



Court File No. CV-23-00708635-00CL

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)**

THE HONOURABLE )  
JUSTICE CAVANAGH ) TUESDAY, THE 30TH DAY  
OF JANUARY, 2024

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

AND IN THE MATTER OF PLAN OF COMPROMISE OR ARRANGEMENT OF 1000704712  
ONTARIO INC., IGNITE HOLDINGS INC., AND IGNITE INSURANCE CORPORATION

Applicants

**CCAA TERMINATION AND DISTRIBUTION ORDER**

**THIS MOTION**, made by 1000704712 Ontario Inc. ("**Residual Co.**"), Ignite Holdings Inc., and Ignite Insurance Corporation (collectively, the "**Applicants**") pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") for an order (the "**Order**"), among other things: (a) approving the Monitor's Reports (as defined below) of KPMG Inc. ("**KPMG**") in its capacity as monitor of the Applicants and Ignite Services Inc. ("**Ignite Services**"), as a former Applicant in these CCAA Proceedings (as defined below) (in such capacity, the "**Monitor**") and the fees, disbursements, and activities of the Monitor and its counsel described therein; (b) approving the Distributions specified herein; (c) approving the Assignment Agreement specified herein; (d) terminating the proceedings of the Applicants under the CCAA (the "**CCAA Proceedings**"); (e) terminating the Charges (as defined below); (f) discharging KPMG in its capacity as the Monitor, upon the Monitor's service of the Termination Certificate (as defined below) on the service list in these CCAA Proceedings; and (g) granting certain related relief, was heard this day by judicial videoconference via Zoom.

**ON READING** the affidavits of Stephen Livingstone sworn January 25, 2024 (the "**Fourth Livingstone Affidavit**") and January 29, 2024 (the "**Supplementary Livingstone Affidavit**"), and the Exhibits thereto, the Third Report of the Monitor dated January 26, 2024 and the appendices thereto (the "**Third Report**"), the affidavit of Anamika Gadia sworn January 26, 2024 (the "**Gadia Affidavit**") and the Exhibits thereto, the affidavit of Michael De Lellis sworn January 26, 2024 (the "**De Lellis Affidavit**") and the Exhibits thereto, and on hearing the submissions of counsel for the Applicants, counsel for the Monitor, counsel for Aviva Insurance Company of Canada ("**Aviva**"), counsel for Southampton Financial Inc., and such other parties as listed on the

Participant Information Form, with no one else appearing although duly served as appears from the affidavits of service of Rania Hammad, as filed,

### **SERVICE AND DEFINITIONS**

1. **THIS COURT ORDERS** that the time for service and filing of the Notice of Motion and the Motion Record is hereby abridged and validated so that this Motion is properly returnable today and hereby dispenses with further service thereof.

2. **THIS COURT ORDERS** that capitalized terms used in this Order and not otherwise defined herein shall have the meanings ascribed to them in the Approval and Reverse Vesting Order of the Honourable Justice Conway dated November 9, 2023, the Priority Claims Order of the Honourable Justice Kimmel dated November 29, 2023, or the Fourth Livingstone Affidavit, as applicable.

### **APPROVAL OF THE MONITOR'S REPORTS, ACTIVITIES AND FEES**

3. **THIS COURT ORDERS** that the First Report of the Monitor dated November 2, 2023, the Second Report of the Monitor dated November 23, 2023 and the Third Report dated January 26, 2024 (collectively, the "**Monitor's Reports**") and the conduct and activities of the Monitor referred to therein are hereby ratified and approved; provided, however, that only the Monitor, in its personal capacity and only with respect to its own personal liability, shall be entitled to rely upon or utilize in any way such approval.

4. **THIS COURT ORDERS** that the fees and disbursements of KPMG, in its capacity as Monitor and Proposed Monitor, for the period from September 15, 2023 to January 15, 2024, as set out in the Gadia Affidavit and the Third Report, are hereby approved.

5. **THIS COURT ORDERS** that the fees and disbursements of Osler, Hoskin & Harcourt LLP ("**Osler**") as legal counsel to KPMG, in its capacity as Monitor and Proposed Monitor, for the period from September 28, 2023 to January 15, 2024, as set out in the De Lellis Affidavit and the Third Report, are hereby approved.

6. **THIS COURT ORDERS** that the anticipated further fees and disbursements of the Monitor and Osler in connection with the completion by the Monitor of its remaining duties and administration of the CCAA Proceedings are estimated not to exceed \$90,000 (inclusive of HST) (the "**Remaining Fees and Disbursements**"), all as set out in the Third Report, be and are hereby approved, and that the Monitor and Osler shall not be required to pass their accounts in respect

of any further activities in connection with the administration of the CCAA Proceedings, *provided, however,* that if the further fees and disbursements of the Monitor and Osler in connection with the completion by the Monitor of its remaining duties and administration of the CCAA Proceedings exceed the above estimate, the Monitor shall return to Court to seek approval to pay any such amounts in excess of the Remaining Fees and Disbursements pursuant to a further Order of the Court.

## **DISTRIBUTIONS**

7. **THIS COURT ORDERS** the Monitor, for and on behalf of the Applicants, is hereby authorized, without further order of this Court, to make one or more distributions (collectively, the “Distributions”):

- (a) to the Canada Revenue Agency in satisfaction of its Priority Claim totalling \$3,468,541.12;
- (b) to KPMG pursuant to and in accordance with paragraph 24 of this Order; and
- (c) to Aviva in satisfaction of amounts owing by the Applicants with respect to the Senior Secured Obligations, not to exceed the outstanding amount owing by the Applicants under the Senior Secured Obligations.

8. **THIS COURT ORDERS** that the Monitor and the Applicants are hereby authorized to take all reasonably necessary steps and actions to effect the Distributions in accordance with the provisions of this Order, and shall not incur any liability as a result of making the Distributions.

9. **THIS COURT ORDERS** that the Distributions to Aviva in accordance with this Order shall be permanent and indefeasible payments of the Senior Secured Obligations.

10. **THIS COURT ORDERS** that, notwithstanding:

- (a) the pendency of these CCAA Proceedings;
- (b) any application for a bankruptcy or receivership order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act*, R.S.C., 1985, c. B-3, as amended (the “BIA”) or other applicable legislation in respect of the Applicants and any bankruptcy or receivership order issued pursuant to any such applications;
- (c) any assignment in bankruptcy made in respect of the Applicants; and

- (d) any provisions of any federal or provincial legislation,

the Distributions shall be made free and clear of all Claims and Encumbrances, including the Charges, and shall be binding on any trustee in bankruptcy or receiver that may be appointed in respect of the Applicants and shall not be void or voidable nor deemed to be a preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the BIA or any other applicable federal or provincial legislation, nor shall they constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

### **TERMINATION OF CCAA PROCEEDINGS**

11. **THIS COURT ORDERS** that, upon service by the Monitor of an executed certificate in substantially the form attached hereto as Schedule "A" (the "**Termination Certificate**") on the service list in these CCAA Proceedings certifying that, to the knowledge of the Monitor, all matters to be attended to in connection with these CCAA Proceedings have been completed, these CCAA Proceedings shall be terminated without any further act or formality (the "**CCAA Termination Time**"); provided, however, that nothing herein impacts the validity of any Orders made in these CCAA Proceedings or any action or steps taken by any Person pursuant thereto or in connection therewith.

12. **THIS COURT ORDERS** that the Monitor is hereby directed to file a copy of the Termination Certificate with the Court as soon as is practicable following the service thereof on the service list in these CCAA Proceedings.

13. **THIS COURT ORDERS** that the Administration Charge, the D&O Charge and the DIP Lender's Charge (collectively, the "**Charges**") shall be terminated, released and discharged as of the CCAA Termination Time without any further act or formality.

### **DISCHARGE OF THE MONITOR**

14. **THIS COURT ORDERS** that effective at the CCAA Termination Time, KPMG shall be and is hereby discharged from its duties as the Monitor and shall have no further duties, obligations or responsibilities as Monitor from and after the CCAA Termination Time, provided that, notwithstanding its discharge as Monitor, KPMG shall have the authority to carry out, complete or address any matters in its role as Monitor, respectively, that are ancillary or incidental to these CCAA Proceedings following the CCAA Termination Time, as may be required, including the satisfaction of any outstanding obligations of the Applicants under the Purchase Agreement (the

**“Monitor Incidental Matters”**). In completing any such Monitor Incidental Matters, KPMG shall continue to have the benefit of the provisions of all Orders made in these CCAA Proceedings and all protections under the CCAA, including all approvals, protections, stay of proceedings in favour of KPMG in its capacity as the Monitor, and nothing in this Order shall affect, vary, derogate from or amend any of the protections in favour of the Monitor pursuant to any Order issued in these CCAA Proceedings.

15. **THIS COURT ORDERS** that, notwithstanding any provision of this Order, the Monitor’s discharge or the termination of these CCAA Proceedings, nothing herein shall affect, vary, derogate from, limit or amend, and KPMG shall continue to have the benefit of, all of the rights, approvals, releases and protections in favour of the Monitor at law or pursuant to the CCAA, the ARIO, Approval and Reverse Vesting Order, or any other Order of this Court in these CCAA Proceedings or otherwise, all of which are expressly continued and confirmed following the CCAA Termination Time, including in connection with any other actions taken by the Monitor following the CCAA Termination Time with respect to the Applicants or these CCAA Proceedings.

16. **THIS COURT ORDERS** that no action or other proceeding shall be commenced against KPMG in any way arising from or related to KPMG’s capacity or conduct as Monitor, except with prior leave of this Court on not less than fifteen (15) days prior written notice to KPMG.

#### **ASSIGNMENT INTO BANKRUPTCY**

17. **THIS COURT ORDERS** that the Applicants, with the assistance of the Monitor, are hereby authorized, in their discretion, to make an assignment in bankruptcy pursuant to the BIA before the CCAA Termination Time.

18. **THIS COURT ORDERS** that the Applicants are authorized to execute, and the Monitor is authorized to file on behalf of the Applicants, any assignment in bankruptcy and related documents.

19. **THIS COURT ORDERS** that KPMG is authorized and empowered, but not obligated, to act as trustee in bankruptcy (the **“Trustee”**) for each of the Applicants.

20. **THIS COURT ORDERS** that this Order shall bind any Trustee appointed in respect of any of the Applicants.

21. **THIS COURT ORDERS** that the Trustee shall be and is hereby authorized to administer the bankruptcy estates as if such estates were in respect of a single bankrupt for the purposes of

carrying out its duties and responsibilities as trustee under the BIA (the “**Consolidated Proceedings**”), including, without limitation:

- (i) administering the bankruptcy estates of 1000704712 Ontario Inc., Ignite Holdings Inc., and Ignite Insurance Corporation under a single court file number and title of proceeding;
- (ii) sending a notice of the first meeting of creditors (the “**Notice**”) in the manner prescribed by section 102 of the BIA by sending a consolidated Notice for all of the Applicants to accompany the Notice set out in subsection 102(2) of the BIA (the “**Forms**”);
- (iii) convening meetings of creditors and inspectors in the bankrupt estates of the Applicants through one combined advertisement and conducting such meetings jointly provided that the results of any creditors’ vote shall be separately tabulated for each such bankrupt estate;
- (iv) using a consolidated form of proof of claim that directs creditors to identify the bankrupt estate in which a claim is made for voting and for distribution purposes;
- (v) maintaining a consolidated bank account with respect to the Applicants’ respective bankruptcy estates;
- (vi) issuing consolidated reports in respect of the bankruptcy estates of the Applicants;
- (vii) performing a consolidated making, filing, advertising and distribution of all filings and notices in the bankrupt estates of the Applicants required under the BIA; and
- (viii) appointing a single group of inspectors to be the inspectors for the consolidated bankruptcy estates of the Applicants.

22. **THIS COURT ORDERS** that the Consolidated Proceedings are not a substantive consolidation of the bankrupt estates of the Applicants and will automatically terminate if the Trustee is replaced as licensed insolvency trustee of any, but not all, of the estates of the Applicants.

23. **THIS COURT ORDERS** that the Consolidated Proceedings do not:

- (a) affect the separate legal status of the corporate structure of the Applicants;
- (b) cause any of the bankrupt estates of the Applicants to be liable for any claim for which it is otherwise not liable, or cause any of the Applicants to have any interest in any asset which it otherwise would not have; or
- (c) affect the bankrupt estates of the Applicants filing obligations under the BIA.

## **BANKRUPTCY RESERVE**

24. **THIS COURT ORDERS** that the Monitor is hereby authorized and directed to transfer \$75,000 (the “**Bankruptcy Reserve**”) to KPMG for the fees and disbursements of the Trustee and its counsel (plus applicable taxes) incurred in connection with intended assignments of the Applicants into bankruptcy pursuant to the BIA. Following completion of the Applicants' BIA proceedings, the Trustee is hereby authorized and directed to pay any available remainder from the Bankruptcy Reserve to Aviva, in an amount not to exceed the outstanding amount owing by the Applicants under the Senior Secured Obligations.

## **ASSIGNMENT AGREEMENT**

25. **THIS COURT ORDERS** that the agreement among Residual Co., Ignite Services and Aviva (the “**Assignment Agreement**”), a copy of which is attached as Exhibit “A” to the Supplementary Livingstone Affidavit, is hereby approved and that the execution of the Assignment Agreement is hereby authorized, approved and ratified, with such minor amendments as the parties thereto may deem necessary. Residual Co. is hereby authorized and directed to perform its obligations under the Assignment Agreement, including, without limitation, the assignment of the Adjustable Promissory Note by Residual Co. to Aviva contemplated thereby, and to take such additional steps and execute such additional documents as may be necessary or desirable to complete these obligations.

## **RELEASES**

26. **THIS COURT ORDERS** that, effective at the CCAA Termination Time, in addition to the protections in favour of the Monitor in any Order of this Court in the CCAA Proceedings or the CCAA, the Monitor, Osler, and each of their respective affiliates, and each of their respective current and former officers, directors, partners, employees and agents, as applicable, (collectively, the “**Released Parties**”) shall be and are hereby released and forever discharged from any and all claims that any Person may have or be entitled to assert against the Released Parties now or may hereafter by reason of any act, omission, transaction, dealing or other occurrence in any way relating to arising out of, or in respect of the CCAA Proceedings, including in carrying out any incidental matters, whether known or unknown, matured or unmatured, foreseen or unforeseen, relating to matters that were raised, or could have been raised, in the within proceedings (collectively, the “**Released Claims**”), and any such Released Claims are hereby irrevocably and permanently released, discharged, stayed, extinguished and forever

barred and the Released Parties shall have no liability in respect thereof, save and except for any gross negligence or wilful misconduct.

### **EXTENSION OF THE STAY PERIOD**

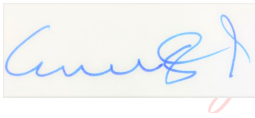
27. **THIS COURT ORDERS** that the Stay Period be and is hereby extended to the CCAA Termination Time.

### **GENERAL**

28. **THIS COURT ORDERS** that the Applicants or the Monitor may from time to time apply to this Court to amend, vary or supplement this Order or for advice and directions in the discharge of its powers and duties under this Order or in the interpretation or application of this Order.

29. **THIS COURT ORDERS** that this Order shall have full force and effect in all provinces and territories in Canada.

30. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States, to give effect to this Order and to assist the Applicants, the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Applicants and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Applicants and the Monitor and their respective agents in carrying out the terms of this Order.

 Digitally signed  
by Mr. Justice  
Cavanagh

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## Schedule A

Court File No. CV-23-00708635-00CL

### ONTARIO SUPERIOR COURT OF JUSTICE (COMMERCIAL LIST)

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

AND IN THE MATTER OF PLAN OF COMPROMISE OR ARRANGEMENT OF 1000704712  
ONTARIO INC., IGNITE HOLDINGS INC., AND IGNITE INSURANCE CORPORATION

Applicants

### TERMINATION CERTIFICATE

#### RECITALS

1. KPMG Inc. ("**KPMG**") was appointed as the Monitor of Ignite Services Inc. ("**Ignite Services**"), Ignite Holdings Inc. ("**Ignite Holdings**"), and Ignite Insurance Corporation ("**Ignite Insurance**" and, together with Ignite Services and Ignite Holdings, the "**Ignite Group**") in the within proceedings commenced under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") pursuant to an Initial Order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated October 30, 2023 (as amended, the "**Initial Order**").
2. Unless otherwise indicated herein, capitalized terms used in this Termination Certificate shall have the meaning given to them in the CCAA Termination and Distribution Order (as defined below).
3. Pursuant to the Approval and Reverse Vesting Order of the Honourable Justice Conway dated November 9, 2023, the Court approved the purchase agreement dated October 26, 2023 (the "**Purchase Agreement**") between Ignite Holdings, as vendor, and Southampton Financial Inc. ("**Southampton**"), as purchaser, and the transactions contemplated therein (the "**Transactions**").
4. Upon closing of the Transactions on December 1, 2023, *inter alia*, (i) all of the Ignite Group's right, title and interest in and to the Excluded Assets (as defined in the Purchase Agreement) vested absolutely and exclusively in Residual Co.; (ii) all of the Excluded Liabilities (as defined in the Purchase Agreement) were transferred to, assumed by and

vested in Residual Co.; (iii) all of the right, title and interest in and to the Purchased Shares (as defined in the Purchase Agreement) vested absolutely and exclusively in Southampton free and clear of and from any Claims and Encumbrances (each as defined in the Purchase Agreement); and (iv) Ignite Services was deemed to cease being an Applicant in these CCAA Proceedings, with Residual Co. becoming an Applicant in these CCAA Proceedings.

5. Pursuant to an Order of this Court dated January 30, 2024 (the “**CCAA Termination and Distribution Order**”), among other things, KPMG shall be discharged as the Monitor and the Applicants’ CCAA Proceedings shall be terminated upon the service of this Termination Certificate on the service list in these CCAA Proceedings, all in accordance with the terms of the CCAA Termination and Distribution Order.

**THE MONITOR CERTIFIES** the following:

1. To the knowledge of the Monitor, all matters to be attended to in connection with the Applicants’ CCAA Proceedings (Court File No. CV-23-00708635-00CL) have been completed.

The CCAA Termination Time will occur upon service of the Termination Certificate by the Monitor on the service list in these CCAA Proceedings.

**DATED** at Toronto, Ontario this \_\_\_\_\_ day of \_\_\_\_\_, 2024.

**KPMG INC.** in its capacity as the Court-appointed Monitor of the Applicants and not in its personal or corporate capacity

Per: \_\_\_\_\_  
Name:  
Title:

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

AND IN THE MATTER OF PLAN OF COMPROMISE OR ARRANGEMENT OF 1000704712 ONTARIO INC., IGNITE HOLDINGS INC., AND  
IGNITE INSURANCE CORPORATION

Applicants

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)**

PROCEEDING COMMENCED AT TORONTO

**CCAA TERMINATION AND DISTRIBUTION  
ORDER**

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