

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

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

INTRODUCTION

1. The present report ("**Tenth 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 "**Third Report**"), 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**"), the Eighth Report dated June 15, 2022 (the "**Eighth Report**") and the Ninth Report dated September 12, 2022 (the "**Ninth 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 Tenth 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 Tenth Report is intended to provide the Court with information relating to:
 - a) Procedural Overview and Updates;
 - b) The Cestar Transaction;
 - c) The Proposed Plan of Arrangement;
 - d) The ISI Information Application;
 - e) The Monitor’s Activities;
 - f) The Company’s Activities;
 - g) Financial Performance and Cash Flow Projections;
 - h) Extension Request;
 - i) Debtors’ Application to Include 9392-9073 Québec Inc. in the RPI CCAA Proceedings; and
 - j) Conclusions.
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, 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, including most recently, on September 15, 2022, when the Court granted the Fourth Extension Application and extended the Stay Period to November 30, 2022.

B) Recent Procedural Updates

8. On November 11, 2022, the Monitor filed the *Application for the Issuance of an Order Forcing the Communication of Information to the Monitor* (the “**ISI Information Application**”). As discussed below, the Monitor may not proceed with the ISI Information Application, pending ongoing discussions with Les Consultants 3 L M Inc. (“**ISI**”) to provide the requested information.

9. On November 24, 2022, the Students’ Representative Counsel filed an *Application for the Issuance of an Order Forcing the Communication of Information to the Students’ Representative Counsel* (the “**Students’ Representative Application**”). A date has not yet been scheduled for the hearing on the Students’ Representative Application.

10. On November 28, 2022, the Debtors filed (i) *An Amended and Restated Initial Order Adding an Additional Applicant and (ii) an Order Extending the Stay Period* (the “**Fifth Extension Application**”). The Fifth Extension Application is scheduled to be heard on or about November 30, 2022.

THE CESTAR TRANSACTION

Post-Closing Update

11. Further to the information provided in the Monitor’s Ninth Report, the Monitor remains in communication with the Purchaser and its counsel in respect of the following matters:

- a) Ongoing support in respect of any transition related matters;
- b) Finalization of post-closing adjustments;
- c) Monitoring of completion of tax election forms between the Company and the Purchaser; and
- d) Monitoring of communications between McCarthy Tétrault LLP (the “**Students’ Representative Counsel**”) and the Purchaser in respect of information requested by the Student Representatives. The information requested is detailed in the Students’ Representative Application.

THE PROPOSED PLAN OF ARRANGEMENT

12. During the Fourth Extension Application hearing of September 15, 2022, the Debtors, the Monitor, the Students' Representative Counsel and ISI agreed on the following timetable in connection with the next steps in these CCAA proceedings, which included the negotiation of a plan of arrangement ("**Plan**") and the preparation and initiation of a claims process:

Date	Step	Current Status
September 22	Company/Directors to provide information requested by ISI and authorization required to retrieve copies of bank statements	Completed
September 30	Finalization of transaction with CESTAR	Completed, with the exception of final adjustments
October 10	ISI to complete analysis of information	Completed
October 10	Directors to communicate their written offer	Completed
October 28	Parties to complete the negotiation of a transaction / plan of arrangement	Ongoing
November 21	Finalize preparation of claims process and file proceedings for claims process and stay extension	Outstanding

13. As detailed in the ISI Information Application, the Debtors have indicated to the Monitor that they are willing to put forward a Plan, the principal terms of which would, subject to negotiations, include the following:

- a) The Directors would pledge a significant portion of the real estate assets under their control towards the funding of a plan. More specifically, the Directors are currently proposing to contribute assets that are evaluated at \$2.1 million (net of hypothecs). The exact modalities of this contribution remain subject to negotiations;
- b) The Directors would retain certain limited personal assets, including notably, minimal amounts in personal RRSPs and a portion of the equity in their personal homes and furniture, as well as funds to be set aside, estimated at \$500,000, to pay for the fees and costs of criminal defence attorneys retained by certain Directors;
- c) The Monitor would be tasked with the sale of the real estate assets contributed by the Directors and with the distribution of net proceeds to creditors through the CCAA Plan;

- d) The Plan would create a litigation trust to finance the pursuit of potential claims that the students, as a group, may have against the Federal and Provincial Governments, as more fully described in the ISI Information Application. This litigation trust fund, currently evaluated at \$100,000 (subject to negotiations), would be insufficient to finance the entire litigation process, however the attorneys representing the students in the litigation would be expected to finance a portion of their fees and costs on a contingency basis;
 - e) In consideration for their contribution to the Plan, the Directors would be released of all personal claims arising from their operation of the Debtors and their business; and
 - f) The creditors with proven claims against the Directors would benefit from a special distribution from the Director-pledged assets under the Plan. In addition to ISI, all students with claims against RPI would be included as part of this group.
14. The proposed Plan was presented to both the Students' Representative Counsel and ISI. The Students' Representative Counsel expressed interest in pursuing a Plan.
15. ISI initially indicated it was not willing to engage in further negotiations regarding a Plan, prompting the Monitor to file the ISI Information Application in order to determine if a Plan was still viable, depending on the quantum of ISI's corporate claim (the "**ISI Claim**"). Since then, ISI and the Monitor have re-engaged in discussions regarding the provision of information and the possible support of a Plan.

THE ISI INFORMATION APPLICATION

16. On November 11, 2022, the Monitor filed the ISI Information Application in an attempt to ascertain the quantum of the ISI Claim.
17. The Monitor requested that the Court grant the ISI Information Application and order ISI to provide the following information (the "**ISI Information**"):
- a) A list of all the students recruited by RPI on behalf of ISI as well as information about their educational programs (nature and duration) and the tuition fees paid by them to RPI;
 - b) Details regarding the educational services that ISI intends to provide to these recruited students or that ISI has already provided to them;
 - c) Details relating to any amounts remitted directly to ISI by RPI, as part of their recruiting agreement; and
 - d) Details regarding any tuition amounts reimbursed by ISI to the students enrolled at ISI by RPI.

18. Upon receipt of the ISI Information, the Monitor should be in a position to determine the quantum of the ISI Claim against RPI and its directors and officers as well as determine whether ISI has a potential veto right over the acceptance of any Plan.
19. ISI, through its legal counsel, has recently advised the Monitor's legal counsel that ISI is reviewing the ISI Information request and has begun to gather certain of the requested ISI Information to provide to the Monitor. As of the date of this report, the Monitor has not yet received any of the requested information.

THE MONITOR'S ACTIVITIES

20. We refer to the Monitor's Ninth Report for a description of various of the Monitor's activities which are continuing through the issuance of this Tenth Report. In addition thereto, since the issuance of the Ninth Report, the Monitor has, *inter alia*:
 - a) Filed the ISI Information Application;
 - b) Prepared and analyzed information in order to determine, in consultation with its legal counsel and counsel to the Debtors, the parameters and viability of a proposed Plan;
 - c) Participated, with the assistance of its legal counsel, in communicating and presenting to the Students' Representative Counsel and ISI's legal counsel, the Debtor's proposed Plan, which proposal remains subject to ongoing negotiations;
 - d) Since the closing of the Transaction, assisted the Company and Purchaser in ongoing post-closing transition matters, requests for information and the final closing adjustment calculation; and
 - e) Prepared and filed this Tenth Report.

THE COMPANY'S ACTIVITIES

21. Since the issuance of the Ninth Report, the Monitor has noted that the Company has, *inter alia*:
 - a) With the assistance of its legal counsel, participated in analyzing, assessing and preparing a draft Plan for consideration by its stakeholders;
 - b) Responded to information requests from Monitor, Purchaser and Student Representatives Counsel; and
 - c) Continued to cooperate with the Purchaser in providing information with respect to any post-closing transition issues.

FINANCIAL PERFORMANCE AND CASH FLOW PROJECTIONS

22. Effective as at the closing of the Transaction on June 30, 2022, the Debtors no longer have any operations, nor do they have any employees. The table below contains the comparative cash flow statement for the twelve-week period ended November 25, 2022, which reflects a positive cash flow variance of approximately \$14,000:

RPI (Consolidated)				
Projected Cash Flow	Reported	Projected	Variance	Notes
<i>For the period of September 3 to November 25, 2022</i>				
Receipts	\$ 169,242	\$ 140,000	\$ 29,242	1
Post filing obligations	(1,444)	(15,000)	13,556	2
Restructuring Fees	(223,604)	(195,000)	(28,604)	3
Disbursements	(225,048)	(210,000)	(15,048)	
Net Cash Flow	(55,806)	(70,000)	14,194	
Opening Cash Balance	481,077	481,077	-	
Net Cash Flow	(55,806)	(70,000)	14,194	
Ending Cash Balance	\$ 425,271	\$ 411,077	\$ 14,194	

NOTES

1. The funds released from escrow following the resolution of the CCSQ Sherbrooke Proof of Property Claim exceeded the projected amount. Receipts also include a refund of a utility deposit and interest earned in the bank account that were not reflected in the projections.
2. Reported payments were lower than the projected estimate for post-filing obligations.
3. Restructuring fees payments were higher than projected during the Period.

23. The Company's cash flow projections with the accompanying notes and reports (hereinafter the "**Projections**") prepared by Management for the period from November 26, 2022 to February 17, 2023 (hereinafter the "**Period**") are included in **Exhibit A**. We summarize the Projections as follows:

RPI Group - Projected Cash Flow	
For the 84-day period ending February 17, 2023	
Receipts	\$ 50,000
Post-filing obligations	(5,000)
Restructuring Fees	(120,000)
Disbursements	(125,000)
Net Cash Flow	(75,000)
Opening Cash Balance	425,271
Net Cash Flow	(75,000)
Ending Cash Balance	\$ 350,271

- a) Receipts represent the amount to be paid by the Purchaser to the Company for the estimated closing expense adjustments, Receipts do not include a provision for the payment by the Purchaser of additional computer equipment not included in the original asset listing. The Company has submitted the closing adjustment calculation to the Purchaser, however this calculation has yet to be accepted by the Purchaser, and accordingly, remains subject to negotiations which may increase or decrease this amount.
- b) While the Company believes that all post-filing obligations have been paid for, a nominal amount has been projected for any unforeseen post-filing expenses for which invoices have not yet been received.
- c) Restructuring fees represent the estimated accrued professional fees for the Monitor and its legal counsel, the counsel for the Debtors as well as the Students' Representative Counsel for the Period through to November 15, 2022. In order to preserve the remaining funds in the estate for the benefit of the stakeholders, in particular the students, the professionals (the Monitor, the Monitor's counsel, the Debtors' counsel and the Student Representative Counsel) have agreed to defer payment of all fees accrued and continuing fees not already accrued or paid through November 15, 2022 on the basis that such fees will be paid in conjunction with the implementation of a Plan.

EXTENSION REQUEST

24. The Fifth Extension Application seeks an extension of the Stay Period until February 17, 2023. The proposed extension period is to allow for the following:
- a) For the Monitor and the Company to evaluate the information to be received from ISI and to enable it to evaluate the ISI Claim and consider the feasibility of a potential Plan;
 - b) Permit the various stakeholders to complete the negotiation of a Plan;
 - c) Finalize the preparation of a claims process and file proceedings for same; and
 - d) For the Monitor and the Company to deal with the Purchaser in finalizing the post-closing adjustment.
25. The Monitor understands that the Students' Representative Counsel and ISI have been contacted and are in support of the conclusions sought in the Fifth Extension Application.

DEBTORS APPLICATION TO INCLUDE 9392-9073 QUEBEC INC. IN THE RPI CCAA PROCEEDINGS

26. The Monitor has been informed that 9392-9073 Québec Inc. (“**9073**”) was the general partner owning the majority of shares of a property located at 205 Viger West, Montreal, Quebec (the “**Property**”). The Property was purchased with a partner (Collège Supérieur de Montréal (“**CSM**”)) in March 2019. The shareholders of 9073 are Caroline Bonneville, Christina Mastantuono and Joseph Mastantuono.

27. In April 2020, 9073’s shares were sold to CSM for \$8.4M resulting in a capital gain of \$3.2M for 9073.

28. The proceeds were distributed as follows:

a) Repayment of RPI advance (to enable the purchase of the Property)	\$5,191,000
b) Dividend payment to the Mastantuonos	\$2,404,000
c) Advance to RPI	\$800,000

We refer to the Fifth Extension Application for additional details regarding the proceeds of distribution.

29. The unaudited December 31, 2020 financial statements of 9073 are attached hereto as **Exhibit B**. The following table reflects the balance sheet of 9073 as of December 31, 2020:

9392-9073 Québec Inc.	
Balance Sheet	
As at December 31, 2020	<i>Unaudited</i>
Assets	
Cash	1,109
Receivable from shareholders	200
Advances to related parties	800,000
Total assets	801,309
Liabilities	
Income taxes payable	488,827
Shareholders' equity	
Share capital	200
Retained earnings	312,282
Total shareholders' equity	312,482
Liabilities and Shareholders' equity	801,309

- a) Advances to related parties represent an amount paid to RPI;
- b) Income taxes payable is 9073’s estimate of the amount of corporate taxes owing as a result of the gain on the sale of the shares in the Property; and
- c) We have been advised by the Debtors that there has been no material change in 9073’s balance sheet since the filing of the December 31, 2020 financial statements.

30. We have been advised by the Debtors that a significant portion of the dividend payment was used to purchase one of the real estate assets being pledged by the Directors towards the funding of the Plan, namely the Country House, as more fully described in the Fifth Extension Application.
31. Given that RPI is insolvent, it is unable to repay 9073 and consequently 9073 is unable to pay the outstanding taxes that are currently owing.
32. We have been advised by the Debtors that in May 2022, Revenu Québec requested information concerning the financial statements of 9073, the aforementioned sale transaction and potential tax liabilities, which may result in notices of assessment being issued as against the Mastantuonos.
33. The Debtors believe that 9073 should be part of the CCAA proceedings, as 9073 does not have the ability to pay the taxes owing and any pursuit of the Mastantuonos for these amounts will impact their ability to fund a Plan. More specifically, it will result in a race to their personal assets, which the Debtors and the Monitor, with the assistance of this Court, have so far prevented, to the benefit of all stakeholders, including in particular, the students.
34. The Directors advise that 9073 was always a part of the RPI group, however it was excluded from the original CCAA filing since the initial decision was to file only the operating entities and the entities owning buildings used for the operation of the various colleges.
35. The tax authorities have been notified of the pending application to include 9073 in the RPI CCAA proceedings.

CONCLUSIONS

Extension Request

36. The Monitor is of the opinion that the Court should grant the Debtors' Fifth Extension Application extending the Stay Period until February 17, 2023, for the following reasons:
 - a) The Company is acting in good faith and with due diligence;
 - b) The extension provides additional time to evaluate the ISI Claim, as well as more fully develop and implement a claims process and a Plan to be voted on by the Debtors' various creditors; 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.

Amended and Restated Initial Order Request

37. The Monitor is of the opinion that the Court should grant the Debtors' Amended and Restated Initial Order Application, for the following reasons:

- a) 9073 is a company owned and controlled by the Mastantuono family and should be considered as a company within the RPI group of companies;
- b) 9073's sole asset is an advance to RPI, which amount will not be recovered;
- c) 9073 is unable to repay any obligations owing to its creditors and is therefore insolvent; and
- d) The exclusion of 9073 from the CCAA proceedings will likely jeopardize the ability to submit a Plan to the stakeholders, which will imperil any recovery by the stakeholders and in particular, the students.

Respectfully submitted at Montreal, this 28th day of November 2022.

Richter Inc. (formerly Richter Advisory Group Inc.)

Monitor



Olivier Benchaya, CPA, CIRP, LIT



Andrew Adessky, CPA, MBA, CIRP, LIT

EXHIBIT A

RPI Group - Projected Cash FlowFor the 84-day period ending February 17, 2023

Receipts	\$	50,000
Post-filing obligations		(5,000)
Restructuring Fees		(120,000)
Disbursements		(125,000)
Net Cash Flow		(75,000)
Opening Cash Balance		425,271
Net Cash Flow		(75,000)
Ending Cash Balance	\$	350,271

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



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 November 25, 2022, consisting of the period from November 26, 2022 to February 17, 2023.

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 28th day of November 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 November 26, 2022 to February 17, 2023, 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 the amount to be paid by the Purchaser for the estimated closing expense adjustments.

(c) Projected Cash Disbursements

- Post-filing obligations – consists of the estimated costs of the remaining post-filing expenses for which invoices have not yet been received.
- 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 through to November 15, 2022.

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

Dated at Montréal, in the Province of Quebec, this 28^h day of November 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
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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 November 25, 2022, consisting of the period from November 26, 2022 to February 17, 2023, 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 28th day of November 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 from November 26, 2022 to February 17, 2023. 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 from November 26, 2022 to February 17, 2023, 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 the amount to be paid by the Purchaser for the estimated closing expense adjustments.

(c) Projected Cash Disbursements

- Post-filing obligations – consists of the estimated costs of the remaining post-filing expenses for which invoices have not yet been received.
- Restructuring fees – represent the estimated accrued professional fees for the Monitor and its legal counsel, the counsel for the Debtors as well as the Students' Representative Counsel for the Period through to November 15, 2022.
- The cash disbursements do not provide for the payment of arrears to unsecured creditors.

Dated at Montréal in the Province of Québec, this 28th day of November 2022.

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



Olivier Benchaya, CPA, CIRP, LIT

EXHIBIT B

9392-9073 Québec Inc.
Financial Statements
December 31, 2020
(Unaudited - see Notice to Reader)

9392-9073 Québec Inc.

Contents

*For the year ended December 31, 2020
(Unaudited - see Notice to Reader)*

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Notice to Reader

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Notice To Reader

On the basis of information provided by management we have compiled the balance sheet of 9392-9073 Québec Inc. as at December 31, 2020 and the statements of earnings and retained earnings for the year then ended. We have not performed an audit or a review engagement in respect of these financial statements and, accordingly, we express no assurance thereon. Readers are cautioned that these statements may not be appropriate for their purposes.

The firm MNP SENCRL, srl is not independent of the Company as we have also prepared journal entries in order to compile these financial statements. Readers should not assume a higher level of reliability as a result of this additional work.

Montréal, Québec

August 17, 2021

MNP SENCRL, srl¹

¹ CPA auditor, CA, public accountancy permit no. A128291

9392-9073 Québec Inc.**Balance Sheet**

As at December 31, 2020

(Unaudited - see Notice to Reader)

	2020
Assets	
Cash	1,109
Receivable from shareholders	200
Advances to related parties	800,000
	801,309
Liabilities	
Income taxes payable	488,827
Shareholders' equity	
Share capital	200
Retained earnings	312,282
	801,309

Approved on behalf of the Board

Director

9392-9073 Québec Inc.**Statement of Earnings***For the year ended December 31, 2020**(Unaudited - see Notice to Reader)*

	2020
Revenue	
Capital gains	3,240,050
Expenses	
Security	31,179
Professional fees	3,253
Interest and bank charges	66
	34,498
Earnings from operations	3,205,552
Provision for income taxes	309,196
Net earnings	2,896,356

9392-9073 Québec Inc.
Statement of Retained Earnings
For the year ended December 31, 2020
(Unaudited - see Notice to Reader)

	2020
Net earnings	2,896,356
Dividends	(800,000)
Capital dividends	(1,604,443)
Refundable income taxes	(486,298)
Dividend refund	306,667
<hr/>	
Retained earnings, end of year	312,282

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

Monitor

BS0350

File: 033491-1035

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

ORIGINAL

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