



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

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

THE HONOURABLE)
) WEDNESDAY THE 29TH DAY
JUSTICE KIMMEL)
) OF NOVEMBER, 2023

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF IGNITE
HOLDINGS INC., IGNITE SERVICES INC., and IGNITE INSURANCE CORPORATION

Applicants

PRIORITY CLAIMS ORDER

THIS MOTION, made by Ignite Services Inc., 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 establishing a priority claims procedure to identify, quantify and resolve any Priority Claims (as that term is defined below), was heard this day by judicial videoconference via Zoom.

ON READING the affidavit of Stephen Livingstone sworn November 22, 2023 (the "**Third Livingstone Affidavit**") and the Exhibits attached thereto, the Second Report of KPMG Inc., in its capacity as the Court-appointed monitor of the Applicants (in such capacity, the "**Monitor**") dated November 23, 2023, and on hearing the submissions of counsel for the Applicants, the Monitor, Aviva Insurance Company of Canada ("**Aviva**"), Primary Group Limited (the "**DIP Lender**"), Southampton Financial Inc., and the Canada Revenue Agency, 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

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

DEFINITIONS

2. **THIS COURT ORDERS** that for purposes of this Priority Claims Order, any capitalized terms not otherwise defined herein shall have the meanings attributed to them in the Order of the Honourable Justice Conway dated November 9, 2023 (the “**Approval and Reverse Vesting Order**”), and the following terms shall have the following meanings:

- (a) “**Barred Priority Claims**” has the meaning ascribed to it in paragraph 6 of this Priority Claims Order;
- (b) “**Business Day**” means a day, other than a Saturday, Sunday or a statutory holiday, on which banks are generally open for business in Toronto, Ontario;
- (c) “**Court**” means the Ontario Superior Court of Justice (Commercial List);
- (d) “**Disputed Priority Claim**” means any asserted Priority Claim, or portion thereof, which the Monitor disputes pursuant to a Notice of Dispute delivered pursuant to paragraph 8 of this Priority Claims Order;
- (e) “**Initial CCAA Order**” means the Initial Order of the Honourable Justice Conway dated October 30, 2023, and as amended and restated on November 9, 2023;
- (f) “**Newspaper Notice**” means the notice to Priority Claimants for publication substantially in the form attached as Schedule “A” hereto;
- (g) “**Notice Letter**” means the notice substantially in the form attached as Schedule “B” hereto;
- (h) “**Notice of Dispute**” means a notice substantially in the form attached as Schedule “D” hereto;
- (i) “**Person**” means any individual, partnership, limited partnership, firm, joint venture, trust, entity, corporation, limited or unlimited liability company, unincorporated organization, trade union, pension plan administrator, pension plan regulator, governmental authority or agency, employee or other association, or similar entity, howsoever designated or constituted and wherever located;
- (j) “**Priority Claim**” means any indebtedness, liability, obligation or claim of any kind

whatsoever against the Purchased Shares that ranks in priority to the Senior Secured Obligations but excluding any indebtedness, liability, obligation or claim secured by a court ordered charge pursuant to the Initial CCAA Order or any other Order within these CCAA proceedings;

- (k) **“Priority Claimant”** means any Person asserting a Priority Claim;
- (l) **“Priority Claims Bar Date”** means 5:00 p.m. (Toronto time) on January 11, 2024;
- (m) **“Priority Claims Procedure”** means the procedures outlined in this Priority Claims Order in connection with the identification, quantification and resolution of Priority Claims, as may be amended or supplemented by further order of the Court;
- (n) **“Proof of Claim”** means a proof of claim form in substantially the form attached hereto as Schedule “C”, and which when filed by any Priority Claimant in connection with a Priority Claim shall include all supporting documentation in respect of such Priority Claim; and
- (o) **“Senior Secured Obligations”** means all indebtedness, liabilities and obligations owing by the Applicants to Aviva under the loan agreement dated November 15, 2021, and the conditional limitation of liability agreement dated October 27, 2023, as amended (as described and attached as an exhibit to the Initial Livingstone Affidavit and the Second Livingstone Affidavit, respectively).

NOTICE OF PRIORITY CLAIMS BAR DATE

3. **THIS COURT ORDERS** that the Monitor shall provide notice of this Priority Claims Order and the Priority Claims Bar Date by:

- (a) Delivering within five (5) Business Days by email or, where no known email is available, prepaid ordinary mail a Proof of Claim form and Notice Letter to all Persons that: (i) is a known potential Priority Claimant listed in the books and records of the Applicants; or (ii) registered an interest against the Applicants under the *Personal Property Security Act* (Ontario);

- (b) Causing the Newspaper Notice (or condensed version thereof, as the Monitor may deem appropriate) to be published for one (1) Business Day in *The Globe and Mail* (National Edition) as soon as practicable after the date of this Priority Claims Order; and
- (c) Posting within three (3) Business Days the Notice Letter on the Monitor's case website: <https://kpmg.com/ca/IgniteGroup>.

4. **THIS COURT ORDERS** that the Monitor shall, provided such request is received prior to the Priority Claims Bar Date, deliver as soon as practically possible following receipt of a request therefor, a copy of the Proof of Claim to any Person claiming to be a Priority Claimant and requesting such Proof of Claim.

PRIORITY CLAIMS BAR DATE

5. **THIS COURT ORDERS** that any Person asserting a Priority Claim shall deliver to the Applicants and the Monitor by the Priority Claims Bar Date a completed Proof of Claim which shall provide for such information and supporting documentation as is necessary to establish such Priority Claim, including: (i) detailed accounting supporting the quantum of the asserted Priority Claim, and (ii) the basis and the supporting documents or agreements on which the asserted Priority Claim may rank in priority to the Senior Secured Obligations. For greater certainty, no Person asserting a Priority Claim shall be entitled to submit a placeholder claim or provide for any reservation of rights to add or amend a Proof of Claim at a later date except as specifically provided for herein.

6. **THIS COURT ORDERS** that any Person that does not file a Proof of Claim in accordance with this Priority Claims Order so that such Proof of Claim is received by the Monitor by the Priority Claims Bar Date shall be forever barred, estopped and enjoined from asserting or enforcing a Priority Claim against the Purchased Shares, the Applicants, Residual Co. or the Purchaser ("**Barred Priority Claims**"), and any and all such Barred Priority Claims shall be forever and irrevocably barred, extinguished and discharged as against the Purchased Shares, the Applicants, Residual Co. and the Purchaser, without any further act or notification.

PRIORITY CLAIMS PROCEDURE

7. **THIS COURT ORDERS** that the Monitor shall review all Proofs of Claim and shall accept, settle, or dispute the amount and priority of each asserted Priority Claim set out therein

for the purpose of distribution, if any. At any time, the Monitor may request additional information with respect to any asserted Priority Claim, and may request that the Priority Claimant file a revised Proof of Claim. The Monitor shall consult with the Applicants and the DIP Lender prior to accepting, settling or disputing any Priority Claim.

8. **THIS COURT ORDERS** that if the Monitor is unable to resolve any asserted Priority Claim within a time period or in a manner satisfactory to the Monitor and wishes to dispute such asserted Priority Claim, the Monitor shall deliver a Notice of Dispute to the applicable Priority Claimant.

9. **THIS COURT ORDERS** that the Monitor may, at any time, refer any Disputed Priority Claim or a portion thereof for resolution to the Court, or as may be otherwise ordered by the Court or agreed to by the Monitor and the applicable Priority Claimant.

NOTICE AND SERVICE

10. **THIS COURT ORDERS** that the Monitor may, unless otherwise specified by this Priority Claims Order, serve and deliver or cause to be served and delivered any letters, notices or other documents to Priority Claimants or any other interested Person by forwarding copies by ordinary mail, courier, personal delivery or email to such Persons or their counsel (including counsel of record in any ongoing litigation) at the physical or electronic address, as applicable, last shown on the books and records of the Applicants or set out in such Priority Claimant's Proof of Claim. Any such service and delivery shall be deemed to have been received: (a) if sent by ordinary mail, on the third Business Day after mailing within Ontario, the fifth (5th) Business Day after mailing within Canada (other than within Ontario) and tenth Business Day after mailing internationally; (b) if sent by courier or personal delivery, on the next Business Day following dispatch; and (c) if delivered by email by 5:00 p.m. on a Business Day, on such Business Day, and if delivered after 5:00 p.m. or other than on a Business Day, on the following Business Day.

11. **THIS COURT ORDERS** that any notice or other communication to be given under this Priority Claims Order to the Monitor shall be in writing in substantially the form, if any, provided for in this Priority Claims Order and will be sufficiently given only if delivered by courier, by personal delivery or email addressed to:

KPMG Inc., in its capacity as the Court-appointed Monitor of the Applicants
Bay Adelaide Centre
333 Bay Street #4600
Toronto, ON M5H 2S5

Attention: Anamika Gadia / George Bourikas
Email: agadia@kpmg.ca / gbourikas@kpmg.ca
Telephone: (416) 777-3842 / (416) 777-8887

with a copy to:

Osler, Hoskin & Harcourt LLP
100 King Street West
First Canadian Place, Suite 6200
Toronto, ON M5X 1B8

Attention: Michael De Lellis / Ben Muller
Email: mdelellis@osler.com / bmuller@osler.com
Telephone: (416) 862-5997 / (416) 862-5923

12. **THIS COURT ORDERS** that any notice or other communication to be given under this Priority Claims Order to the Applicants shall be in writing in substantially the form, if any, provided for in this Priority Claims Order and will be sufficiently given only if delivered by courier, by personal delivery or email addressed to:

Stikeman Elliott LLP
199 Bay Street, Suite 5300
Toronto, ON M5L 1B9

Attention: Maria Konyukhova / Rania Hammad
Email: mkonyukhova@stikeman.com / rhammad@stikeman.com
Telephone: (416) 869-5230 / (416) 869-5578

MONITOR PROTECTIONS

13. **THIS COURT ORDERS** that, in carrying out the terms of this Priority Claims Order, the Monitor (a) shall have all the protections afforded to it by the CCAA, this Priority Claims Order, the Initial CCAA Order, and any other orders of the Court in these CCAA proceedings, or as an officer of the Court, including the stay of proceedings in its favour pursuant to the Initial CCAA Order; (b) shall incur no liability or obligation as a result of carrying out the provisions of this Priority Claims Order, including in respect of its exercise of discretion as to the completion,

execution or time of delivery of any documents to be delivered hereunder, other than in respect of gross negligence or wilful misconduct; (c) shall be entitled to rely on the books and records of the Applicants and any information provided by or on behalf of the Applicants or otherwise obtained by the Monitor, all without independent inquiry or investigation; (d) shall not be liable for any claims or damages resulting from any errors or omissions in such books, records or information; (e) shall be authorized and empowered to assist any Priority Claimant in the filing of a Proof of Claim; and (f) may seek such assistance as may be reasonably required to carry out its duties and obligations pursuant to this Priority Claims Order from the Applicants or any of their affiliates, including making such inquiries and obtaining such records and information as it deems appropriate in connection with the Priority Claims Procedure. Nothing in this Priority Claims Order shall derogate from the protections afforded to the Monitor by the CCAA, any other federal or provincial applicable law or the Initial CCAA Order. The Monitor shall have no obligation to make any payment under this Priority Claims Order unless the Monitor is holding a reserve, as applicable, adequate to effect any such payment.

REIMBURSEMENT AGREEMENT


14. **THIS COURT ORDERS** that the agreement between the Monitor and the DIP Lender (the “**Reimbursement Agreement**”), a copy of which is attached as Exhibit “C” to the Third Livingstone Affidavit, is hereby approved and that the execution of the Reimbursement Agreement is hereby authorized, approved and ratified, with such minor amendments as the parties thereto may deem necessary. The Monitor and the DIP Lender are hereby authorized and directed to perform their obligations under the Reimbursement Agreement, including, without limitation, the payment of the Distribution (as defined in the Reimbursement Agreement) to the DIP Lender contemplated thereby, and to take such additional steps and execute such additional documents as may be necessary or desirable to complete these obligations.

GENERAL

15. **THIS COURT ORDERS** that the Applicants may set-off (whether by way of legal, equitable or contractual set-off) against payments or other distributions to be made to any Priority Claimant, any claims of any nature whatsoever that any of the Applicants may have against such Priority Claimant; provided that, neither the failure to do so nor the allowance of any Priority Claim hereunder shall constitute a waiver or release by the Applicants of any such claim that any of the Applicants may have against such Priority Claimant.

16. **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 or any other jurisdiction to give effect to this Priority Claims Order and to assist the Applicants, the Monitor and their respective agents in carrying out the terms of this Priority Claims Order, including the U.S. Bankruptcy Court. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Applicants and the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Priority Claims Order or to assist the Applicants, the Monitor and their respective agents in carrying out the terms of this Priority Claims Order.

17. **THIS COURT ORDERS** that the Monitor, the Applicants, or any Priority Claimant may seek directions from this Court with respect to this Priority Claims Order on not less than seven (7) days' notice to the other parties or upon such other notice, if any, as this Court may order.

 Digitally signed
by Jessica Kimmel
Date: 2023.11.29
14:43:20 -05'00'

Schedule "A" – Newspaper Notice

NOTICE TO CREDITORS OF Ignite Holdings Inc., Ignite Services Inc., and Ignite Insurance Corporation (collectively, the "**Applicants**").

NOTICE IS HEREBY GIVEN THAT, pursuant to an order of the Ontario Superior Court of Justice (Commercial List) granted November 29, 2023 (the "**Priority Claims Order**"), any person who believes that they have a **PRIORITY CLAIM** against the Applicants must send a Proof of Claim to the Applicants and the Monitor to be received by 5:00 p.m. (Toronto time) on January 11, 2024 (the "**Priority Claims Bar Date**"). All capitalized terms not defined herein have the meanings ascribed to them in the Priority Claims Order.

PROOFS OF CLAIM WHICH ARE NOT RECEIVED BY THE PRIORITY CLAIMS BAR DATE WILL BE FOREVER EXTINGUISHED AND SUCH PRIORITY CLAIMANTS WILL BE FOREVER BARRED, ESTOPPED AND ENJOINED FROM ASSERTING OR ENFORCING A PRIORITY CLAIM AGAINST THE PURCHASED SHARES, THE APPLICANTS, RESIDUAL CO. OR THE PURCHASER.

PLEASE NOTE THAT ANY PERSON WITH A **SECURED CLAIM** OR **UNSECURED CLAIM** IS NOT REQUIRED TO SUBMIT A PROOF OF CLAIM IN THIS PROCESS IN RESPECT OF SUCH SECURED CLAIM OR UNSECURED CLAIM AT THIS TIME. **ANY SECURED CLAIMS OR UNSECURED CLAIMS RECEIVED BY THE APPLICANTS AND THE MONITOR WILL NOT BE ACCEPTED, SETTLED OR DISPUTED, NOR WILL THEY BE FOREVER BARRED, EXTINGUISHED OR DISCHARGED.**

Further details regarding the Applicants, a copy of the Priority Claims Order and the Proof of Claim form can be obtained from the Monitor's website at <https://kpmg.com/ca/igniteGroup>.

For questions, please contact the Monitor at:

KPMG Inc., in its capacity as the Court-appointed Monitor of the Applicants
Bay Adelaide Centre
333 Bay Street #4600
Toronto, ON M5H 2S5

Attention: Anamika Gadia / George Bourikas
Email: agadia@kpmg.ca / gbourikas@kpmg.ca
Telephone: (416) 777-3842 / (416) 777-8887

Schedule “B” – Notice Letter

NOTICE LETTER

RE: NOTICE OF PRIORITY CLAIMS PROCEDURE & PRIORITY CLAIMS BAR DATE

This notice is being published pursuant to an Order of the Ontario Superior Court of Justice (Commercial List) dated November 29, 2023 (the “**Priority Claims Order**”), in the proceedings respecting Ignite Holdings Inc., Ignite Services Inc., and Ignite Insurance Corporation (collectively, the “**Applicants**”) under the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended.

Pursuant to the Initial Order dated October 30, 2023, KPMG Inc. was appointed as monitor in these CCAA proceedings (in such capacity, the “**Monitor**”), and pursuant to the Priority Claims Order is authorized to conduct a priority claims procedure (the “**Priority Claims Procedure**”) with respect to any indebtedness, liability, obligation or claim of any kind whatsoever against the Purchased Shares that ranks in priority to the Senior Secured Obligations but excluding any indebtedness, liability, obligation or claim secured by a court ordered charge pursuant to the Initial CCAA Order or any other Order within these CCAA proceedings (the “**Priority Claims**”). Additionally, the Monitor is required to send Proofs of Claim and Notice Letters to, among others, potential Priority Claimants. All capitalized terms not defined herein shall have the meanings ascribed to them in the Priority Claims Order.

The Priority Claims Order, the Proof of Claim, and related materials may be accessed from the Monitor’s Website at <https://kpmg.com/ca/igniteGroup>.

I. SUBMISSION OF A PROOF OF CLAIM

All persons wishing to assert a Priority Claim **MUST** file a Proof of Claim with the Applicants and the Monitor.

Secured claims and unsecured claims are not being called for in this Priority Claims Procedure. Such claims will not be reviewed, considered or addressed in this Priority Claims Procedure.

The priority claims bar date is 5:00 p.m. (Toronto Time) on January 11, 2024 (the “Priority Claims Bar Date”). Proofs of Claim in respect of Priority Claims must be completed and filed with the Applicants and the Monitor on or before the Priority Claims Bar Date.

PROOFS OF CLAIM MUST BE ACTUALLY RECEIVED BY THE APPLICANTS AND THE MONITOR BY THE PRIORITY CLAIMS BAR DATE OR THE PRIORITY CLAIM WILL BE FOREVER AND IRREVOCABLY BARRED, EXTINGUISHED AND DISCHARGED. If you are required to file a Proof of Claim pursuant to the Priority Claims Procedure but do not file a Proof of Claim in respect of a Priority Claim by the Priority Claims Bar Date you shall not be entitled to any distribution in respect of such Priority Claims.

II. MONITOR CONTACT INFORMATION

The Monitor can be contacted at the following address for any enquiries with respect to the Priority Claims Procedure:

KPMG Inc., in its capacity as the Court-appointed Monitor of the Applicants
Bay Adelaide Centre
333 Bay Street #4600
Toronto, ON M5H 2S5

Attention: Anamika Gadia / George Bourikas
Email: agadia@kpmg.ca / gbourikas@kpmg.ca
Telephone: (416) 777-3842 / (416) 777-8887

Schedule “D” – Notice of Dispute

NOTICE OF DISPUTE

**IN RESPECT OF ASSERTED PRIORITY CLAIMS AGAINST IGNITE HOLDINGS INC.,
IGNITE SERVICES INC., and IGNITE INSURANCE CORPORATION**

TO: [Priority Claimant Address]

Priority Claims Reference Number: _____

The Applicants hereby disagree with the quantum, validity and/or priority of the asserted Priority Claim as set out in the Proof of Claim. The Applicants dispute the asserted Priority Claim for the following reasons, among others:

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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 IGNITE HOLDINGS INC., IGNITE SERVICES INC., and IGNITE INSURANCE CORPORATION

Applicants

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

PROCEEDING COMMENCED AT TORONTO

PRIORITY CLAIMS ORDER

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