

# RICHTER

CANADA  
Province of Québec  
District of: Québec  
Division No. 01-Montréal  
Court No. 500-11-040374-114  
Estate No. 41-342844

SUPERIOR COURT  
(Commercial Division)  
*Bankruptcy and Insolvency Act*

**Final Report and Statement of Accounts of the Receiver  
(Subsection 246(3) and Rule 127 of the *Bankruptcy and Insolvency Act*)**

**IN THE MATTER OF THE RECEIVERSHIP OF**

**Omniglobe Networks Inc.**

**-and-**

**Omniglobe Broadband Inc.**

**-and-**

**R.-A. Misener Telecom Corp.**

**-and-**

**Omniglobe Satellite Inc.**

**-and-**

**Omniglobe Cellular Inc.**

**(“Companies” or “Debtors”)**

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1. On March 1, 2011, Omniglobe Networks Inc. filed a Notice of Intention to Make a Proposal (“NOI”) in accordance with the *Bankruptcy and Insolvency Act* (“BIA”).
  2. Omniglobe Networks Inc. (“OGN”) failed to file a Proposal within the provided period following the filing of the NOI or within any Court-granted extension and was therefore deemed to have made an assignment in Bankruptcy and Richter Advisory Group Inc. (formerly known as RSM Richter Inc.) (“Richter”) was appointed Trustee of the Estate of OGN by the Official Receiver.
  3. On April 14, 2011, pursuant to a Motion filed by Alterinvest II Fund L.P., one of a group of secured lenders of the Companies, the Quebec Superior Court appointed Richter as Receiver to the assets of the Companies.
  4. On April 20, 2011, Richter, in its capacity as Receiver, mailed its Notice and Statement of the Receiver to all known creditors in accordance with S. 245(1) and 246(1) of the BIA.
  5. On April 15, 2011, pursuant to the authorization of the Court, Richter, in its capacity as Receiver, completed a transaction with a Purchaser for all assets of the group of Companies except for the accounts receivable, investment tax credits and the Shares of Omniglobe UK Limited. The realization of the assets was issued directly to the secured lenders and the secured lenders were not paid in full.

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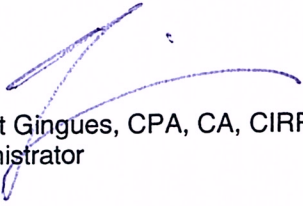




6. The secured lender with the 1<sup>st</sup> ranking security over the accounts receivable and investment tax credits attempted to collect the outstanding accounts receivable balances directly. The secured lender, with the assistance of the Receiver, collected research and development tax credits.
7. Omniglobe UK was put into liquidation and the Receiver did not receive any proceeds from the sale of assets as said proceeds were remitted directly to the secured lenders.
8. On April 19, 2012, the secured lender with 1<sup>st</sup> ranking security over the accounts receivable and investment tax credits appointed Richter as Designated Person to collect all accounts receivable and income tax refunds.
9. The Receiver's Final Statement of Receipts and Disbursements dated December 4, 2015 is attached hereto.

Dated at Montréal, Province of Québec, this 6<sup>th</sup> day of January 2016.

**Richter Advisory Group Inc.**  
**(Formerly known as RSM Richter Inc.)**  
Receiver

  
Benoit Gingues, CPA, CA, CIRP  
Administrator

CANADA  
 PROVINCE DE QUÉBEC  
 DISTRICTE DE QUÉBEC  
 DIVISION NO.: 01-MONTRÉAL  
 COURT NO.: 500-11-040374-114  
 ESTATE NO.: 41-342844

SUPERIOR COURT  
 (Commercial Division)  
 Bankruptcy and Insolvency Act

IN THE MATTER OF THE RECEIVERSHIP OF OMNIGLOBE NETWORKS INC., OMNIGLOBE BROADBAND INC.,  
 R.A. MISENER TELECOM CORP., OMNIGLOBE SATELLITE INC., AND OMNIGLOBE CELLULAR INC.

(collectively the "Companies" or the "Debtors")

RECEIVER'S FINAL STATEMENT OF RECEIPTS AND DISBURSEMENTS (NOTE 1)

RECEIPTS

1. Realization of assets		
a) Equipment Rental	\$ 25,000.00	
b) Sales of assets (Note 2)	350,000.00	
c) Collection of accounts receivable	29,977.69	
d) Government refund (R&D refunds)	<u>317,209.78</u>	\$ 722,187.47
2. Advances from secured lenders for payments of fees and for disbursements		153,625.69
3. Advance from secured lender for the payment of Claim under BIA Art. 81.4 (Note 3)		56,152.56
4. Taxes		
a) GST recovery	3,250.00	
b) QST recovery	-	
c) GST reimbursement	338.00	
d) QST reimbursement	<u>608.62</u>	4,196.62
5. Interest and other		<u>3,629.43</u>
<b>TOTAL RECEIPTS</b>		<b><u>939,791.77</u></b>

DISBURSEMENTS

6. Fees paid to registrar		70.00
7. Notice and Statement of the Receiver		
a) Photocopies	503.50	
b) Postage	<u>46.99</u>	550.49
8. Miscellaneous		
a) Equipment rental	25,000.00	
b) Wages	206.68	
c) Bank charges and other	1,150.70	
d) Courier	7.00	
e) Federal and Provincial taxes	330.00	
f) Other legal cost	205.00	
g) Security and safeguard measures	<u>6,618.54</u>	33,517.92
9. Tax re-assessment		217,124.10
11. Seizure of accounts receivables - Province of Quebec		25,342.28
12. Transfers to Trustee bank account (41-1468853)		<u>25,000.00</u>
<b>TOTAL DISBURSEMENTS BEFORE TAXES, PROFESSIONAL FEES AND DISTRIBUTION</b>		<b>301,604.79</b>
13. Taxes		
a) GST paid	1,183.99	
b) QST paid	2,088.05	
c) GST remittance	3,250.00	
d) QST remittance	<u>-</u>	6,522.04
14. Receiver's remuneration		150,758.68
15. Davies Ward Phillips & Vineberg - legal costs		<u>4,187.88</u>
<b>TOTAL DISBURSEMENTS BEFORE DISTRIBUTION</b>		<b>463,073.39</b>
16. Claim under BIA Art. 81.4 (Note 3)		56,152.56
17. Payments to secured lenders (Note 4)		
i) Sale of assets		
a) Alterinvest (65%)	\$ 210,036.05	
b) BDC (25%)	80,783.10	
c) FIER (10%)	<u>32,313.24</u>	323,132.39
ii) Income tax refund		
a) BMO	<u>97,433.43</u>	420,565.82
<b>TOTAL DISBURSEMENTS</b>		<b><u>939,791.77</u></b>
<b>SURPLUS / (DEFICIT) AVAILABLE FOR DISTRIBUTION TO UNSECURED CREDITORS</b>		<b><u>\$ -</u></b>



**IN THE MATTER OF THE RECEIVERSHIP OF OMNIGLOBE NETWORKS INC.  
RECEIVER'S FINAL STATEMENT OF RECEIPTS AND DISBURSEMENTS (NOTE 1)  
(Continued)**

**REALIZATION OF ASSETS**

	<b>Statement of</b>	
	<b>Affairs</b>	<b>Realization</b>
1) Accounts Receivable	\$ 5,755,310	\$ 29,978
2) R&D tax credits	5,674,614	317,210
3) Advances and deposits	2,696,248	-
4) Sales tax receivable	263,442	-
5) Inventory (Note 2)	464,559	
6) Fixed assets (Note 2)	4,657,248	1,350,000
7) License rights and intangibles (Note 2)	3,376,996	
8) Other	-	32,826
	<u>\$ 22,888,417</u>	<u>\$ 1,730,014</u>

**Note 1:** Omniglobe Networks Inc. ("Omniglobe" or the "Company") filed a Notice of Intention to make a Proposal ("Notice of Intention") under the Bankruptcy and Insolvency Act on March 1, 2011.

On April 14, 2011, pursuant to a motion filed by Alterinvest II Fund LP, a secured lender of the Company, the Quebec Superior Court appointed Richter Advisory Group Inc. (formerly doing business under the name RSM Richter Inc.) ("Richter") as Receiver of all of the assets, undertakings and properties of Omniglobe Networks Inc., Omniglobe Broadband Inc., R.A. Misener Telecom Corp., Omniglobe Satellite Inc. and Omniglobe Cellular Inc. (collectively the "Debtors") acquired for or used in relation to the business carried on by the Debtors.

The Debtors had several secured lenders (Alterinvest II Fund L.P., BMO Bank of Montreal, Business Development Bank of Canada and Fier CPVC) which had secured total debt of approximately \$16 million.

The Company failed to file a Proposal within the provided period following the filing of the Notice of Intention and Omniglobe was deemed bankrupt on April 16, 2011 and Richter was appointed Trustee to the Bankruptcy.

**Note 2:** On April 15, 2011, pursuant to the authorization of the Court, Richter in its capacity as Receiver, completed the sale transaction with the Purchaser, which basically covered all the assets of the Companies except for the accounts receivable, investment tax credits and share of Omniglobe UK Limited, a subsidiary of Omniglobe Networks Inc.

The total sale transaction was for \$1.35 million, which includes \$1 million of the Purchaser's shares which were issued directly to the secured lenders holding security in the assets sold. In accordance with the purchase agreement, the Receiver received cash proceeds of \$350,000 from the sale and subsequently distributed the net proceeds to the lenders which held security over the specific assets.

Omniglobe UK Limited, a subsidiary, was put into liquidation to UK legislation and the Receiver did not receive any proceeds from the sale of the assets (75 000 GBP) as said proceeds were remitted directly to the secured lenders holding security in the assets sold.

On April 19, 2012, BMO Bank of Montreal ("BMO"), a secured lender of the bankrupt, appointed Richter as its Designated Person to collect all accounts receivables and tax credits subject to its security.

The total amount owing to BMO as the date of the bankruptcy amounted to \$5.1 million. BMO realized a total of \$3.4 million, net of \$0.3 million, (paid to R&D tax consultants related to the income tax refunds received) from the collection of accounts receivable and income tax refunds.

**Note 3:** Secured claim under S. 81.4 of the Bankruptcy and Insolvency Act pursuant to the Wage Earner Protection Program Act ("WEPPA").

**Note 4:** Distribution to the secured lenders in partial satisfaction of their secured advances to the Companies.

December 4, 2015

Date

**Richter Advisory Group Inc.**  
(Formerly known as RSM Richter Inc.)  
Receiver

Per: Benoit Gingues, CPA, CA, CIRP