

CANADA
PROVINCE OF QUÉBEC
DISTRICT OF MONTRÉAL

No.: 500-11-060613-227

SUPERIOR COURT
(Commercial Division)

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

RISING PHOENIX INTERNATIONAL INC.

- and -

10864285 CANADA INC. doing business under
the trade name **M COLLEGE OF CANADA**

- and -

11753436 CANADA INC.

- and -

CDSQ IMMOBILIER INC.

- and -

COLLÈGE DE L'ESTRIE INC.

- and -

**ÉCOLE D'ADMINISTRATION ET DE
SÉCRÉTARIAT DE LA RIVE SUD INC.**

- and -

9437-6845 QUÉBEC INC.

- and -

9437-6852 QUÉBEC INC.

Applicants

- and -

RICHTER INC.

Monitor

**APPLICATION FOR THE ISSUANCE OF
AN ORDER EXTENDING THE STAY PERIOD**

(Section 11.02(2) of the *Companies' Creditors Arrangement Act*)

TO THE HONOURABLE DAVID R. COLLIER OF THE SUPERIOR COURT, SITTING IN COMMERCIAL DIVISION, IN AND FOR THE JUDICIAL DISTRICT OF MONTREAL, THE APPLICANTS RESPECTFULLY SUBMIT THE FOLLOWING:

I. ORDER SOUGHT

1. By way of the present *Application for the Issuance of an Order Extending the Stay Period* (the "**Application**"), 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., 9437-6845 Québec Inc. and 9437-6852 Québec Inc. (collectively, the "**Applicants**") seek the issuance of an order substantially in the form of the draft order communicated herewith as **Exhibit R-1** extending the Stay Period (as defined below) until August 15th, 2022.

II. PROCEDURAL BACKGROUND

2. On January 5, 2022, the Applicants filed an application pursuant to the *Companies Creditors Arrangement Act*, R.S.C., 1985, c. C-36, as amended, (the "**CCAA**") entitled *Application for the Issuance of a First Day Initial Order and an Amended and Restated Initial Order* (the "**Initial Application**").
3. On January 6, 2022, the Superior Court of Quebec (Commercial Division) (the "**Court**") partially granted the Initial Application and rendered a First-Day Initial Order (the "**First Day Order**"), which, *inter alia*, stayed all proceedings and remedies taken or that might be taken in respect of the Applicants, or any of their property, and their Directors and Officers, until January 14, 2022 (the "**Stay Period**").
4. On January 13, 2022, Firm Capital Mortgage Fund Inc. ("**Firm Capital**") filed a Contestation (the "**FC Contestation**") to the Applicants' request for the issuance of an Amended and Restated Initial Order (as defined hereinafter) which was sought pursuant to the Initial Application.
5. On January 14, 2022, the Court agreed to postpone the hearing on the issuance of the Amended and Restated Initial Order to January 17, 2022 and rendered an order extending the Period to January 17, 2022.
6. Firm Capital did not proceed with the FC Contestation in view of the settlement that preceded the hearing on January 17, 2022, and has since provided financing to the Applicants on the terms and conditions set forth in the interim financing facility term sheet (the "**Interim Financing Term Sheet**") approved by the Court which provides for a credit facility in the principal amount of \$1,750,000 plus Lender's Costs (the "**Interim Financing Facility**").
7. On January 16, 2022, the Applicants filed an *Amended Application for the Issuance of a First Day Initial Order and an Amended and Restated Initial Order* (the "**Amended Initial Application**").
8. On January 17, 2022, the Court granted the Amended Initial Application and rendered an order (the "**Amended and Restated Initial Order**") and extended the Stay Period until February 28, 2022.

9. On February 9, 2022, Anish Sachdeva, Manjot Singh, Sukhrajpreet Singh, Sukhmanpreet Singh and Jaspreet Singh (the “**Proposed Student Representatives**”) filed an *Application for the Issuance of a Student Representation Order* (the “**Representation Application**”).
10. On February 15, 2022, the Court granted in part the Representation Application and issued an order (the “**Student Representation Order**”) pursuant to which, McCarthy Tétrault LLP was appointed as representative counsel (the “**Students’ Representative Counsel**”) in these proceedings (the “**CCAA Proceedings**”) to represent the interests of all persons who are creditors of the Applicants as a result of their status as a currently enrolled student at the Colleges (as defined hereinafter), pipeline student of the Colleges or in light of tuition fees paid to the Applicants (collectively, the “**Students**”).
11. On February 28th, 2022, the Court extended the Stay Period until April 29th, 2022.
12. On March 14th, 2022, pursuant to the *Applicants’ 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* dated March 10th, 2022, the Court rendered two orders, namely:
 - (a) a Re-Amended and Restated Initial Order (the “**Re-Amended and Restated Initial Order**”) which restated the conclusions of the Amended and Restated Initial Order and, in addition thereto, *inter alia*:
 - i. confirmed the extension of the Stay Period until April 29, 2022; and
 - ii. approved a Junior Interim Financing Agreement (as defined therein) of \$2.5 million;
 - (b) an Approval and Vesting Order (the “**Approval and Vesting Order**”) which approved the sale as a going concern of the Colleges and other identified assets of the Applicants to a third party purchaser, 6815464 Canada Ltd., (the “**Purchaser**”).
13. 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, Subsidiairement, pour Lever la Suspension des Procédures en faveur des Administrateurs et Dirigeants* » (the “**ISI Application**”).
14. On, April 8, 2022, the Applicants filed an application for the continuance of the ISI Application, filed on April 8, 2022 (the “**Stay Application Continuance**”).
15. On April 8, 2022, the Student Representative Counsel filed an *Application for 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**”).
16. On April 13, 2022, a hearing took place for the presentation of the Immigration Application, and considering the availability of the Court, it was determined that the

ISI Application and the Stay Application Continuance would be presented on April 19, 2022 and April 20, 2022.

17. On April 20th, 2022, the Court extended the Stay Period until June 30th, 2022.
18. On April 22nd, 2022, the Court dismissed the Immigration Application.
19. On May 9th, 2022, the Court partially granted both the ISI Application and the Stay Application Continuance by, *inter alia*, (i) suspending ISI's homologation of the February 17, 2002 arbitral award until a plan of arrangement has been presented to creditors and voted upon; (ii) ordering Caroline, Christina and Joseph Mastantuono to declare, under oath, all of the assets they own, directly or indirectly control, or are beneficially entitled to receive; and (ii) Ordering Caroline, Christina and Joseph Mastantuono not to dispose of or transfer any of these assets.
20. On May 23, 2022, Caroline, Christina and Joseph Mastantuono each declared under oath the assets they own, directly or indirectly control, or are beneficially entitled to receive.
21. Examinations of the three affiants by ISI were scheduled for June 23, 2022.

III. **RESTRUCTURING EFFORTS SINCE THE COMMENCEMENT OF THE CCAA PROCEEDINGS**

A. **The Sale Transaction**

22. Following the commencement of these CCAA Proceedings, the Monitor launched an accelerated sale process, in consultation with the Applicants and Firm Capital, which culminated in the signing of an asset purchase agreement (the "APA") with the Purchaser, for the sale, as going concerns, of the Colleges (the "Transaction").
23. The APA was approved by this Court with the issuance of the Approval and Vesting Order.
24. The Transaction, if and when it closes, will allow all of the Registered Students to complete their program and, in the case of the Pipeline and Other Students, to attend the College they applied to and obtain their education, if they satisfy the government requirements and obtain a Study Permit.
25. On April 20th, 2022, the Applicants and the Monitor reported to the Court that while an APA had been signed with the Purchaser, there were numerous steps that needed to be completed to close the Transaction and ensure the smooth transfer of the Colleges to the Purchaser.
26. The closing of the Transaction is conditional on the following conditions precedent:
 - (a) 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; and

- (b) 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.
27. While the pre-closing required TSA was executed, the authorisation for the transfer of the permits by the Education Ministries remains pending.
28. Pending the ministerial authorizations, the Applicants together with the Monitor and the Purchaser, have worked diligently towards the closing of the Transaction, while continuing to operate the Colleges and provide education to their students.
29. The Applicants were informed that the permit transfer requests, as well as the permit renewals, were submitted to an advisory committee which was meeting on June 10, 2022 to formulate recommendations to the appropriate Minister.
30. The Applicants are confident that the Education Ministries should authorise the transfers in time for the Transaction to close before the deadline of June 30th, 2022.
31. However, assuming the Transaction does close before June 30th, 2022, the Applicants and the Purchaser will still need a few weeks to transition the Colleges to the Purchaser, the whole to the benefit of the students.

B. The Claim Process Sale Transaction

32. The extension of the Stay Period will allow the parties to close the Transaction, as well as proceed with any post-closing transition steps in connection with the Colleges.
33. In addition, the extension of the Stay Period, as well as the visibility afforded by time with respect to the status of the various Students and their claims, will allow the Applicants and the Monitor to consider and initiate a claims process.
34. In addition, the Applicants will be able to initiate the process of considering and preparing a plan of compromise and arrangement to their creditors, which is expected to include a significant financial contribution by the Directors and Officers.

IV. RELIEF SOUGHT

35. Since the commencement of these CCAA Proceedings, the Applicants have acted in good faith, with due diligence and have worked with the Monitor and other stakeholders to resume their educational operations, implement an expedited sale process, negotiate an APA and facilitate a smooth transition to the Purchaser.
36. The Applicants believe and respectfully submit that an extension of the Stay Period until August 15th, 2022 is reasonable in the circumstances, as it will allow the Applicants to close the Transaction and ensure a transition with the Purchaser, for the benefit of all stakeholders.

37. Should the Stay Period not be extended, the progress realized to date by the Applicants, the Monitor and various other stakeholders towards the goal of selling the Applicants' business and the Colleges as a going concern will fail, to the detriment of all stakeholders, and in particular the Students.
38. The Applicants understand that the Monitor, Firm Capital, the Student Representatives and the Purchaser are supportive of their request to extend the Stay Period.
39. The Applicants also submit that no creditor will be materially prejudiced by the extension of the Stay Period, as requested herein.
40. In light of the foregoing, the Applicants respectfully submit that the present Application should be granted in accordance with its conclusions.

WHEREFORE, MAY THIS COURT:

GRANT this *Application for the Issuance of an Order Extending the Stay Period* (the "Application").

ISSUE orders substantially in the form of the amended draft order communicated as **Exhibit R-1**;

WITHOUT COSTS, save and except in case of contestation.

MONTRÉAL, June 14, 2022



KAUFMAN LAWYERS LLP

Att. Me Martin P. Jutras

800 Boulevard René-Lévesque O, Bureau 2220

Montréal (Québec) H3B 1X9

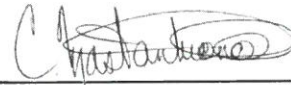
Attorneys for the Applicants

SWORN STATEMENT

I, the undersigned, **Caroline Bonneville (Mastantuono)**, having my principal place of business at 2140 rue de la Montagne, 3rd Floor, in the city of Montreal, Province of Quebec, solemnly declare the following:

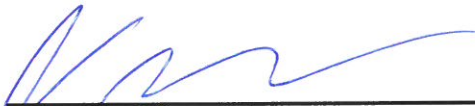
1. I am the president of Rising Phoenix International Inc.;
2. All the facts alleged in the *Application for the Issuance of an Order Extending the Stay Period* are, to the best of my knowledge, true.

AND I HAVE SIGNED

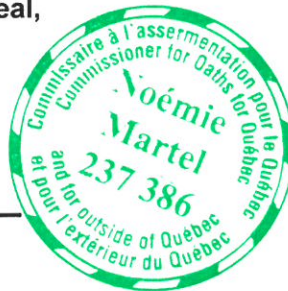


Caroline Bonneville

Solemnly declared before me at Montreal,
on the 14th day of June, 2022



Commissioner of oath for the Quebec



NEW NOTICE OF PRESENTATION

TO: the Service List

TAKE NOTICE that the *Application for the Issuance of an Order Extending the Stay Period* will be presented for adjudication before the honourable Justice R. Collier of the Superior Court of Quebec, Commercial Division, at the Montréal Courthouse located at 1 Notre-Dame Street East, at a time and date to be determined by the Court and to be communicated to the Service List.

The Teams link, to participate in the virtual hearing, is available on the site <http://www.tribunaux.qc.ca>

DO GOVERN YOURSELVES ACCORDINGLY.

MONTRÉAL, June 14, 2022


KAUFMAN LAWYERS LLP
Attorneys for the Applicants

CANADA
PROVINCE OF QUÉBEC
DISTRICT OF MONTRÉAL

SUPERIOR COURT
Commercial Division

No.: 500-11-060613-227

IN THE MATTER OF THE PLAN OF
ARRANGEMENT AND COMPROMISE 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
SÉCRÉTARIAT DE LA RIVE SUD INC.

- and -

9437-6845 QUÉBEC INC.

- and -

9437-6852 QUÉBEC INC.

Applicants

- and -

RICHTER INC.

Monitor

INVENTORY OF EXHIBITS

Exhibit R-1: Draft copy of the Order Extending the Stay Period;

MONTRÉAL, June 14, 2022


KAUFMAN LAWYERS LLP
Attorneys for the Applicants

SUPERIOR COURT
(Commercial Division)

CANADA
PROVINCE OF QUÉBEC
DISTRICT OF MONTREAL

No: **500-11-060613-227**

DATE: **June** , 2022

PRESIDING: THE HONOURABLE DAVID R. COLLIER

**IN THE MATTER OF THE ARRANGEMENT OR COMPROMISE 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 -

9437-6845 QUÉBEC INC.

- and -

9437-6852 QUÉBEC INC.

Applicants

- and -

RICHTER INC.

Monitor

ORDER EXTENDING THE STAY PERIOD

CONSIDERING the *Application for the Issuance of an Order Extending the Stay Period* (the "**Application**") made by the Applicants pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, C-36 (as amended the "**CCAA**") and the affidavit filed in support thereof;

SEEING the service of the Application;

SEEING the submissions of the Applicant's counsel and other counsel present at the hearing on the Application;

GIVEN the First Day Initial Order rendered by this Court on January 6, 2022 (the "**First Day Order**"), ordering, *inter alia*, a stay of all proceedings and remedies taken or that might be taken in respect of the Applicants or any of their property, except as otherwise set forth in the First Day Initial Order or as otherwise permitted by law, until January 14, 2022 (as further defined in the First Day Order, the "**Stay Period**");

GIVEN the Order Extending the Stay of Proceedings rendered by this Court on January 14, 2022, *inter alia*, extending the Stay Period until January 17, 2022;

GIVEN the Amended and Restated Initial Order rendered by this Court on January 17, 2022, *inter alia*, extending the Stay Period until February 28, 2022;

GIVEN the Order Extending the Stay of Period rendered by this Court on February 28, 2022, *inter alia*, extending the Stay Period until April 29, 2022;

GIVEN the Order Extending the Stay of Period rendered by this Court on April 20, 2022, *inter alia*, extending the Stay Period until June 30, 2022;

SEEING that it is appropriate to extend the Stay Period until August 15, 2022;

GIVEN the provisions of the CCAA;

THE COURT:

- [1] **GRANTS** the Application;
- [2] **EXTENDS** the Stay Period until August 15, 2022;
- [3] **ORDERS** the provisional execution of the Order notwithstanding appeal, and without requirement to provide any security or provision for costs whatsoever;
- [4] **THE WHOLE** without costs.

Montreal, June , 2022

THE HONOURABLE DAVID R. COLLIER, J.S.C.

N°: 500-11-060613-227

SUPERIOR COURT
(Commercial Division)
DISTRICT OF MONTREAL
PROVINCE OF QUÉBEC

RISING PHOENIX INTERNATIONAL INC. AND AL.
Debtors
-and-
RICHTER INC.
Monitor

**APPLICATION FOR THE ISSUANCE OF AN ORDER
EXTENDING THE STAY PERIOD**
(Section 11.02(2) of the *Companies' Creditors Arrangement
Act*) **AND EXHIBIT R-1**

COPY FOR SERVICE LIST

Martin P. Jutras
mjutras@klcanada.com
1 514 871 5320
Our file: **15480-2**

KAUFMAN
LAWYERS

KAUFMAN LAWYERS LLP
800 RENÉ-LÉVESQUE BLVD. WEST, SUITE 2220
MONTREAL, QUÉBEC H3B 1X9
TEL. 1 514 875-7550 FAX 1 514 875-7147
KLCANADA.COM

(BK0574)