CANADA
PROVINCE OF QUEBEC
DISTRICT OF MONTREAL
No: 500-11-060613-227

SUPERIOR COURT
(Commercial Division)
***(*Sitting as a court designated pursuant to the *Companies' Creditors Arrangement Act,* R.S.C. (1985), ch C-36 as Amended)**

IN THE MATTER OF THE PLAN OF COMPROMISE AND ARRANGEMENT OF:

RISING PHOENIX INTERNATIONAL INC.
and
10864285 CANADA INC.
and
11753436 CANADA INC.
and
CDSQ IMMOBILIER INC.
and
COLLÈGE DE L'ESTRIE INC.
and
ÉCOLE D'ADMINISTRATION ET DE SECRÉTARIAT DE LA RIVE-SUD INC.
and
9437-6852 QUÉBEC INC.
and
9437-6845 QUÉBEC INC.

Debtors

and

RICHTER INC.
(FORMERLY RICHTER ADVISORY GROUP INC.)

Monitor

FIFTH REPORT OF THE MONITOR
RICHTER INC. (FORMERLY RICHTER ADVISORY GROUP INC.)

INTRODUCTION

1. The present report ("**Fifth Report**") should be read in conjunction with the Amended Pre-Filing Report dated January 6, 2022 (the "**Pre-Filing Report**"), the Supplementary Report dated January 16, 2022 (the "**Supplementary Report**"), the Second Report dated February 2, 2022 (the "**Second Report**"), the Third Report dated February 14, 2022 (the "**Third Report**") and the Fourth Report dated February 24, 2022 (the "**Fourth Report**") prepared by Richter Inc. (formerly Richter Advisory Group Inc.) ("**Richter**" or the "**Monitor**"), in its capacity as Monitor of Rising Phoenix International Inc. ("**RPI**") and the other entities listed in the style of cause (collectively, the "**Debtors**" or the "**Company**").

2. This Fifth Report is subject to the Terms of Reference and Disclaimer found in the Pre-Filing Report. Capitalized terms not defined herein shall have the meanings ascribed thereto in the Pre-Filing Report, the Supplementary Report, the Second Report, the Third Report and the Fourth Report.

3. This Report is intended to provide the Court with information relating to:

   a) Procedural Background;

   b) Sales and Investment Solicitation Process ("**SISP**");

   c) Terms of the Asset Purchase Agreement;

   d) Additional Interim Financing;

   e) Cash Flow Projections;

   f) Steps to Closing;

   g) Student Insurance; and

   h) Conclusions and Recommendations.

4. Unless otherwise stated, all monetary amounts noted herein are expressed in Canadian dollars.

PROCEDURAL BACKGROUND

5. On January 5, 2022, the Debtors filed with the Superior Court of Québec, Commercial Division (the "**Court**"), an *Application for the Issuance of a First Day Initial Order and an Amended and Restated Initial Order* (the "**First Application**") and on January 6, 2022, the Court granted the *First-Day Initial Order* (the "**First-Day Initial Order**"). Pursuant to the First-Day Initial Order, among other things, all creditors were stayed from commencing or continuing any proceedings against the Debtors and/or the directors and officers of the Debtors until and including January 14, 2022 (the "**Stay Period**").

6. On January 13, 2022, Firm Capital Mortgage Fund Inc. ("**Firm Capital**") filed a *Contestation to the Applicants' request for an Amended and Restated Initial Order* (the "**Firm Capital Contestation**"). Firm Capital ultimately did not proceed with its Contestation in view of the settlement that preceded the hearing on January 17, 2022. Firm Capital agreed to provide interim financing, which has been used to fund the restructuring process to date, and has fully collaborated with the Monitor and the Debtors throughout the CCAA process, including in respect of the SISP.

7. On January 16, 2022, the Debtors filed an *Amended Application for the Issuance of an Amended and Restated Initial Order* (the “**Amended and Restated Initial Order**”) and on January 17, 2022, the Court granted the Amended and Restated Initial Order and extended the Stay Period to February 28, 2022.

8. On February 9, 2022, Anish Sachdeva, Manjot Singh, Sukhrajpreet Singh, Sukhmanpreet Singh and Jaspreet Singh filed an *Application for the Issuance of a Student Representation Order* (the “**Representation Application**”). Following certain revisions to the order requested, on February 15, 2022, the Court granted the Student Representation Order (the “**Student Representation Order**”) and McCarthy Tétrault LLP was appointed to act as representative counsel (the “**Students’ Representative Counsel**”).

9. On February 24, 2022, the Debtors filed an *Application for the Issuance of an Order Extending the Stay Period* (the “**First Extension Application**”). On February 28, 2022, the Court granted the First Extension Application and extended the Stay Period to April 29, 2022.

10. On March 10, 2022 the Debtors filed an *Application for (i) the Issuance of an Approval and Vesting Order (ii) the Approval of a Junior Interim Financing Agreement and (iii) a Re-Amended and Restated Initial Order (*the “**Application**”). The Application will be heard on March 14, 2022.

SALES AND INVESTMENT SOLICITATION PROCESS

11. The below table summarizes and provides a revised update in connection with the key SISP milestones which were included in Exhibit A to the Second Report and updated in the Third Report.

Date	Steps	Update
January 24, 2022	Launching of the SISP including the issuance of a teaser to more than 200 potential interested parties.	25 interested parties signed non-disclosure agreements and were granted access to the Data Room
January 24 to February 11, 2022	Due diligence period.	The Monitor and the Company worked with interested parties to enable them to perform the necessary due diligence including responding to information requests, meetings with management, tours of the Colleges and investigating the regulatory requirements for the transfer and renewal of permits.

Date	Steps	Update
February 11, 2022	Deadline for the receipt by the Monitor of Bids and Deposits.	Bids were received from six (6) interested parties as more fully discussed below
By no later than February 18, 2022	Date of the Auction (if needed) and selection of the Successful Bid(s).	The Monitor, in consultation with the Debtors, Firm Capital and the Student Representatives Counsel, concluded that an auction was not required, nor was an auction in the best interest of the stakeholders.
Subject to the availability of the Court, no later than seven (7) calendar days following either the conclusion of the Auction or the date on which a determination is made by the RPI Group, with the consent of the Monitor and Firm Capital, not to proceed with an Auction.	Hearing of the Approval Motion	Additional time was required to negotiate and conclude a transaction with the Purchaser (as defined below), which transaction included the arrangement for additional interim financing. The hearing to approve the Application is scheduled for March 14, 2022

12. Six offers ("**Offers**") were submitted to the Monitor by the February 11, 2022 bid deadline. These offers were reviewed by the Monitor, the Applicants, Firm Capital and their respective legal counsel, as well as the Students' Representative Counsel.

13. A summary of the Offers is attached as **Exhibit "A"** to this report. The Monitor requests that **Exhibit "A"** be filed under confidential seal, given the confidential nature of the information and the fact that the proposed transaction has not yet closed.

14. Two (2) of the bids were *en bloc* offers (excluding the assets of RPI Inc.), three (3) bids were for specific Colleges and one bid was a financing offer, focused on the real estate properties. One of the *en bloc* bidders also submitted various potential permutations as part of their offer (i.e., the possibility of purchasing certain lots of assets to the exclusion of others), which potential permutations were analyzed as well.

15. As discussed in the Fourth Report, the Monitor, in consultation with the Company, Firm Capital and the Students' Representative Counsel, conducted a thorough analysis of the Offers. A wide variety of factors were taken into consideration in analysing the Offers, including, without limitation, the treatment afforded to the various student constituencies impacted by the CCAA Proceedings, the cash consideration offered by the bidders, the non-monetary terms and conditions of each offer, the possibility of implementing an *en-bloc* offer versus the option of combining multiple transactions for various lots of assets, the closing risks, the financial wherewithal of the bidders and, in light of the expiry of the permits for the Colleges on June 30, 2022, the regulatory conditions included in each offer and their relative impact on the closing of a transaction.

16. As part of its analysis, the Monitor and its legal counsel conducted multiple discussions and negotiations with several offerors, which ultimately resulted in a significant improvement in the offer submitted by one of the bidders. It was determined that the revised *en bloc* offer from this strategic buyer, 6815464 Canada Ltd. (hereafter the "**Purchaser**"), provided the best overall outcome for the Debtors' stakeholders, including in particular, the students.

17. Moreover, the Monitor, in consultation with the Company and Firm Capital, determined that the total purchase price being offered by the Purchaser is fair and reasonable when considering the value of the real estate properties, based, at least in part, on the revised appraisals obtained by Firm Capital on February 1, 2022.

18. The Monitor is advised that the Purchaser is the holder of an existing educational permit in Québec and operates several colleges in Ontario. The Monitor understands that the Purchaser has the financial resources to complete the Transaction and to continue the operations of the Colleges. The Purchaser, as well as its affiliates, are third parties that are in no way related to the Debtors.

19. On March 9, 2022, the Debtors signed an Asset Purchase Agreement ("**APA**") with the Purchaser, which provides for the sale of the Debtors' assets on a going concern basis (the "**Transaction**"). The implementation of the Transaction will allow the operations of the Colleges to continue, subject to various terms and conditions, including the transfer of the applicable MEES permits, as further detailed below.

20. As part of the Transaction, the Purchaser has undertaken to honour the Debtors' commitment to educate a large number of students and to assume certain refund obligations that may be owing to students. The Purchaser has also indicated, however, that prior to the Closing of the Transaction, these liabilities will need to be ascertained, an exercise which will entail communications with students to determine their intentions.

21. Pursuant to the acceptance of the offer from the Purchaser, the Monitor has notified the other bidders that their offers have not been retained and has returned the deposits received from said bidders.

TERMS OF THE ASSET PURCHASE AGREEMENT

22. The APA has been filed by the Debtors in support of the Application, under confidential seal, as Exhibit R-3. In light of the fact that the Transaction will not close until certain conditions precedent have been met (as further detailed below) the Monitor supports the Debtors' request to preserve the confidentiality of the APA and the total consideration to be provided thereunder, so as to preserve the ability to return to the market if the closing does not materialize. Nevertheless, the key aspects of the Transaction may be summarized as follows:

a) The Transaction will result in the sale of virtually all the assets of the Debtors to the Purchaser, including, but not limited to, the following:

   i. The permits of the Colleges;

   ii. All of the real estate properties owned by the Debtors;

   iii. Furniture, fixtures and computer equipment and other operating assets used in the operations of the Colleges;

   iv. Accounts receivable and prepaid expenses;

   v. Intellectual property; and

   vi. Key leases and other contracts.

b) The assets which are excluded from the Transaction include, but are not limited to, the following:

   i. Excluded records;

   ii. Rights or actions being pursued by the Debtors;

   iii. All contracts that are not specifically assigned and listed in Schedule 1.1 of the APA, which schedule has been reproduced and attached hereto as **Exhibit "B"**;

   iv. All tax assets;

   v. All cash and cash equivalents;

   vi. All outside of the ordinary course of business deposits made or required by the Debtors to suppliers or any other third party resulting from the CCAA Proceedings; and

   vii. All intercompany accounts receivable.

c) Pursuant to the Transaction, the Purchaser will assume certain liabilities, including but not limited to:

   i. A significant number of liabilities related to the various student constituencies, as summarized in the table below. These assumed liabilities shall also apply in respect of the students of CCSQ Sherbrooke, a partner school of the Debtors which was managed by RPI pursuant to a service agreement that will be assumed by the Purchaser.

Student Category	Description	Treatment	Comments
Graduating Students	Of the 516 students in this category, to date, 433 have graduated since the CCAA filing and the remainder are completing internships and/or completing coursework and/or retaking exams to enable them to graduate	Graduations will continue and will be unaffected by the Transaction	The cost to complete the requirements to graduate these students is covered by the second tranche of funding provided by Firm Capital
Registered Students	740 students, the vast majority of whom are in Canada but who have yet to resume their studies to date (these students are included in Schedule 2.4(f) of the APA)	Studies will resume as soon as possible (expected to be on or about March 21, 2022) after the approval of the Transaction and the Additional Interim Financing	Additional interim financing will allow for the rehiring of teachers and support staff to continue the education of Registered Students. It is expected that all of the Registered Students will be provided an opportunity to resume their studies
Pipeline Students	308 students who have been accepted into the Colleges, but who remain abroad awaiting their visa (these students are included in Schedule 2.4(e) of the APA)	Purchaser will honour the commitment to educate those students who obtain their visas and who wish to study at the Colleges If a Pipeline Student is prevented from coming to Canada to study or decides not to come to Canada, the Purchaser will assume the obligation to refund the tuition paid by the Pipeline Student	Tuition payments previously made by Pipeline Students will be credited towards their education at the Colleges
Other Students	502 students who have had their visa request denied or have formally withdrawn from the Colleges and who may hold a refund claim against one or more of the Debtors	Purchaser will honour the commitment to educate these Other Students if they reapply for and obtain their visa and wish to study at the Colleges Refund claims will not be assumed by the Purchaser in respect of Other Students who have had their visa request denied or have already withdrawn from the Colleges	Other Students will be entitled to assert a claim against the Debtors and, if they have a valid refund claim, to receive a distribution in the insolvency process. The quantum of distribution remains to be determined but is likely to represent only a small fraction of the refund claim amount

ii. Accrued but unpaid wages (to a maximum of two weeks), vacation pay and overtime pay, relating to the pre-CCAA filing date (i.e., not owing or accrued between the January 6 CCAA filing date to the date of filing of the Certificate) to employees that accept an offer of employment from the Purchaser (defined as "**Buyer Selected Employees**" in the APA), the whole in accordance with the terms and conditions of the Purchase Agreement/APA;

iii. The assumption of various contracts and agreements including the lease for M College, with the Purchaser paying the necessary cure costs associated therewith; and

iv. All post-closing trade payables attributable to the operation of the Colleges and related assets.

d) The excluded liabilities from the APA include, but are not limited to the following:

i. Any indebtedness of the Debtors;

ii. Any liability to the extent arising out of or related to the breach, performance or non-performance by the Debtors prior to the closing of the Transaction;

iii. Any liability in respect of pending or threatened proceedings;

iv. All liabilities arising from the ownership and/or operation of the assets prior to closing, including all tax liabilities;

v. All employee related liabilities, except in the case of any employee that is a Buyer Selected Employee who accepts an offer from the Purchaser;

vi. Any liability related to any excluded asset;

vii. All intercompany accounts payable and liabilities; and

viii. All liability or costs arising from the TSA (defined below).

e) The closing of the Transaction will remain conditional on, *inter alia*, the following conditions precedent:

i. The transfer of the education permits granted by *Ministère de l'éducation* and the *Ministère de l'enseignement supérieur* (the "**Education Ministries**" or "**MEES**") to the Purchaser; and

ii. The execution of a Transition Services Agreement ("**TSA**") between the Purchaser and the Debtors, to which management will intervene, to cover the interim period until the closing of the Transaction. The TSA will be included as an exhibit to the APA.

23. As regards to the transfer of the permits, the Purchaser has advised the Monitor of the following:

- the Purchaser is aware of the informational requirements and regulatory steps that the MEES requires in order to enable MEES to consider the request to transfer the education permits of the Colleges;
- the Purchaser is in the process of providing MEES with all relevant information and background relating to the Purchaser and its intention and capacity to operate the Colleges and support the relevant student groups under the Transaction; and
- the Purchaser has accelerated efforts to engage MEES directly, and to move the Transaction along to closing as quickly as possible, once approved by the Court.

24. The closing of the Transaction is to occur as soon as possible following MEES approval of the transfer of the permits, but in any event, no later than June 30, 2022, which is the expiration date for the permits. The Transaction is not conditional on the MEES approving the renewal of the permits post June 30, 2022, although it is obviously the intention of the Purchaser to have the renewal of the permits approved as quickly as possible.

25. A detailed waterfall analysis to illustrate the estimated amount available to unsecured creditors will be presented to the Court at a later date, as part of a distribution motion or plan of arrangement, once the Monitor attains greater certainty as to the eventual funds that will be available for distribution to unsecured creditors (including on account of student refunds). However, based on the quantum of the purchase price, the Monitor notes the following:

a) All amounts due to or for employees of the Colleges for priority payable claims (i.e., salaries, vacation and remittances of deductions at source) will be either paid pre-closing or be assumed by the Purchaser and payable by it to such employees as outlined in the APA;

b) The secured debt and interim financing owing to Firm Capital will be repaid in full concurrently with the issuance of the Certificate in accordance with payout statements to be issued at least ten days prior to the closing of the Transaction, subject only to the Monitor conducting a security review on the FCC Security which will commence forthwith. The current amount owing to Firm Capital is approximately $7.8M;

c) The proposed Additional Interim Financing (detailed below) will be repaid in full (and as part of closing the Transaction, the amount outstanding on such Additional Interim Financing may be repaid via the Purchaser’s credit-bidding same as a portion of payment of the purchase price);

d) The payment of ordinary course post-filing obligations of the Debtors prior to closing of the Transaction will be paid in full;

e) The payment of amounts owing to restructuring professionals will be paid; and,

f) The balance of funds will be distributed to unsecured creditors, which unsecured creditors will be identified following the implementation of a claims process.

ADDITIONAL INTERIM FINANCING

26. One of the key concerns of the Monitor in selecting a Successful Bid was ensuring that interim funding would be made available so as to resume without delay the education of students enrolled at the Colleges and present in Canada. Without such additional funding, the Debtors would not be in a position to transition their business to the Purchaser and to close the Transaction.

27. To that end, subject to the approval of this Court, the Purchaser has undertaken to provide, for the period from the signing of the APA to the closing of the Transaction, additional interim financing in the amount of $2.5M (the "**Additional Interim Financing**"). The financial and other terms of the Additional Interim Financing are largely consistent with the (prior ranking) interim financing already provided by Firm Capital, including as to matters such as interest rate, commitment fee and other fees.

28. The Additional Interim Financing is to be secured by a super-priority charge (the "**Junior Interim Financing Charge**") which will rank after the Senior Administration Charge, the FCC Security and Interim Lender's Charge in favour of Firm Capital, but before the Junior Administration Charge and the Director's Charge.

29. As contemplated in the revised Cash Flow Projections presented in the next section of this report, the Additional Interim Financing is intended to, among other things, provide funding prior to the closing of the Transaction to enable the continuation of educational operations and the immediate recommencement of the curriculum and courses for the approximately 740 students whose education has been paused. The additional funding will also allow for the payment of accrued restructuring costs which have been deferred to date.

30. The Monitor has been advised that the intention of the Purchaser is to collaborate with the Debtors, the Monitor and other stakeholders, including MEES, for the graduation of as many as possible of the 740 currently registered students on or before June 30, 2022 at the latest.

CASH FLOW PROJECTIONS

31. Based on the proposed Additional Interim Financing, the Company's management, with the assistance of the Monitor, has prepared updated weekly cash flow projections (the "**Projections**") (refer to **Exhibit "C"**) reflecting the costs associated with the operating of the Colleges and graduating of the students, as well as the costs associated with the restructuring process for the period of March 12, 2022 to June 30, 2022. We summarize the Projections as follows:

RPI Group - Projected Cash Flow From March 12 to June 30, 2022	Total *111 days*
Receipts	**$ -**
Rent	(114,000)
Salaries	(233,800)
Educational services	(540,000)
Municipal taxes	(93,000)
Utilities	(74,000)
Other operating expenses	(191,000)
Student Insurance	(150,000)
Operating Expenses	**(1,395,800)**
Restructuring Fees	(1,400,000)
Interest - FCC's Term Loan	(79,000)
Interest & Fees - FCC's DIP	(86,000)
Interest & Fees - Purchaser DIP	(266,000)
Other Expenses	**(1,831,000)**
Net Cash Flow	**(3,226,800)**
Opening Cash Balance	**731,352**
Net Cash Flow	(3,226,800)
DIP Advances - Purchaser	2,500,000
Ending Cash Balance	**$ 4,552**

32. The Projections reflect the following general assumptions:

- Receipt of the second tranche of interim financing from Firm Capital, which amount was received on March 1, 2022;
- Court approval of the Additional Interim Financing in the amount of $2.5M;
- **Cash Disbursements**
  - Operating expenses were projected based on recent historical trending and the expected level of activity during the projected period:
    - Rent – represents monthly payments for the M College lease;
    - Salaries – for certain administrative positions at RPI and/or the schools. Also included in salaries, as per the TSA, are the Directors who will receive compensation for services provided during the interim period until the closing of the Transaction;

- Educational services – cost required to graduate the remaining Graduating Students and to educate the 740 Registered Students through June 30, 2022 based on on-line learning;
- Municipal taxes / utilities – reflects the payment of these post-filing costs in connection with the real estate owned by the Debtors;
- Other operating expenses – consists of computer software and IT support services; accounting and audit costs, building maintenance and other general operating costs;
- Student insurance – in respect of the monthly cost of emergency hospital and medical insurance for the applicable students for the months of March 2022 through June 2022. The Projections reflect the payment of post-filing insurance premiums giving coverage for all active students of the Colleges (including the students of CCSQ Sherbrooke) who are currently in Canada;
- Restructuring fees – relates to the professional fees of the Monitor and its legal counsel, the Debtors' legal counsel and the Student Representatives' Counsel. The amount includes the payment of approximately two months of accrued fees that have not been paid to date. The restructuring professionals have agreed to defer the payment of their fees in order to maximize the liquidity available for the Colleges' critical operating costs; and
- Interest and fees on financing – includes interest and fees on Firm Capital's secured debt and Interim Facility as well as interest and fees in connection with the Additional Interim Financing.

STEPS TO CLOSING

33. The following table summarizes the chronology of events to finalize the Transaction and distribute funds:

Action	Date
Approval by the Court of the signed APA	March 14, 2022
Approval by the Court of Additional Interim Financing by the Purchaser	March 14, 2022
Return of the 740 Registered Students to the Colleges to continue their studies	On or about March 21, 2022
Transfer of education permits by the MEES to the purchaser	Prior to closing
Transition agreement with the purchaser and transfer of knowledge	From approval of the APA to closing
Closing of the sale transaction	No later than June 30, 2022
Court approval of a proof of claims process and setting of a claims bar date	To be determined
Court order for the distribution of funds	To be determined

34. As per the above, the net proceeds from the Transaction will ultimately be distributed to unsecured creditors through a distribution order or a plan of arrangement.

STUDENT INSURANCE

35. Since the filing of the CCAA proceedings, the Company has paid and continues to pay the monthly insurance premiums to the provider of the student heath and medical insurance. Student insurance coverage has been renewed by the Monitor, acting for and on behalf of RPI, through April 30, 2022. All students have been provided with new insurance certificates showing proof of insurance coverage.

36. The Purchaser has assured the Monitor, and the Monitor intends to ensure, that the Transaction is implemented in a manner which avoids any gaps in coverage with respect to the insurance coverage required by the students.

CONCLUSIONS AND RECOMMENDATIONS

37. The Monitor recommends that this Court grant the relief sought in the Application, namely the approval of the Transaction and the Additional Interim Financing.

38. With respect to the approval of the Transaction, the main reasons underlying the Monitor's support are summarized as follows:

   a) The Transaction results from a *bone fide* offer from a third-party arm's length Purchaser, following an expedited, but fulsome and reasonable sale process through the SISP, supervised by the Monitor and further to which major creditors were consulted;

   b) The purchase price is fair and reasonable when considering the appraised value of the real estate properties and the significant quantum of liabilities (including educational obligations) which the Purchaser will assume under the APA;

   c) The Transaction offers the best results for the stakeholders including:

      i. The completion of the studies and graduation for the remaining Graduating Students;

      ii. The recommencement of the curriculum for the approximately 740 Registered Students whose studies are currently on pause, even prior to a closing;

      iii. The potential for Pipeline Students who have paid for all or portion of their tuition fees to attend the Colleges to start their studies should their visas be approved or to obtain a refund;

iv. The potential for Other Students who withdrew or had their visa denied, the opportunity to attend the Colleges should they subsequently reapply/obtain their visa, subject to certain terms and conditions; and

v. A likely distribution to unsecured creditors, including the students who are waiting for their refunds.

d) This is a single transaction that involves only one party for all the assets which reduces the execution risk and the costs to close;

e) The Transaction will permit the Colleges to continue as a going concern which will conserve the employment of certain administrative and teaching positions and will in effect provide for payments to such continuing employees that would otherwise have claims in these CCAA proceedings; and

f) In our opinion, the sale of the Debtors' assets via the Transaction is more beneficial to the general body of creditors and other stakeholders, including the student constituencies, than would be a sale or transfer thereof in the context of a bankruptcy of the Debtors.

39. With respect to the approval of the Additional Interim Financing, in addition to the material factors noted above as the benefits of the Additional Interim Financing, if approved, the other main reasons underlying the Monitor's support are summarized below:

a) The Additional Interim Financing will allow for all 740 Registered Students to return to their studies on an immediate basis to pursue their program, with a view to graduating as many as possible by June 30, 2022;

b) The Additional Interim Financing will permit the Colleges to operate and give the necessary time for the transfer of the existing education permits granted by MEES to the Purchaser to close the Transaction and should provide for a relatively seamless transition at closing;

c) The Debtors' management team has added a level of cooperation, support and direction during these CCAA Proceedings that has enhanced the Monitor's confidence in management's ability to continue the going concern operation of the Colleges and graduate students while the parties work towards a closing of the Transaction;

d) The Additional Interim Financing enhances the prospect of protecting the going-concern business value and other assets of the Debtors, for the benefit of their creditors, including for closing of the Transaction, and for any potential plan of arrangement, if commenced;

e) In the current circumstances where additional liquidity is required, no creditor is materially prejudiced by a grant of the proposed Junior Interim Financing Charge; and

f) The Junior Interim Financing Charge will rank after the security in favour of Firm Capital such that it is in compliance with the terms of the Interim Financing Agreement dated January 16, 2022.

Respectfully submitted at Montreal, this 10th day of March 2022.

Richter Inc. (formerly Richter Advisory Group Inc.)

Monitor

Olivier Benchaya, CPA, CA, CIRP, LIT

Andrew Adessky, CPA, CA, MBA, CIRP, LIT

Exhibit A

Summary of the Offers
(under seal)

Exhibit B
Schedule 1.1 of the APA

Schedule 1.1
Assigned Contracts

1. The Third Party Lease.

2. All educational contracts between any of the Colleges and the Students, to the extent they are assignable.

3. Pearson Products Agreement made as of July 20, 2020 between M College and Pearson Canada, Inc. (the "**Pearson Products Agreement**").

4. Service Agreement dated September 9, 2020 between École de Secrétariat Notre-Dame-des-Neiges (1985), dba CCSQ-Sherbrooke ("**CCSQ-Sherbrooke**") and CDE Collège, subject to the Buyer being provided additional details as requested in Schedule 7.2(e), to the Buyer's satisfaction.

5. Lease dated June 1, 2012 between CCSQ-Sherbrooke, as lessee and CDE, as lessor, subject to the Buyer being provided additional details as requested in Schedule 7.2(e), to the Buyer's satisfaction.

6. The Omnivox agreement(s), subject to the Buyer being provided additional details as requested in Schedule 7.2(e), to the Buyer's satisfaction.

7. Equipment (Toshiba Estudio copier) lease agreement between CDE, as lessee, and Crédit-Bail RCAP inc., as lessor.

8. Equipment (Toshiba Estudio copier) lease agreement between CCSQ, as lessee, and RCAP Leasing Inc., as lessor.

9. Any standard utilities and maintenance agreements (for certainty, excluding any employment agreements) relating to the Colleges to maintain operations in the normal course of business such as Internet, snow removal and hydro, to the extent such agreements are assignable.

10. Any other Contracts that the Buyer consents to assume from the Sellers in writing on or prior to the Closing.

Exhibit C
Projections

RPI Group - Projected Cash Flow

Week Ending:	18-Mar-22	25-Mar-22	01-Apr-22	08-Apr-22	15-Apr-22	22-Apr-22	29-Apr-22	06-May-22	13-May-22	20-May-22	27-May-22	03-Jun-22	10-Jun-22	17-Jun-22	24-Jun-22	30-Jun-22	Total
In CAD	*7 days*	*7 days*	*7 days*	*7 days*	*7 days*	*7 days*	*7 days*	*7 days*	*7 days*	*7 days*	*7 days*	*7 days*	*7 days*	*7 days*	*7 days*	*6 days*	*111 days*
Receipts	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Rent	-	-	-	(38,000)	-	-	-	(38,000)	-	-	-	(38,000)	-	-	-	-	(114,000)
Salaries	(3,400)	(30,100)	(3,400)	(30,100)	(3,400)	(25,500)	(3,400)	(25,500)	(3,400)	(25,500)	(3,400)	(25,500)	(3,400)	(25,500)	(3,400)	(18,900)	(233,800)
Educational services	(45,000)	(45,000)	(45,000)	(33,750)	(33,750)	(33,750)	(33,750)	(33,750)	(33,750)	(33,750)	(33,750)	(27,000)	(27,000)	(27,000)	(27,000)	(27,000)	(540,000)
Municipal taxes	-	-	-	-	-	-	-	-	-	-	-	(3,000)	-	-	-	(90,000)	(93,000)
Utilities	(8,667)	(8,667)	(8,667)	(4,000)	(4,000)	(4,000)	(4,000)	(4,000)	(4,000)	(4,000)	(4,000)	(3,200)	(3,200)	(3,200)	(3,200)	(3,200)	(74,000)
Other operating expenses	(9,000)	(14,000)	(9,000)	(9,000)	(49,000)	(9,000)	(9,000)	(9,000)	(9,000)	(9,000)	(9,000)	(12,000)	(9,000)	(9,000)	(13,000)	(4,000)	(191,000)
Student Insurance	-	-	(68,000)	-	-	-	-	(42,000)	-	-	-	(40,000)	-	-	-	-	(150,000)
Operating Expenses	**(66,067)**	**(97,767)**	**(134,067)**	**(114,850)**	**(90,150)**	**(72,250)**	**(50,150)**	**(152,250)**	**(50,150)**	**(72,250)**	**(50,150)**	**(148,700)**	**(42,600)**	**(64,700)**	**(46,600)**	**(143,100)**	**(1,395,800)**
Restructuring Fees	(500,000)	(450,000)	-	(37,500)	(37,500)	(37,500)	(37,500)	(37,500)	(37,500)	(37,500)	(37,500)	(30,000)	(30,000)	(30,000)	(30,000)	(30,000)	(1,400,000)
Interest - FCC's Term Loan	-	-	-	-	-	-	-	-	-	-	(40,000)	-	-	-	-	(39,000)	(79,000)
Interest & Fees - FCC's DIP	-	-	(22,000)	-	-	-	(21,000)	-	-	-	(22,000)	-	-	-	-	(21,000)	(86,000)
Interest & Fees - Purchaser DIP	(150,000)	-	(22,000)	-	-	-	(31,000)	-	-	-	(32,000)	-	-	-	-	(31,000)	(266,000)
Other Expenses	**(650,000)**	**(450,000)**	**(44,000)**	**(37,500)**	**(37,500)**	**(37,500)**	**(89,500)**	**(37,500)**	**(37,500)**	**(37,500)**	**(131,500)**	**(30,000)**	**(30,000)**	**(30,000)**	**(30,000)**	**(121,000)**	**(1,831,000)**
Net Cash Flow	**(716,067)**	**(547,767)**	**(178,067)**	**(152,350)**	**(127,650)**	**(109,750)**	**(139,650)**	**(189,750)**	**(87,650)**	**(109,750)**	**(181,650)**	**(178,700)**	**(72,600)**	**(94,700)**	**(76,600)**	**(264,100)**	**(3,226,800)**
Opening Cash Balance	**731,352**	**2,515,285**	**1,967,519**	**1,789,452**	**1,637,102**	**1,509,452**	**1,399,702**	**1,260,052**	**1,070,302**	**982,652**	**872,902**	**691,252**	**512,552**	**439,952**	**345,252**	**268,652**	**731,352**
Net Cash Flow	(716,067)	(547,767)	(178,067)	(152,350)	(127,650)	(109,750)	(139,650)	(189,750)	(87,650)	(109,750)	(181,650)	(178,700)	(72,600)	(94,700)	(76,600)	(264,100)	(3,226,800)
DIP Advances - Purchaser	2,500,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,500,000
Ending Cash Balance	**$2,515,285**	**$1,967,519**	**$1,789,452**	**$1,637,102**	**$1,509,452**	**$1,399,702**	**$1,260,052**	**$1,070,302**	**$ 982,652**	**$ 872,902**	**$ 691,252**	**$512,552**	**$439,952**	**$345,252**	**$268,652**	**$ 4,552**	**$ 4,552**