

SUPERIOR COURT
(Commercial Division)

CANADA
PROVINCE OF QUÉBEC
DISTRICT OF MONTRÉAL
No. 500-11-058310-208
DATE: May 28, 2020

PRESIDING : THE HONOURABLE LOUIS J. GOUIN, J.S.C.

IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL:

COALISION INC.
Debtor

-and-

DELOITTE RESTRUCTURING INC.
Trustee to the Notice of Intention

ORDER APPROVING AN ADMINISTRATION CHARGE

- [1] **ON READING** the debtor Coalision Inc.'s *Application for the Approval of an Administration Charge* (the "**Application**"), the affidavit and the exhibits in support thereof,
- [2] **CONSIDERING** the Notice of Intention to make a proposal (the "**NOI**") filed by the debtor Coalision Inc. ("**Coalision**") on May 26, 2020 in accordance with the *Bankruptcy and Insolvency Act* (the "**BIA**");
- [3] **SEEING** the service of the Application, and being advised that the interested parties, including secured creditors who are likely to be affected by the charge created herein, were given prior notice of the presentation of the Application;
- [4] **SEEING** the provisions of the *BIA*;
- [5] **SEEING** the support of Deloitte Restructuring Inc. in its capacity as trustee to the NOI (the "**NOI Trustee**");
- [6] **SEEING** the submissions of the Debtor's attorneys;
- [7] **SEEING** that it is appropriate to issue an order approving the Administration Charge (as defined hereinafter);

WHEREFORE THE COURT:

[8] **GRANTS** the Application.

SERVICE

[9] **DECLARES** that sufficient prior notice of the presentation of the Application has been given by Coalision to interested parties, including the secured creditors who are likely to be affected by the charge created herein.

EFFECTIVE TIME

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

ADMINISTRATION CHARGE

[11] **ORDERS** that the NOI Trustee, counsel to the NOI Trustee, Norton Rose Fulbright Canada LLP, and counsel to Coalision, McCarthy Tétrault LLP, as security for the professional fees and disbursements incurred both before and after the making of this Order and directly related to these proceedings or any other proceedings in the present matter, be entitled to the benefit of and are hereby granted a charge, security and hypothec in Coalision's present and future assets, rights, undertakings and properties of every nature and kind whatsoever, and wherever situated, including all proceeds thereof (the "**Property**") to the extent of the aggregate amount of \$100,000 (the "**Administration Charge**"), having the priority established by paragraph [12] herein.

PRIORITY AND GENERAL PROVISIONS RELATING TO THE ADMINISTRATION CHARGE

[12] **DECLARES** that the Administration Charge shall rank in priority to any and all other hypothecs, mortgages, liens, security interests, priorities, charges, encumbrances or security of whatever nature of kind (collectively, the "**Encumbrances**") affecting the Property charged by such Encumbrances.

[13] **ORDERS** that the filing, registration or perfection of the Administration Charge shall not be required, and that the Administration Charge shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, published, recorded or perfected subsequent to the Administration Charge coming into existence.

[14] **ORDERS** that except as otherwise expressly provided for herein, Coalision shall not grant any Encumbrances in or against any Property that rank in priority to, or *pari passu* with, the Administration Charge unless Coalision obtains the prior written consent of the NOI Trustee and the prior approval of the Court.

- [15] **DECLARES** that the Administration Charge shall attach, as of the Effective Time, to all present and future Property of Coalision, notwithstanding any requirement for the consent of any party to this charge or to comply with any condition precedent.
- [16] **DECLARES** that the Administration Charge and the rights and remedies of the beneficiaries of such charge, as applicable, 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 bankruptcy filed pursuant to the *BIA* in respect of Coalision or any bankruptcy order made pursuant to any such petition or any assignment in bankruptcy made or deemed to be made in respect of Coalision; 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 Coalision (a “**Third Party Agreement**”), and notwithstanding any provision to the contrary in any Third Party Agreement:
- (a) the creation of any of the Administration Charge shall not create or be deemed to constitute a breach by Coalision of any Third Party Agreement to which it is a party; and
 - (b) any of the beneficiaries of the Administration Charge shall not have liability to 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**”) whatsoever as a result of any breach of any Third Party Agreement caused by or resulting from the creation of the Administration Charge.
- [17] **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 Coalision and any receiving order allowing such petition or any assignment in bankruptcy made or deemed to be made in respect of Coalision, and (iii) the provisions of any federal or provincial statute, the payments or disposition of Property made by Coalision pursuant to the Order and the granting of the Administration Charge, 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.
- [18] **DECLARES** that the Administration Charge shall be valid and enforceable as against all Property of Coalision and against all Persons, including, without limitation, any trustee in bankruptcy, receiver, receiver and manager or interim receiver of Coalision, for all purposes.

GENERAL

- [19] **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 Coalision under any statute, regulation, licence, permit, contract, permission, covenant, agreement, undertaking or other written document or requirement.

- [20] **DECLARES** that, except as otherwise specified herein, Coalision and the NOI Trustee 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 Coalision 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.
- [21] **DECLARES** that Coalision 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.
- [22] **DECLARES** that, unless otherwise provided herein, under the *BIA*, 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 counsel to Coalision and the NOI Trustee and has filed such notice with this Court, or appears on the service list prepared by the NOI Trustee or its attorneys, save and except when an order is sought against a Person not previously involved in these proceedings.
- [23] **DECLARES** that Coalision or the NOI Trustee 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.
- [24] **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 Coalision, the NOI Trustee 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, such application or motion shall be filed during the stay period according to the NOI and the *BIA*, unless otherwise ordered by this Court.
- [25] **DECLARES** that this Order shall have full force and effect in all provinces and territories in Canada.
- [26] **DECLARES** that the NOI Trustee, with the prior consent of Coalision, 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 NOI Trustee shall be the foreign representative of Coalision. All courts and administrative bodies of all such jurisdictions are hereby respectively requested to make such orders and to provide such assistance to the NOI Trustee as may be deemed necessary or appropriate for that purpose.
- [27] **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 this Order.

[28] **ORDERS** the provisional execution of this Order notwithstanding any appeal and without the requirement to provide any security or provision for costs whatsoever.

THE WHOLE WITHOUT LEGAL COSTS.

LOUIS J. GOUIN, J.S.C.

MCCARTHY TÉTRAULT LLP

Mtre Alain N. Tardif

Mtre Gabriel Faure

Mtre Pascale Klees-Themens

Attorneys for the Applicant/Debtor Coalision Inc.