

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
SÉCRÉTARIAT 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

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

INTRODUCTION

1. The present report ("**Fourth Report**") should be read in conjunction with the Amended Pre-Filing Report dated January 6, 2022 (the "**Pre-Filing Report**"), the Supplementary Report dated January 16, 2022 (the "**Supplementary Report**"), the Second Report dated February 2, 2022 (the "**Second Report**") and the Third Report dated February 14, 2022 (the "**Third 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 Fourth Report is subject to the Terms of Reference and Disclaimer found in the Pre-Filing Report. Capitalized terms not defined herein shall have the meanings ascribed thereto in the Pre-Filing Report, the Supplementary Report, the Second Report, and the Third Report.
3. This Report is intended to provide the Court with information relating to:
 - a) Procedural Background;
 - b) Monitor's Activities;
 - c) Company's Activities;
 - d) Students' Representative Counsel;
 - e) Sales and Investment Solicitation Process ("**SISP**");
 - f) Financial Performance and Cash Flow Projections;
 - g) Conclusion.
4. Unless otherwise stated, all monetary amounts noted herein are expressed in Canadian dollars.

PROCEDURAL BACKGROUND

5. On January 6, 2022, the Debtors filed with the Superior Court of Québec, Commercial Division (the "**Court**"), an *Application for the Issuance of a First Day Initial Order and an Amended and Restated Initial Order* (the "**First Application**") and on January 6, 2022, the Court granted the *First-Day Initial Order* (the "**First-Day Initial Order**"). Pursuant to the First-Day Initial Order, among other things, all creditors were stayed from commencing or continuing any proceedings against the Debtors and/or the directors and officers of the Debtors until and including January 14, 2022 (the "**Stay Period**").
6. On January 13, 2022, Firm Capital Mortgage Fund Inc. ("**Firm Capital**") filed a *Contestation to the Applicants' request for an Amended and Restated Initial Order* (the "**Firm Capital Contestation**"). Firm Capital ultimately did not proceed with its Contestation in view of the settlement that preceded the hearing on January 17, 2022. As outlined below, Firm Capital has fully assisted the parties to further the Company's restructuring efforts.
7. On January 16, 2022, the Debtors filed an *Amended Application for the Issuance of an Amended and Restated Initial Order* (the "**Amended and Restated Initial Order**") and on January 17, 2022, the Court granted the Amended and Restated Initial Order and extended the Stay Period to February 28, 2022.

8. On February 9, 2022, Anish Sachdeva, Manjot Singh, Sukhrajpreet Singh, Sukhmanpreet Singh and Jaspreet Singh filed an *Application for the Issuance of a Student Representation Order* (the “**Representation Application**”) and on February 15, 2022, the Court granted the Student Representation Order (the “**Student Representation Order**”).
9. On February 24, 2022, the Debtors filed an *Application for the Issuance of an Order Extending the Stay Period* (the “**First Extension Application**”). The First Extension Application is to be heard by the Court on February 28, 2022.

MONITOR’S ACTIVITIES

10. Since the issuance of the Third Report dated February 14, 2022 the Monitor has, *inter alia*:
 - Attended the February 15th, 2022 Court hearing with respect to the Representation Application;
 - Collaborated with Firm Capital and its legal counsel on matters related to the interim financing, the SISP and various issues in connection with the CCAA proceedings;
 - Collaborated with McCarthy Tétrault LLP, the student’s counsel named in the Student Representation Order (the “**Students’ Representative Counsel**”);
 - Completed its analysis of the bids received pursuant to the SISP and held several discussions and negotiations with certain bidders relating to a potential transaction;
 - Assisted the Company in concluding an agreement in principle with a Purchaser (as defined and described in more details below);
 - Continued to control receipts and disbursements of the Debtors and weekly reporting thereon;
 - Participated in ongoing communications with legal counsel for the *Ministère de l’éducation* and the *Ministère de l’enseignement supérieur* (the “**Education Ministries**” or “**MEES**”);
 - Held numerous discussions and conference calls with representatives of the Company, the Debtors’ counsel, Kaufman Lawyers LLP, and the Monitor’s counsel, Stikeman Elliott LLP in connection with the various steps relating to the CCAA Proceedings, including, without limitation, implementation of the SISP; and
 - Prepared and filed this Fourth Report.

COMPANY'S ACTIVITIES

11. In addition to assisting the Monitor with regards to the items discussed above, since the issuance of the Third Report, the Company has, *inter alia*:
 - Dealt with daily operational and administrative activities of the Company and the Colleges;
 - Continued to provide education services to 516 students with the intent to graduate these students by February 28, 2022. To date, 406 students have completed their curriculum; and
 - Assisted the Monitor in the SISP including with respect to negotiations with bidders and analysis of offers received, as well as providing information and responses to certain potential bidders.

STUDENTS' REPRESENTATIVE COUNSEL

12. The Monitor and its counsel have been in frequent communication with the Students' Representative Counsel since their appointment and have provided them with various information including:
 - a) Various exhibits filed under seal and annexed to the Monitor's reports;
 - b) Copies of all bids received pursuant to the SISP as well as the Monitor's preliminary analysis of the bids; and
 - c) Communication coordinates for the students.
13. In connection with the SISP, in addition to providing copies of the bids and related analysis, the Monitor and its counsel have consulted with the Students' Representative Counsel to obtain their input. Further, the Students' Representative Counsel have provided the Monitor with a list of points that the Students Representatives would like to see addressed by the successful purchaser. This is more fully discussed below in the SISP update.
14. The Monitor understands that since their appointment, the Students' Representative Counsel has had several meetings with the Student Representatives and has prepared a first communication to the students ("**First Communication**") which is attached hereto as **Exhibit A**. The Monitor has posted this First Communication on its website to ensure easy access by all students.
15. In respect of ongoing responses to students' inquiries, the Monitor and the Students' Representative Counsel are working together to avoid duplication of work. In this respect, where possible, general inquiries to the Monitor are being responded to by directing them to communicate directly with their Student Representatives.

SALES AND INVESTMENT SOLICITATION PROCESS

16. The Monitor, in consultation with the Company and Firm Capital, as well as more recently, the Students' Representative Counsel, has completed the analysis of the six (6) offers which were received on February 11, 2022 as part of the SISP. As part of its analysis, the Monitor engaged in further communications with certain of the bidders to seek further clarifications regarding their bids.
17. Further to this analysis, the Monitor wishes to confirm that the Debtors have reached an agreement in principle with a strategic buyer (the "**Purchaser**"), which provides for the sale of the Debtors assets on a going concern basis (the "**Transaction**") which will see the operations of the Colleges continue, subject to various terms and conditions, including the transfer of the applicable MEES permits.
18. Although the terms and conditions of the Transaction remain confidential and are being finalized in definitive documentation including an asset purchase agreement and new DIP facility, below is a high-level summary of certain important elements:
 - a) the Transaction is for a sale of virtually all the assets of the Debtors to the Purchaser including the permits of the Colleges, all of the real estate, furniture, fixtures and computer equipment and other operating assets, and transfer of key permits as a condition of closing;
 - b) the purchase price will enable the payment in full of the secured debt owing to Firm Capital, payment of ordinary course post-filing obligations of the Debtors prior to closing of the Transaction, and will further enable a claims process for distributions to unsecured creditors in amounts to be determined, being dependent on multiple factors occurring subsequent to this report, including the closing date of the Transaction and the implementation of an approved claims process which has yet to be initiated;
 - c) Subject to Court approval, the Purchaser has undertaken to conditionally provide additional interim financing (the "**Additional Interim Financing**") which will rank only after the senior administration charge, as well as the secured debt and interim financing provided by Firm Capital, and is intended to, among other things, provide funding to enable the continuation of educational operations and the immediate recommencement of the curriculum and classes for the approximately 740 students who are currently on pause prior to closing of the Transaction. The intention of the Purchaser is to collaborate with the Debtors, the Monitor and other stakeholders, including MEES if necessary, for graduation of as many as possible of the 740 currently registered students on or before June 30th at the latest (being the expiry date of the existing MEES licenses); and

- d) The Student Representatives have provided a list of conditions that they would like to see addressed by a transaction in order to enable them to support the agreement with the Purchaser. This list has been communicated to the Purchaser, and will be addressed, in most part, in the definitive documentation for the Transaction which is currently being finalized. The specific requests presented by the Student Representatives will be discussed in more detail at a further hearing to approve the transaction.
19. A condition precedent to closing of the Transaction is that the education permits granted by MEES be transferred to the Purchaser. In order to ensure that this step can be achieved quickly following Court approval of the Transaction:
- a) The Monitor and its counsel have been in communication with legal counsel for the MEES regarding the Transaction. MEES have already been provided some preliminary information relating to the Purchaser and the Transaction, in particular, the transfer of permits to a new purchaser approved in the SISP;
 - b) The Purchaser has been made aware of the informational requirements and regulatory steps that the MEES requires in order to enable MEES to consider the request to transfer the education permits of the Colleges to the Purchaser to enable closing of the Transaction as quickly as possible, and for support of the pre-closing goals of the Purchaser and Monitor with respect to the relevant student sub-groups; and
 - c) The Monitor is advised by the Purchaser that it is the holder of existing educational permits in Quebec and is specifically aware of activities by MEES at a regulatory level to investigate the suitability of the Purchaser as a candidate for transfer of the educational licenses under its administration. The Monitor is further advised that the Purchaser is in the process of providing MEES with all relevant information and background relating to the Purchaser and its intentions and their capacity to operate the Colleges and support the relevant student groups under the Transaction. Finally, the Monitor has been informed that after being notified of the success of its bid in the SISP, the Purchaser has accelerated those efforts to engage MEES directly, and to move the Transaction along to closing as quickly as possible, once approved.
20. As noted in our Third Report, the SISP contemplated the potential for an auction. However, the Monitor, in consultation with the Debtors, Firm Capital and the Student Representatives Counsel, has concluded that an auction is not required, nor in the best interest of the many stakeholders, including in particular, the students.

21. It is currently contemplated that a motion to approve the Transaction and the Additional Interim Financing will be brought forward in the next two weeks.

FINANCIAL PERFORMANCE AND CASH FLOW PROJECTIONS

22. Since the filing of the CCAA proceedings, the Company has been paying its suppliers for the post-filing goods and services received, including \$129,000 for the student insurance premiums for coverage through the period up to February 28, 2022 which is in line with the projected cash flow in Exhibit A of the Monitor's Supplementary Report. The Purchaser is currently reviewing these coverages with the intention of continuation of these coverages following closing of the Transaction, or otherwise arranging for replacement coverages, if such continuation is not available on suitable terms and conditions.
23. **Exhibit B** to this Fourth Report contains the comparative cash flow statement for the 44-day period ended February 18, 2022 which reflects a positive cash flow variance of approximately \$138,000, which primarily relates to timing variances.
24. The Company's weekly cash flow projections with the accompanying notes and reports (hereinafter the "**Projections**") prepared by Management for the period from February 19, 2022 to April 29, 2022 (hereinafter the "**Period**") are included in **Exhibit C**. We summarize the Projections as follows:

RPI (Consolidated) Projected Cash Flow In CAD	Feb 19, 2022 to Apr 29, 2022 70 days
Receipts	\$ -
Rent	(76,000)
Salaries	(78,000)
Educational services	(47,300)
Municipal taxes	-
Utilities	(73,000)
Other operating expenses	(177,400)
Student Insurance	(85,000)
Operating Expenses	(536,700)
Professional Fees	(220,000)
Interim Facility Interests & Fees	(77,400)
Other Expenses	(297,400)
Net Cash Flow	(834,100)
Opening Cash Balance	266,100
Net Cash Flow	(834,100)
Firm Capital - Second Tranche	650,000
Ending Cash Balance	\$ 82,000
Note: The above cash flow does not reflect the proceeds or the impact of a going-concern sale of the Colleges.	

25. The Projections reflect the funding by Firm Capital of the Second Tranche of interim financing of \$650,000. Firm Capital has confirmed to the Monitor that, subject to an extension order being granted on terms acceptable to Firm Capital, the conditions to the funding of this second tranche have been met. The Projections do not include the impact of the Additional Interim Financing including the return to school of approximately 740 students. An updated cash flow is expected to be submitted with the motion seeking approval of the Additional Interim Financing.

CONCLUSION

26. The Monitor supports the Debtors' First Extension Application for the following reasons:
- a) The Company is acting in good faith and with due diligence; and
 - b) The extension of the Stay Period until April 29, 2022 will allow the opportunity to finalize the Transaction.

Respectfully submitted at Montreal, this 24th day of February 2022.

Richter Inc. (formerly Richter Advisory Group Inc.)

Monitor



Olivier Benchaya, CPA, CA, CIRP, LIT



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

Exhibit A

First Communication



Alain N. Tardif, partner (insolvency)
Jocelyn T. Perreault, partner (insolvency)
Nicholas Alevras, articling student
Stéphane Duval, partner (immigration)

February 21, 2022

TO: All students or prospective students of M College, CDE, CCSQ and CCSQ-Sherbrooke

RE: In the matter of the CCAA proceedings of Rising Phoenix International Inc. et al. Communication by the Students' Representative Counsel

Dear Students,

This is the first weekly communication providing you with updates and important information on the insolvency proceedings under the *Companies' Creditors Arrangement Act* ("CCAA") impacting the Students of M College, CDE, CCSQ and CCSQ-Sherbrooke (the "**Colleges**").

A. Student Representation Order issued by the Superior Court of Québec

As you may be aware, an Application was filed on February 9, 2022 by several Students asking the Court to appoint our firm as Students' Representative Counsel, in order to represent all Students as part of the CCAA proceedings of Rising Phoenix International Inc. and other debtor companies (the "**Debtors**"). A hearing took place on Tuesday, February 15th 2022 on this Application, and the key points from this hearing are as follows:

- The Court issued an order appointing our firm, McCarthy Tétrault LLP, as representative counsel for all "**Students**", referred to as all persons who are creditors of the Debtors as a result of their status as a currently enrolled student at M College, CDE or CCSQ, pipeline student of those colleges or in light of tuition fees paid to the Debtors. This order is available on the website of Richter, the court-appointed monitor (the "**Monitor**"), at the following link:
<https://www.richter.ca/wp-content/uploads/2022/01/25-student-representation-order.pdf>
- As many of you witnessed, the hearing was quick and efficient. In the context of the hearing we learned that the court-appointed monitor Richter Advisory Group Inc. (the "**Monitor**") received six (6) offers and that the Monitor is optimistic with regard to the possibility of quickly identifying and implementing a transaction with the objective of allowing the Students to resume their studies in the Colleges as soon as possible.

The Student Representation Order allows for the Students to have a voice in the CCAA proceedings, via a counsel that represents your interests. The Student Applicants as well numerous other Students were instrumental in obtaining the Student Representation Order, and their work over the past month, along with our firm, allowed to achieve that result. We are fully committed to ensuring that the Students' voice is being heard and that their interests are being protected during the CCAA proceedings.

B. Role of Students' Representative Counsel

Here is a description of our tasks as Students' Representative Counsel, as they were described to the Court and approved by the Monitor:

Communication with Students:

- (i) Preparation of a weekly written communication to each of the informal committees of Students, one for the Students located in Canada and one for the Students located in India (and other countries) (the "**Students' Committees**"), in order for the Students' Committees to disseminate such communications to the Students, respectively in Canada and in India (and other countries);
- (ii) Organization of meetings with the Students' committees, on a weekly basis or as need be, to answer questions of their members or that Students asked them; and
- (iii) Review and respond to Students' enquiries, directly or in coordination with the Students' Committees.

CCAA proceedings and ancillary matters directly impacting the Students (including general immigration matters resulting from the CCAA proceedings):

- (i) Regular communications with the Monitor and its counsel, and with other CCAA parties as the case may be;
- (ii) Review and assessment of the offers, discussions and coordination with the Monitor in order to implement transaction(s) that will be in the best interest of the Students and address their issues and concerns, to the extent possible, and review of the documentation in connection with the proposed transaction(s);
- (iii) Identify solutions that can allow the continuation of the right to work of the Students located in Canada whose studies have been interrupted due to the insolvency of the Debtors, and their return to school as soon as possible, and implement those solutions;
- (iv) Give general advice to Students with respect to immigration matters (i.e. not in connection with individualized situation, but with respect to matters affecting a significant number of Students, whether they are located in Canada or in India, as the case may be);
- (v) Review alternatives to maximize the recovery of the Students who advanced tuition fees for courses that will not be offered to them and implement such alternatives, including by reviewing any plan of arrangement and/or distribution order proposed as part of the CCAA proceedings in connection with such recovery; and
- (vi) Review materials filed as part of the CCAA proceedings and prepare for and attend hearings in order to represent the Students.

Additional tasks may be added in consultation with, and with the approval of, the Monitor.

We are, and will continue to be, in ongoing discussions with members of the Students' Committees in order to ensure that the Students' concerns are adequately understood and voiced in the CCAA proceedings.

C. Information on the group of Students

Based on available information reported by the Monitor, there are a total of 2,066 Students affected by the ongoing CCAA proceedings, as the below table shows by dividing them based on their status and their College:

Students Status Summary	Graduating Students <i>Note 1</i>	Registered Students <i>Note 2</i>	Pipeline Students <i>Note 3</i>	Other Students <i>Note 4</i>	Total
Filing Entities					
M College	329	364	192	392	1,277
CDE	122	89	31	86	328
CCSQ (Longueuil)	40	230	71	14	355
Partner Schools					
CCSQ Sherbrooke	25	57	14	10	106
Other Partner Schools <i>(Note 5)</i>	-	-	-	-	-
Total	516	740	308	502	2, 066

Note 1	Graduating Students are enrolled students projected to graduate by February 28, 2022 (or shortly thereafter).
Note 2	Registered (Active) Students are students who are enrolled and have begun their classes.
Note 3	Pipeline Students are students who provided a deposit, but are not yet enrolled (most of them are awaiting their visa approval).
Note 4	In addition to the categories above, Other Students consists of students who had their visa request denied, and/or voluntarily withdrew from the programs.
Note 5	The table above excludes information relating to students at partner schools.

D. Objectives of the Students’ Representative Counsel

The main objectives that will guide us in the conduct of our mandate as Students’ Representative Counsel, as they have been established in consultation with the Students’ Committees, are as follows :

- Ensure that the Students’ voice is being heard and that their interests are being protected
- Ensure the continuation of the studies and graduation of the 516 “Graduating Students” whose courses are currently ongoing
- Allow for the courses to restart as soon as possible for the 740 “Registered Students” whose courses have been put on “break” due to the circumstances, and support them for the required extension of their study permit and/or CAQ as need be
- Allow, to the extent possible, the 308 “Pipeline Students” for whom a study permit has yet to be issued, for the possibility to get their courses offered if and once they obtain a study permit and meet the other conditions and if they wish so
- Determine whether the 502 “Other Students” for whom a study permit has been refused in the past, can attempt to obtain a study permit and meet the other conditions, if they wish so, in order to have the possibility to get their courses offered, to the extent possible, if they obtain a study permit and meet the other conditions. If so, allow them for the possibility to get their courses offered if and once they obtain a study permit and meet the other conditions and if they wish so

- Ensure that the insurance of the “Graduating Students” and “Registered Students” provided by the Debtors is maintained and that the “Pipeline Students” and “Other Students” benefit from similar insurance if and once they follow their courses in Canada
- Maximize the recovery of the tuition fees paid in connection with courses which have not been and will not be offered to Students. **[Note: pursuant to Canadian insolvency laws, no refunds can be paid by the Debtors without a Court order authorizing such a payment and this can only come after the completing of a sale or other type of transaction, if the proceeds are sufficient to generate at least a partial recovery. While we understand the very difficult position that Students are in, refunds in cash cannot be paid, for now, and our objectives include (i) to maximize such refund for those Students who do not receive the education for which they paid and (ii) to allow for this refund, if any, to be made as soon as possible (noting that, based on our experience and the steps to be accomplished, it will likely take at least a few months)].**
- Assist the “Graduating Students” and the “Registered Students” located in Canada by providing them general advice on their immigration status in light of issues which may arise in light of the impact of the CCAA proceedings

E. Review of Offers and Consultation with the Monitor

In the last few days, following the issuance of the Student Representation Order, we have been in active communications with the Monitor to review the offers received and we are being consulted to submit the Students’ Representative Counsel position on the offers and a proposed transaction. This position is in line with the objectives mentioned in the above section and takes into consideration the content of the offers received and the Canadian insolvency rules and principles.

F. General Immigration Issues

Please see Schedule A of this communication which includes a general memorandum containing important information for Students who are currently in Canada.

G. General Mental Health Resources

Several Students have shared with us that they are in a distressful situation in light of the impact of the CCAA proceedings on their studies and life in general, which has caused them significant stress. In light of the current circumstances, we would like to share the following list of mental health and wellness resources in Canada which may be of assistance to the Students in this difficult situation:

Region	Resource name	Website	Telephone number
Across Canada	Canadian Mental Health Association	https://cmha.ca/fr/	N/A
Across Canada	Kids Help Phone	https://kidshelpphone.ca/	1 800 668-6868
Québec	Écoute entraide	https://www.ecoute-entraide.org/	(514) 278-2130
Ontario	BounceBack	https://bouncebackontario.ca/	N/A

Ontario	Good 2 Talk	https://good2talk.ca/	1-866-925-5454
British Columbia	BounceBack	https://bouncebackbc.ca/	N/A

H. Coordinates of members of the Students’ Committees and Future Communications

Students are invited to communicate with the members of the Students’ Committees if they have any questions or concerns. These members will then be able to raise these questions or concerns with us and we will do our best to respond in the future communications to Students.

Note that this communication is the same for all Students. Students who provided to the Colleges a residential address in Canada are receiving it from Students’ Committee for students in Canada and the Students who provided to the Colleges an address abroad are receiving it from the Students’ Committee for students in India (and other foreign countries). Also note that the Monitor has agreed to post on its website the general communications sent by the Students’ Representative Counsel to the Students.

The coordinates for the members of the Students’ Committee for students in Canada are the following:

Name	Email
Angaddeep Singh	
Harinder Singh	
Simran Singh	
Manpreet Kaur	
Gurvir Singh	
Tanvir Singh Kamboj	
Harleen Kaur	
Paramjot Singh Dhillon	
Amitoj Shah Singh	
Varun Khanna	
Rutinder Singh	
Sukhman Singh	
Sukhrajpreet Singh	
Manpreet Singh	
Manjot Singh	
Koampreet Kaur	

The coordinates for the members of the Students’ Committee for students in India (and other foreign countries) are the following:

Name	Email
Anish Sachdeva	
Deepak Kumar	
Husanpreet Kaur Bawa	
Dhruv Sabarwal	
Harsimar Singh	
Sukhvinder Singh	
Simran Singh Batth	
Ramandeep Kaur	
Guraskdeep Singh sohi	

Cautionary Note

The present communication contains information and general legal advice to the Students on Canadian insolvency and immigration law in connection with the proceedings of Rising Phoenix International Inc. and others under the Companies' Creditors Arrangement Act (Canada) given by McCarthy Tétrault LLP, a Canadian law firm organized as a registered Limited Liability Partnership established under the laws of Ontario, and does **not** constitute legal advice with respect to any specific legal matter of a given Student.

Conclusion

We look forward to continue assisting and accompanying you in this difficult situation by working, in consultation with the Students' Committees, in order to address issues that impact Students and achieve the objectives identified above.

Yours truly,

The McCarthy team acting as Students' Representative Counsel pursuant to the Student Representation Order issued by the Superior Court on February 15, 2022

Schedule A: General Memorandum on Immigration Issues

To: Students currently in Canada

We understand that you have many questions about the impact of the ongoing CCAA proceedings on your immigration status in Canada, ability to remain in Canada and your ability to work, etc.

We are in communication with IRCC (Immigration, Refugees and Citizenship Canada) and the MIFI (Québec *ministry of Immigration, Francisation et Intégration*) regarding the ongoing CCAA proceedings.

We are happy to share that the MIFI has confirmed to the Monitor that despite having started issuing notices of intent to refuse applications, for the duration of the ongoing CCAA proceedings, they will refrain from issuing notices of intent to refuse or making any positive or negative decisions on the submitted and pending applications for temporary selection. The MIFI has also stated that they will temporarily pause rendering any decisions on cases where such letters have already been sent out, in light of the exceptional circumstances of the CCAA proceedings. Once the CCAA proceedings are complete, the MIFI will re-evaluate its position. We will continue our discussions with IRCC and MIFI and we will keep you informed of relevant developments, in line with the description of our mandate and the objectives included in our first written communication.

Given the number of Students affected by the ongoing CCAA proceedings, the below information is broad in scope and should be personally applied by each individual to their situation. Below we have addressed the most pressing issues related to your collective situation.

Are Students currently in Canada and enrolled in M College, CCSQ, CDE or CCSQ-Sherbrooke (the “Colleges”) allowed to work?

Who is allowed to work?

Based on the current legislation and the Operational Instructions and Guidelines issued by IRCC, students are eligible to work if they meet all of the below conditions:

- hold a valid study permit;
- are a full-time student enrolled at a designated learning institution (DLI);
- the program in which they are enrolled in is a post-secondary academic, vocational or professional training program, or a vocational training program at the secondary level offered in Quebec;
- the program of study is at least 6 months in duration and leads to a degree, diploma or certificate.

If you meet all the above criteria, you can work up to 20 hours per week during a regular academic session and on a full-time basis during regularly scheduled academic break.

IRCC's Operational Instructions and Guidelines confirm that "International students who are unable to fulfil their conditions as temporary residents due to circumstances entirely beyond their control (for instance, a school strike) during a regular academic session can, if they are eligible, still only work part time (up to 20 hours a week) off campus."

As such, based on the Operational Instructions and Guidelines and if your studies are currently on a break scheduled by the Colleges which is entirely beyond your control, if the above conditions are met, you can work:

- (i) up to 20 hours per week during your regular academic session and on a full-time basis during your regularly scheduled academic break;
- (ii) even when you are, or have been, unable to study full-time due to circumstances beyond your control.

This is subject to the limits noted below.

Number of hours of authorized work?

The number of hours you are authorized to work per week will depend upon your specific situation.

Whether you can work on a full-time or part-time basis during this time will depend on the dates of your "regular academic session" and "regularly scheduled academic break". These dates will vary according to each College, each of your individual programs and your start dates.

We direct you to your academic calendar as provided by your College for your specific program to determine whether, if the current proceedings were not ongoing and your education was proceeding normally, you would be in a "regular academic session" or a "regularly scheduled academic break".

Here are the definitions:

A "regular academic session" is also referred to by IRCC as a "regular school term" or a "regular school semester". This is governed by each Designated Learning Institute ("DLI") independently and noted in the DLI's academic calendar.

A "regularly scheduled academic break" is defined by IRCC as a "break [that] must be part of the DLI's academic calendar (for instance, winter and summer holidays, Reading Week)".

Consequently,

- If, as per your academic calendar, you would normally be in a "regular academic session", you are authorized to work off-campus up to 20 hours per week.
- If, as per your academic calendar, you would normally be in a "regularly scheduled academic break", you are authorized to work off-campus on a full-time basis.

Please follow the schedule set forth in your academic calendar to guide how much you can work off campus.

Do I need to extend my Study Permit?

Please note that despite the current circumstances, you must respect the expiration date of your study permit. If you are not currently on-track to complete your studies within the expected timeline due to the ongoing situation, you may need to apply for an extension of your current study permit.

The progression and outcome of the ongoing CCAA proceedings will determine which options will be available to you to extend your permit and complete your studies.

Once we have more information about the outcome of the CCAA proceedings, we will be able to provide more guidance. We will also be in communication with IRCC and MIFI regarding the situation of those Students who will be facing the expiration date of their study permit and/or CAQ prior to the completion of their studies due to the CCAA proceedings.

Does this situation affect my eligibility for a Post-Graduation Work Permit (PGWP)?

Providing that the program that you are enrolled in is eligible for a PGWP and you meet all the other requirements, it should not.

As a reminder, to be eligible for a PGWP, a student must:

- have completed their program of study;
- hold a valid study permit at the time of the post-graduation work permit application;
- have been a full-time student enrolled at a DLI in a post-secondary academic, vocational or professional training program (with the exception of their final academic session, during which students may have part-time or full-time status);
- have been authorized to work off-campus without a work permit during their studies; and
- have not exceeded the allowable hours of work.

Students who are unable to fulfil the conditions of their study permit due to circumstances entirely beyond their control during a regular academic session are considered to be studying continually full time during this period and their eligibility for a PGWP is not impacted provided they meet all the other eligibility requirements for this type of work permit.

PGWPs are issued based on the length of the study program, which must be a minimum of 8 months. PGWPs can be issued for a maximum of 3 years but are generally issued for the same period of time that a student was studying in Canada, i.e., if your program length was 2 years, a PGWP will generally be issued for 2 years.

Rest assured that we are monitoring the situation closely and that we will revert back with further information as applicable.

Exhibit B
Comparative Cash Flow Statement for
the 44-day period ended February 18, 2022

RPI (Consolidated)				
Revised Projected Cash Flow	Reported	Projected	Variance	Notes
<i>For the period of Jan 6 to Feb 18, 2022</i>	<i>44 days</i>	<i>44 days</i>		
Receipts	\$ 8,615	\$ -	\$ 8,615	1
Rent	(80,604)	(85,670)	5,066	
Salaries	(49,881)	(86,250)	36,369	2
Educational services	(32,236)	(68,750)	36,514	3
Utilities	(20,112)	(60,300)	40,188	4
Other operating expenses	(16,183)	(86,350)	70,167	3
Student Insurance	(129,000)	(129,000)	-	
Operating Expenses	(328,016)	(516,320)	188,304	
Professional Fees	(472,712)	(415,000)	(57,712)	5
Contingency - Deemed Trust	(23,553)	(25,000)	1,447	6
DIP Interest & Fees	(68,221)	(73,329)	5,107	
Other Expenses	(564,486)	(513,329)	(51,158)	
Net Cash Flow	(883,887)	(1,029,649)	145,761	
Opening Cash Balance	49,995	58,200	(8,205)	
Net Cash Flow	(883,887)	(1,029,649)	145,761	
DIP	1,100,000	1,100,000	-	
Ending Cash Balance	\$ 266,108	\$ 128,551	\$ 137,556	

NOTES

1. Reflects miscellaneous reimbursements, the majority of which is from a retainer payment for legal fees that was not projected to be received.
2. The favorable variance is due to fewer staff being hired than initially projected. The payroll currently reflects 4 administrative staff, as compared to 7 that was reflected in the projections. To date, no additional staff is required.
3. The favorable variance is timing related and should reverse in the coming weeks.
4. The favorable variance is primarily due to timing differences and the fact that not all of the deposits (as reflected in the projections) have been requested from the utility companies to date.
5. The total budget for professional fees is \$465,000 through February 28, 2022. Accordingly, the unfavorable variance is timing related and no further fees are projected to be paid through February 28, 2022.
6. Reflects funds that were set aside for a potential CRA deemed trust claim.

**Exhibit C
Projections**

RPI (Consolidated)											
Projected Cash Flow In CAD	25-Feb-22	04-Mar-22	11-Mar-22	18-Mar-22	25-Mar-22	01-Apr-22	08-Apr-22	15-Apr-22	22-Apr-22	29-Apr-22	Total
	<i>7 days</i>	<i>7 days</i>	<i>7 days</i>	<i>7 days</i>	<i>7 days</i>	<i>7 days</i>	<i>7 days</i>	<i>7 days</i>	<i>7 days</i>	<i>7 days</i>	<i>70 days</i>
Receipts	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Rent	-	(38,000)	-	-	-	(38,000)	-	-	-	-	(76,000)
Salaries	(18,000)	-	(15,000)	-	(15,000)	-	(15,000)	-	(15,000)	-	(78,000)
Educational services	(18,300)	(12,000)	(12,000)	(5,000)	-	-	-	-	-	-	(47,300)
Utilities	(10,700)	(9,900)	(9,900)	(9,900)	(9,900)	(9,900)	(3,200)	(3,200)	(3,200)	(3,200)	(73,000)
Other operating expenses	(28,600)	(16,200)	(16,200)	(16,200)	(21,000)	(16,200)	(4,500)	(4,500)	(4,500)	(49,500)	(177,400)
Student Insurance	-	(47,000)	-	-	-	(38,000)	-	-	-	-	(85,000)
Operating Expenses	(75,600)	(123,100)	(53,100)	(31,100)	(45,900)	(102,100)	(22,700)	(7,700)	(22,700)	(52,700)	(536,700)
Professional Fees	-	(40,000)	(40,000)	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)	(220,000)
Interim Facility Interests & Fees	-	(32,000)	-	-	-	(25,200)	-	-	-	(20,200)	(77,400)
Other Expenses	-	(72,000)	(40,000)	(20,000)	(20,000)	(45,200)	(20,000)	(20,000)	(20,000)	(40,200)	(297,400)
Net Cash Flow	(75,600)	(195,100)	(93,100)	(51,100)	(65,900)	(147,300)	(42,700)	(27,700)	(42,700)	(92,900)	(834,100)
Opening Cash Balance	266,100	190,500	645,400	552,300	501,200	435,300	288,000	245,300	217,600	174,900	266,100
Net Cash Flow	(75,600)	(195,100)	(93,100)	(51,100)	(65,900)	(147,300)	(42,700)	(27,700)	(42,700)	(92,900)	(834,100)
Firm Capital - Second Tranche		650,000									650,000
Ending Cash Balance	\$190,500	\$645,400	\$552,300	\$501,200	\$435,300	\$288,000	\$245,300	\$217,600	\$174,900	\$ 82,000	\$ 82,000

Note: The above cash flow does not reflect the proceeds or the impact of a going-concern sale of the Colleges.



Caroline Mastantuono



Joseph Mastantuono



Olivier Benchaya, CPA, CA, 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 February 23, 2022 consisting of the period from February 19, 2022 to April 29, 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 23rd day of February 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 February 19, 2022 to April 29, 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) Projected Net Operating Receipts

- No cash receipts are reflected in the Projections on the basis that no new students will commence a new semester of study and pay the requisite tuition fees.

(b) Projected Cash Disbursements

- Rent – based on lease agreement with the lessors for one of the colleges;
- Salaries – for certain administrative positions at the head office and the colleges;
- Educational services – costs required to graduate students projected to complete their curriculum by February 28, 2022;
- Municipal taxes/utilities – reflects the payment of post-filing costs in connection with the real estate owned within the group of companies;
- Other operating expenses – based on historical run rates to reflect the current level of activity and best estimates of Management;
- Student insurance – in respect of the post-filing monthly cost of emergency hospital and medical coverage for international students;
- Professional fees – relates to the Monitor and its legal counsel, the counsel for the Debtors as well as the Students' Representative counsel;

- Interim Facility Interest & Fees - includes interest, fees, and expenses in connection with the Interim Facility (first and second tranches);
- The cash disbursements do not provide for the payment of arrears to unsecured creditors.

Dated at Montréal, in the Province of Quebec, this 23rd day of February 2022.



Rising Phoenix International Inc.
(Debtors)

Caroline Bonneville Mastantuono - President
Name and title of signing officer



10864285 Canada Inc.
1/1753436 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 February 23, 2022, consisting of the period from February 19, 2022 to April 29, 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 Montreal, in the Province of Québec, this 23rd day of February 2022.

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



Olivier Benchaya, CPA, CA, CIRP, LIT
1981 McGill College Avenue, 11th Floor
Montréal QC H3A 0G6
Telephone: 514.908.3796 Facsimile: 514.934.8603

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 February 19, 2022 to April 29, 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 February 19, 2022 to April 29, 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) Projected Net Operating Receipts

- No cash receipts are reflected in the Projections on the basis that no new students will commence a new semester of study and pay the requisite tuition fees.

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- Rent – based on lease agreement with the lessors for one of the colleges;
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- Professional fees – relates to the Monitor and its legal counsel, the counsel for the Debtors as well as the Students' Representative counsel;

- Interim Facility Interest & Fees - includes interest, fees, and expenses in connection with the Interim Facility (first and second tranches);
- The cash disbursements do not provide for the payment of arrears to unsecured creditors.

Dated at Montreal in the Province of Québec, this 23rd day of February 2022.

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



Olivier Benchaya, CPA, CA, CIRP, LIT