

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  
SÉCRÉTARIAT DE LA RIVE-SUD INC.  
and

9437-6852 QUÉBEC INC.  
and

9437-6845 QUÉBEC INC.

Debtors

and

RICHTER ADVISORY GROUP INC.

Monitor

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SECOND REPORT OF THE MONITOR RICHTER ADVISORY GROUP INC.

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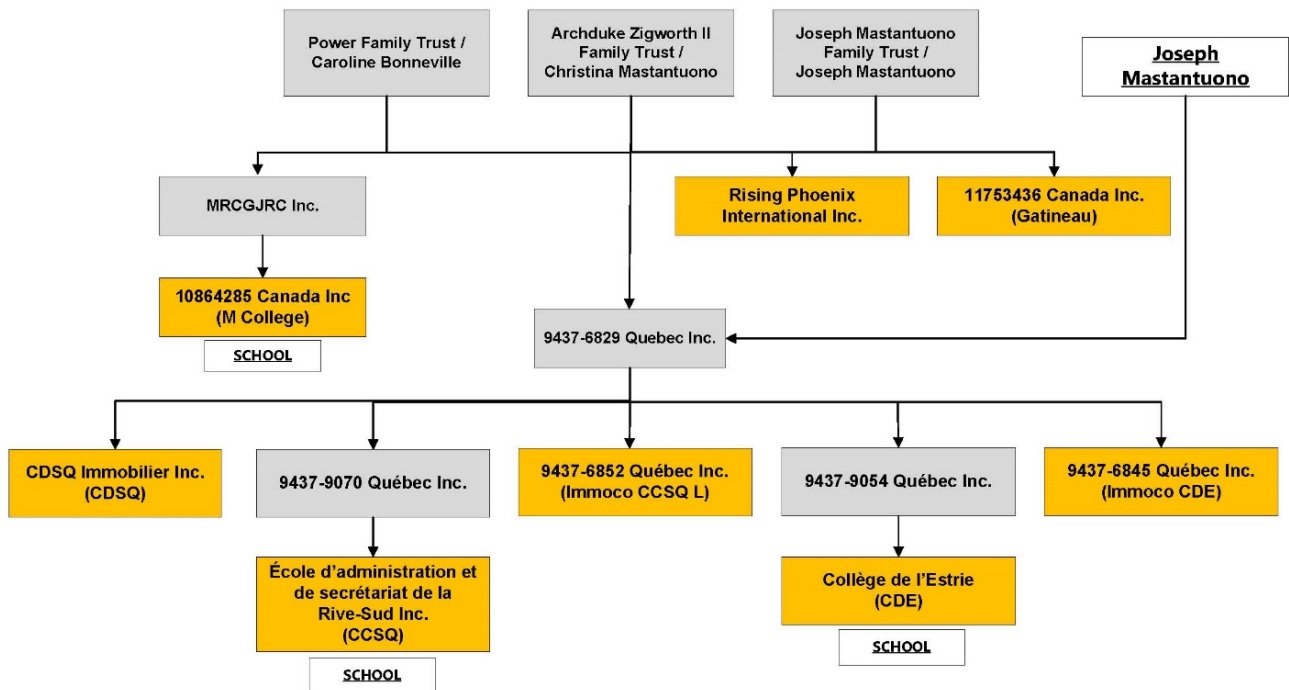
**INTRODUCTION**

1. The present report ("**Second Report**") should be read in conjunction with the Amended Pre-Filing Report dated January 6, 2022 (the "**Pre-Filing Report**") and the Supplementary Report dated January 16, 2022 (the "**Supplementary Report**") prepared by Richter Advisory Group Inc. ("**Richter**" or the "**Monitor**"), in its capacity as monitor of RPI and the other entities listed in the style of cause (collectively, the "**Debtors**" or the "**Company**").

2. This Second 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 and the Supplementary Report.
3. This Report is intended to provide the Court with information relating to:
  - a) Updated Organizational Chart;
  - b) Sales and Investment Solicitation Process (“**SISP**”)
  - c) Graduation of Students;
  - d) Communications with the Government Ministries;
  - e) Student Insurance; and
  - f) Conclusion.
4. Unless otherwise stated, all monetary amounts noted herein are expressed in Canadian dollars.

#### UPDATED ORGANIZATIONAL CHART

5. Paragraph 10 of the Monitor’s Pre-Filing Report provided an organigram depicting the filing of the Debtors and the positions of the various entities within the broader corporate group. It was brought to the Monitor’s attention that this organigram did not reflect the latest organizational changes that had been implemented in 2021. The corrected organigram is therefore included below:



## SALES AND INVESTMENT SOLICITATION PROCESS

6. On January 24, 2022, the Monitor launched the SISP and sent a teaser document explaining the investment opportunity to approximately 250 potentially interested parties consisting primarily of other operators of private colleges across Canada as well as certain international college operators.
7. A copy of the sales and investment solicitation procedures (the “**SISP Procedures**”) which were previously communicated to the Court and to all prospective bidders is annexed herewith as **Exhibit A**.
8. As appears from the milestones set out in section 2 of the SISP Procedures (**Exhibit A**), the Monitor is implementing an accelerated process and seeking bids on February 11, 2022, for all the assets of the group, including for a sale of the Colleges as a going concern, as well as for the real estate properties owned by the Debtors.
9. The Monitor and the Company, acting in consultation with the secured lender and provider of interim financing, Firm Capital Mortgage Fund Inc. (“**Firm Capital**”), are under no obligation to accept the offers received in the SISP. Specifically, it is contemplated that the real estate assets owned by the Debtors will be listed with a real estate broker, outside of the SISP, with a view to increasing the realization for the benefit of the Debtors’ stakeholders.
10. As regards the selection process for a successful bid(s) for any of the Colleges, the Monitor intends to review several factors, including, without limitation, the impact of any potential transaction(s) on the students which are currently enrolled at the Colleges. In that regard, section 12 of the SISP Procedures specifically require any bids for the Colleges to include the following:
  - (a) Regulatory Approvals: Each Bid must outline any anticipated regulatory and other approvals required to close the transaction, and the anticipated time frame and any anticipated impediments for obtaining such approvals;
  - (b) Treatment of Students: Each Bid for one or all of the Colleges must include full details regarding the Qualified Bidder’s intention towards the students who have paid tuition fees to the Colleges, including whether continued education will be provided to these students and if so, on which terms and conditions;
  - (c) Assumption of Liabilities: Each Bid for one or all of the Colleges must describe the nature and quantum of the liabilities assumed by the Qualified Bidder, including, without limitation, any liabilities associated with the refund of student tuition fees (if applicable);
  - (d) Education Industry: Each Bid must provide any relevant details, if any, of the previous investments or acquisitions, or any other experience a Qualified Bidder has and deemed relevant by such Qualified Bidder, in the education industry; and
  - (e) Prospective Plans: Each Bid must include the Qualified Bidder’s proposed plans for the Colleges, as well as for employees, students and facilities.

11. Since the launch of the SISP, 23 interested parties have signed non-disclosure agreements and have been granted access to the Data Room. The Monitor will continue to support the due diligence being performed by interested parties. Based on the interest received to date, and the conversations held with interested parties, the Monitor remains hopeful that several offers for a going-concern sale of some or all of the Colleges will be received, and that the implementation of such a transaction(s) is achievable with the cooperation of the relevant Government Ministries. Attached as **Exhibit B** to this Second Report is an outline of the information included in the Data Room.
12. It is likely that the implementation of a potential transaction will require funding past February 28, 2022. In that regard, the Monitor has engaged in discussions with Firm Capital and another potential provider of financing.

### **GRADUATION OF STUDENTS**

13. As indicated in the Monitor's Pre-Filing Report, the Company was planning to graduate 501 students by the end of February 2022. Since then, the number of students projected to complete their coursework and graduate by February 2022 has been increased to 516. The Company restarted its online classes on January 10, 2022 and has been working to complete the education process of the 516 students since then.
14. The Company advises that 234 students have completed their curriculum as of January 31, 2022, and another 282 are expected to complete their curriculum by February 28, 2022. Once their studies are completed, the last step will be the inputting of grades and coordinating with the relevant Education Ministries (as defined below) for the issuance of diplomas. This graduation process for the 516 students may only be finalized in March 2022.
15. With regards to the remaining students who have commenced their studies (either in Canada or as an AIP student) but cannot graduate in the next two months, the Company, with the assistance of the Monitor, is exploring the possibility of graduating additional students should the stay period be extended beyond February 28, 2022. In this regard, the Company and the Monitor are quantifying the costs and timing involved with such a process.

### **COMMUNICATIONS WITH THE GOVERNMENT MINISTRIES**

16. Various communications have been held with representatives of the *Ministère de l'éducation* and the *Ministère de l'enseignement supérieur* (collectively, the "**Education Ministries**"), either directly or through their attorneys, with a view to keeping them informed of the restructuring, the graduation of students and the SISP.

17. The most recent communication with the Education Ministries occurred on February 1<sup>st</sup>, 2022, between the Monitor, its counsel, counsel for the Debtors and several representatives of the Education Ministries as well as their counsel to discuss, amongst other matters, the transfer of the permits required to operate the Colleges should a potential buyer(s) be selected through the SISP. The Education Ministries have been receiving various inquiries in that regard from prospective bidders and it has been resolved that a document of “Frequently Asked Questions” will be prepared and posted by the Monitor in the Data Room, for all prospective bidders to access.
18. The Company and the Monitor have also been advised that since the CCAA filing, several students have received a formal notice from the *Ministère de l’immigration, francisation et intégration* (the “MIFI”), in which these students were advised that their application for temporary selection in accordance with the requirements of the *Quebec Immigration Act* (CQLR, chapter I-02.1) had been refused, unless these students submitted new information which would allow the MIFI to reconsider its decision. The grounds invoked in the MIFI notice are as follows:

*“According to our information, the institution where you declared to come to study is part of an entity that has placed itself under the protection of the Companies’ Creditors Arrangement Act. In addition, this establishment closed its doors on November 30, 2021 and the training it provides is suspended.”*
19. The foregoing authorization by MIFI takes the form of a *Certificat d’acceptation du Québec* (“CAQ”) which is required for international students whose program in Québec lasts more than six months and is a prerequisite for obtaining a study permit. Given the consequences that could arise from the foregoing notices for the students concerned, the Company and Monitor’s counsel have engaged in discussions with counsel for MIFI to correct the factual premise on which this refusal appears to be based, and on January 31, 2022, the Monitor provided MIFI with additional information in that regard.
20. The Monitor remains hopeful that this situation will be resolved with a view to ensure that the immigration status of the students is not affected by the Debtors’ CCAA filing and to preserve the *status quo* until a suitable transition plan can be implemented.

## **STUDENT INSURANCE**

21. Since the issuance of the Initial Order, the Monitor has paid to the provider of student health and medical insurance, JF Insurance Agency Group (the “Insurer”), a total of \$74,000 for the student premiums through January 31, 2022, in line with the projected cash flow in Exhibit A of our Supplementary Report. The premiums for the month of February, in the amount of \$55,000, will be paid the week ending February 4, 2022.

22. The Monitor and the Insurer are in discussions with respect to the number of students covered under the policies, the term of the coverage and the rate applicable thereto. However, it is the Monitor's understanding that to date, the Insurer has continued to provide the insurance coverage and has not reduced or cancelled any of the insurance policies for the active students of the Debtors, in accordance with the Initial Order.

## **CONCLUSION**

23. Since the issuance of the Supplementary Report, the Monitor, working with the Debtors, has launched the SISP for all the assets of the companies and has been in constant discussions and negotiations with various stakeholders and creditors.
24. The Monitor continues to believe that the SISP could result in the implementation of a sale of the Colleges as a going concern and that such transaction would allow the Company to achieve the best outcome for its stakeholders, including the hundreds of foreign students which have been most impacted by this CCAA filing.
25. The Monitor intends to keep this Court and the Debtors' stakeholders apprised of the results of the SISP as matters develop.

Respectfully submitted at Montreal, this 2<sup>nd</sup> day of February 2022.

**Richter Advisory Group Inc.**  
Monitor



Olivier Benchaya, CPA, CA, CIRP, LIT



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

# **EXHIBIT A**

Procedures for the  
Sales and Investment Solicitation Process

## PROCEDURES FOR THE SALE AND INVESTMENT SOLICITATION PROCESS

### Introduction

- A. On January 6, 2022 (the “**Filing Date**”), Rising Phoenix International Inc., 10864285 Canada Inc. (“**M College**”), Ecole d’Administration et de Secrétariat de la Rive-Sud Inc. : (“**CCSQ**”), Collège de l’Estrie Inc. (“**CDE**”), CDSQ Immobilier Inc., 9437-6852 Québec Inc., 9437-6845 Québec Inc. and 11753436 Canada Inc. (collectively, the “**RPI Group**”) sought and obtained an initial order (as amended, supplemented or amended and restated from time to time, the “**Initial Order**”) under the CCAA from the Superior Court of Quebec (Commercial Division) (the “**CCAA Court**”), pursuant to which, among other things, Richter Advisory Group Inc. was appointed as monitor in the CCAA Proceedings (in such capacity, the “**Monitor**”);
- B. Pursuant to the Initial Order, the RPI Group was authorized to borrow interim financing from Firm Capital Mortgage Fund Inc. ( “**Firm Capital**”), which is the first-ranking secured creditor in respect of the immovable properties owned by CDSQ Immobilier Inc., 9437-6852 Québec Inc., 9437-6845 Québec Inc. and 11753436 Canada Inc., such interim financing provided on the terms and conditions as set forth in the Interim Loan Commitment dated January 16, 2022 to, among other things, provide funding for the ongoing expenditures of the RPI Group in accordance with the cash flow attached to the Interim Loan Commitment;
- C. The entities that form part of the RPI Group provide student recruitment services for partner colleges as well as educational services to local and international students in three colleges, namely M College, CCSQ and CDE (collectively, the “**Colleges**”). CCSQ operates in the premises owned by 9437-6852 Québec Inc. and CDSQ Immobilier Inc. CDE operates in premises owned by 9437-6845 Québec Inc.;
- D. The purpose of this document (the “**SISP Procedures**”) is to set out terms and procedures for a transparent, fair and efficient solicitation process to obtain the highest or otherwise best offer for an investment and/or acquisition in the RPI Group’s equity, assets, rights, undertakings and properties, including, without limitation, the Colleges and the immovable properties (the “**Immovable Properties**”, collectively with all other property referenced in this paragraph the “**Property**”), which shall be offered for sale in the following lots (the “**Lots**”):
- i. Lot 1: M College;
  - ii. Lot 2: CDE College, excluding the Immovable Property in which CDE College operates, namely, the Wellington Property
  - iii. Lot 3: CCSQ College, excluding the Immovable Properties in which CCSQ Operates, namely, the St-Foy Property and the Cure-Poirier Property;
  - iv. Lot 4: CDE College, including the Immovable Property in which CDE College operates, namely, the Wellington Property;
  - v. Lot 5: CCSQ College, including the Immovable Properties in which CCSQ Operates, namely, the St-Foy Property and the Cure-Poirier Property;
  - vi. Lot 6: Gatineau Property;



- vii. Lot 7: St-Foy Property;
  - viii. Lot 8: Wellington Property;
  - ix. Lot 9: Cure-Poirier Property;
- E. Accordingly, these SISP Procedures describe, among other things: (a) the manner in which prospective bidders may gain access to or continue to have access to due diligence materials concerning the Property, (b) the requirements that apply for bids to become Qualified Bids (c) the evaluation of Qualified Bids and the guidelines for the ultimate selection of Successful Bid(s), and (d) the process for obtaining the approvals (including the approval of the CCAA Court) that may be necessary or appropriate in respect of a Successful Bid; and
- F. In order to ensure that the best price for the Immovable Properties is achieved, concurrently with the SISP process, the Immovable Properties shall also be marketed for sale by a real estate broker engaged for such purposes. If the Monitor, in consultation with the RPI Group and Firm Capital, considers that a more favorable price can be achieved outside of the SISP process, the Monitor may decide to sell the Immovable Properties outside of the SISP process.

### **Defined Terms**

1. Capitalized terms used in these SISP Procedures and not otherwise defined have the meanings given to them below:
- (a) “**Approval Hearing**” is defined in paragraph 2.
  - (b) “**Approval Motion**” is defined in paragraph 21.
  - (c) “**Auction**” is defined in paragraph 20.
  - (d) “**Auction Date**” is defined in paragraph 2.
  - (e) “**Bid**” is defined in paragraph 11.
  - (f) “**Bid Deadline**” is defined in paragraph 2.
  - (g) “**Business Day**” means a day (other than Saturday or Sunday) on which banks are generally open for business in Montreal, Quebec.
  - (h) “**CCAA**” is defined in the introduction.
  - (i) “**CCAA Court**” is defined in the introduction.
  - (j) “**CCAA Proceedings**” is defined in the introduction.
  - (k) “**CCSQ**” is defined in the introduction.
  - (l) “**CDE**” is defined in the introduction.
  - (m) “**Closing**” means the completion of the transaction contemplated by the

Successful Bid.

- (n) **“Colleges”** is defined in the introduction.
- (o) **“Cure-Poirier Property”** is defined in **Schedule A** hereto.
- (p) **“Data Room”** is defined in paragraph 5.
- (q) **“Deposit”** is defined in paragraph 11(n).
- (r) **“Filing Date”** is defined in the introduction.
- (s) **“Firm Capital”** is defined in the introduction.
- (t) **“Gatineau Property”** is defined in **Schedule A** hereto.
- (u) **“Immovable Properties”** is defined in the introduction.
- (v) **“Initial Order”** is defined in the introduction.
- (w) **“M College”** is defined in the introduction.
- (x) **“Monitor”** is defined in the introduction.
- (y) **“Monitor’s Website”** means <https://www.richter.ca/insolvencycase/rising-phoenix-international-inc/>.
- (z) **“NDA”** means a non-disclosure agreement in form and substance satisfactory to the Monitor, in consultation with the RPI Group.
- (aa) **“Property”** is defined in the introduction.
- (bb) **“Qualified Bid”** is defined in paragraph 11.
- (cc) **“Qualified Bidder”** is defined in paragraph 4.
- (dd) **“RPI Group”** is defined in the introduction.
- (ee) **“SISP”** is defined in the introduction.
- (ff) **“SISP Procedures”** is defined in the introduction.
- (gg) **“Solicitation Materials Distribution Date”** is defined in paragraph 2.
- (hh) **“St-Foy Property”** is defined in **Schedule A** hereto.
- (ii) **“Successful Bid”** and **“Successful Bidder”** are defined in paragraph 15.
- (jj) **“Transaction Agreement”** means the template asset purchase agreement and investment term sheet to be placed in the Data Room.
- (kk) **“Wellington Property”** is defined in **Schedule A** hereto.

**Key Dates**

2. The key dates for the SISP are as follows:

<b>DATE</b>	<b>MILESTONE</b>
As of January 24, 2022 <b>("Solicitation Materials Distribution Date")</b>	Distribution by the Monitor of a teaser and NDA to potential bidders
February 11, 2022 at 5:00 p.m. (prevailing Eastern Time) <b>("Bid Deadline")</b>	Deadline for the receipt by the Monitor of Bids and Deposits
By no later than February 18, 2022 <b>("Auction Date")</b>	Date of the Auction (if needed) and selection of the Successful Bid(s)
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. <b>("Approval Hearing")</b>	Hearing of the Approval Motion

**Conduct and Supervision of the SISP**

3. The Monitor shall conduct the RPI Group's SISP as outlined herein. In the event that there is disagreement or clarification is required as to the interpretation or application of this SISP or the responsibilities of the Monitor or the RPI Group hereunder, the CCAA Court will have jurisdiction to hear such matter and provide advice and directions, upon application of the Monitor, the RPI Group or any other interested party with a hearing which shall be scheduled on not less than three (3) Business Days' notice.

**Participation Requirements**

4. In order to participate in the SISP, each potential bidder must deliver an executed NDA to the Monitor, on behalf of the RPI Group, at the email addresses specified in **Schedule B** hereto, at which point the bidder will be deemed to be a **"Qualified Bidder"**.

**Access to Data Room**

5. The Monitor shall provide each Qualified Bidder with access to a secure online electronic data room (the **"Data Room"**) containing due diligence information.

6. The Monitor shall coordinate all reasonable requests from Qualified Bidders for additional information and due diligence access; provided that the Monitor may decline to provide (or elect to withdraw access to) due diligence information to any Qualified Bidder who, at

such time and in the reasonable business judgment of the Monitor, after consultation with the RPI Group and Firm Capital, has not established (or there is otherwise a reasonable basis to doubt), that such Qualified Bidder intends in good faith to, or has the capacity to, consummate a transaction.

7. The RPI Group also reserves its right, in consultation with the Monitor, to withhold any diligence materials that the RPI Group determines are sensitive or otherwise not appropriate for disclosure to a Qualified Bidder that the RPI Group determines is (or is affiliated with) a competitor or is otherwise an entity to which the disclosure of sensitive or competitive information, in the RPI Group's exercise of its reasonable business judgment, in consultation with the Monitor, may risk unduly placing the RPI Group at a competitive disadvantage.
8. All due diligence and information requests must be directed to the Monitor at the email addresses specified in **Schedule B** hereto.
9. The RPI Group, the Monitor and their respective employees, officers, directors, agents, advisors and other representatives make no promise, representation, warranty, condition or guarantee of any kind, nature or description as to the information (a) contained in the Data Room, or (b) otherwise made available in connection with this SISF, except, in the case of the RPI Group only, to the extent expressly contemplated in any executed definitive sale or investment agreement with a Successful Bidder.
10. Without limiting the generality of any term or condition of any NDA signed by a Qualified Bidder, unless otherwise agreed by the Monitor or ordered by the CCAA Court, no Qualified Bidder shall be permitted to have any discussions with (a) any counterparty to any contract with the RPI Group, any current or former director, manager, shareholder, officer, member or employee of the RPI Group, other than in the normal course of business and wholly unrelated to the RPI Group, the potential transaction, the Confidential Information (as defined in the NDA), the SISF or the CCAA Proceedings, and (b) any other Qualified Bidder regarding the SISF or any bids submitted or contemplated to be submitted pursuant thereto. Notwithstanding the foregoing, nothing herein shall prohibit secured creditors of the RPI Group, and their respective affiliates and their legal and financial advisors, from communicating with each other, solely to discuss their secured interests in the RPI Group in their capacities as secured creditors, unless such secured creditors have been advised by the RPI Group or the Monitor that their secured indebtedness is proposed to be paid or otherwise satisfied in full by a Qualified Bidder, in which case, such communications and discussions from that point on shall be made in the presence of the Monitor.

### **Qualified Bids**

11. All offers submitted to the Monitor ("**Bids**") for consideration must comply with all of the following requirements (any such complying Bid, a "**Qualified Bid**"):
  - (a) **Bid Deadline:** Each Bid must be delivered to the Monitor at [RPGroupbid@richter.ca](mailto:RPGroupbid@richter.ca), so as to be actually received by the Monitor not later than the Bid Deadline;
  - (b) **Lots:** Each Bid must indicate which Lot or Lots to which it relates;
  - (c) **Investment/Purchase Price:** Each Bid must clearly set forth the investment and/or

purchase price in Canadian dollars, stated on a total asset or enterprise value basis (including the cash and non-cash components thereof). All bids for Lots which contain or consist of any of the Immovable Properties must provide for a clear allocation of the purchase price as between said property and other assets;

- (d) As-is Where-is: Each Bid must declare that the bidder has fully examined the subject Property and is fully satisfied with the condition thereof, and that such bidder will purchase the subject Property at its sole risk and peril, and all assets shall be purchased on an “as is, where is” basis;
- (e) Execution, Mark-up and Orders: Each Bid must include (a) the applicable Transaction Agreement or such other form of transaction document as the Qualified Bidder may choose, in each case, executed by the Qualified Bidder, (b) a full mark-up comparison of the executed Transaction Agreement, or other form of transaction document against the applicable form of Transaction Agreement available in the Data Room (including all schedules and exhibits thereto), and (c) the proposed forms of orders to be sought from the CCAA Court;
- (f) Irrevocable Offer: Each Bid must state that it is irrevocable until the earlier of (a) the approval by the CCAA Court of a Successful Bid relating to the same Lot or Lots and (b) 30 days following the Bid Deadline, provided that if such bidder is selected as a Successful Bidder, its offer will remain irrevocable until the Closing (or the outside date as set forth therein);
- (g) Timeline: Each Bid must provide a timeline to closing with critical milestones;
- (h) Capital Structure: Each Bid must include information to enable the Monitor, in consultation with the RPI Group and Firm Capital, to review and assess the financing/cash available post-closing to fund the business and to implement post-closing measures and transactions;
- (i) Authorization: Each Bid must include evidence of authorization and approval from the bidder’s board of directors (or comparable governing body) with respect to the submission, execution, delivery and closing of the transaction contemplated by the Bid;
- (j) Financial Wherewithal: Each Bid must include (a) written evidence of a firm, irrevocable commitment for financing, or other evidence of ability to consummate the proposed transaction, that will allow the Monitor, in consultation with the RPI Group and Firm Capital, to make a reasonable determination as to the Qualified Bidder’s financial and other capabilities to consummate the transaction, and (b) the identification of any person or entity who may provide debt or equity financing for the Bid and any material conditions to be satisfied in connection with such financing;
- (k) Identity: Each Bid must fully disclose the identity of each entity that will be sponsoring or participating in the bid, including all individuals with significant control of such entity, and the complete terms of such participation;
- (l) No Other Authorization, Diligence, Financing Conditions: Each Bid must not be conditional upon the following (a) any internal approval(s); (b) the outcome of unperformed due diligence by the Qualified Bidder; or (c) obtaining financing;

- (m) Contact Information: Each Bid must contain contact information for any business, financial or legal advisors retained or to be retained in connection with the proposed transaction;
  - (n) Deposit: Each Bid must be accompanied by a refundable deposit (the “**Deposit**”) in the form of a wire transfer, payable to the order of the Monitor in accordance with the wire instructions listed in **Schedule C** hereto, on behalf of the RPI Group (or the applicable entity forming part of the RPI Group), in trust, in an amount equal to five percent (5%) of the cash consideration contemplated by the Bid, to be held and dealt with in accordance with the terms of this SISP;
  - (o) Confirmation of no Collusion. Each Bid must include confirmation by the Qualified Bidder that it has not engaged in any discussions or any other collusive behaviour with any other Qualified Bidder regarding the SISP or any bids submitted or contemplated to be submitted in the SISP; and
  - (p) Other Information: Each Bid must contain such other information as may be reasonably requested by the RPI Group, Firm Capital, or the Monitor from time to time.
12. In addition to the foregoing, all Bids submitted to the monitor for the Colleges (Lots 1, 2, 3, 4 and 5) must comply with all of the following additional requirements in order to be considered a Qualified Bid:
- (a) Regulatory Approvals: Each Bid must outline any anticipated regulatory and other approvals required to close the transaction, and the anticipated time frame and any anticipated impediments for obtaining such approvals;
  - (b) Treatment of Students: Each Bid for one or all of the Colleges must include full details regarding the Qualified Bidder’s intention towards the students who have paid tuition fees to the Colleges, including whether continued education will be provided to these students and if so, on which terms and conditions;
  - (c) Assumption of Liabilities: Each Bid for one or all of the Colleges must describe the nature and quantum of the liabilities assumed by the Qualified Bidder, including, without limitation, any liabilities associated with the refund of student tuition fees (if applicable);
  - (d) Education Industry: Each Bid must provide any relevant details, if any, of the previous investments or acquisitions, or any other experience a Qualified Bidder has and deemed relevant by such Qualified Bidder, in the education industry; and
  - (e) Prospective Plans: Each Bid must include the Qualified Bidder’s proposed plans for the Colleges, as well as for employees, students and facilities.
13. The Monitor may, in consultation with the RPI Group and Firm Capital, waive strict compliance with the requirements specified in paragraph 11 and 12 above and deem a non-compliant Bid to be a Qualified Bid.
14. In addition to the foregoing, nothing herein shall prevent Firm Capital from making a credit bid to purchase one or more of the Immovable Properties.

### **Successful Bid**

15. Following the Bid Deadline, the Monitor, in consultation with the RPI Group, and Firm Capital, will review and assess each Bid to determine whether such Bid is a Qualified Bid, and thereafter, and, subject to the approval of Firm Capital, whether any Qualified Bid or any combination of Qualified Bids ought to be selected as the successful bid (the “**Successful Bid(s)**” and the party or parties submitting such Successful Bid, the “**Successful Bidder(s)**”).
16. In performing such review and assessment, the Monitor, in consultation with the RPI Group and Firm Capital, may evaluate the following non-exhaustive list of considerations: (a) the investment and/or purchase price and net value (including assumed liabilities and other obligations to be performed pursuant to the Qualified Bid, (b) whether the Bid provides for the cash payment of the fair market value of the included Immovable Properties; (c) whether the Qualified Bid, or combination of Qualified Bids under consideration, is or are sufficient to satisfy the payment in full of the claims of Firm Capital (d) the firm, irrevocable commitment for financing of the transaction; (e) the claims likely to be created by such Qualified Bid in relation to other Qualified Bids; (f) the counterparties to the transaction; (g) the terms of the Transaction Agreement; (h) the closing conditions and other factors affecting the speed, certainty and value of the transaction (including any regulatory or ministry approvals required to close the transaction); (i) the planned treatment of stakeholders; (h) the assets included or excluded from the Qualified Bid; (j) any restructuring costs that would arise from the Qualified Bid; (k) the likelihood and timing of consummating the transaction(s) contemplated in the Qualified Bid, (l) the financing or cash *pro forma* available post-closing to fund the RPI Group’s operations; (m) the capital sufficient to implement post-closing measures and transactions; and (n) the proposed treatment of the students and employees.
17. The Monitor, in consultation with the RPI Group and Firm Capital, may decide not to consider any Qualified Bid that is (a) inadequate or insufficient; (b) not in conformity with the requirements set out in these SISP Procedures; or (c) contrary to the best interest of the RPI Group and/or Firm Capital.
18. Upon selection of a Successful Bid(s), the Monitor will forthwith advise all Qualified Bidders of this fact.
19. Notwithstanding anything herein to the contrary, the Monitor, in consultation with the RPI Group and Firm Capital, shall be under no obligation to select any Successful Bid.

### **Auction**

20. If one or more Qualified Bids are received, the Monitor, in consultation with the RPI Group and Firm Capital, shall be permitted, but not obligated, to conduct an auction to select a Successful Bid (the “**Auction**”), in which case additional guidelines relating specifically to the Auction will be provided to the Qualified Bidders.

### **Approval Motion**

21. The RPI Group shall apply to the CCAA Court (the “**Approval Motion**”) for an order approving the Successful Bid and authorizing the RPI Group to enter into any and all necessary agreements with respect to the Successful Bid and to undertake such other actions as may be necessary or appropriate to give effect to the Successful Bid.

22. The hearing of the Approval Motion will be held on the date of the Approval Hearing. The Approval Motion may be adjourned or rescheduled by the RPI Group or the Monitor, in consultation with the Successful Bidder and with Firm Capital, with notice to the service list in the CCAA Proceedings.
23. All Qualified Bids (other than the Successful Bid(s)) will be deemed rejected on the date of approval of the Successful Bid(s) by the CCAA Court.

### **Closing the Successful Bid**

24. The RPI Group and the Successful Bidder(s) shall take all reasonable steps to complete the transaction(s) contemplated by the Successful Bid(s) as soon as possible after the approval of the Successful Bid(s) by the CCAA Court.

### **General**

25. All Deposits will be retained by the Monitor and deposited in a trust account. The Deposit (without interest thereon) paid by the Successful Bidder(s) whose bid(s) is/are approved at the Approval Motion will be applied to the purchase price to be paid or investment amount to be made by the Successful Bidder(s), as applicable upon closing of the approved transaction and will be non-refundable. The Deposits (without interest) of Qualified Bidders not selected as the Successful Bidder(s) will be returned to such bidders within five (5) Business Days after the selection of the Successful Bidder(s) or any earlier date as may be determined by the Monitor, in consultation with Firm Capital.
26. If a Successful Bidder breaches its obligations under the terms of the SISF, its Deposit shall be forfeited as liquidated damages and not as a penalty.
27. All bidders (including Qualified Bidders) shall be deemed to have consented to the exclusive jurisdiction of the CCAA Court and waived any right to apply to another jurisdiction in connection with any disputes relating to the SISF, including the qualification of bids, the Auction, if any, the construction and enforcement of the SISF, the transaction documents and the Closing, as applicable.
28. For the avoidance of doubt, the approvals required pursuant to the terms hereof are in addition to, and not in substitution for, any other approvals required by the CCAA or any other statute or as otherwise required at law in order to implement a Successful Bid.
29. This SISF does not, and will not be interpreted to, create any contractual or other legal relationship between the Monitor, the RPI Group and any Qualified Bidder, or any obligation to enter into any contractual or other legal relationship between the Monitor, the RPI Group and any Qualified Bidder, other than as specifically set forth in any definitive agreement that may be signed with any entity forming part of the RPI Group.
30. Neither the RPI Group nor the Monitor shall be liable for any claim for a brokerage commission, finder's fee or like payment in respect of the consummation of any of the transactions contemplated under the SISF arising out of any agreement or arrangement entered into by the parties that submitted the Successful Bid.



## **SCHEDULE A**

**1. 115 Champlain Street, Gatineau, Québec (Registration Division of Hull) (the “Gatineau Property”):**

An immovable property situated in the Municipality of Gatineau (sector Hull), known and designated as being lot ONE MILLION SIX HUNDRED TWENTY-ONE THOUSAND TWO HUNDRED SEVENTY-FOUR (1 621 274) of the Cadastre of Québec, Registration Division of Hull.

With all buildings and improvements erected thereon or made thereto, including the building bearing civic number 115 Champlain Street, City of Gatineau, Province of Québec, J8X 3R1.

As the said immovable now subsists together with all of its rights, members and appurtenances thereunto belonging without exception or reserve of any kind, and with all that is attached or joined to them and is considered immovable by virtue of the law.

**2. 29-37 Wellington Street N., Sherbrooke, Québec (Registration Division of Sherbrooke) (the “Wellington Property”):**

An immovable property known and designated as being lot number ONE MILLION THIRTY THOUSAND EIGHT HUNDRED AND EIGHTY-ONE (1 030 881) of the Cadastre of Québec, Registration Division of Sherbrooke.

With the buildings thereon erected and bearing civic numbers 29 to 37 Wellington Street North, Sherbrooke, Quebec, J1H 5A9.

As the said immovable now subsists together with all of its rights, members and appurtenances thereunto belonging without exception or reserve of any kind, and with all that is attached or joined to them and is considered immovable by virtue of the law.

**3. 174 Saint-Foy Blvd., Longueuil, Québec (Registration Division of Chambly) (the “St-Foy Property”):**

An emplacement known and designated as lot number THREE MILLION TWO HUNDRED TWENTY-TWO THOUSAND AND SIX (3 222 006) of the Cadastre of Québec, Registration Division of Chambly.

With all buildings and improvements erected thereon or made thereto, including the building bearing civic number 174 Sainte-Foy Boulevard, City of Longueuil, Province of Québec, J4J 1W9.

As the said immovable now subsists together with all of its rights, members and appurtenances thereunto belonging without exception or reserve of any kind,

and with all that is attached or joined to them and is considered immovable by virtue of the law.

**4. 910 Curé-Poirier Blvd. W., Longueuil, Québec (Registration Division of Chambly) (the “Cure-Poirier Property”):**

An emplacement known and designated as lot number THREE MILLION TWO HUNDRED TWENTY-FOUR THOUSAND AND ONE (3 224 001) of the Cadastre of Quebec, Registration Division of Chambly.

With all buildings and improvements erected thereon or made thereto, including the building bearing civic number 910 Curé-Poirier Boulevard North, City of Longueuil, Province of Québec, J4K 2C7.

As the said immovable now subsists together with all of its rights, members and appurtenances thereunto belonging without exception or reserve of any kind, and with all that is attached or joined to them and is considered immovable by virtue of the law.

## SCHEDULE B

### Contact Information

#### Monitor

**RICHTER ADVISORY GROUP INC.**

1981 McGill College Avenue

11<sup>th</sup> Floor

Montréal, Québec H3A 0G6

**Attention of:**

**Olivier Benchaya**

Tel: (514) 934-8618

Email: [OBenchaya@richter.ca](mailto:OBenchaya@richter.ca)

**Andrew Adessky**

Tel: (514) 934-3513

Email: [AAdessky@richter.ca](mailto:AAdessky@richter.ca)

**Shawn Travitsky**

Tel: (514) 934-3505

Email: [STravitsky@richter.ca](mailto:STravitsky@richter.ca)

## Schedule C

### The Monitor's Wire Information

Bank: Royal Bank of Canada

Address: 1 Westmount Square, Montreal, Québec, H3Z 2P9

Bank No.: 003

Transit no: 09231

Acct. no: 100-924-0

Swift Code: ROYCCAT2

Beneficiary: Richter Advisory Group Inc

Address: 1981 McGill College, Montreal, Québec, H3A 0G6

## **EXHIBIT B**

Information included in the Data Room

## SUMMARY OF THE INFORMATION INCLUDED IN THE DATA ROOM

### 1. SISP Procedures

### 2. Company Overview

### 3. Lot 1 (M College)

- i. Contracts and Agreements
  - a) Educational Contracts (template)
  - b) Recruitment Agreements
  - c) Teacher & Staff Agreements (template)
  - d) Service Contracts
- ii. Financial Information
- iii. Permits and Students Tuition Fees
  - a) Permits and Capacity
  - b) Fees & Payment Schedule
  - c) Active Students and Pipeline Students
  - d) Students Refunds (Information to follow)
- iv. Employees
- v. General School Information
  - a) Course Outline (Cahier de programme)
  - b) Policies
  - c) Covid Plans
  - d) Caution
  - e) Miscellaneous
- vi. Premise
  - a) Leases
  - b) School Plans
  - c) Occupancy Certificate
- vii. Fixed Assets
- viii. Intellectual property (information to follow)

### 4. Lot 4 (CDE)

- i. Contracts and Agreements
  - a) Educational Contracts (template)
  - b) Recruitment Agreements
  - c) Teacher & Staff Agreements (template)
  - d) Service Contracts
  - e) Management Contract (CCSQ S)
- ii. Financial Information
- iii. Permits and Students Tuition Fees
  - a) Permits and Capacity
  - b) Fees & Payment Schedule
  - c) Active Students and Pipeline Students
  - d) Students Refunds (Information to follow)
- iv. Employees
- v. General School Information
  - a) Course Outline (Cahier de programme)
  - b) Policies
  - c) Covid Plans
  - d) Caution / Insurance
  - e) Miscellaneous

- vi. Building
  - a) Tax Assessment & Bills
  - b) Utilities Bills
  - c) Environmental Assessment
  - d) Inspection Report
  - e) Miscellaneous
- vii. Other Fixed Assets
- viii. Intellectual property (information to follow)

## 5. Lot 5 (CCSQ)

- i. Contracts and Agreements
  - a) Educational Contracts (template)
  - b) Recruitment Agreements
  - c) Teacher & Staff Agreements (template)
  - d) Service Contracts
- ii. Financial Information
- iii. Permits and Students Tuition Fees
  - a) Permits and Capacity
  - b) Fees & Payment Schedule
  - c) Active Students and Pipeline Students
  - d) Students Refunds (Information to follow)
- iv. Employees
- v. General School Information
  - a) Covid Plans
  - b) Caution / Insurance
  - c) Miscellaneous
- vi. Buildings
  - a) 910 Cure-Poirier (Longueuil)
    - 1. Tax Assessment & Bills
    - 2. Utilities Bills
    - 3. Environmental Assessment
    - 4. Inspection Report
    - 5. Miscellaneous
  - b) 174 Ste-Foy (Longueuil)
    - 1. Tax Assessment & Bills
    - 2. Utilities Bills
    - 3. Environmental Assessment
    - 4. Inspection Report
    - 5. Miscellaneous
- vii. Other Fixed Assets
- viii. Intellectual property (information to follow)

## 6. Lot 6 (Gatineau Building)

- i. Tax Assessment & Bills
- ii. Utilities Bills
- iii. Environmental Assessment
- iv. Inspection Report
- v. Miscellaneous