors filed an *Application for the Issuance of an Order Extending the Stay Period* (the “**Third Extension Application**”). The Third Extension Application is scheduled to be heard on June 20, 2022.

UPDATE ON THE TRANSACTION AND CLOSING

16. As detailed in the Sixth Report, the closing of the Transaction is conditional on, *inter alia*, the following conditions precedent:
- The transfer of the education permits granted by the *Ministère de l'éducation* and the *Ministère de l'enseignement supérieur* (the “**Education Ministries**” or “**MEES**”) to the Purchaser. This process is ongoing as more fully described below; and
 - The execution of a Transition Services Agreement (“**TSA**”) between the Purchaser and the Debtors, to cover the interim period until the closing of the Transaction as well as transition services required following the closing. As further detailed in the Sixth Report, the TSA was finalized and signed by the Purchaser and the Debtors, such that this condition to closing has been met.
17. Regarding the transfer of the education permits, the Monitor has been in regular contact with both the Purchaser and representatives of MEES and can advise the Court as follows:
- The Purchaser continued to respond to information requests from MEES and as of the date of this report, confirms that all information requested has been provided;
 - MEES has informed the Monitor and the Purchaser that both the transfer and the request for a renewal of the permits was to be formally reviewed by the committee that handles these requests on June 10, 2022. Following this review, a report will be submitted to the respective Education Ministers (Minister of Education and Minister of Higher Learning) for their final review and determination.
18. In anticipation of a favorable decision regarding the transfer of the permits, the Purchaser and the Debtors, with the assistance of the Monitor, are continuing to finalize all closing documents and steps, such that they will be ready to close the transaction as soon as, or shortly following, the transfer of the permits.
19. The Monitor, along with the Purchaser and the Debtors, continue to believe that this transaction will be able to close by June 30, 2022.

20. On June 7, 2022, the Government of Quebec and the Immigration, Refugees and Citizenship Canada (IRCC) announced new measures to restrict access to the post-graduation work permits for certain graduates of unsubsidized private learning institutions. The Monitor understands that these new measures will apply to students who enrol in a program of study after September 1, 2023. Notwithstanding the potential impact this may have on certain of the Colleges, both the Purchaser and the Debtors are continuing to work towards a closing of the Transaction.

IMMIGRATION STATUS UPDATE

21. On April 22, 2022, the Court rendered its judgment on the Immigration Application. The Court dismissed the Immigration Application, but nonetheless invited the governments of Quebec and Canada to consider waiving the fees for the extension of study permits and renewal of *Certificats d'acceptation du Québec* ("**CAQs**") which "*are not insignificant, have already been paid once, and may prevent some students from applying for an extension.*" The Court also encouraged the Students' Representative Counsel and the two levels of government to continue ongoing discussions with a view to finding solutions to reduce the administrative burden on the students and the prejudice caused to them by the Debtors' insolvency.
22. The Monitor is informed that, in light of the foregoing, the Students' Representative Counsel immediately communicated with the respective governmental authorities to inquire if they were amenable to waiving the fees and to finding a solution to reduce the administrative burden on the students (i.e. the implementation of a streamlined process to reconsider refused study permit applications). Both levels of government refused to waive the fees and the government of Canada informed the Students' Representative Counsel that it would not make an exception to the regular process for the students who wanted to apply for a reconsideration of their refused study permit application. The Monitor is informed that at least one of the students who applied for a reconsideration was invited to apply to the Federal Court.
23. Concurrently with the foregoing, the Students' Representative Counsel prepared and sent a Fifth Communication to the students ("**Fifth Communication**"). The Fifth Communication informed the students of the dismissal of the Immigration Application and reiterated that it was imperative that all students whose study permits and/or CAQs were set to expire file an application to extend their study permit and renew their CAQ as soon as possible and before the expiration of same. The Fifth Communication also included a General Instructions Guide for the renewal of the CAQ, the study permit and the temporary resident visa as well as other documents which students were to include in their applications.
24. The Students' Representative Counsel has informed the Monitor that it is unaware of how many students applied to extend their study permit and renew their CAQ within the required delays.

ACTIONS FOLLOWING THE ISI JUDGMENT

25. On May 9, 2022, the Court issued the ISI Judgment in which it determined, among other things, that:
- (a) the homologation and enforcement of ISI's arbitration award against Caroline, Joseph and Christina Mastantuono (the "**Mastantuonos**") is not stayed by the Amended and Restated Order.
 - (b) the homologation of the arbitration award was suspended until after a plan of arrangement has been presented to the creditors and voted upon; and
 - (c) the Mastantuonos were ordered to submit to the Monitor and ISI a sworn declaration of assets owned by no later than May 23, 2022.
26. On May 23, 2022, and in accordance with the ISI Judgment, affidavits for each of the Mastantuonos was communicated to counsel for ISI.
27. The Monitor understands that examinations on these affidavits are scheduled to take place on June 23, 2022.

CCSQ SHERBROOKE

28. The Monitor's Fifth Report provided a summary of the APA entered into between the Debtors and the Purchaser. As part of the assumed liabilities, the Purchaser agreed to assume various liabilities relating to the students including the students of CCSQ Sherbrooke, a partner school of the Debtors.
29. The following agreements existed between the Debtors and CCSQ Sherbrooke:
- A management agreement ("**Management Agreement**") whereby the Debtors oversaw the day-to-day operations of CCSQ Sherbrooke including the teaching of the CCSQ Sherbrooke students. The Management Agreement expires in December 2022;
 - A lease ("**Lease**") between CDE and CCSQ Sherbrooke whereby CCSQ Sherbrooke attended classes in the CDE premises in Sherbrooke, Quebec. The Lease expires on July 31, 2022; and
 - A recruiting agreement ("**Recruiting Agreement**") between RPI and CCSQ Sherbrooke, whereby RPI was to recruit students for CCSQ Sherbrooke. The Recruiting Agreement expires in October 2023.

30. The Monitor facilitated various discussions between the Purchaser and CCSQ Sherbrooke regarding future operations. Ultimately CCSQ Sherbrooke advised the Debtors and the Purchaser that it had entered into an arrangement with another private college regarding future operations.
31. As such, on or about May 13, 2022, after consultation with the Purchaser, the Debtors disclaimed the Management Agreement and the Recruiting Agreement. As of the date of this report, CCSQ Sherbrooke has not filed any appeal of the disclaimers. The Debtors advise that they are continuing to fulfil their obligations under the various agreements.

MONITOR'S ACTIVITIES

32. We refer to the Monitor's Seventh Report for a description of the Monitor's current and ongoing activities which are continuing through the issuance of this Eighth Report.

COMPANY'S ACTIVITIES

33. Since the issuance of the Seventh 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 510 students to complete their curriculum and is allowing 724 Registered students to continue their studies at the Colleges;
 - Dealt with issues relating to the ongoing operations of CCSQ Sherbrooke and the issuance of disclaimer notifications of the Management Agreement and the Recruiting Agreement; and
 - Collaborated with the Purchaser in providing multiple information requests to assist in the closing of the Transaction including but not limited to preparing for the transfer of various information technology matters, intellectual property, the whole to ensure a seamless transition.

FINANCIAL PERFORMANCE AND CASH FLOW PROJECTIONS

34. 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 Eighth Report contains the comparative cash flow statement for the 7-week period ended June 3, 2022 which reflects a positive cash flow variance of approximately \$23,000.

35. The Company’s weekly cash flow projections with the accompanying notes and reports (hereinafter the “**Projections**”) prepared by Management for the period from June 4, 2022 to August 15, 2022 (hereinafter the “**Period**”) are included in **Exhibit B**. We summarize the Projections as follows:

| Projected Cash Flow | | |
|---|----|------------------|
| For the 73-day period ending August 15, 2022 | | |
| Salaries | \$ | (47,900) |
| Educational Services | | (154,500) |
| Utilities | | (18,000) |
| Other Operating Expenses | | (51,000) |
| Operating Expenses | | (271,400) |
| Restructuring Fees | | (120,000) |
| Interest - FCC's Term Loan | | (41,200) |
| Interest & Fees - FCC's DIP | | (25,300) |
| Interest & Fees - Purchaser's DIP | | (62,800) |
| Other Expenses | | (249,300) |
| Net Cash Flow | | (520,700) |
| Opening Cash Balance | | 532,643 |
| Net Cash Flow | | (520,700) |
| Ending Cash Balance | \$ | 11,943 |

36. The Company’s Projections assume that the Transaction closes on or before June 30, 2022 and that it will have sufficient cash flow to cover operating costs up until that date. Note however, that the cash flow is not sufficient to fully cover post-filing Restructuring Fees, consisting of post-filing professional fees of the Debtor’s legal counsel as well as the Monitor and its legal counsel, as well as fees that may have been incurred by Students’ Representative Counsel. It is expected that the accrued and unpaid Restructuring Costs will be paid out of the closing proceeds of the Transaction.
37. Post-closing, the Debtors are not forecasting to have any ongoing operations, nor related disbursements.

EXTENSION REQUEST

38. The Third Extension Application seeks an extension of the Stay Period until August 15, 2022 to allow for the following:
- The opportunity to complete the sale transaction with the Purchaser; and
 - For the Monitor and the Debtors to evaluate and initiate the next steps which are presumed to include a formal claims process, with the goal of leading to a Plan of Arrangement to provide for a distribution to unsecured creditors.

39. The Monitor understands that the major stakeholders, including Firm Capital, the Purchaser and the Students' Representative Counsel, have been contacted and all support the conclusions sought in the Third Extension Application.

CONCLUSION

40. The Monitor is of the opinion that the Court should grant the Debtors' Third Extension Application extending the Stay Period until August 15, 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, which is expected to close on or prior to June 30, 2022;
 - The extension provides additional time to evaluate and prepare the next steps in these CCAA proceedings, including in particular, a claims process and a Plan of Arrangement to the creditors; and
 - The extension will not cause any prejudice to the various stakeholders, but rather will allow for the implementation of the above-mentioned steps, which are all to the benefit of the Debtors' various stakeholders and creditors, including in particular, the Students.
41. The Monitor will provide an interim update to the Court following the closing of the Transaction and/or by June 30, 2022.

Respectfully submitted at Montreal, this 15th day of June 2022.

Richter Inc. (formerly Richter Advisory Group Inc.)

Monitor



Olivier Benchaya, CPA, CIRP, LIT



Andrew Adessky, CPA, MBA, CIRP, LIT

Exhibit A
Comparative Cash Flow Statement for
the 7-week period ended June 3, 2022

| RPI (Consolidated) | | | | |
|---|--------------------|--------------------|------------------|--------------|
| Projected Cash Flow | Reported | Projected | Variance | Notes |
| <i>For the period of April 16 to June 3, 2022</i> | <i>49 days</i> | <i>49 days</i> | | |
| Receipts | \$ 16,436 | \$ - | \$ 16,436 | 1 |
| Rent | (71,666) | (76,000) | 4,334 | |
| Salaries | (150,874) | (127,200) | (23,674) | 2 |
| Educational Services | (395,838) | (335,500) | (60,338) | 3 |
| Municipal Taxes | (20,589) | (20,500) | (89) | |
| Utilities | (22,327) | (27,200) | 4,873 | |
| Other Operating Expenses | (37,605) | (85,000) | 47,395 | 4 |
| Student Insurance | (78,993) | (82,000) | 3,007 | |
| Operating Expenses | (777,893) | (753,400) | (24,493) | |
| Professional Fees | (178,637) | (180,000) | 1,363 | |
| Interest - FCC's Term Loan | (42,487) | (40,000) | (2,487) | |
| Interest & Fees - FCC's DIP | (51,882) | (52,000) | 118 | |
| Interest & Fees - Purchaser's DIP | (46,233) | (78,000) | 31,767 | 4 |
| Other Expenses | (319,239) | (350,000) | 30,761 | |
| Net Cash Flow | (1,080,696) | (1,103,400) | 22,704 | |
| Opening Cash Balance | 1,613,338 | 1,613,338 | - | |
| Net Cash Flow | (1,080,696) | (1,103,400) | 22,704 | |
| Ending Cash Balance | \$ 532,643 | \$ 509,938 | \$ 22,704 | |

NOTES

1. Reflects a sales tax refund that was not projected to be received in the period.
2. The unfavorable variance is mainly due to additional staff required for accounting and administrative matters.
3. The unfavorable variance is due to more teaching hours than budgeted in the period.
4. The favorable variance is timing related and should reverse in the coming weeks.

**Exhibit B
Projections**

RPI Group - Projected Cash Flow

| Week Ending: In CAD | 10-Jun-22 7 days | 17-Jun-22 7 days | 24-Jun-22 7 days | 01-Jul-22 7 days | 08-Jul-22 7 days | 15-Jul-22 7 days | 22-Jul-22 7 days | 29-Jul-22 7 days | 05-Aug-22 7 days | 12-Aug-22 7 days | 15-Aug-22 3 days | Total 73 days |
|-----------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|------------------|
| Salaries | \$ (3,700) | \$ (14,700) | \$ (3,700) | \$ (14,700) | \$ (11,100) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ (47,900) |
| Educational Services | (22,900) | (36,200) | (22,200) | (41,900) | (31,300) | - | - | - | - | - | - | (154,500) |
| Utilities | (1,800) | (7,200) | (4,500) | (4,500) | - | - | - | - | - | - | - | (18,000) |
| Other Operating Expenses | - | (31,000) | (7,000) | (6,000) | (7,000) | - | - | - | - | - | - | (51,000) |
| Operating Expenses | (28,400) | (89,100) | (37,400) | (67,100) | (49,400) | - | - | - | - | - | - | (271,400) |
| Restructuring Fees | - | (60,000) | (30,000) | (30,000) | - | - | - | - | - | - | - | (120,000) |
| Interest - FCC's Term Loan | - | - | - | (41,200) | - | - | - | - | - | - | - | (41,200) |
| Interest & Fees - FCC's DIP | - | - | - | (25,300) | - | - | - | - | - | - | - | (25,300) |
| Interest & Fees - Purchaser's DIP | - | (31,900) | - | (30,900) | - | - | - | - | - | - | - | (62,800) |
| Other Expenses | - | (91,900) | (30,000) | (127,400) | - | - | - | - | - | - | - | (249,300) |
| Net Cash Flow | (28,400) | (181,000) | (67,400) | (194,500) | (49,400) | - | - | - | - | - | - | (520,700) |
| Opening Cash Balance | 532,643 | 504,243 | 323,243 | 255,843 | 61,343 | 11,943 | 11,943 | 11,943 | 11,943 | 11,943 | 11,943 | 532,643 |
| Net Cash Flow | (28,400) | (181,000) | (67,400) | (194,500) | (49,400) | - | - | - | - | - | - | (520,700) |
| Ending Cash Balance | \$ 504,243 | \$ 323,243 | \$ 255,843 | \$ 61,343 | \$ 11,943 | \$ 11,943 | \$ 11,943 | \$ 11,943 | \$ 11,943 | \$ 11,943 | \$ 11,943 | \$ 11,943 |

The Company's Projections assume that the Transaction closes on or before June 30, 2022 and that it will have sufficient cash flow to cover operating costs to that date. The cash flow is not sufficient to fully cover post-filing Restructuring Fees, consisting of post-filing professional fees of the Debtor's legal counsel as well as the Monitor and its legal counsel. It is expected that the accrued and unpaid Restructuring Costs will be paid out of the closing proceeds of the Transaction.

As the transaction proceeds remains confidential, it has not been reflected in the receipts. As well, any disbursements related to CCAA proceedings post-closing are not reflected in the Projections and are presumed to be paid out of the Transaction's proceeds.

Caroline Mastantuono

Joseph Mastantuono

Olivier Benchaya, CPA, CIRP, LIT

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

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 June 15, 2022, consisting of the period from June 4, 2022 to August 15, 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 15th day of June 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

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

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 June 4, 2022 to August 15, 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

- The Company's Projections assume that the Transaction closes on or before June 30, 2022 and that it will have sufficient cash flow to cover operating costs to that date. The cash flow is not sufficient to fully cover post-filing Restructuring Fees, consisting of post-filing professional fees of the Debtor's legal counsel as well as the Monitor and its legal counsel. It is expected that the accrued and unpaid Restructuring Costs will be paid out of the closing proceeds of the Transaction.
- As the transaction proceeds remains confidential, it has not been reflected in the receipts. As well, any disbursements related to CCAA proceedings post-closing are not reflected in the Projections and are presumed to be paid out of the transaction's proceeds.

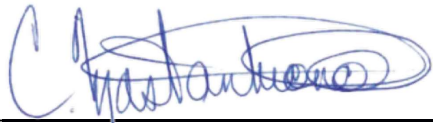
(b) Projected Net Operating Receipts

- 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

- Salaries – for certain administrative positions at the head office and the colleges;
- Educational services – costs to continue the studies of the Registered Students;
- Other operating expenses – based on historical run rates to reflect the current level of activity and best estimates of Management;
- Professional fees – relates to the Monitor and its legal counsel, the counsel for the Debtors as well as the Students' Representative counsel. Post-transactions professional fees are expected to be incurred and are not reflected in the projections;
- 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 15th day of June 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 June 15, 2022, consisting of the period from June 4, 2022 to August 15, 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 Montréal, in the Province of Québec, this 15th day of June 2022.

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



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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 June 4, 2022 to August 15, 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 June 4, 2022 to August 15, 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

- The Company's Projections assume that the Transaction closes on or before June 30, 2022 and that it will have sufficient cash flow to cover operating costs to that date. The cash flow is not sufficient to fully cover post-filing Restructuring Fees, consisting of post-filing professional fees of the Debtors' legal counsel as well as the Monitor and its legal counsel. It is expected that the accrued and unpaid Restructuring Costs will be paid out of the closing proceeds of the Transaction.
- As the transaction proceeds remain confidential, it has not been reflected in the receipts. As well, any disbursements related to CCAA proceedings post-closing are not reflected in the Projections and are presumed to be paid out of the transaction proceeds.

(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

- Salaries – for certain administrative positions at the head office and the colleges;
- Educational services – costs to continue the studies of the Registered Students;
- Other operating expenses – based on historical run rates to reflect the current level of activity and best estimates of Management;
- Professional fees – relates to the Monitor and its legal counsel, the counsel for the Debtors as well as the Students' Representative counsel. Post-transactions professional fees are expected to be incurred and are not reflected in the projections;
- 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 Québec, this 15th day of June 2022.

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



Olivier Benchaya, CPA, CIRP, LIT

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)

N° : 500-11-060613-227

CANADA
PROVINCE OF QUÉBEC
DISTRICT OF MONTRÉAL

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

RISING PHOENIX INTERNATIONAL INC. AND AL.

Debtors

-and-

**RICHTER INC. (FORMERLY RICHTER ADVISORY GROUP.
INC.)**

Monitor

BS0350

File: 033491-1035

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

ORIGINAL

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