

**SUPERIOR COURT**  
(Commercial Division)

CANADA  
PROVINCE OF QUÉBEC  
DISTRICT OF MONTRÉAL  
No. 500-11-050409-164  
DATE: March \_\_, 2016

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**PRESIDING : THE HONOURABLE MARTIN CASTONGUAY, J.S.C.**

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**IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED:**

**7098961 CANADA INC.**

Debtor

and-

**RICHTER ADVISORY GROUP INC.**

Monitor

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**INITIAL ORDER**

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**ON READING** 7098961 Canada Inc. (the "**Debtor**")'s *Demand for the Issuance of an Initial Order* (the "**Demand**") pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, C-36 (as amended the "**CCAA**") and the exhibits, the affidavit of Mr. Yona Shtern filed in support thereof, the consent of Richter Advisory Group Inc. to act as monitor (the "**Monitor**"), relying upon the submissions of counsel and being advised that the interested parties, including the secured creditors who are likely to be affected by the charges created herein were given prior notice of the presentation of the Demand;

**GIVEN** the provisions of the CCAA;

**WHEREFORE, THE COURT:**

- [1] **GRANTS** the Demand.
- [2] **DECLARES** that all capitalized terms not otherwise defined in this Order shall have the meaning ascribed thereto in the Demand.
- [3] **ISSUES** an order pursuant to the CCAA (the "**Order**"), divided under the following headings:

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- (a) Service
- (b) Application of the CCAA
- (c) Effective Time
- (d) Plan of Arrangement
- (e) Stay of Proceedings against the Debtor and the Property
- (f) Stay of Proceedings against the Directors and Officers
- (g) Possession of Property and Operations
- (h) No Exercise of Rights or Remedies
- (i) No Interference with Rights
- (j) Continuation of Services
- (k) Non-Derogation of Rights
- (l) Critical Suppliers
- (m) Interim Financing (DIP)
- (n) Directors' and Officers' Indemnification Charge
- (o) Restructuring
- (p) Articles of Amendment
- (q) Powers of the Monitor
- (r) Priorities and General Provisions Relating to CCAA Charges
- (s) General

#### Service

[4] **DECLARES** that sufficient prior notice of the presentation of this Demand has been given by the Debtor to interested parties, including the secured creditors.

#### Application of the CCAA

[5] **DECLARES** that the Debtor is a debtor company to which the CCAA applies.

#### Effective Time

[6] **DECLARES** that this Order and all of its provisions are effective as of 12:01 a.m. Montreal time, province of Québec, on the date of this Order (the "**Effective Time**").

### Plan of Arrangement

- [7] **DECLARES** that the Debtor shall have the authority to file with this Court and to submit to its creditors one or more plans of compromise or arrangement (collectively, the "**Plan**") in accordance with the CCAA.

### Stay of Proceedings Against the Debtor and the Property

- [8] **ORDERS** that, until and including April 22, 2016, or such later date as the Court may order (the "**Stay Period**"), no proceeding or enforcement process in any court or tribunal (each, a "**Proceeding**") shall be commenced or continued against or in respect of the Debtor, or affecting the Debtor's business operations and activities (the "**Business**") or the Property (as defined herein below), including as provided in paragraph 10 herein below, except with leave of this Court. Any and all proceedings currently under way against or in respect of the Debtor or affecting the Business or the Property are hereby stayed and suspended pending further order of this Court, the whole subject to subsection 11.1 CCAA.
- [9] **ORDERS** that the rights of Her Majesty in right of Canada and Her Majesty in right of a Province are suspended in accordance with the terms and conditions of Subsection 11.09 CCAA.

### Stay of Proceedings Against the Directors and Officers

- [10] **ORDERS** that during the Stay Period and except as permitted under subsection 11.03(2) of the CCAA, no Proceeding may be commenced, or continued against any former, present or future director or officer of the Debtor nor against any person deemed to be a director or an officer of the Debtor under subsection 11.03(3) CCAA (each, a "**Director**", and collectively the "**Directors**") in respect of any claim against such Director which arose prior to the Effective Time and which relates to any obligation of the Debtor where it is alleged that any of the Directors are under any law liable in such capacity for the payment of such obligation.

### Possession of Property and Operations

- [11] **ORDERS** that the Debtor shall remain in possession and control of its present and future assets, rights, undertakings and properties of every nature and kind whatsoever, wherever situated, including all proceeds thereof (collectively, the "**Property**").
- [12] **ORDERS** that the Debtor shall continue to carry on its operations and financial affairs, including the business and affairs of any Person owned by the Debtor or in which the Debtor owns an interest, in a manner consistent with the commercially reasonable preservation thereof.
- [13] **ORDERS** that the Debtor shall be authorized and empowered to continue to retain and employ the employees, consultants, agents, experts, accountants, counsel and such other persons (collectively, the "**Assistants**") currently retained or employed by it, with liberty to retain such further Assistants as it deems reasonably necessary or desirable in the ordinary course of business or for the carrying out of the terms of this Order.

- [14] **ORDERS** that the Debtor shall be entitled to continue to utilize the existing centralized cash managements systems currently in place with, among others, Paysafe Merchant Services Inc. (previously known as NBX Merchant Services Inc.) and Paysafe Merchant Services Corp. (previously known as NBX Merchant Services Corp) (collectively, "**Paysafe**") or replace them with other substantially similar central cash management system(s) (the "**Cash Management System**") and that any present or future bank providing the Cash Management System shall not be under any obligation whatsoever to inquire into the propriety, validity or legality of any transfer, payment, collection or other action taken under the Cash Management System, or as to the use or application by the Debtor of funds transferred, paid, collected or otherwise dealt with in the Cash Management System, shall be entitled to provide the Cash Management System without any liability in respect thereof to any Person other than the Debtor, pursuant to the terms of the documentation applicable to the Cash Management System, and shall be, in its capacity as provider of the Cash Management System, at any time during these CCAA proceedings, an unaffected creditor under the Plan with regard to any claims or expenses it may suffer or incur in connection with the provision, at any time during these CCAA proceedings, of the Cash Management System. The Monitor shall review and monitor the Cash Management System and report to this Court from time to time.
- [15] **ORDERS** and **DECLARES** that all credit card arrangements concluded in connection with the processing of credit cards with third party payment processors and credit card providers shall remain in force and that, subject to the provisions of this Order, any and all proceeds from the sales processed by third party payment processors and credit card providers be remitted to the Debtor.
- [16] **ORDERS** that the Debtor shall be entitled but not compelled to pay the following expenses incurred prior to this Order, with the prior approval of the Monitor:
- (a) all wages, salaries, management fees, commissions, vacation pay (when due), and reimbursement of expenses (including, without limitation, amounts charged by employees to credit cards) payable to former or current employees, managers, independent contractors or Directors, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements;
  - (b) all amounts payable to third party custom brokers, suppliers, agents, freight carriers, freight forwarders, shippers and creditors with the right to retain;
  - (c) all amounts payable to third parties in order to process pre-filing customer orders which have not yet been fulfilled.
- [17] **ORDERS** that, except as otherwise provided to the contrary herein, the Debtor shall be entitled to pay all reasonable expenses incurred by it in carrying on its Business in the ordinary course from and after the date of this Order, and in carrying out the provisions of this Order, which expenses shall include, without limitation:
- (a) all expenses and capital expenditures reasonably necessary for the preservation of its Property or the Business; and
  - (b) payment for goods or services actually delivered or supplied to the Debtor following the date of this Order.

### No Exercise of Rights or Remedies

- [18] **ORDERS** that during the Stay Period, and subject to, *inter alia*, subsection 11.1 CCAA, all rights and remedies of any individual, natural person, firm, corporation, partnership, limited liability company, trust, joint venture, association, organization, governmental body or agency, or any other entity (all of the foregoing, collectively being "**Persons**" and each being a "**Person**") against or in respect of the Debtor, or affecting the Business, the Property or any part thereof, are hereby stayed and suspended except with leave of this Court.
- [19] **DECLARES** that, to the extent any rights, obligations, or prescription, time or limitation periods, including, without limitation, to file grievances, relating to the Debtor or any of the Property or the Business may expire (other than pursuant to the terms of any contracts, agreements or arrangements of any nature whatsoever), the term of such rights, obligations, or prescription, time or limitation periods shall hereby be deemed to be extended by a period equal to the Stay Period. Without limitation to the foregoing, in the event that the Debtor becomes bankrupt or a receiver as defined in subsection 243(2) of the *Bankruptcy and Insolvency Act (Canada)* (the "**BIA**") is appointed in respect of the Debtor, the period between the date of the Order and the day on which the Stay Period ends shall not be calculated in respect of the Debtor in determining the 30 day periods referred to in Sections 81.1 and 81.2 of the BIA.

### No Interference with Rights

- [20] **ORDERS** that during the Stay Period, no Person shall discontinue, fail to honour, alter, interfere with, repudiate, resiliate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Debtor, except with the written consent of the Debtor and the Monitor, or with leave of this Court.

### Continuation of Services

- [21] **ORDERS** that during the Stay Period and subject to paragraph [23] hereof, all Persons having verbal or written agreements with the Debtor or statutory or regulatory mandates for the supply of goods or services, including without limitation all computer software, communication and other data services, centralized banking services, payroll services, payment processing, insurance, transportation, utility or other goods or services made available to the Debtor, are hereby restrained until further order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Debtor, and that the Debtor shall be entitled to the continued use of their current premises, telephone numbers, facsimile numbers, internet addresses, domain names or other services, provided in each case that the normal prices or charges for all such goods or services received after the date of the Order are paid by the Debtor, without having to provide any security deposit or any other security, in accordance with normal payment practices of the Debtor or such other practices as may be agreed upon by the supplier or service provider and the Debtor, with the consent of the Monitor, or as may be ordered by this Court.
- [22] **ORDERS** that, notwithstanding anything else contained herein and subject to subsection 11.01 CCAA, no Person shall be prohibited from requiring immediate payment for goods, services, use of leased or licensed property or other valuable consideration provided to the Debtor on or after the date of this Order, nor shall any Person be under

any obligation on or after the date of the Order to make further advance of money or otherwise extend any credit to the Debtor.

- [23] **ORDERS** that, without limiting the generality of the foregoing and subject to Section 21 of the CCAA, if applicable, cash or cash equivalents placed on deposit by the Debtor with any Person during the Stay Period, whether in an operating account or otherwise for itself or for another entity, shall not be applied by such Person in reduction or repayment of amounts owing to such Person as of the date of the Order or due on or before the expiry of the Stay Period or in satisfaction of any interest or charges accruing in respect thereof; however, this provision shall not prevent any financial institution from: (i) reimbursing itself for the amount of any cheques drawn by the Debtor and properly honoured by such institution, or (ii) holding the amount of any cheques or other instruments deposited into the Debtor's account until those cheques or other instruments have been honoured by the financial institution on which they have been drawn.

#### Non-Derogation of Rights

- [24] **ORDERS** that, notwithstanding the foregoing, any Person who provided any kind of letter of credit, guarantee or bond (the "**Issuing Party**") at the request of the Debtor shall be required to continue honouring any and all such letters, guarantees and bonds, issued on or before the date of the Order, provided that all conditions under such letters, guarantees and bonds are met save and except for defaults resulting from this Order; however, the Issuing Party shall be entitled, where applicable, to retain the bills of lading or shipping or other documents relating thereto until paid.

#### Critical Suppliers

- [25] **ORDERS** and **DECLARES** that each of the entities listed in Schedule B hereto is a critical supplier to the Debtor as contemplated by Section 11.4 of the CCAA (each, a "**Critical Supplier**").
- [26] **ORDERS** and **DECLARES** that each Critical Supplier shall continue to supply the Debtor with the goods and/or services on terms and conditions that are consistent with existing contractual arrangements, as may be amended by this Order.
- [27] **ORDERS** that each that each Critical Supplier shall be permitted to continue to retain as a holdback reserve, all of the amounts which it is currently retaining as such.
- [28] **ORDERS** and **DECLARES** that each Critical Supplier shall be entitled to hold-back, in addition to the applicable payment processing service fees and costs, an amount equal to twelve percent (12%) of the face value of every credit card sale to be made by the Debtor and processed by such Critical Supplier after the date of this Order.
- [29] **ORDERS** and **DECLARES** that the Debtor and each Critical Supplier (or any financial advisor retained by such Critical Supplier) shall establish each Critical Supplier's actual or potential exposure in connection with any and all unfulfilled orders and cancelled pre-filing orders or sales as of the date of this Order (the "**Pre-Filing Exposure**"), which in the case of Paysafe, is estimated by the Debtor at the date hereof to be \$4,043,000.

- [30] **ORDERS** and **DECLARES** that, twice weekly following the issuance of this Order and subject to further order of this Court, the Debtor and each Critical Supplier (or any financial advisor retained by such Critical Supplier) shall establish each Critical Supplier's actual or potential exposure in connection with any and all unfulfilled orders and cancelled pre-filing orders or sales as at that date (the "**Current Exposure**").
- [31] **ORDERS** that in the two weeks following the issuance of this Order an amount equal to any positive difference between i) the Current Exposure and ii) the Pre-Filing Exposure shall be immediately held back by the Critical Supplier on future sales.
- [32] **ORDERS** that as of the third week following the issuance of this Order, an amount equal to any positive difference between i) the Current Exposure and ii) 97% of the Pre-Filing Exposure (which in the case of Paysafe is estimated by the Debtor to be \$3,967,000 as at the date of this Order) shall be immediately held back by the Critical Supplier on future sales.
- [33] **ORDERS** and **DECLARES** that the Debtor shall provide reasonable access to its books, records and premises to Paysafe's representatives and consultants during regular business hours in order to assess Paysafe's Current Exposure.

#### Interim Financing (DIP)

- [34] **ORDERS** that the Debtor is hereby authorized to borrow, repay and reborrow from 9523669 Canada Inc. (the "**Interim Lender**") such amounts from time to time as the Debtor may consider necessary or desirable, up to a maximum principal amount of \$1,150,000 outstanding at any time, on the terms and conditions as set forth in the Interim Financing Term Sheet attached hereto as Schedule A (the "**Interim Financing Term Sheet**") and in the Interim Financing Documents (as defined hereinafter), to fund the ongoing expenditures of the Debtor and to pay such other amounts as are permitted by the terms of the Order and the Interim Financing Documents (as defined hereinafter) (the "**Interim Facility**").
- [35] **ORDERS** that the Interim Lender shall only disburse the amounts pursuant to the Interim Financing Term Sheet upon written confirmation from Silicon Valley Bank ("**SVB**") that it has received to its satisfaction payment from the Interim Lender in satisfaction of the assignment agreement entered into by the Interim Lender and SVB on or around March 23, 2016 in connection with the assignment of any and all claims of SVB (loan principal, interest, fees, etc.) against the Debtor and any related parties.
- [36] **ORDERS** that the Debtor is hereby authorized to execute and deliver such credit agreements, security documents and other definitive documents (collectively the "**Interim Financing Documents**") as may be required by the Interim Lender in connection with the Interim Facility and the Interim Financing Term Sheet, and the Debtor is hereby authorized to perform all of its obligations under the Interim Financing Documents.
- [37] **ORDERS** that the Debtor shall pay to the Interim Lender, when due, all amounts owing (including principal, interest, fees and expenses, including without limitation, all reasonable fees and disbursements of counsel and all other reasonably required advisers to or agents of the Interim Lender on a full indemnity basis (the "**Interim Lender Expenses**")) under the Interim Financing Documents and shall perform all of its

other obligations to the Interim Lender pursuant to the Interim Financing Term Sheet, the Interim Financing Documents and the Order.

- [38] **DECLARES** that all of the Property of the Debtor is hereby subject to a charge and security for an aggregate amount of \$1,800,000 (such charge and security is referred to herein as the "**Interim Lender Charge**") in favour of the Interim Lender as security for all obligations of the Debtor to the Interim Lender with respect to all amounts owing (including principal, interest and the Interim Lender Expenses) under or in connection with the Interim Financing Term Sheet and the Interim Financing Documents. The Interim Lender Charge shall have the priority established by paragraphs 56 and 57 of this Order.
- [39] **ORDERS** that the claims of the Interim Lender pursuant to the Interim Financing Documents shall not be compromised or arranged pursuant to the Plan or these proceedings and the Interim Lender, in that capacity, shall be treated as an unaffected creditor in these proceedings and in any Plan.
- [40] **ORDERS** that the Interim Lender may:
- (a) notwithstanding any other provision of the Order, take such steps from time to time as it may deem necessary or appropriate to register, record or perfect the Interim Lender Charge and the Interim Financing Documents in all jurisdictions where it deems it is appropriate; and
  - (b) notwithstanding the terms of the paragraph to follow, refuse to make any advance to the Debtor if the Debtor fails to meet the provisions of the Interim Financing Term Sheet and the Interim Financing Documents.
- [41] **ORDERS** that the Interim Lender shall not take any enforcement steps under the Interim Financing Documents or the Interim Lender Charge without providing at least five (5) business days written notice (the "**Notice Period**") of a default thereunder to the Debtor, the Monitor and to creditors whose rights are registered or published at the appropriate registers or requesting a copy of such notice. Upon expiry of such Notice Period, the Interim Lender shall be entitled to take any and all steps under the Interim Financing Documents and the Interim Lender Charge and otherwise permitted at law, but without having to send any demands under Section 244 of the BIA.
- [42] **ORDERS** that, subject to further order of this Court, no order shall be made varying, rescinding, or otherwise affecting paragraphs 21 to 26 hereof unless either (a) notice of a motion for such order is served on the Interim Lender by the moving party within seven (7) days after that party was served with the Order or (b) the Interim Lender applies for or consents to such order.

#### **Directors' and Officers' Indemnification and Charge**

- [43] **ORDERS** that the Debtor shall indemnify its Directors from all claims relating to any obligations or liabilities they may incur and which have accrued by reason of or in relation to their respective capacities as directors or officers of the Debtor after the Effective Time, except where such obligations or liabilities were incurred as a result of such directors' or officers' gross negligence, wilful misconduct or gross or intentional fault as further detailed in Section 11.51 CCAA.



[44] **ORDERS** that the Directors of the Debtor shall be entitled to the benefit of and are hereby granted a charge and security in the Property to the extent of the aggregate amount of \$225,000 (the "**Directors' Charge**"), as security for the indemnity provided in paragraph 32 of this Order as it relates to obligations and liabilities that the Directors may incur in such capacity after the Effective Time. The Directors' Charge shall have the priority set out in paragraphs 56 and 57 of this Order.

[45] **ORDERS** that, notwithstanding any language in any applicable insurance policy to the contrary, (a) no insurer shall be entitled to be subrogated to or claim the benefit of the Directors' Charge, and (b) the Directors shall only be entitled to the benefit of the Directors' Charge to the extent that they do not have coverage under any directors' and officers' insurance policy, or to the extent that such coverage is insufficient to pay amounts for which the Directors are entitled to be indemnified in accordance with paragraph [43] of this Order.

### **Restructuring**

[46] **DECLARES** that, to facilitate the orderly restructuring of their business and financial affairs (the "**Restructuring**") but subject to such requirements as are imposed by the CCAA, the Debtor shall have the right, subject to approval of the Monitor or further order of the Court, to:

- (a) permanently or temporarily cease, downsize or shut down any of its operations or locations as it deems appropriate and make provision for the consequences thereof in the Plan;
- (b) pursue all avenues to finance or refinance, market, convey, transfer, assign or in any other manner dispose of the Business or Property, in whole or part, subject to further order of the Court and sections 11.3 and 36 CCAA, and under reserve of subparagraph (c);
- (c) convey, transfer, assign, lease, or in any other manner dispose of the Property, outside of the ordinary course of business, in whole or in part, provided that the price in each case does not exceed \$100,000 or \$250,000 in the aggregate;
- (d) terminate the employment of its employees or temporarily or permanently lay off its employees as it deems appropriate and, to the extent any amounts in lieu of notice, termination or severance pay or other amounts in respect thereof are not paid in the ordinary course, make provision, on such terms as may be agreed upon between the Debtor and such employee, or failing such agreement, make provision to deal with, any consequences thereof in the Plan, as the Debtor may determine;
- (e) subject to the provisions of section 32 CCAA, disclaim or resiliate, any of its agreements, contracts or arrangements of any nature whatsoever, with such disclaimers or resiliation to be on such terms as may be agreed between the Debtor and the relevant party, or failing such agreement, to make provision for the consequences thereof in the Plan; and
- (f) subject to section 11.3 CCAA, assign any rights and obligations of the Debtor.

- [47] **DECLARES** that, if a notice of disclaimer or resiliation is given to a landlord of the Debtor pursuant to section 32 of the CCAA and subsection 28(e) of this Order, then (a) during the notice period prior to the effective time of the disclaimer or resiliation, the landlord may show the affected leased premises to prospective tenants during normal business hours by giving the Debtor and the Monitor 24 hours prior written notice and (b) at the effective time of the disclaimer or resiliation, the landlord shall be entitled to take possession of any such leased premises and re-lease any such leased premises to third parties on such terms as any such landlord may determine without waiver of, or prejudice to, any claims or rights of the landlord against the Debtor, provided nothing herein shall relieve such landlord of its obligation to mitigate any damages claimed in connection therewith.
- [48] **ORDERS** that the Debtor shall provide to any relevant landlord notice of the Debtor's intention to remove any fittings, fixtures, installations or leasehold improvements at least seven (7) days in advance. If the Debtor has already vacated the leased premises, it shall not be considered to be in occupation of such location pending the resolution of any dispute between the Debtor and the landlord.
- [49] **DECLARES** that, in order to facilitate the Restructuring, the Debtor may, subject to the approval of the Monitor, or further order of the Court, settle claims of customers and suppliers that are in dispute.
- [50] **DECLARES** that, pursuant to sub-paragraph 7(3)(c) of the *Personal Information Protection and Electronic Documents Act*, S.C. 2000, c.5, the Debtor is permitted, in the course of these proceedings, to disclose personal information of identifiable individuals in its possession or control to stakeholders or prospective investors, financiers, buyers or strategic partners and to their advisers (individually, a "**Third Party**"), but only to the extent desirable or required to negotiate and complete the Restructuring or the preparation and implementation of the Plan or a transaction for that purpose, provided that the Persons to whom such personal information is disclosed enter into confidentiality agreements with the Debtor binding them to maintain and protect the privacy of such information and to limit the use of such information to the extent necessary to complete the transaction or Restructuring then under negotiation. Upon the completion of the use of personal information for the limited purpose set out herein, the personal information shall be returned to the Debtor or destroyed. In the event that a Third Party acquires personal information as part of the Restructuring or the preparation or implementation of the Plan or a transaction in furtherance thereof, such Third Party may continue to use the personal information in a manner which is in all respects identical to the prior use thereof by the Debtor.

#### Articles of Amendment

- [51] **ORDERS** and **DECLARES** that the Debtor is hereby authorized, *non pro tunc*, to file the Articles of Amendment (Exhibit P-1) and that the execution and filing of such articles is hereby ratified and **ORDERS** that the Debtor is dispensed from the requirement of obtaining shareholder approval in connection with the Articles of Amendment (Exhibit P-1).

## Powers of the Monitor

[52] **ORDERS** that Richter Advisory Group Inc. is hereby appointed to monitor the business and financial affairs of the Debtor as an officer of this Court (the "**Monitor**") and that the Monitor, in addition to the prescribed powers and obligations, referred to in Section 23 of the CCAA:

- (a) shall, without delay, (i) publish once a week for two (2) consecutive weeks, in La Presse and The Globe and Mail and (ii) within five (5) business days after the date of this Order (A) post on the Monitor's website (the "**Website**") a notice containing the information prescribed under the CCAA, (B) make this Order publicly available in the manner prescribed under the CCAA, (C) send, in the prescribed manner, a notice to all known creditors having a claim against the Debtor of more than \$1,000, advising them that the Order is publicly available, and (D) prepare a list showing the names and addresses of such creditors and the estimated amounts of their respective claims, and make it publicly available in the prescribed manner, all in accordance with Section 23(1)(a) of the CCAA and the regulations made thereunder;
- (b) shall monitor the Debtor's receipts and disbursements;
- (c) shall assist the Debtor, to the extent required by the Debtor, in dealing with its creditors and other interested Persons during the Stay Period;
- (d) shall assist the Debtor, to the extent required by the Debtor, with the preparation of its cash flow projections and any other projections or reports and the development, negotiation and implementation of the Plan;
- (e) shall advise and assist the Debtor, to the extent required by the Debtor, to review the Debtor's business and assess opportunities for cost reduction, revenue enhancement and operating efficiencies;
- (f) shall initiate and conduct a sale and investment solicitation sale process in respect of the Debtor's assets and business;
- (g) shall assist the Debtor, to the extent required by the Debtor, with the Restructuring and in its negotiations with its creditors and other interested Persons and with the holding and administering of any meetings held to consider the Plan;
- (h) shall report to the Court on the state of the business and financial affairs of the Debtor or developments in these proceedings or any related proceedings within the time limits set forth in the CCAA and at such time as considered appropriate by the Monitor or as the Court may order;
- (i) shall report to this Court and interested parties, including but not limited to creditors affected by the Plan, with respect to the Monitor's assessment of, and recommendations with respect to, the Plan;
- (j) may retain and employ such agents, advisers and other assistants as are reasonably necessary for the purpose of carrying out the terms of the Order,

including, without limitation, one or more entities related to or affiliated with the Monitor;

- (k) may engage legal counsel to the extent the Monitor considers necessary in connection with the exercise of its powers or the discharge of its obligations in these proceedings and any related proceeding, under the Order or under the CCAA;
- (l) may act as a "foreign representative" of the Debtor or in any other similar capacity in any insolvency, bankruptcy or reorganisation proceedings outside of Canada;
- (m) may give any consent or approval as may be contemplated by the Order or the CCAA; and
- (n) shall perform such other duties as are required by the Order or the CCAA or by this Court from time to time.

The Monitor shall not otherwise interfere with the business and financial affairs carried on by the Debtor, and the Monitor is not empowered to take possession of the Property nor to manage any of the business and financial affairs of the Debtor.

[53] **ORDERS** that the Debtor and its Directors, officers, employees and agents, accountants, auditors and all other Persons having notice of the Order shall forthwith provide the Monitor with unrestricted access to all of the Business and Property, including, without limitation, the premises, books, records, data, including data in electronic form, and all other documents of the Debtor in connection with the Monitor's duties and responsibilities hereunder.

[54] **DECLARES** that the Monitor may provide creditors and other relevant stakeholders of the Debtor with information in response to requests made by them in writing addressed to the Monitor and copied to the Debtor's counsel. In the case of information that the Monitor has been advised by the Debtor is confidential, proprietary or competitive, the Monitor shall not provide such information to any Person without the consent of the Debtor unless otherwise directed by this Court.

[55] **DECLARES** that if the Monitor, in its capacity as Monitor, carries on the business of the Debtor or continues the employment of the Debtor's employees, the Monitor shall benefit from the provisions of section 11.8 of the CCAA.

[56] **DECLARES** that no action or other proceedings shall be commenced against the Monitor relating to its appointment, its conduct as Monitor or the carrying out the provisions of any order of this Court, except with prior leave of this Court, on at least seven days' notice to the Monitor and its counsel. The entities related to or affiliated with the Monitor referred to in subparagraph 37(i) hereof shall also be entitled to the protection, benefits and privileges afforded to the Monitor pursuant to this paragraph.

[57] **ORDERS** that the Debtor shall pay the reasonable fees and disbursements of the Monitor, the Monitor's legal counsel, the Debtor's legal counsel and other advisers, incurred in connection with or with respect to the Restructuring, whether incurred before

or after the Order, and shall provide each with a reasonable retainer in advance on account of such fees and disbursements, if so requested.

- [58] **DECLARES** that the Monitor, the Monitor's legal counsel, the Debtor's legal counsel and the Monitor and the Debtor's respective advisers, as security for the professional fees and disbursements incurred both before and after the making of the Order in respect of these proceedings, the Plan and the Restructuring, be entitled to the benefit of and are hereby granted a charge and security in the Property to the extent of the aggregate amount of \$250,000 (the "**Administration Charge**"), having the priority established by paragraphs 56 and 57 hereof.

#### **Priorities and General Provisions Relating to CCAA Charges**

- [59] **DECLARES** that the priorities of the Administration Charge, Interim Lender Charge and Directors' Charge (collectively, the "**CCAA Charges**"), as between them with respect to any Property to which they apply, shall be as follows:
- (a) first, the Interim Lender Charge;
  - (b) second, the Administration Charge; and
  - (c) third, the Directors' Charge.
- [60] **DECLARES** that each of the CCAA Charges shall rank in priority to any and all other hypothecs, mortgages, liens, security interests, priorities, charges, encumbrances or security of whatever nature or kind (collectively, the "**Encumbrances**"), including any prior claims or deemed trust affecting the Property charged by such Encumbrances but only from the time the Interim Facility becomes available to the Debtor in accordance with the terms of the Interim Financing Term Sheet.
- [61] **ORDERS** that, except as otherwise expressly provided for herein, the Debtor shall not grant any Encumbrances in or against any Property that rank in priority to, or *pari passu* with, any of the CCAA Charges unless the Debtor obtains the prior written consent of the Monitor and the prior approval of the Court.
- [62] **DECLARES** that each of the CCAA Charges shall attach, as of the Effective Time, to all present and future Property of the Debtor, notwithstanding any requirement for the consent of any party to any such charge or to comply with any condition precedent.
- [63] **DECLARES** that the CCAA Charges and the rights and remedies of the beneficiaries of such Charges shall be valid and enforceable and shall not otherwise be limited or impaired in any way by: (i) these proceedings and the declaration of insolvency made herein; (ii) any petition for a receiving order filed pursuant to the BIA in respect of the Debtor or any receiving order made pursuant to any such petition or any assignment in bankruptcy made or deemed to be made in respect of the Debtor; or (iii) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any agreement, lease, sub-lease, offer to lease or other arrangement which binds the Debtor (a "**Third Party Agreement**"), and notwithstanding any provision to the contrary in any Third Party Agreement:

- (a) the creation of any of the CCAA Charges shall not create or be deemed to constitute a breach by the Debtor of any Third Party Agreement to which they are a party; and
- (b) any of the beneficiaries of the CCAA Charges shall not have liability to any Person whatsoever as a result of any breach of any Third Party Agreement caused by or resulting from the creation of the CCAA Charges.

[64] **DECLARES** that notwithstanding: (i) these proceedings and any declaration of insolvency made herein, (ii) any petition for a receiving order filed pursuant to the BIA in respect of the Debtor and any receiving order allowing such petition or any assignment in bankruptcy made or deemed to be made in respect of the Debtor, and (iii) the provisions of any federal or provincial statute, the payments or disposition of Property made by the Debtor pursuant to the Order and the granting of the CCAA Charges, do not and will not constitute settlements, fraudulent preferences, fraudulent conveyances or other challengeable or reviewable transactions or conduct meriting an oppression remedy under any applicable law.

[65] **DECLARES** that, except as otherwise provided herein, the CCAA Charges shall be valid and enforceable as against all Property of the Debtor and against all Persons, including, without limitation, any trustee in bankruptcy, receiver, receiver and manager or interim receiver of the Debtor, for all purposes.

[66] **DECLARES** that the amount of any hold-back held by a Critical Supplier in accordance with the provisions of this Order shall be excluded from the CCAA Charges until such amounts are remitted to the Debtor.

#### General

[67] **ORDERS** that no Person shall commence, proceed with or enforce any proceedings against any of the Directors, employees, legal counsel or financial advisers of the Debtor or of the Monitor in relation to the Business or Property of the Debtor, without first obtaining leave of this Court, upon five (5) days written notice to the Debtor's counsel and to all those referred to in this paragraph whom it is proposed be named in such proceedings.

[68] **ORDERS** that, subject to further Order of this Court, all motions in these CCAA proceedings are to be brought on not less than ten (10) calendar days' notice to all Persons on the service list. Each motion shall specify, to the extent that it is possible, a date (the "**Initial Return Date**") and time (the "**Initial Return Time**") for the hearing.

[69] **ORDERS** that any Person wishing to object to the relief sought in a motion in these CCAA proceedings must serve responding motion materials or a notice stating the objection to the motion and the grounds for such objection (a "**Notice of Objection**") in writing to the party who instituted the motion, the Debtor and the Monitor, with a copy to all Persons on the service list, no later than 5p.m. Montreal Time on the date that is four (4) calendar days prior to the Initial Return Date (the "**Objection Deadline**").

[70] **ORDERS** that, if no Notice of Objection is served by the Objection Deadline, the Judge having carriage of the motion (the "**Presiding Judge**") may determine: (a) whether a hearing is necessary; (b) whether such hearing will be in person, by telephone or by

written submission only; and (c) the parties from whom submissions are required (collectively, the "**Hearing Details**"). In the absence of any such determination, a hearing will be held in the ordinary course.

- [71] **ORDERS** that, if no Notice of Objection is served by the Objection Deadline, the Monitor shall communicate with the Presiding Judge regarding whether a determination has been made by the Presiding Judge concerning the Hearing Details. The Monitor shall thereafter advise the service list of the Hearing Details and the Monitor shall report upon its dissemination of the Hearing Details to the Court in a timely manner, which may be contained in the Monitor's next report in these proceedings.
- [72] **ORDERS** that, if a Notice of Objection is served by the Objection Deadline, the interested parties shall appear before the Presiding Judge on the Initial Return Date at the Initial Return Time, or such earlier or later time as may be directed by the Court, to, as the Court may direct: (a) proceed with the hearing on the Initial Return Date and at the Initial Return Time; or (b) establish a schedule for the delivery of materials and the hearing of the contested motion and such other matters, including interim relief, as the Court may direct.
- [73] **DECLARES** that the Order and any proceeding or affidavit leading to the Order, shall not, in and of themselves, constitute a default or failure to comply by the Debtor under any statute, regulation, licence, permit, contract, permission, covenant, agreement, undertaking or other written document or requirement.
- [74] **ORDERS** that the Debtor's financial statements (Exhibit P-1 to the Demand) and cash flow statements (Schedule A to the Monitor's Report), be kept confidential and under seal with the Court until, as the case may be, further order of this Court or written agreement from the Debtor and the Monitor. However, all creditors of the Debtor shall be entitled to obtain disclosure of the said Exhibits upon written request and provided they have signed a confidentiality agreement in standard form, provided that this requirement shall not apply to secured creditors.
- [75] **DECLARES** that, except as otherwise specified herein, the Debtor and the Monitor are at liberty to serve any notice, proof of claim form, proxy, circular or other document in connection with these proceedings by forwarding copies by prepaid ordinary mail, courier, personal delivery or electronic transmission to Persons or other appropriate parties at their respective given addresses as last shown on the records of the Debtor and that any such service shall be deemed to be received on the date of delivery if by personal delivery or electronic transmission, on the following business day if delivered by courier, or three business days after mailing if by ordinary mail.
- [76] **DECLARES** that the Debtor and any party to these proceedings may serve any court materials in these proceedings on all represented parties electronically, by emailing a PDF or other electronic copy of such materials to counsels' email addresses, provided that the Debtor shall deliver "hard copies" of such materials upon request to any party as soon as practicable thereafter.
- [77] **DECLARES** that, unless otherwise provided herein, under the CCAA, or ordered by this Court, no document, order or other material need be served on any Person in respect of these proceedings, unless such Person has served a Notice of Appearance on the solicitors for the Debtor and the Monitor and has filed such notice with this Court, or

appears on the service list prepared by the monitor or its attorneys, save and except when an order is sought against a Person not previously involved in these proceedings.

[78] **DECLARES** that the Debtor or the Monitor may, from time to time, apply to this Court for directions concerning the exercise of their respective powers, duties and rights hereunder or in respect of the proper execution of the Order on notice only to each other.

[79] **DECLARES** that any interested Person may apply to this Court to vary or rescind the Order or seek other relief upon five (5) days' notice to the Debtor, the Monitor and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order, to:

**Guy P. Martel and Nathalie Nouvet**  
**STIKEMAN ELLIOTT LLP**  
1155 René-Lévesque West, 40th Floor  
Montréal, Québec H3B 3V2  
Counsel for the Debtor  
Email: [gmartel@stikeman.com](mailto:gmartel@stikeman.com) and [nnouvet@stikeman.com](mailto:nnouvet@stikeman.com)

**Benoit Gingues and Mirella Pisciueneri**  
**RICHTER ADVISORY GROUP INC.**  
1981 McGill College Avenue  
Montréal, Québec H3A 0G6  
Monitor  
Email: [bgingues@richter.ca](mailto:bgingues@richter.ca) and [mpisciuneri@richter.ca](mailto:mpisciuneri@richter.ca)

**Alain Tardif**  
**MCCARTHY TÉTRAULT LLP**  
1000, rue De la Gauchetière West  
Montréal, Québec H3B 0A2  
Counsel for the Monitor  
Email: [atardif@mccarthy.ca](mailto:atardif@mccarthy.ca)

**Ari Y. Sorek**  
**DENTONS CANADA LLP**  
1 Place Ville-Marie, Suite 3900  
Montréal, Québec H3B 4M7  
Counsel for Paysafe  
Email: [ari.sorek@dentons.com](mailto:ari.sorek@dentons.com)

[80] **DECLARES** that the Order and all other orders in these proceedings shall have full force and effect in all provinces and territories in Canada.

[81] **DECLARES** that the Monitor, with the prior consent of the Debtor, shall be authorized to apply as it may consider necessary or desirable, with or without notice, to any other court or administrative body, whether in Canada, the United States of America or elsewhere, for orders which aid and complement the Order and any subsequent orders of this Court and, without limitation to the foregoing, an order under Chapter 15 of the *U.S. Bankruptcy Code*, for which the Monitor shall be the foreign representative of the



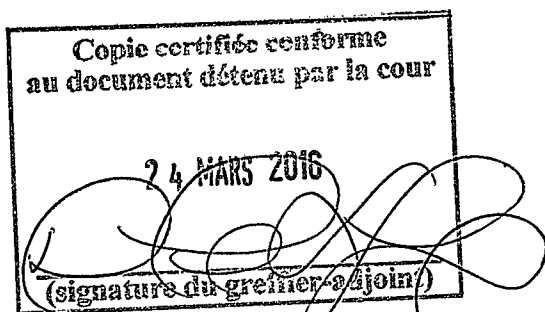
Debtor. All courts and administrative bodies of all such jurisdictions are hereby respectively requested to make such orders and to provide such assistance to the Monitor as may be deemed necessary or appropriate for that purpose.

[82] **REQUESTS** the aid and recognition of any Court or administrative body in any Province of Canada and any Canadian federal court or administrative body and any federal or state court or administrative body in the United States of America and any court or administrative body elsewhere, to act in aid of and to be complementary to this Court in carrying out the terms of the Order.

[83] **ORDERS** the provisional execution of the Order notwithstanding any appeal.

**THE WHOLE WITHOUT COSTS.**

*R. H. Casper J.C.S.*



**DOLMINE LAGUERRE**  
**GREFFIER ADJOINT**

**SCHEDULE A**  
**Interim Financing Term Sheet**

*pl*

## SCHEDULE B

### List of Critical Suppliers

- Paysafe Merchant Services Inc. (previously known as NBX Merchant Services Inc.).
- Paysafe Merchant Services Corp. (previously known as NBX Merchant Services Corp).
- PayPal CA Limited.
- Braintree.
- American Express.