

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
SECRÉTARIAT DE LA RIVE SUD INC.**

- and -

9437-6845 QUÉBEC INC.

- and -

9437-6852 QUÉBEC INC.

Debtors

- and -

RICHTER INC.

Monitor/Applicant

**APPLICATION FOR THE ISSUANCE OF AN ORDER EXPANDING THE POWERS OF
THE MONITOR**

(Sections 11, 11.2 and 23 of the *Companies' Creditors Arrangement Act*)

TO ONE OF THE HONOURABLE JUDGES OF THE SUPERIOR COURT, SITTING IN COMMERCIAL DIVISION, IN AND FOR THE JUDICIAL DISTRICT OF MONTREAL, THE APPLICANT RESPECTFULLY SUBMITS THE FOLLOWING:

I. ORDER SOUGHT

1. By way of the present *Application for the Issuance of an Order Expanding the Powers of the Monitor* (the "**Application**"), Richter Inc. ("**Richter**" or the "**Monitor**"), acting in its capacity as court-appointed Monitor 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., 9437-6845 Québec Inc. and 9437-6852 Québec Inc. (collectively, the "**Debtors**") seeks the issuance of an order:
 - (a) restating the terms of the Re-Amended and Restated Initial Order (as defined hereinafter); and
 - (b) empowering, authorizing and directing the Monitor to take into custody and control the immovable property of the Debtors listed in Schedule A thereto (collectively, the "**Buildings**"), for the purpose of obtaining and maintaining property insurance for the Buildings.

A copy of the draft Order Expanding the Powers of the Monitor is communicated herewith as **Exhibit R-1**.

II. PROCEDURAL BACKGROUND

2. On January 5, 2022, the Debtors 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 Debtors, 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 Debtors' 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 Stay 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 Debtors 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 (the "**Interim Financing Facility**").

7. On January 16, 2022, the Debtors 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**") which, *inter alia*, 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 granted an order (the "**Student Representation Order**") pursuant to which, *inter alia*, 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 Debtors as a result of their status as a currently enrolled student at the Colleges (as defined in the Representation Application), pipeline student of the Colleges or in light of tuition fees paid to the Debtors (collectively, the "**Students**").
11. On February 28, 2022, the Court extended the Stay Period until April 29, 2022.
12. On March 1, 2022, Firm Capital advanced the second tranche of funding contemplated in the Interim Financing Term Sheet. This brought the total interim financing facility advanced by Firm Capital to \$1,750,000 (the "**Interim Financing Facility**").
13. On March 14, 2022, pursuant to the Debtors' *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 10, 2022 (the "**Re-ARIO Application**"), the Court rendered two orders:
 - (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, as well as 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 Debtors to a third-party purchaser, 6815464 Canada Ltd., (the "**Purchaser**").

A copy of the *Fifth Report of the Monitor Richter Inc.* dated March 10, 2022 filed in support of the Re-ARIO Application is communicated herewith as **Exhibit R-2**.

14. On March 15, 2022, Les Consultants 3 L M Inc. (hereafter "**ISI**"), filed an application entitled « *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**”).

15. On, April 8, 2022, the Debtors filed an application for the continuance of the ISI Application, filed on April 8, 2022 (the “**Stay Application Continuance**”).
16. 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**”).
17. 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.
18. On April 20th and April 22nd, 2022, the Court respectively extended the Stay Period until June and 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. On June 23, 2022, the respective examinations of each of Caroline, Christina and Joseph Mastantuono took place.
21. On June 21, 2021, following the hearing on the Debtors’ *Application for the Issuance of an Order Extending the Stay Period*, this Court granted an order extending the Stay Period until August 15, 2022. A copy of the *Eight Report of the Monitor Richter Inc.* dated June 15, 2022, in support of this latest extension application, is attached hereto as **Exhibit R-3**.

III. EVENTS LEADING TO THE PRESENT APPLICATION

A. The Sale Transaction

22. As previously discussed before this Court, following the commencement of these CCAA Proceedings, the Monitor launched an accelerated sale process, in consultation with the Debtors 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**”), including, *inter alia*, the three immovable properties of the Debtors (the “**Buildings**”) described in detail at Schedule A to the draft order sought herein (Exhibit R-1).
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. The closing of the Transaction is conditional on 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**"). The APA also provides that the Transaction must close by June 30, 2022, subject to an extension agreed upon by the parties.
26. Both the Monitor and the Purchaser were informed by MEES that both the transfer and the request for a renewal of the permits was formally reviewed by the committee that handles these requests on June 10, 2022. Following this review, a report was submitted to the respective Education Ministers for their final review and determination.
27. On June 29, 2022, the Monitor has been informed that the *Ministère de l'enseignement supérieur* has approved the transfer and renewal of the permits. A decision has not yet been communicated by the *Ministère de l'éducation* as at the time of the filing of the Application. The Monitor cannot, nor can any representative at the Education Ministries confirm when their decision will be communicated to the Purchaser.

B. Insurance on the Buildings

28. The property insurance on the Buildings (the "**Insurance**") expires on June 30, 2022.
29. The Monitor is informed that the Debtors are unable to renew the Insurance, and unless the Transaction closes on June 30, 2022, which is not certain as of this date, the Purchaser is also unable to insure these Buildings.
30. The Interim Financing Facility is secured by these Buildings, as is the junior interim financing facility, and Firm Capital's secured debt, as well as all other charges granted in connection with these CCAA proceedings.
31. The Monitor, as an insolvency professional, maintains a blanket insurance policy which can be used when it is in possession of assets of a debtor company (i.e. typically, in a bankruptcy or receivership proceeding). In the case at hand, the Monitor has obtained confirmation that if it obtains an order in the format of the draft Order attached hereto as Exhibit R-1, which declares that it has taken possession of the Buildings, the policy can similarly be utilized for the purposes of insuring the Buildings.
32. As such, the Monitor, in an effort to secure the Buildings, is hereby seeking the issuance of an order from this Court increasing its powers in order for it to take possession of the Buildings for the sole purpose of insuring them as at June 30, 2022. This relief is requested in consultation and with the approval of the Debtors.

33. The Monitor submits that the requested relief is not only essential to secure the Debtors' assets, to the benefit of all stakeholders, including the Students.
34. In addition to the foregoing, the Monitor notes that if the Transaction does not close on or around June 30, 2022, the Monitor and/or the Debtors may need to return to Court in the coming days in order to seek alternative relief, particularly since the last cash flows submitted to the Court were dependent on the Transaction closing on June 30, 2022.
35. In light of the foregoing, the Monitor respectfully submits 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 Expanding the Powers of the Monitor* (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 29, 2022

Stikeman Elliott LLP.

STIKEMAN ELLIOTT LLP

Attorneys for Richter Inc.

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**1155 René-Lévesque Blvd. West, 41st Floor
Montréal (Québec) Canada H3B 3V2**

SWORN STATEMENT

I, the undersigned, Andrew Adessky, partner at Richter Inc., having a place of business at 1981 McGill College (Richter Tower), #1100, Montreal, QC, H3A 0G6, solemnly declare the following:

1. I am a representative of the Richter Inc., the court appointed monitor in the present file;
2. All the facts alleged in the *Application for the Issuance of an Order Expanding the Powers of the Monitor* are, to the best of my knowledge, true.

AND I HAVE SIGNED



Andrew Adessky

**Solemnly declared before me at Montreal,
on the 29th day of June, 2022**



no. 205380

**Commissioner of oath for the
Province of Quebec**

NOTICE OF PRESENTATION

TO: the Service List

TAKE NOTICE that the *Application for the Issuance of an Order Expanding the Powers of the Monitor* will be presented for adjudication before one of the honourable judges of the Superior Court of Quebec, Commercial Division, at the Montréal Courthouse located at 1 Notre-Dame Street East, **in room 16.10, on June 30, 2022 at 8h45.**

DO GOVERN YOURSELVES ACCORDINGLY.

MONTRÉAL, June 29, 2022

Stikeman Elliott LLP.

STIKEMAN ELLIOTT LLP

Attorneys for Richter Inc.

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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.

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11753436 CANADA INC.

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

- and -

9437-6845 QUÉBEC INC.

- and -

9437-6852 QUÉBEC INC.

Debtors

- and -

RICHTER INC.

Monitor/Applicant

LIST OF EXHIBITS

- Exhibit R-1:** Copy of the draft *Order Expanding the Powers of the Monitor*;
- Exhibit R-2:** Copy of the *Fifth Report of the Monitor Richter Inc.* dated March 10, 2022.
- Exhibit R-3:** Copy of the *Eight Report of the Monitor Richter Inc.* dated June 15, 2022

MONTREAL, June 29, 2022

Stikeman Elliott LLP.

STIKEMAN ELLIOTT LLP

Attorneys for Richter Inc.

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SUPERIOR COURT
(Commercial Division)

CANADA
PROVINCE OF QUÉBEC
DISTRICT OF MONTREAL

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

DATE: **June __, 2022**

PRESIDING: THE HONOURABLE _____, J.C.S.

**IN THE MATTER OF THE ARRANGEMENT OR COMPROMISE OF:
RISING PHOENIX INTERNATIONAL INC.**

- and -

10864285 CANADA INC.

- and -

11753436 CANADA INC.

- and -

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- and -

9437-6845 QUÉBEC INC.

- and -

9437-6852 QUÉBEC INC.

Applicants

- and -

RICHTER INC.

Monitor

ORDER EXPANDING POWERS OF THE MONITOR

ON READING the *Application for the Issuance of an Order Expanding the Powers of the Monitor* (the “**Application**”) made by Richter Inc. (“**Richter**” or the “**Monitor**”) pursuant to the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, C-36 (as amended the “**CCAA**”), the exhibits and the affidavit filed in support thereof (the “**Application**”), and relying upon the submissions of counsel present at the hearing on the Application and being advised that the interested parties, including secured creditors who are likely to be affected by the charges created herein were given prior notice of the presentation of the Application;

GIVEN the Initial Order rendered by this Court on January 6, 2022 (as amended and restated, the “**Initial 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 for the in the First Day Initial Order or as otherwise permitted by law, until January 14, 2022 (as further defined in the First Day Order and extended from time to time, the “**Stay Period**”);

GIVEN the provisions of the CCAA;

WHEREFORE, THE COURT:

1. **GRANTS** the Application.
2. **ORDERS** that capitalized terms not otherwise defined herein shall have the meaning given to them in the Initial Order.

Service

3. **DECLARES** that sufficient prior notice of the presentation of the Application has been given by the Applicants to interested parties, including the secured creditors who are likely to be affected by the charges created herein.

Effective Time

4. **DECLARES** that this Order and all of its provisions are effective as of 12:01 a.m. Montreal time, province of Quebec, on the date of this Order (the “**Effective Time**”).

Enhancement of Monitor's Powers

5. **DECLARES** that, notwithstanding paragraph 13 of the Initial Order, the Monitor is hereby empowered, authorized and directed to take into custody and control the immovable property of the Applicants listed in **Schedule A** hereto (collectively, the "**Buildings**"), for the sole purpose of obtaining and maintaining property insurance for the Buildings.
6. **DECLARES** that subject to the powers granted to the Monitor pursuant to the terms of paragraph 5 hereof, nothing herein shall require the Monitor to occupy or to take control, or to otherwise manage all or any part of the property of the Applicants, including the Buildings, and the Monitor shall not, as a result of this Order, be deemed to be in possession of any of the Buildings within the meaning of any applicable environmental legislation.
7. **ORDERS** that notwithstanding the provisions of any federal or provincial law, the Monitor is released from any personal liability for environmental conditions that arose or environmental damage that occurred in relation to the Buildings, including any Building that may be contaminated or may itself be a contaminant or pollutant or that may cause or contribute to a spill, discharge, release, or deposit of any substance, in contravention of any federal, provincial or other legislation for the protection, conservation, improvement, decontamination or restoration of the environment or relating to the disposal of waste or any other contaminant, occurring before or after the Monitor's appointment, except for any liability arising from the Monitor's gross negligence or willful misconduct.
8. **DECLARES** that this Order and all other orders in these proceedings shall have full force and effect in all provinces and territories in Canada.
9. **ORDERS** the provisional execution of the Order notwithstanding any appeal.
10. **THE WHOLE** without costs.

Montreal, June ____, 2022

Schedule A

Description of the Immovable Property of the Applicants

"Buildings" means the following properties:

1. Lot number 1 030 881 of the Cadastre of Quebec, Registration Division of Sherbrooke, and the immovable bearing civic address 29-37 Rue Wellington North, Sherbrooke, Quebec.
2. Lot number 3 222 006 of the Cadastre of Quebec, Registration Division of Chambly, and the immovable bearing civic address 174 Sainte-Foy Blvd., Longueuil, Quebec.
3. Lot number 3 224 001 of the Cadastre of Quebec, Registration Division of Chambly, and the immovable bearing civic address 910 Boul. Curé Poirier W., Longueuil, Quebec.

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.

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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

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

INTRODUCTION

1. The present report ("**Fifth 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 "**Supplementary Report**"), the Second Report dated February 2, 2022 (the "**Second Report**"), the Third Report dated February 14, 2022 (the "**Third Report**") and the Fourth Report dated February 24, 2022 (the "**Fourth 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 Fifth 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 Pre-Filing Report, the Supplementary Report, the Second Report, the Third Report and the Fourth Report.
3. This Report is intended to provide the Court with information relating to:
 - a) Procedural Background;
 - b) Sales and Investment Solicitation Process (“**SISP**”);
 - c) Terms of the Asset Purchase Agreement;
 - d) Additional Interim Financing;
 - e) Cash Flow Projections;
 - f) Steps to Closing;
 - g) Student Insurance; and
 - h) Conclusions and Recommendations.
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 “**Application**”). The Application will be heard on March 14, 2022.

SALES AND INVESTMENT SOLICITATION PROCESS

11. The below table summarizes and provides a revised update in connection with the key SISP milestones which were included in Exhibit A to the Second Report and updated in the Third Report.

Date	Steps	Update
January 24, 2022	Launching of the SISP including the issuance of a teaser to more than 200 potential interested parties.	25 interested parties signed non-disclosure agreements and were granted access to the Data Room
January 24 to February 11, 2022	Due diligence period.	The Monitor and the Company worked with interested parties to enable them to perform the necessary due diligence including responding to information requests, meetings with management, tours of the Colleges and investigating the regulatory requirements for the transfer and renewal of permits.

Date	Steps	Update
February 11, 2022	Deadline for the receipt by the Monitor of Bids and Deposits.	Bids were received from six (6) interested parties as more fully discussed below
By no later than February 18, 2022	Date of the Auction (if needed) and selection of the Successful Bid(s).	The Monitor, in consultation with the Debtors, Firm Capital and the Student Representatives Counsel, concluded that an auction was not required, nor was an auction in the best interest of the stakeholders.
Subject to the availability of the Court, no later than seven (7) calendar days following either the conclusion of the Auction or the date on which a determination is made by the RPI Group, with the consent of the Monitor and Firm Capital, not to proceed with an Auction.	Hearing of the Approval Motion	Additional time was required to negotiate and conclude a transaction with the Purchaser (as defined below), which transaction included the arrangement for additional interim financing. The hearing to approve the Application is scheduled for March 14, 2022

12. Six offers (“**Offers**”) were submitted to the Monitor by the February 11, 2022 bid deadline. These offers were reviewed by the Monitor, the Applicants, Firm Capital and their respective legal counsel, as well as the Students’ Representative Counsel.
13. A summary of the Offers is attached as **Exhibit “A”** to this report. The Monitor requests that **Exhibit “A”** be filed under confidential seal, given the confidential nature of the information and the fact that the proposed transaction has not yet closed.
14. Two (2) of the bids were *en bloc* offers (excluding the assets of RPI Inc.), three (3) bids were for specific Colleges and one bid was a financing offer, focused on the real estate properties. One of the *en bloc* bidders also submitted various potential permutations as part of their offer (i.e., the possibility of purchasing certain lots of assets to the exclusion of others), which potential permutations were analyzed as well.
15. As discussed in the Fourth Report, the Monitor, in consultation with the Company, Firm Capital and the Students’ Representative Counsel, conducted a thorough analysis of the Offers. A wide variety of factors were taken into consideration in analysing the Offers, including, without limitation, the treatment afforded to the various student constituencies impacted by the CCAA Proceedings, the cash consideration offered by the bidders, the non-monetary terms and conditions of each offer, the possibility of implementing an *en-bloc* offer versus the option of combining multiple transactions for various lots of assets, the closing risks, the financial wherewithal of the bidders and, in light of the expiry of the permits for the Colleges on June 30, 2022, the regulatory conditions included in each offer and their relative impact on the closing of a transaction.

16. As part of its analysis, the Monitor and its legal counsel conducted multiple discussions and negotiations with several offerors, which ultimately resulted in a significant improvement in the offer submitted by one of the bidders. It was determined that the revised *en bloc* offer from this strategic buyer, 6815464 Canada Ltd. (hereafter the "**Purchaser**"), provided the best overall outcome for the Debtors' stakeholders, including in particular, the students.
17. Moreover, the Monitor, in consultation with the Company and Firm Capital, determined that the total purchase price being offered by the Purchaser is fair and reasonable when considering the value of the real estate properties, based, at least in part, on the revised appraisals obtained by Firm Capital on February 1, 2022.
18. The Monitor is advised that the Purchaser is the holder of an existing educational permit in Québec and operates several colleges in Ontario. The Monitor understands that the Purchaser has the financial resources to complete the Transaction and to continue the operations of the Colleges. The Purchaser, as well as its affiliates, are third parties that are in no way related to the Debtors.
19. On March 9, 2022, the Debtors signed an Asset Purchase Agreement ("**APA**") with the Purchaser, which provides for the sale of the Debtors' assets on a going concern basis (the "**Transaction**"). The implementation of the Transaction will allow the operations of the Colleges to continue, subject to various terms and conditions, including the transfer of the applicable MEES permits, as further detailed below.
20. As part of the Transaction, the Purchaser has undertaken to honour the Debtors' commitment to educate a large number of students and to assume certain refund obligations that may be owing to students. The Purchaser has also indicated, however, that prior to the Closing of the Transaction, these liabilities will need to be ascertained, an exercise which will entail communications with students to determine their intentions.
21. Pursuant to the acceptance of the offer from the Purchaser, the Monitor has notified the other bidders that their offers have not been retained and has returned the deposits received from said bidders.

TERMS OF THE ASSET PURCHASE AGREEMENT

22. The APA has been filed by the Debtors in support of the Application, under confidential seal, as Exhibit R-3. In light of the fact that the Transaction will not close until certain conditions precedent have been met (as further detailed below) the Monitor supports the Debtors' request to preserve the confidentiality of the APA and the total consideration to be provided thereunder, so as to preserve the ability to return to the market if the closing does not materialize. Nevertheless, the key aspects of the Transaction may be summarized as follows:

- a) The Transaction will result in the sale of virtually all the assets of the Debtors to the Purchaser, including, but not limited to, the following:
- i. The permits of the Colleges;
 - ii. All of the real estate properties owned by the Debtors;
 - iii. Furniture, fixtures and computer equipment and other operating assets used in the operations of the Colleges;
 - iv. Accounts receivable and prepaid expenses;
 - v. Intellectual property; and
 - vi. Key leases and other contracts.
- b) The assets which are excluded from the Transaction include, but are not limited to, the following:
- i. Excluded records;
 - ii. Rights or actions being pursued by the Debtors;
 - iii. All contracts that are not specifically assigned and listed in Schedule 1.1 of the APA, which schedule has been reproduced and attached hereto as **Exhibit "B"**;
 - iv. All tax assets;
 - v. All cash and cash equivalents;
 - vi. All outside of the ordinary course of business deposits made or required by the Debtors to suppliers or any other third party resulting from the CCAA Proceedings; and
 - vii. All intercompany accounts receivable.
- c) Pursuant to the Transaction, the Purchaser will assume certain liabilities, including but not limited to:
- i. A significant number of liabilities related to the various student constituencies, as summarized in the table below. These assumed liabilities shall also apply in respect of the students of CCSQ Sherbrooke, a partner school of the Debtors which was managed by RPI pursuant to a service agreement that will be assumed by the Purchaser.

Student Category	Description	Treatment	Comments
Graduating Students	Of the 516 students in this category, to date, 433 have graduated since the CCAA filing and the remainder are completing internships and/or completing coursework and/or retaking exams to enable them to graduate	Graduations will continue and will be unaffected by the Transaction	The cost to complete the requirements to graduate these students is covered by the second tranche of funding provided by Firm Capital
Registered Students	740 students, the vast majority of whom are in Canada but who have yet to resume their studies to date (these students are included in Schedule 2.4(f) of the APA)	Studies will resume as soon as possible (expected to be on or about March 21, 2022) after the approval of the Transaction and the Additional Interim Financing	Additional interim financing will allow for the rehiring of teachers and support staff to continue the education of Registered Students. It is expected that all of the Registered Students will be provided an opportunity to resume their studies
Pipeline Students	308 students who have been accepted into the Colleges, but who remain abroad awaiting their visa (these students are included in Schedule 2.4(e) of the APA)	<p>Purchaser will honour the commitment to educate those students who obtain their visas and who wish to study at the Colleges</p> <p>If a Pipeline Student is prevented from coming to Canada to study or decides not to come to Canada, the Purchaser will assume the obligation to refund the tuition paid by the Pipeline Student</p>	Tuition payments previously made by Pipeline Students will be credited towards their education at the Colleges
Other Students	502 students who have had their visa request denied or have formally withdrawn from the Colleges and who may hold a refund claim against one or more of the Debtors	<p>Purchaser will honour the commitment to educate these Other Students if they reapply for and obtain their visa and wish to study at the Colleges</p> <p>Refund claims will <u>not</u> be assumed by the Purchaser in respect of Other Students who have had their visa request denied or have already withdrawn from the Colleges</p>	Other Students will be entitled to assert a claim against the Debtors and, if they have a valid refund claim, to receive a distribution in the insolvency process. The quantum of distribution remains to be determined but is likely to represent only a small fraction of the refund claim amount

- ii. Accrued but unpaid wages (to a maximum of two weeks), vacation pay and overtime pay, relating to the pre-CCAA filing date (i.e., not owing or accrued between the January 6 CCAA filing date to the date of filing of the Certificate) to employees that accept an offer of employment from the Purchaser (defined as “**Buyer Selected Employees**” in the APA), the whole in accordance with the terms and conditions of the Purchase Agreement/APA;
 - iii. The assumption of various contracts and agreements including the lease for M College, with the Purchaser paying the necessary cure costs associated therewith; and
 - iv. All post-closing trade payables attributable to the operation of the Colleges and related assets.
- d) The excluded liabilities from the APA include, but are not limited to the following:
- i. Any indebtedness of the Debtors;
 - ii. Any liability to the extent arising out of or related to the breach, performance or non-performance by the Debtors prior to the closing of the Transaction;
 - iii. Any liability in respect of pending or threatened proceedings;
 - iv. All liabilities arising from the ownership and/or operation of the assets prior to closing, including all tax liabilities;
 - v. All employee related liabilities, except in the case of any employee that is a Buyer Selected Employee who accepts an offer from the Purchaser;
 - vi. Any liability related to any excluded asset;
 - vii. All intercompany accounts payable and liabilities; and
 - viii. All liability or costs arising from the TSA (defined below).
- e) The closing of the Transaction will remain conditional on, *inter alia*, the following conditions precedent:
- i. The transfer of the education permits granted by *Ministère de l'éducation* and the *Ministère de l'enseignement supérieur* (the “**Education Ministries**” or “**MEES**”) to the Purchaser; and
 - ii. The execution of a Transition Services Agreement (“**TSA**”) between the Purchaser and the Debtors, to which management will intervene, to cover the interim period until the closing of the Transaction. The TSA will be included as an exhibit to the APA.

23. As regards to the transfer of the permits, the Purchaser has advised the Monitor of the following:
- the Purchaser is aware of the informational requirements and regulatory steps that the MEES requires in order to enable MEES to consider the request to transfer the education permits of the Colleges;
 - the Purchaser is in the process of providing MEES with all relevant information and background relating to the Purchaser and its intention and capacity to operate the Colleges and support the relevant student groups under the Transaction; and
 - the Purchaser has accelerated efforts to engage MEES directly, and to move the Transaction along to closing as quickly as possible, once approved by the Court.
24. The closing of the Transaction is to occur as soon as possible following MEES approval of the transfer of the permits, but in any event, no later than June 30, 2022, which is the expiration date for the permits. The Transaction is not conditional on the MEES approving the renewal of the permits post June 30, 2022, although it is obviously the intention of the Purchaser to have the renewal of the permits approved as quickly as possible.
25. A detailed waterfall analysis to illustrate the estimated amount available to unsecured creditors will be presented to the Court at a later date, as part of a distribution motion or plan of arrangement, once the Monitor attains greater certainty as to the eventual funds that will be available for distribution to unsecured creditors (including on account of student refunds). However, based on the quantum of the purchase price, the Monitor notes the following:
- a) All amounts due to or for employees of the Colleges for priority payable claims (i.e., salaries, vacation and remittances of deductions at source) will be either paid pre-closing or be assumed by the Purchaser and payable by it to such employees as outlined in the APA;
 - b) The secured debt and interim financing owing to Firm Capital will be repaid in full concurrently with the issuance of the Certificate in accordance with payout statements to be issued at least ten days prior to the closing of the Transaction, subject only to the Monitor conducting a security review on the FCC Security which will commence forthwith. The current amount owing to Firm Capital is approximately \$7.8M;
 - c) The proposed Additional Interim Financing (detailed below) will be repaid in full (and as part of closing the Transaction, the amount outstanding on such Additional Interim Financing may be repaid via the Purchaser's credit-bidding same as a portion of payment of the purchase price);
 - d) The payment of ordinary course post-filing obligations of the Debtors prior to closing of the Transaction will be paid in full;

- e) The payment of amounts owing to restructuring professionals will be paid; and,
- f) The balance of funds will be distributed to unsecured creditors, which unsecured creditors will be identified following the implementation of a claims process.

ADDITIONAL INTERIM FINANCING

- 26. One of the key concerns of the Monitor in selecting a Successful Bid was ensuring that interim funding would be made available so as to resume without delay the education of students enrolled at the Colleges and present in Canada. Without such additional funding, the Debtors would not be in a position to transition their business to the Purchaser and to close the Transaction.
- 27. To that end, subject to the approval of this Court, the Purchaser has undertaken to provide, for the period from the signing of the APA to the closing of the Transaction, additional interim financing in the amount of \$2.5M (the “**Additional Interim Financing**”). The financial and other terms of the Additional Interim Financing are largely consistent with the (prior ranking) interim financing already provided by Firm Capital, including as to matters such as interest rate, commitment fee and other fees.
- 28. The Additional Interim Financing is to be secured by a super-priority charge (the “**Junior Interim Financing Charge**”) which will rank after the Senior Administration Charge, the FCC Security and Interim Lender’s Charge in favour of Firm Capital, but before the Junior Administration Charge and the Director’s Charge.
- 29. As contemplated in the revised Cash Flow Projections presented in the next section of this report, the Additional Interim Financing is intended to, among other things, provide funding prior to the closing of the Transaction to enable the continuation of educational operations and the immediate recommencement of the curriculum and courses for the approximately 740 students whose education has been paused. The additional funding will also allow for the payment of accrued restructuring costs which have been deferred to date.
- 30. The Monitor has been advised that the intention of the Purchaser is to collaborate with the Debtors, the Monitor and other stakeholders, including MEES, for the graduation of as many as possible of the 740 currently registered students on or before June 30, 2022 at the latest.

CASH FLOW PROJECTIONS

31. Based on the proposed Additional Interim Financing, the Company's management, with the assistance of the Monitor, has prepared updated weekly cash flow projections (the "Projections") (refer to **Exhibit "C"**) reflecting the costs associated with the operating of the Colleges and graduating of the students, as well as the costs associated with the restructuring process for the period of March 12, 2022 to June 30, 2022. We summarize the Projections as follows:

RPI Group - Projected Cash Flow	Total
From March 12 to June 30, 2022	111 days
Receipts	\$ -
Rent	(114,000)
Salaries	(233,800)
Educational services	(540,000)
Municipal taxes	(93,000)
Utilities	(74,000)
Other operating expenses	(191,000)
Student Insurance	(150,000)
Operating Expenses	(1,395,800)
Restructuring Fees	(1,400,000)
Interest - FCC's Term Loan	(79,000)
Interest & Fees - FCC's DIP	(86,000)
Interest & Fees - Purchaser DIP	(266,000)
Other Expenses	(1,831,000)
Net Cash Flow	(3,226,800)
Opening Cash Balance	731,352
Net Cash Flow	(3,226,800)
DIP Advances - Purchaser	2,500,000
Ending Cash Balance	\$ 4,552

32. The Projections reflect the following general assumptions:

- Receipt of the second tranche of interim financing from Firm Capital, which amount was received on March 1, 2022;
- Court approval of the Additional Interim Financing in the amount of \$2.5M;
- **Cash Disbursements**
 - Operating expenses were projected based on recent historical trending and the expected level of activity during the projected period:
 - Rent – represents monthly payments for the M College lease;
 - Salaries – for certain administrative positions at RPI and/or the schools. Also included in salaries, as per the TSA, are the Directors who will receive compensation for services provided during the interim period until the closing of the Transaction;

- Educational services – cost required to graduate the remaining Graduating Students and to educate the 740 Registered Students through June 30, 2022 based on on-line learning;
- Municipal taxes / utilities – reflects the payment of these post-filing costs in connection with the real estate owned by the Debtors;
- Other operating expenses – consists of computer software and IT support services; accounting and audit costs, building maintenance and other general operating costs;
- Student insurance – in respect of the monthly cost of emergency hospital and medical insurance for the applicable students for the months of March 2022 through June 2022. The Projections reflect the payment of post-filing insurance premiums giving coverage for all active students of the Colleges (including the students of CCSQ Sherbrooke) who are currently in Canada;
- Restructuring fees – relates to the professional fees of the Monitor and its legal counsel, the Debtors’ legal counsel and the Student Representatives’ Counsel. The amount includes the payment of approximately two months of accrued fees that have not been paid to date. The restructuring professionals have agreed to defer the payment of their fees in order to maximize the liquidity available for the Colleges’ critical operating costs; and
- Interest and fees on financing – includes interest and fees on Firm Capital’s secured debt and Interim Facility as well as interest and fees in connection with the Additional Interim Financing.

STEPS TO CLOSING

33. The following table summarizes the chronology of events to finalize the Transaction and distribute funds:

Action	Date
Approval by the Court of the signed APA	March 14, 2022
Approval by the Court of Additional Interim Financing by the Purchaser	March 14, 2022
Return of the 740 Registered Students to the Colleges to continue their studies	On or about March 21, 2022
Transfer of education permits by the MEES to the purchaser	Prior to closing
Transition agreement with the purchaser and transfer of knowledge	From approval of the APA to closing
Closing of the sale transaction	No later than June 30, 2022
Court approval of a proof of claims process and setting of a claims bar date	To be determined
Court order for the distribution of funds	To be determined

34. As per the above, the net proceeds from the Transaction will ultimately be distributed to unsecured creditors through a distribution order or a plan of arrangement.

STUDENT INSURANCE

35. Since the filing of the CCAA proceedings, the Company has paid and continues to pay the monthly insurance premiums to the provider of the student health and medical insurance. Student insurance coverage has been renewed by the Monitor, acting for and on behalf of RPI, through April 30, 2022. All students have been provided with new insurance certificates showing proof of insurance coverage.
36. The Purchaser has assured the Monitor, and the Monitor intends to ensure, that the Transaction is implemented in a manner which avoids any gaps in coverage with respect to the insurance coverage required by the students.

CONCLUSIONS AND RECOMMENDATIONS

37. The Monitor recommends that this Court grant the relief sought in the Application, namely the approval of the Transaction and the Additional Interim Financing.
38. With respect to the approval of the Transaction, the main reasons underlying the Monitor's support are summarized as follows:
- a) The Transaction results from a *bone fide* offer from a third-party arm's length Purchaser, following an expedited, but fulsome and reasonable sale process through the SISF, supervised by the Monitor and further to which major creditors were consulted;
 - b) The purchase price is fair and reasonable when considering the appraised value of the real estate properties and the significant quantum of liabilities (including educational obligations) which the Purchaser will assume under the APA;
 - c) The Transaction offers the best results for the stakeholders including:
 - i. The completion of the studies and graduation for the remaining Graduating Students;
 - ii. The recommencement of the curriculum for the approximately 740 Registered Students whose studies are currently on pause, even prior to a closing;
 - iii. The potential for Pipeline Students who have paid for all or portion of their tuition fees to attend the Colleges to start their studies should their visas be approved or to obtain a refund;

- iv. The potential for Other Students who withdrew or had their visa denied, the opportunity to attend the Colleges should they subsequently reapply/obtain their visa, subject to certain terms and conditions; and
 - v. A likely distribution to unsecured creditors, including the students who are waiting for their refunds.
- d) This is a single transaction that involves only one party for all the assets which reduces the execution risk and the costs to close;
 - e) The Transaction will permit the Colleges to continue as a going concern which will conserve the employment of certain administrative and teaching positions and will in effect provide for payments to such continuing employees that would otherwise have claims in these CCAA proceedings; and
 - f) In our opinion, the sale of the Debtors' assets via the Transaction is more beneficial to the general body of creditors and other stakeholders, including the student constituencies, than would be a sale or transfer thereof in the context of a bankruptcy of the Debtors.
39. With respect to the approval of the Additional Interim Financing, in addition to the material factors noted above as the benefits of the Additional Interim Financing, if approved, the other main reasons underlying the Monitor's support are summarized below:
- a) The Additional Interim Financing will allow for all 740 Registered Students to return to their studies on an immediate basis to pursue their program, with a view to graduating as many as possible by June 30, 2022;
 - b) The Additional Interim Financing will permit the Colleges to operate and give the necessary time for the transfer of the existing education permits granted by MEES to the Purchaser to close the Transaction and should provide for a relatively seamless transition at closing;
 - c) The Debtors' management team has added a level of cooperation, support and direction during these CCAA Proceedings that has enhanced the Monitor's confidence in management's ability to continue the going concern operation of the Colleges and graduate students while the parties work towards a closing of the Transaction;
 - d) The Additional Interim Financing enhances the prospect of protecting the going-concern business value and other assets of the Debtors, for the benefit of their creditors, including for closing of the Transaction, and for any potential plan of arrangement, if commenced;

- e) In the current circumstances where additional liquidity is required, no creditor is materially prejudiced by a grant of the proposed Junior Interim Financing Charge; and
- f) The Junior Interim Financing Charge will rank after the security in favour of Firm Capital such that it is in compliance with the terms of the Interim Financing Agreement dated January 16, 2022.

Respectfully submitted at Montreal, this 10th day of March 2022.

Richter Inc. (formerly Richter Advisory Group Inc.)

Monitor



Olivier Benchaya, CPA, CA, CIRP, LIT



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

Exhibit A

**Summary of the Offers
(under seal)**

Exhibit B
Schedule 1.1 of the APA

Schedule 1.1
Assigned Contracts

1. The Third Party Lease.
2. All educational contracts between any of the Colleges and the Students, to the extent they are assignable.
3. Pearson Products Agreement made as of July 20, 2020 between M College and Pearson Canada, Inc. (the "**Pearson Products Agreement**").
4. Service Agreement dated September 9, 2020 between École de Secrétariat Notre-Dame-des-Neiges (1985), dba CCSQ-Sherbrooke ("**CCSQ-Sherbrooke**") and CDE Collège, subject to the Buyer being provided additional details as requested in Schedule 7.2(e), to the Buyer's satisfaction.
5. Lease dated June 1, 2012 between CCSQ-Sherbrooke, as lessee and CDE, as lessor, subject to the Buyer being provided additional details as requested in Schedule 7.2(e), to the Buyer's satisfaction.
6. The Omnivox agreement(s), subject to the Buyer being provided additional details as requested in Schedule 7.2(e), to the Buyer's satisfaction.
7. Equipment (Toshiba Estudio copier) lease agreement between CDE, as lessee, and Crédit-Bail RCAP inc., as lessor.
8. Equipment (Toshiba Estudio copier) lease agreement between CCSQ, as lessee, and RCAP Leasing Inc., as lessor.
9. Any standard utilities and maintenance agreements (for certainty, excluding any employment agreements) relating to the Colleges to maintain operations in the normal course of business such as Internet, snow removal and hydro, to the extent such agreements are assignable.
10. Any other Contracts that the Buyer consents to assume from the Sellers in writing on or prior to the Closing.

**Exhibit C
Projections**

RPI Group - Projected Cash Flow

Week Ending:	18-Mar-22	25-Mar-22	01-Apr-22	08-Apr-22	15-Apr-22	22-Apr-22	29-Apr-22	06-May-22	13-May-22	20-May-22	27-May-22	03-Jun-22	10-Jun-22	17-Jun-22	24-Jun-22	30-Jun-22	Total
In CAD	7 days	7 days	7 days	7 days	7 days	7 days	7 days	7 days	7 days	7 days	7 days	7 days	7 days	7 days	7 days	6 days	111 days
Receipts	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Rent	-	-	-	(38,000)	-	-	-	(38,000)	-	-	-	(38,000)	-	-	-	-	(114,000)
Salaries	(3,400)	(30,100)	(3,400)	(30,100)	(3,400)	(25,500)	(3,400)	(25,500)	(3,400)	(25,500)	(3,400)	(25,500)	(3,400)	(25,500)	(3,400)	(18,900)	(233,800)
Educational services	(45,000)	(45,000)	(45,000)	(33,750)	(33,750)	(33,750)	(33,750)	(33,750)	(33,750)	(33,750)	(33,750)	(27,000)	(27,000)	(27,000)	(27,000)	(27,000)	(540,000)
Municipal taxes	-	-	-	-	-	-	-	-	-	-	-	(3,000)	-	-	-	-	(93,000)
Utilities	(8,667)	(8,667)	(8,667)	(4,000)	(4,000)	(4,000)	(4,000)	(4,000)	(4,000)	(4,000)	(4,000)	(3,200)	(3,200)	(3,200)	(3,200)	(3,200)	(74,000)
Other operating expenses	(9,000)	(14,000)	(9,000)	(9,000)	(49,000)	(9,000)	(9,000)	(9,000)	(9,000)	(9,000)	(9,000)	(12,000)	(9,000)	(9,000)	(13,000)	(4,000)	(191,000)
Student Insurance	-	-	(68,000)	-	-	-	-	(42,000)	-	-	-	(40,000)	-	-	-	-	(150,000)
Operating Expenses	(66,067)	(97,767)	(134,067)	(114,850)	(90,150)	(72,250)	(50,150)	(152,250)	(50,150)	(72,250)	(50,150)	(148,700)	(42,600)	(64,700)	(46,600)	(143,100)	(1,395,800)
Restructuring Fees	(500,000)	(450,000)	-	(37,500)	(37,500)	(37,500)	(37,500)	(37,500)	(37,500)	(37,500)	(37,500)	(30,000)	(30,000)	(30,000)	(30,000)	(30,000)	(1,400,000)
Interest - FCC's Term Loan	-	-	-	-	-	-	-	-	-	-	(40,000)	-	-	-	-	-	(79,000)
Interest & Fees - FCC's DIP	-	-	(22,000)	-	-	-	(21,000)	-	-	-	(22,000)	-	-	-	-	-	(86,000)
Interest & Fees - Purchaser DIP	(150,000)	-	(22,000)	-	-	-	(31,000)	-	-	-	(32,000)	-	-	-	-	-	(266,000)
Other Expenses	(650,000)	(450,000)	(44,000)	(37,500)	(37,500)	(37,500)	(89,500)	(37,500)	(37,500)	(37,500)	(131,500)	(30,000)	(30,000)	(30,000)	(30,000)	(121,000)	(1,831,000)
Net Cash Flow	(716,067)	(547,767)	(178,067)	(152,350)	(127,650)	(109,750)	(139,650)	(189,750)	(87,650)	(109,750)	(181,650)	(178,700)	(72,600)	(94,700)	(76,600)	(264,100)	(3,226,800)
Opening Cash Balance	731,352	2,515,285	1,967,519	1,789,452	1,637,102	1,509,452	1,399,702	1,260,052	1,070,302	982,652	872,902	691,252	512,552	439,952	345,252	268,652	731,352
Net Cash Flow	(716,067)	(547,767)	(178,067)	(152,350)	(127,650)	(109,750)	(139,650)	(189,750)	(87,650)	(109,750)	(181,650)	(178,700)	(72,600)	(94,700)	(76,600)	(264,100)	(3,226,800)
DIP Advances - Purchaser	2,500,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,500,000
Ending Cash Balance	\$2,515,285	\$1,967,519	\$1,789,452	\$1,637,102	\$1,509,452	\$1,399,702	\$1,260,052	\$1,070,302	\$ 982,652	\$ 872,902	\$ 691,252	\$512,552	\$439,952	\$345,252	\$268,652	\$ 4,552	\$ 4,552

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

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 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.

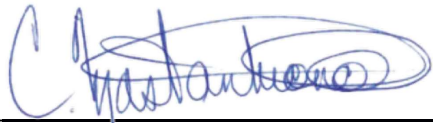
(b) Projected Net Operating Receipts

- 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



Olivier Benchaya, CPA, CIRP, LIT
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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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Montréal, Canada H3B 3V2

**SUPERIOR COURT
(Commercial Division)**

N° : 500-11-060613-227

**CANADA
PROVINCE OF QUÉBEC
DISTRICT OF MONTRÉAL**

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

RISING PHOENIX INTERNATIONAL INC. AND AL.

Debtors

-and-

RICHTER INC.

Monitor/Applicant

BS0350

File: 033491-1035

**APPLICATION FOR THE ISSUANCE OF AN
ORDER EXPANDING THE POWERS OF THE
MONITOR
(Sections 11, 11.2 and 23 of the *Companies'
Creditors Arrangement Act*)**

ORIGINAL

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