

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

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

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

RISING PHOENIX INTERNATIONAL INC.

and

10864285 CANADA INC.

and

11753436 CANADA INC.

and

CDSQ IMMOBILIER INC.

and

COLLÈGE DE L'ESTRIE INC.

and

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

and

9437-6852 QUÉBEC INC.

and

9437-6845 QUÉBEC INC.

Debtors

and

RICHTER INC.  
(FORMERLY RICHTER ADVISORY GROUP INC.)

Monitor

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

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**INTRODUCTION**

1. The present report ("**Ninth 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**"), the Seventh Report dated April 19, 2022 (the "**Seventh Report**") and the Eighth Report dated June 15, 2022 (the "**Eighth 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 Ninth 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 Ninth Report is intended to provide the Court with information relating to:
  - Procedural Overview and Updates;
  - The Cestar Transaction;
  - CCSQ Sherbrooke;
  - The Monitor’s Activities;
  - The 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 OVERVIEW AND UPDATES**

### *A) The Initial Order and Stay Period*

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 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.
7. The Stay Period has since been extended on several occasions through to August 15, 2022. For the most recent extension, the Court advised that it was prepared to grant an extension of the Stay Period without a hearing or the requirement for the Debtor to file an application nor a corresponding Monitor’s Report if there were no contestations. No contestations were filed and on August 15, 2022, the Court extended the Stay Period to September 15, 2022.

*B) Recent Procedural Updates*

8. On July 13, 2022, the Purchaser filed the *Motion from Cestar College for Withdrawal or Sealing of Documents* (the “**Sealing of Documents Motion**”). On July 25, 2022, the Court dismissed the Sealing of Documents Motion.
9. On September 12, 2022, the Debtors filed an *Application for the Issuance of an Order Extending the Stay Period* (the “**Fourth Extension Application**”). The Fourth Extension Application is scheduled to be heard on or about September 15, 2022.

**THE CESTAR TRANSACTION**

*A) Closing of the Transaction*

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**”), in which it, among other things, approved the Transaction.
11. On June 28 and 29, 2022, the *Ministère de l’éducation* and the *Ministère de l’enseignement supérieur* (the “**Education Ministries**” or “**MEES**”) both provided their approval and authorization for the transfer (and renewal) of the education permits to the Purchaser.
12. Accordingly, the Purchaser and the Company proceeded to close the Transaction on June 30, 2022.

13. On July 6, 2022, the Monitor issued the Amended Certificate of the Monitor certifying that it has been advised by the Company and the Purchaser of the following:
  - a) the Asset Purchase Agreement (“**APA**”) had been executed and delivered;
  - b) the Purchase Price (as defined in the APA) had been paid to the Monitor, on behalf of the Company; and
  - c) all conditions to the closing of the Transaction had been satisfied or waived by the Purchaser and the Company.
  
14. On June 29, 2022, the Monitor filed an *Application for the Issuance of an Order Expanding the Powers of the Monitor* (the “**Enhancement of Monitor’s Powers Application**”) to enable the Monitor to provide insurance on certain of the immovable property of the Debtors which was set to expire on June 30, 2022. On June 30, 2022, the Court granted the Enhancement of Monitor’s Powers Application, however, since the Transaction was able to close shortly following the issuance of the order, the Purchaser put in place its own insurance on the immovables and accordingly, the Monitor did not proceed with insuring any real property.
  
15. Effective with the closing of the Transaction, the Purchaser has assumed full control over the operation of the Colleges including the continuing education of the Registered Students, the continuation of the emergency medical insurance programs for the Registered Students, the continued employment of selected administrative staff and teachers who were hired by the Purchaser, interactions with the Education Ministries and the maintenance of student records along with responding to student requests for documents in the ordinary course.
  
16. In addition, as at the closing of the Transaction, the Company ceased providing education services to the students of l’École du Secrétariat Notre-Dame-Des-Neiges (1985) (“**CCSQ Sherbrooke**”). However, in order to ensure no gap in emergency medical insurance, the Company requested and the Monitor agreed to continue the emergency medical insurance for the CCSQ Sherbrooke students through to July 31, 2022.

*B) Post-Closing Updates*

17. Since the closing of the Transaction, the Company and the Monitor continue to provide assistance to the Purchaser on various transition issues including, among other things, the location of required documents, the transfer of business accounts and student related matters.
18. The Company and the Purchaser, with the assistance of the Monitor, are still in the process of finalizing whether any closing adjustments are necessary.
19. The Monitor understands that the Purchaser is receiving requests from students seeking refunds and/or information in respect of ongoing education in accordance with the terms of the APA. The Monitor has been informed that the Purchaser is communicating directly with students on an individual basis and is performing a detailed review of all student files in order to provide students with an update on their specific situation and next steps in the process as it may relate to their education, refunds, or otherwise.
20. The Monitor has been further informed by the Purchaser that it has started communicating with the various groups of students, with responses varying depending on whether these students are Registered Students, Pipeline Students and Other Students.

**CCSQ SHERBROOKE**

21. On June 20, 2022, CCSQ Sherbrooke filed an application entitled *Demande Visant à Ordonner à la Défenderesse de Donner Accès à la Demanderesse à des Locaux et de Lui Remettre les Meubles Lui Appartenant* (the "**CCSQ Sherbrooke Application**"). Pursuant to the CCSQ Sherbrooke Application, CCSQ Sherbrooke was seeking to gain access to the Sherbrooke Premises to permit it to retrieve property that it claimed it was the owner of. The CCSQ Sherbrooke Application was not contested, and the following orders were issued:
  - a) That CCSQ Sherbrooke be granted access, on or before June 22, 2022, to the Sherbrooke Premises to take pictures and to prepare an inventory of the moveable property situated in the leased premises. On June 22, 2022, a representative of CCSQ Sherbrooke in the presence of the Monitor and the Company visited the Sherbrooke Premises.
  - b) That CCSQ Sherbrooke file with the Monitor a proof of property claim to revendicate the assets in respect of which it claims a right of ownership ("**Proof of Property Claim**") no later than June 29, 2022. CCSQ Sherbrooke filed the Proof of Property Claim with the Monitor on June 29, 2022.

- c) That the Monitor issue a notice of determination of the validity of the Proof of Property Claim no later than July 6, 2022.
  - d) That any appeal of the Monitor's notice of determination of the Proof of Property Claim be filed by CCSQ Sherbrooke before the Court no later than July 18, 2022.
22. As a result of the Proof of Property Claim, an amount of \$175,000 from the Purchase Price was placed in escrow with Robinson Sheppard Shapiro LLP (the "**Escrow Agent**") pursuant to an Escrow Agreement dated June 30, 2022 (the "**Escrow Agreement**"). The Escrow Agreement provides that:
- a) the Purchase Price shall be reduced on a dollar-for-dollar basis by the book value of the assets determined to belong to CCSQ Sherbrooke (the "**Price Reduction Amount**"); and
  - b) upon receipt of a joint written direction, the Escrow Agent shall immediately release the portion of the escrow amount equal to the Price Reduction Amount to the Monitor.
23. On July 6, 2022, a Notice of Partial Disallowance of the Proof of Property Claim was issued by the Monitor to CCSQ Sherbrooke. CCSQ Sherbrooke did not appeal this notice by July 18, 2022, and accordingly, counsel for the Monitor sent a letter to counsel for CCSQ Sherbrooke, requesting that arrangements for the removal of the equipment belonging to CCSQ Sherbrooke be made.
24. On July 29, 2022, representatives of CCSQ Sherbrooke attended at the Sherbrooke Premises in the presence of the Monitor and the Purchaser to take possession of the equipment. A portion of the equipment was removed from the Sherbrooke Premises on July 29, 2022 and the Monitor was advised that the remainder of the equipment was removed on August 11, 2022.
25. On August 11, 2022, a settlement of the escrow agreement was agreed upon by the Monitor, the Sellers and the Buyer, such that an amount of \$163,456 should be disbursed shortly by the Escrow Agent to the Monitor, in accordance with the terms of the Transaction and the Escrow Agreement.

## **THE MONITOR'S ACTIVITIES**

26. We refer to the Monitor's Seventh Report for a description of various of the Monitor's activities which are continuing through the issuance of this Ninth Report. In addition thereto, since the issuance of the Eighth Report dated June 15, 2022, the Monitor has, *inter alia*:
- a) Attended the June 21, 2022 Court hearing with respect to the Third Extension Application and the CCSQ Sherbrooke Application and attended the July 25, 2022 Court hearing with respect to the Sealing of Documents Motion;

- b) Filed the Enhancement of Monitor's Powers Application and attended the June 30, 2022 Court hearing with respect to same;
- c) Participated, through counsel, in ongoing communications with legal counsel for the Education Ministries mainly with respect to the transfer of the permits;
- d) Assisted the Company and the Purchaser, and its legal counsel, in closing the Transaction and finalizing documents relating thereto;
- e) Assisted the Company and Purchaser in ongoing post-closing transition matters following the closing of the Transaction;
- f) Issued the Monitor's Certificate certifying that the APA has been executed;
- g) Reviewed and assessed the Proof of Property Claim, issued the Partial Disallowance of Claim and attended the Sherbrooke Premises to facilitate the retrieval of the equipment; and
- h) Prepared and filed this Ninth Report.

#### **THE COMPANY'S ACTIVITIES**

27. Since the issuance of the Eighth Report, the Monitor has noted that the Company has, *inter alia*:
- a) Dealt with daily operational, educational and administrative activities of the Company and the Colleges through to the closing of the Transaction on June 30, 2022;
  - b) 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;
  - c) Through its legal counsel, participated in finalizing and signing of the closing documents to complete the Transaction; and
  - d) Continued to cooperate with the Purchaser in providing information with respect to any post-closing transition issues.

## FINANCIAL PERFORMANCE AND CASH FLOW PROJECTIONS

28. Since the filing of the CCAA proceedings, the Company has been paying its suppliers for the post-filing goods and services received. The table below contains the comparative cash flow statement for the 13-week period ended September 2, 2022, which reflects a positive cash flow variance of approximately \$469,000. The reported results include the proceeds from the Transaction and use thereof, which information was not presented in the cash flow projections filed in the Eighth Report as this information was not yet public.

<b>RPI (Consolidated)</b>				
<b>Projected Cash Flow (Note 1)</b>	<b>Reported</b>	<b>Projected</b>	<b>Variance</b>	<b>Notes</b>
<i>For the period of June 4 to September 2, 2022</i>	<i>91 days</i>	<i>91 days</i>		
<b>Receipts</b>	<b>\$ 12,000,000</b>	<b>\$ -</b>	<b>\$ 12,000,000</b>	<b>2</b>
Salaries	(42,354)	(47,900)	5,546	
Educational services	(141,463)	(154,500)	13,037	
Utilities	(9,007)	(18,000)	8,993	
Other operating expenses	(48,786)	(51,000)	2,214	
Student Insurance	(38,056)	-	(38,056)	<b>3</b>
<b>Operating Expenses</b>	<b>(279,665)</b>	<b>(271,400)</b>	<b>(8,265)</b>	
Professional Fees	(1,081,681)	(120,000)	(961,681)	<b>4</b>
Principal and Interest - FCC's Term Loan	(5,884,016)	(41,200)	(5,842,816)	<b>5</b>
Principal, Interest & Fees - FCC's DIP	(2,073,204)	(25,300)	(2,047,904)	<b>5</b>
Principal, Interest & Fees - Purchaser's DIP	(2,558,000)	(62,800)	(2,495,200)	<b>6</b>
Funds held in Escrow	(175,000)	-	(175,000)	<b>7</b>
<b>Other Expenses</b>	<b>(11,771,901)</b>	<b>(249,300)</b>	<b>(11,522,601)</b>	
<b>Net Cash Flow</b>	<b>(51,566)</b>	<b>(520,700)</b>	<b>469,134</b>	
<b>Opening Cash Balance</b>	<b>532,643</b>	<b>532,643</b>	<b>-</b>	
Net Cash Flow	(51,566)	(520,700)	469,134	
<b>Ending Cash Balance</b>	<b>\$ 481,077</b>	<b>\$ 11,943</b>	<b>\$ 469,134</b>	

### NOTES

1. The Company's Projections filed in the Eighth Report assumed that proceeds from the Transaction would be sufficient to cover post-filing Restructuring Fees after the repayment of the secured lenders, however no amounts were shown. The above table includes the details of the amounts received from the proceeds of the Transaction and the requisite payments.
2. The gross purchase price of the Transaction.
3. The Company paid for the student insurance for the month of July 2022. The amount will be repaid by the Purchaser as part of the closing adjustment yet to be finalized.
4. As noted in the projections accompanying the Third Extension Request, the operating cash flow of the Company was insufficient to pay accrued professional fees of the Monitor and its counsel, Company counsel and counsel for the Student Representatives. The payment of the professional fees in this period represents approximately four months of accrued professional fees (to June 30, 2022) which were deferred pending completion of the Transaction and payment of current fees through July 31, 2022.
5. Represents the repayment of the Firm Capital term loan and interim financing and accrued interest from the proceeds of the Transaction.
6. The repayment of the Purchaser's interim financing and accrued interest. The amount was deducted from the proceeds of sale by the Purchaser.
7. Funds held back from the purchase price pending resolution of the CCSQ Sherbrooke Proof of Property Claim. The majority of these escrow funds are expected to be remitted to the Monitor in the coming weeks.



29. The Company’s cash flow projections with the accompanying notes and reports (hereinafter the “**Projections**”) prepared by Management for the period from September 3, 2022 to November 30, 2022 (hereinafter the “**Period**”) are included in **Exhibit A**. We summarize the Projections as follows:

<b>RPI Group - Projected Cash Flow</b>	
For the 89-day period ending November 30, 2022	
<b>Receipts</b>	<b>\$ 140,000</b>
Post-filing obligations	(15,000)
Restructuring Fees	(195,000)
<b>Disbursements</b>	<b>(210,000)</b>
<b>Net Cash Flow</b>	<b>(70,000)</b>
<b>Opening Cash Balance</b>	<b>481,077</b>
Net Cash Flow	(70,000)
<b>Ending Cash Balance</b>	<b>\$ 411,077</b>

- a) Receipts represent estimated funds to be released from escrow following the resolution of the CCSQ Sherbrooke Proof of Property Claim, as well as the payment by the Purchaser of the final closing adjustment calculation. The Monitor has been advised by the Purchaser that certain computer equipment that was included in the Company’s equipment lists in the virtual data room has not been located. This is under review by the Company and the Monitor and could result in an adjustment to the final purchase price.
- b) Post-filing obligations consist of the estimated costs of remaining operating expenses through to June 30, 2022.
- c) Restructuring fees represent the estimated professional fees for the Monitor and its legal counsel, the counsel for the Debtors as well as the Students’ Representative Counsel for the Period.
30. Effective with the closing of the Transaction on June 30, 2022, the Debtors do not have any operations, nor do they have any employees. Management continues to assist the Monitor in post-closing transition issues with the Purchaser as well as the reconciliation and payment of post-filing invoices through June 30, 2022.

## **EXTENSION REQUEST**

31. The Fourth Extension Application seeks an extension of the Stay Period until November 30, 2022. Since the closing of the Transaction, the Debtors and the Monitor have been primarily focused on providing the Purchaser with the necessary support to ensure a smooth transition to the benefit of the students. The proposed extension period is to allow for the following:
- a) For the Monitor and the Debtors to evaluate and consider the feasibility of a potential distribution to the various unsecured creditors taking into account that there is an estimated amount of approximately \$411,000 following the completion of the Transaction;
  - b) For the stakeholders to consider and evaluate if there are any further sources of funding (including claims against third parties) to support a Plan of Arrangement to be presented to the unsecured creditors. In this regard, the Monitor i) has engaged in certain preliminary discussions with Students' Representative Counsel in connection with potential third-party claims; ii) the Monitor has held discussions with representatives of certain creditors; and iii) is continuing to assess the feasibility of including these claims and amounts in an eventual Plan of Arrangement; and
  - c) For the Monitor and the Company to deal with any remaining transition issues with the Purchaser and to finalize post-closing adjustments and recovery of the funds held in escrow.
32. The Monitor understands that the Students' Representative Counsel has been contacted and made aware of the conclusions sought in the Fourth Extension Application.

## **CONCLUSION**

33. The Monitor is of the opinion that the Court should grant the Debtors' Fourth Extension Application extending the Stay Period until November 30, 2022, for the following reasons:
- a) The Company is acting in good faith and with due diligence;
  - b) The extension provides additional time to evaluate and prepare the next steps in these CCAA proceedings, including the evaluation of other sources of funding for the unsecured creditors in order to consider the feasibility of a Plan of Arrangement to the creditors (and a potential claims process); and

- c) 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 to the benefit of the Debtors' various stakeholders and creditors, including in particular, the students.

Respectfully submitted at Montreal, this 12<sup>th</sup> day of September 2022.

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

Monitor



Olivier Benchaya, CPA, CIRP, LIT



Andrew Adessky, CPA, MBA, CIRP, LIT

## EXHIBIT A

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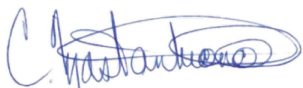
**RPI Group - Projected Cash Flow**For the 89-day period ending November 30, 2022

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<b>Receipts</b>	<b>\$ 140,000</b>
Post-filing obligations	(15,000)
Restructuring Fees	(195,000)
<b>Disbursements</b>	<b>(210,000)</b>
<b>Net Cash Flow</b>	<b>(70,000)</b>
<b>Opening Cash Balance</b>	<b>481,077</b>
Net Cash Flow	(70,000)
<b>Ending Cash Balance</b>	<b>\$ 411,077</b>

Effective with the closing of the sale transaction on June 30, 2022, the Debtors do not have any operations, nor do they have any employees

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Caroline Mastantuono

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Joseph Mastantuono

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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 September 8, 2022, consisting of the period from September 3, 2022 to November 30, 2022.

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

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

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

Dated at Montréal, in the Province of Quebec, this 12<sup>th</sup> day of September 2022.



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

Caroline Bonneville Mastantuono - President  
Name and title of signing officer



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

Joseph Mastantuono - President  
Name and title of signing officer

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

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

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

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

Purpose:

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

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

Projection Notes:

The Statement of Projected Cash-Flow has been prepared using probable assumptions supported and consistent with the plans of the Company for the period September 3, 2022 to November 30, 2022, considering the economic conditions that are considered the most probable by Management. As the cash-flow is based upon various assumptions regarding future events and circumstances, variances will exist and said variances may be material. Accordingly, we express no assurance as to whether the projections will be achieved.

Assumptions:

(a) General

- Effective with the closing of the sale transaction on June 30, 2022, the Debtors do not have any operations, nor do they have any employees.

(b) Projected Receipts


- Represents estimated funds to be released from escrow following the resolution of the CCSQ Sherbrooke Proof of Property Claim, as well as the payment by the Purchaser of the final closing adjustment calculation.

(c) Projected Cash Disbursements

- Post-filing obligations – consists of the estimated costs of the remaining operating expenses through to June 30, 2022.
- Restructuring fees – relates to the Monitor and its legal counsel, the counsel for the Debtors as well as the Students' Representative counsel.

- The cash disbursements do not provide for the payment of arrears to unsecured creditors.

Dated at Montréal, in the Province of Quebec, this 12<sup>th</sup> day of September 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 September 8, 2022, consisting of the period from September 3, 2022 to November 30, 2022, has been prepared by the management of the insolvent person for the purpose described in the notes attached, using the probable and hypothetical assumptions set out in the notes attached.

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

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

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

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

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

Dated at Montréal, in the Province of Québec, this 12<sup>th</sup> day of September 2022.

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



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

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

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

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

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

**Purpose:**

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

The purpose of the Statement of Projected Cash Flow is to present an estimate of the receipts and disbursements of Rising Phoenix International Inc. et al for the period September 3, 2022 to November 30, 2022. This statement of projected cash flow has been prepared by Management based on the financial information available at that date, in accordance with Section 11.02 of the CCAA. Readers are cautioned that this information may not be appropriate for other purposes.

**Projection Notes:**

The Statement of Projected Cash Flow has been prepared using probable assumptions supported and consistent with the plans of the Company for the period September 3, 2022 to November 30, 2022, considering the economic conditions that are considered the most probable by Management.

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

**Assumptions:**

**(a) General**

- Effective with the closing of the sale transaction on June 30, 2022, the Debtors do not have any operations, nor do they have any employees.

**(b) Projected Receipts**

- Represents estimated funds to be released from escrow following the resolution of the CCSQ Sherbrooke Proof of Property Claim, as well as the payment by the Purchaser of the final closing adjustment calculation.

**(c) Projected Cash Disbursements**

- Post-filing obligations – consists of the estimated costs of the remaining operating expenses through to June 30, 2022.
- Restructuring fees – relates to the Monitor and its legal counsel, the counsel for the Debtors as well as the Students' Representative counsel.
- The cash disbursements do not provide for the payment of arrears to unsecured creditors.

Dated at Montréal in the Province of Québec, this 12<sup>th</sup> day of September 2022.

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



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Olivier Benchaya, CPA, CIRP, LIT

**SUPERIOR COURT  
(Commercial Division)**

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**N° : 500-11-060613-227**

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**CANADA  
PROVINCE OF QUÉBEC  
DISTRICT OF MONTRÉAL**

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

**RISING PHOENIX INTERNATIONAL INC. AND AL.**

Debtors

-and-

**RICHTER INC.**

Monitor

**BS0350**

**File: 033491-1035**

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**NINTH REPORT OF THE MONITOR**

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ORIGINAL

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