



No. S-235288
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

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 AND ARRANGEMENT OF NEXTPOINT
FINANCIAL, INC. AND THOSE PARTIES LISTED ON SCHEDULE "A"

PETITIONERS

NOTICE OF APPLICATION

Name of applicant: the Petitioners

To: the Service List

TAKE NOTICE that an application will be made by the applicant to the Honourable Justice Fitzpatrick at the courthouse at 800 Smithe Street, Vancouver, BC, V6Z 2E1 on August 3, 2023 at 9:00 a.m. for the orders set out in Part 1 below.

Part 1: ORDER(S) SOUGHT

1. An Amended and Restated Initial Order (the "**ARIO**"), amending and restating the initial order pronounced July 25, 2023 (the "**Initial Order**"), which provides the following additional relief:
 - (a) an extension of the stay of proceedings (the "**Stay of Proceedings**") granted in the Initial Order up to and including October 6, 2023;
 - (b) increasing certain priority charges as follows:
 - (i) increasing the Administration Charge (as defined in the ARIO) from \$1,000,000 to \$2,000,000;

- (ii) increasing the CRO Charge (as defined in the ARIO) from \$500,000 to \$1,000,000;
 - (iii) increasing the D&O Charge (as defined in the ARIO) from \$500,000 to \$2,000,000
- (collectively, the "**Priority Charges**");
- (c) clarification of the priority of the Franchisee Lender Charge; and
 - (d) an increase in the DIP Facility to a maximum of \$25 million USD and the Interim Lender's Charge up to the maximum amount of \$25 million USD.
2. An Order approving the Sales and Investment Solicitation Process, including the attached Stalking Horse agreement, substantially in the form attached hereto as **Schedule "B"**; and
 3. Such other relief as this Honourable Court may deem just.

Part 2: FACTUAL BASIS

1. All capitalized terms used, but not otherwise defined herein have the meanings given to them in the Petition filed July 25, 2023, or the 1st Affidavit of Peter Kravitz, sworn July 25, 2023. All amounts are referenced in USD, unless otherwise stated.
2. Pursuant to the Initial Order of the Supreme Court of British Columbia (the "**Court**") made on July 25, 2023, NextPoint Financial Inc. ("**NextPoint**") and 29 subsidiary companies (together with NextPoint, the "**Petitioners**") were granted protection under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**"), and FTI Consulting Canada Inc.. ("**FTI**") was appointed monitor (and in such capacity, the "**Monitor**").
3. Also pursuant to the terms of the Initial Order, the Court granted:
 - (a) an initial stay of proceedings until August 3, 2023 (the "**Stay Period**");
 - (b) the Administration Charge;

- (c) the CRO Charge;
- (d) the D&O Charge;
- (e) the Interim Lender's Charge in the amount of \$5.3 million CAD;
- (f) Interim DIP Financing in the amount of \$4 million USD.

Background

4. The NextPoint Group provides financial and tax services for small businesses and consumers across Canada and the United States through the following three primary business lines:
 - (a) a tax preparation and settlement business, operated through Liberty Tax;
 - (b) a tax debt resolution service, operated through Community Tax; and
 - (c) a lending and loan marketing business, which previously operated through LoanMe, but which has been in the process of winding down since approximately June 2022.
5. The Petitioners are over-leveraged and have recurring operating losses, working capital deficiencies, and insufficient cash flow to meet their obligations. As at July 14, 2023, the NextPoint Group has an outstanding debt load of approximately \$285 million.
6. The Petitioners sought recognition of the Initial Order in Delaware on July 26, 2023, in concurrent proceedings under chapter 15 of title 11 of the United States Bankruptcy Code (the "**Chapter 15 Proceedings**"). At a hearing on July 27, 2023, the Initial Order was recognized by the Honorable Thomas M. Horan of the United States Bankruptcy Court for the District of Delaware.
7. As part of the Initial Order, this Honourable Court ordered that the Petitioners may continue to service the FCB Facility Agreement and the Republic Facility Agreement. In addition, FCB was granted a priority charge over the property of NextPoint Financial Inc., NPI Holdco LLP and the Liberty Tax group of companies in an amount equal to the value of the indebtedness, interest, fees, liabilities and obligations to FCB incurred after the granting of the Initial Order under and pursuant to the FCB Facility Agreement.

Anticipated Restructuring

8. NextPoint intends to address its insolvency through a number of steps which will include:
- (a) commencing the Sales and Investment Solicitation Process ("**SISP**"), to be overseen by the proposed Monitor, that would seek to monetize core and non-core assets, and
 - (b) pursuing discussions with potential financiers in order to secure long-term funding for the projects that may form the basis of the NextPoint Group's go-forward business (subject to the SISP).

all under the supervision of the Court and with the assistance of the Monitor and the CRO.

Interim Lending

9. The cash flow forecast provided by the Petitioners, and prepared with the assistance of the Monitor, projects that the Petitioners will require \$25 million USD to meet their ongoing liabilities incurred up to (and including) the week ending Friday, October 20, 2023.
10. In order to fund the operations of the Petitioners during these CCAA proceedings, the Petitioners commenced negotiations with the BP Lenders and Drake to provide the DIP Facility. Following such negotiations, on July 25, 2023, NPI Holdco, as borrower (in such capacity, the "**DIP Borrower**"), the other Petitioners, as guarantors, and the BP Lenders and Drake, each in their capacity as DIP Lender (together, the "**DIP Lenders**"), entered into the DIP Facility Agreement (the "**DIP Facility Agreement**").
11. The Petitioners seek an increase in the amount that can be borrowed under the DIP Facility, and a corresponding increase in the Interim Lender's Charge to permit the Petitioners to complete, with the assistance of the Monitor, the SISP.
12. The DIP Facility Agreement provides for a senior secured, super priority, debtor-in-possession, interim, non-revolving credit facility up to a maximum principal amount of \$25 million (funded \$15.8 million by the BP Lenders and \$9.2 million by Drake). The Petitioners are seeking an initial draw on the DIP Facility Agreement in the amount of \$25 million USD, and a corresponding charge in the amount of \$25 million USD. This amount is

supported by the Cash Flow Statement and is required to ensure the Petitioners can continue operations through the proposed restructuring.

13. The funds available under the DIP Facility will be used to meet the Petitioners' immediate funding requirements during the CCAA proceeding in accordance with the DIP Budget. The structure of the transaction as negotiated between the Petitioner and the DIP Lender will see the DIP fully funded on the making of the Amended and Restated Initial Order, and will see the creation of an escrow account from which the various restructuring professionals, financial advisors and legal representatives will be paid. The DIP Facility bears interest at the SOFR rate plus 6.5% *per annum*, compounding monthly and payable monthly in arrears, and incurs a 1% commitment fee, and a 1% exit fee.
14. The Petitioners believe that it is crucial and necessary to have access to sufficient funding to ensure there is enough flexibility and sufficient time to facilitate and complete a process to maximize realizations on all assets for the benefit of all stakeholders.
15. The Petitioners are not aware of any other parties prepared to fund the NextPoint Group or these proceedings other than the current Interim Lender.

Increasing the Priority Charges

16. The Petitioners seek to increase the amount of the Administration Charge from \$1 million to \$2 million. The Administration Charge will continue to secure the professional fees of the Monitor, the Monitor's legal counsel, and the Petitioners' legal counsel, including counsel and advisors in the United States. All of the beneficiaries of the Administration Charge have contributed, and will continue to contribute, to the Petitioners' restructuring efforts.
17. The Petitioners also seek to increase the amount of the CRO Charge from \$500,000 to \$1 million. The CRO Charge will continue to secure the professional fees of Province and the CRO, who have contributed, and will continue to contribute, to the Petitioners' restructuring efforts.
18. The Petitioners also seek to increase the amount of the D&O Charge from \$500,000 to \$2 million, which represents the directors' and officers' additional exposure during the extended stay period.

19. The Petitioners believe that increasing the D&O Charge will provide the Petitioners' directors and officers with the necessary peace of mind they require to remain actively committed to the Petitioners' restructuring efforts, thereby benefitting stakeholders as a whole.
20. The primary secured creditors support the increases to the Priority Charges.

Extension of the Stay of Proceedings

21. The Petitioner requires an extension of the Stay of Proceedings to maintain the status quo while they develop, approve and carry on pursuing certain project related transactions, and implement the SISP.
22. The Petitioner seeks an extension of the stay to October 6, 2023.
23. If the increase to the DIP Facility and the Interim Lender's Charge is granted, the Petitioners project they will have sufficient liquidity to pay their liabilities incurred during the extension period.

Restructuring Support Agreement

24. On July 25, 2023, the BP Lenders (various wholly owned funding trusts of Basepoint Capital comprising the NP/LT Credit Facility Lenders and BP Debt lenders) and the RSA Company Parties (NextPoint, NPI Holdco, various entities comprising Liberty Tax, Community Tax and various entities comprising LoanMe, and collectively with the BP Lenders, the "**RSA Parties**") entered into the RSA.
25. In light of the ongoing CCAA Proceedings, it was expressly agreed by the RSA Parties that the RSA would be conditional on approval by the CCAA Court.
26. Under the terms of the RSA, the BP Lenders and the RSA Company Parties have agreed to cooperate with each other in good faith and use commercially reasonable efforts with respect to the pursuit, approval, implementation and consummation of the transactions contemplated by the RSA (the "**Restructuring**") as well as the negotiation, drafting, execution and delivery of the Definitive Documents (as defined in the RSA) to implement the Restructuring.

27. The RSA establishes the following milestones for the remainder of the CCAA and Chapter 15 Proceedings (as may be extended in accordance with the RSA):

Milestone	Date
RSA Company Parties shall commence proceedings under the CCAA in the CCAA Court and obtained an Initial Order in form and substance satisfactory to the BP Lenders, acting reasonably	July 26, 2023
The foreign representative (the " Foreign Representative ") of the RSA Company Parties shall have commenced the Chapter 15 Proceedings and sought a temporary restraining order in the U.S. Bankruptcy Court to provide "stay" relief pending entry of the Initial Order Recognition Order (as defined below)	July 26, 2023
RSA Company Parties shall serve an application for approval of the SISP	July 27, 2023
Foreign Representative shall file a motion with the U.S. Bankruptcy Court for entry of an order recognizing and enforcing the Initial Order	2 business days after entry of the Initial Order
RSA Company Parties shall obtain an order from the CCAA Court approving the SISP, subject to Court availability	August 4, 2023
The Foreign Representative shall file a motion with the U.S. Bankruptcy Court for an order recognizing and enforcing the SISP Order	2 business days after entry of the SISP Order
The Foreign Representative shall obtain an order recognizing and enforcing the Initial Order (the " Initial Order Recognition Order ")	August 25, 2023
The Foreign Representative shall obtain an order recognizing and enforcing the SISP Order (the " SISP Recognition Order ")	August 28, 2023

Milestone	Date
RSA Company Parties shall obtain a vesting order from the CCAA Court , subject to Court availability	September 15, 2023 if no LOIs are received by the LOI Deadline
	October 6, 2023, if no Qualified Bids are received by the Qualified Bid Deadline; or after the completion of the Auction
The Foreign Representative shall file a motion with the U.S. Bankruptcy Court for an order recognizing and enforcing the vesting order	2 business days after entry of the Vesting Order
The Foreign Representative shall obtain the Vesting Recognition Order	14 days after the entry of the Vesting Order
The Restructuring shall close, provided that to the extent the only condition to the closing of the Restructuring that remains outstanding is the receipt of regulatory approval(s), the Outside Date shall automatically be extended for another 60 days	14 days after the date that the Foreign Representative obtains the Vesting Recognition Order (the " Initial Outside Date ") or such later dates as may be determined by the Required Consenting BP Lenders on written notice to the other Parties (the " Outside Date ")

28. The RSA may be terminated by mutual written agreement by the BP Lenders and the RSA Company Parties, or on certain conditions as set out in the Kravitz Affidavit.

29. The RSA facilitates consensus with the Petitioners' most significant secured creditors and facilitates access to the DIP Facility, a further deferral of certain interest payments, and the certainty and stability provided to the SISP by the Stalking Horse Transaction.

Proposed SISP and Stalking Horse Bid

a) Proposed Sales and Investment Solicitation Process ("SISP")

30. The Petitioner is seeking an order authorizing them to, with the consent of the Monitor, commence a SISP materially on the terms as set out hereto as Schedule "D" which is intended to solicit interest in and opportunities for a sale of or investment in the Petitioner's interests in Liberty Tax or Community Tax, or investment in the Petitioner generally.
31. The Proposed SISP, together with the Stalking Horse Transaction, will establish a process to canvass the market for the best possible transaction for the sale of all or substantially all of the Petitioners' property for the benefit of stakeholders. The approval by the CCAA Court of the SISP in the form attached as Exhibit A to the RSA and entry by the U.S. Bankruptcy Court of the SISP Recognition Order are each milestones under the RSA.
32. The NextPoint Group has developed the proposed SISP in consultation with the Proposed Monitor and the BP Lenders. The SISP sets out the manner in which: (a) binding bids for executable transaction alternatives that are superior to the sale transaction to be provided for in the Stalking Horse Purchase Agreement involving the shares and/or the business and assets of the NextPoint Group will be solicited from interested parties; (b) any such bids received will be addressed; (c) any Successful Bid (as defined below) will be selected; and (iv) Court approval of any Successful Bid will be sought. Such transaction alternatives may include, among other things, a sale of some or all of the NextPoint Group's shares, assets and/or business and/or an investment in the NextPoint Group.
33. Pursuant to the proposed SISP, interested parties must enter into a non-disclosure agreement in form and substance satisfactory to the NextPoint Group and submit a letter of intent to bid (each, an "LOI") that identifies the potential purchaser and a general description of the assets and/or business(es) of the NextPoint Group that would be the subject of the bid and that reflects a reasonably likely prospect of culminating in a Qualified Bid (as defined below), as determined by the NextPoint Group in consultation with the Monitor by September 4, 2023 (the "LOI Deadline"). If, by the LOI Deadline, no LOI has

been received, the SISP will be terminated and the Stalking Horse Transaction will be the Successful Bid (as defined below) and, subject to the Court issuing the Vesting Order, will be consummated in accordance with the RSA and the Stalking Horse Transaction Agreement.

34. In order to constitute a Qualified Bid, each bid must:
- (a) provide for (i) payment in full in cash on closing of the DIP Facility, the Expense Reimbursement, the Break-up Fee, plus cash consideration equal to at least \$1 million USD, (ii) the payment in full in cash on closing of all claims with respect to the NP Revolving Credit Loans (the "**BP NP-Liberty Claims**"), along with any related interest, fees or other obligations, or the assumption of the BP NP-Liberty Claims, (iii) the payment in full in cash on closing the sum of all amounts secured by each Intercompany Charge in favour of each Intercompany Lender that is not acquired pursuant to the bid; and (iv) the payment in full in cash on closing of any claims ranking in priority to the claims set forth in subparagraphs (i) - (iii), unless otherwise agreed to by the applicable holders thereof in their sole discretion;
 - (b) provides a detailed sources and uses schedule that identifies, with specificity, the amount of cash consideration (the "**Cash Consideration Value**") and any assumptions that could reduce the net consideration payable;
 - (c) be reasonably capable of being consummated within 30 days after completion of the Auction (as defined below) if selected as the Successful Bid;
 - (d) contain duly executed binding transaction documents, certain defined information regarding the bidder, a redline to the Stalking Horse Purchase Agreement (unless the bid is in the form of a plan of arrangement, in which case copies of the plan of arrangement and all documentation that is contemplated to be executed in connection therewith), evidence of authorization and approval from the bidder's board of directors, disclosure of any connections or agreements with the NextPoint Group, and such other information reasonably requested by the NextPoint Group or the Monitor;
 - (e) includes a letter stating that the bid is submitted in good faith, is binding and is irrevocable until the selection of the Successful Bid;

- (f) provides written evidence of a bidder's ability to fully fund and consummate the transaction and satisfy its obligations under the transaction documents;
 - (g) does not include any request for or entitlement to any break fee, expense reimbursement or similar type of payment;
 - (h) is not condition upon approval from the bidder's board of directors or equity holders, the outcome of any due diligence by the bidder or the bidder obtaining financing;
 - (i) includes an acknowledgment and representation that the bidder has had an opportunity to conduct any and all required due diligence prior to making its bid;
 - (j) specifies any regulatory or other third-party approvals the party anticipates would be required to complete the transaction;
 - (k) includes full details of the bidder's intended treatment of the NextPoint Group's employees under the proposed bid;
 - (l) is accompanied by a cash deposit (the "**Deposit**") by wire transfer of immediately available funds equal to 10% of the Cash Consideration Value;
 - (m) includes a statement that the bidder will bear its own costs and expenses in connection with the proposed transaction; and
 - (n) is received by 11:59 p.m. Eastern Daylight Time on September 25, 2023 (the "**Qualified Bid Deadline**").
35. If one or more Qualified Bids (other than the Stalking Horse Transaction) has been received by the NextPoint Group on or before the Qualified Bid Deadline, the NextPoint Group will proceed with an auction process to determine the successful bid(s) (the "**Auction**"). The Auction will be conducted in accordance with the requirements and process appended at Schedule "A" to the SISP. The successful bid(s) selected within the Auction shall constitute the "**Successful Bid**".
36. Following selection of the Successful Bid and finalization of all definitive agreements, the NextPoint Group will apply to the CCAA Court for an order or orders approving such

Successful Bid and/or the mechanics to authorize the NextPoint Group to complete the transactions contemplated thereby, as applicable, and authorizing the NextPoint Group to: (a) enter into any and all necessary agreements and related documentation with respect to the Successful Bid; (b) undertake such other actions as may be necessary to give effect to such Successful Bid, and (iii) implement the transaction(s) contemplated in such Successful Bid.

37. All Deposits paid in accordance with the SISP will be retained by the Monitor in a noninterest-bearing trust account. If a Successful Bid is selected and either the Vesting Order or an Implementation Order is granted, any Deposit paid in connection with such Successful Bid will be non-refundable and applied to the cash consideration to be paid in connection with the Successful Bid (or be dealt with as otherwise set out in the definitive agreements(s)). Any Deposit delivered with a Qualified Bid that is not selected as a Successful Bid, will be returned to the applicable bidder as soon as reasonably practicable after the Successful Bid is approved by Vesting Order or Implementation Order, as applicable, or such earlier date as may be determined by the NextPoint Group, in consultation with the Monitor.
38. The proposed SISP requires the NextPoint Group to provide information in respect of the SISP to the BP Lenders on a confidential basis, including copies of any LOIs or bids received (including any Qualified Bids) no later than one day following receipt thereof, and any other information reasonably requested by the BP Lenders or its legal or financial advisor or which may be necessary to keep the BP Lenders informed (including any material changes to the proposed terms of any bid received, including any Qualified Bid).
39. A summary of the significant dates and processes within the proposed SISP is as follows:

SISP Process	Deadline
CCAA Court approval of SISP and authorizing the applicable NextPoint Group entities to enter into the Stalking Horse Purchase Agreement, and commencement by NextPoint Entities of solicitation process	August 4, 2023
LOI Deadline	September 4, 2023

SISP Process	Deadline
Qualified Bid Deadline	September 25, 2023
Deadline to determine whether a bid is a Qualified Bid and, if applicable, to notify those parties who submitted a Qualified Bid of the Auction	September 26, 2023
Auction	September 27, 2023
Vesting Order or Implementation Order ¹	September 15, 2023 – If no LOI is submitted October 6, 2023 – if no Auction proceeds or if an Auction proceeds

40. The NextPoint Group is of the view that the timelines set out in the proposed SISP are appropriate, will allow interested parties to participate in the SISP, and will provide an appropriate test for whether the Stalking Horse Transaction delivers the best possible result for stakeholders. The NextPoint Group is also of the view that the proposed SISP provides a fair and reasonable process that will adequately canvass the market. The timelines and terms in the proposed SISP are fair, reasonable and appropriate in the circumstances, and provide sufficient time to allow interested parties to fully participate in the SISP (to the extent desired).

b) Stalking Horse Transaction

41. The SISP is proposed to be backstopped by the Stalking Horse Transaction.

42. The Stalking Horse Transaction involves the following key terms:

- (a) the BP Lenders will provide a credit bid in the amount of the NP Revolving Credit Loans for:
 - (i) all of the equity of LT Holdco and all or substantially all of the assets of SiempreTax+ LLC, JTH Tax LLC, Wefile LLC and such other vendors that

¹ In all cases, the deadlines for obtaining the Vesting Order or Implementation Order are subject to Court availability.

are subsidiaries of LT Holdco as the BP Lenders may designate by notice in writing delivered to the vendors not less than three business days prior to the Closing Date (as defined below) of the LT Acquisition (as defined below) (as many be amended, supplemented or revised in accordance with the Stalking Horse Purchase Agreement, collectively, the "**Compromised LT Entities**"); or

- (ii) if the purchasers so elect, all of the equity of LT Intermediate Holdco, LLC and all or substantially all of the assets of the Compromised LT Entities, subject to the condition that the equity in such entities be transferred to LT Holdco prior to the completion of the foregoing, in each case with the entity acquiring applicable non-equity assets becoming a secured guarantor of the LT Term Loan;
 - (iii) (the acquired interests shall be referred to herein as the "**Purchased Interests**" and the acquired assets shall be referred to herein as the "**Purchased LT Assets**", and the transaction, the "**LT Acquisition**");
- (b) a credit bid of the portion of the DIP Facility allocated to the assets of Community Tax for all or substantially all of the assets of Community Tax (the "**Purchased CTAX Assets**" and the transaction, the "**CTAX Acquisition**");
 - (c) the completion of the Purchased Interests and Purchased LT Assets will not be conditional on the completion of the Purchased CTAX Assets. The Stalking Horse Transaction may be the Successful Bid (as determined in the SISP) with respect to solely the LT Acquisition or the CTAX Acquisition, or with respect to both the LT Acquisition and the CTAX Acquisition; and
 - (d) LoanMe will not be acquired. In the event that a purchaser of LoanMe is not identified within the SISP, it will be wound-down within the CCAA proceedings on terms consistent with the RSA.
43. The result of the Stalking Horse Transaction is to address Liberty Tax's currently overleveraged position by resolving all debt obligations of Liberty Tax other than the LT Term Loan. Liberty Tax believes that it can service the LT Term Loan in accordance with its terms and without issue once its other debt obligations are addressed. Following

completion of the Stalking Horse Transaction, Liberty Tax will be well positioned for long term success and business growth.

44. Further details regarding the Stalking Horse Transaction are as follows:

Term	Details
Vendors	NextPoint; NPI Holdco; LT Holdco, LLC; LT Intermediate Holdco, LLC; SiempreTax+ LLC; JTH Tax; Wefile LLC; CTAX Acquisition LLC; Community Tax LLC; and Community Tax Puerto Rico LLC
Purchasers	BP Commercial Funding Trust, Series SPL-X
Purchase Price	<p>\$75 million for the Purchased Interests and the Purchased LT Assets;</p> <p>An amount equal to the outstanding obligations owing pursuant to the DIP Facility Agreement (as defined below), including the principal amount of such claims and interest and fees accrued as of the Closing Date for the CTAX Acquisition, up to a maximum of \$25 million for the Purchased CTAX Assets;</p> <p>An amount to be determined with the vendors which will be sufficient to pay any outstanding encumbrances on the Purchased LT Assets or the Purchased CTAX Assets that rank prior to the interests of the purchasers' security interest in the Purchased LT Assets and the Purchased CTAX Assets, and are not otherwise an Assumed Liability, in an aggregate amount not exceeding \$500,000; and</p> <p>The assumption of the Assumed Liabilities.</p>
Transaction Structure	<p>In the event that the Purchasers elect to acquire the Equity Interests of LT Intermediate Holdco then, on or prior to the Closing Date for the LT Acquisition, the Vendors shall effect a pre-closing reorganization to transfer all of the Equity Interests of the Compromised LT Entities to LT Holdco.</p> <p>On the Closing Date, pursuant to the terms of a Vesting Order granted by the CCAA Court (as recognized and enforced by the U.S. Bankruptcy Court in the Chapter 15 Proceedings), the Purchased</p>

Term	Details
	<p>Interests, Purchased LT Assets and, if applicable, the Purchased CTAX Assets will vest free and clear of all encumbrances other than Permitted Encumbrances, in the name of the Purchasers.</p> <p>The Vendors shall use their commercially reasonable efforts to obtain any consent and approval necessary for the assignment of any Contracts included in the Purchased Assets to the Purchasers. To the extent any consent and approval necessary for the assignment of any Contract included in the Purchased Assets to the Purchasers is not obtained prior to the application for the Vesting Order, the Vendors will bring an application to the CCAA Court for approval of an Assignment Order.</p>
Assumed Liabilities	<p>All debts, liabilities and obligations under all contracts assigned or transferred to the Purchasers on closing for the period from and after the applicable Closing Date (as defined below) and all Cure Costs² (other than Post-Filing Costs³)</p> <p>All taxes to be borne by the purchasers pursuant to section 7.4</p> <p>All debts, liabilities and obligations arising from ownership and use of the Purchased Assets transferred to the Purchasers on such Closing for the period from and after the Closing Date</p> <p>LT Term Loan</p>
Excluded Liabilities	<p>Except as expressly assumed pursuant to or specifically contemplated by section 2.4 of the Stalking Horse Purchase</p>

² **"Cure Costs"** are defined in the Stalking Horse Purchase Agreement as "amounts that must be paid, if any, in connection with the assignment and assumption of the Purchased Assets, including costs to cure any monetary defaults thereunder that are required to be cured as a condition of such assignment, subject to the CCAA as applicable, together with such other reasonable costs required to obtain any consent and approval, up to a maximum of \$50,000 in the aggregate.

³ **"Post-Filing Costs"** are defined as "any amounts owing or incurred and not paid under any Contracts included in the Purchased LT Assets or the Purchased CTAX Assets, as applicable, arising from and after the commencement of the CCAA Proceedings to but excluding the Closing Date that are permitted to be paid pursuant to the Initial CCAA Order."

Term	Details
	<p>Agreement, all claims, debts, obligations, or liabilities of the Vendors or any predecessors of the Vendors, of any kind or nature, including any taxes to be borne by the Vendors pursuant to section 7.4 and the Drake Credit Agreement (as defined in the Stalking Horse Purchase Agreement)</p>
Excluded Assets	<p>The Tax records and returns, and books and records pertaining thereto and other documents, in each case, to the extent related to any of the Excluded Liabilities or taxes paid by NextPoint or any vendor, provided that the Purchasers may take copies of all Tax records and books and records pertaining to such records (as redacted, if applicable) to the extent necessary or useful for the carrying on of the Business that has been acquired by the Purchasers after the applicable Closing, including the filing of any Tax Return.</p> <p>Contracts of the Compromised LT Entities or Community Tax, as applicable, as specified on Schedule 2.2(c) of the Disclosure Letter.</p> <p>All communications, information or records, written or oral, that are in any way related to (i) the transactions contemplated by the Stalking Horse Purchase Agreement, (ii) the sale of the Purchased Interests, the Purchased LT Assets, or the Purchased CTAX Assets (iii) any Excluded Asset or (iv) any Excluded Liability</p> <p>The equity interests of each entity set forth on Schedule 2.3(d) of the Stalking Horse Purchase Agreement, which Schedule may be modified as agreed upon by the Vendors and the Purchasers, each acting reasonably, at least three (3) days prior to the applicable Closing</p> <p>Escrowed cash for wind down and professional fee retainers in the aggregate amount of \$600,000</p> <p>Personal information that cannot be transferred without violating law;</p>

Term	Details
	<p>Claims and/or causes of actions solely and directly related to Excluded Assets or Excluded Liabilities</p> <p>Any other assets set forth on Schedule 2.3 of the Disclosure Letter which schedule may be modified as agreed by the vendors and the purchasers, each acting reasonably, at least three days prior to the Closing Date</p>
Closing Date	<p>A date no later than five (5) business days after the conditions set forth in Article 6 of the Stalking Horse Purchase Agreement have been satisfied or waived, other than the conditions set forth in Article 6 that by their terms are to be satisfied or waived (to the extent permitted by applicable law) at closing; provided that, the Closing Date shall be no later than the Outside Date (as defined in the RSA).</p>

45. The Stalking Horse Transaction Agreement provides that NPI Holdco and various of its subsidiaries will pay \$700,000 from the proceeds of any Alternative Restructuring Proposal (the "**Break Fee**") and an expense reimbursement for the BP Lenders' reasonable and documented legal and other costs incurred in connection with the transactions contemplated by the Stalking Horse Credit Agreement (the "**Expense Reimbursement**"). The Break Fee and Expense Reimbursement will be paid concurrently with the consummation of an Alternative Restructuring Proposal, following: (a) the CCAA Court approving an Alternative Restructuring Proposal that is not provided by BP Lenders or any of its affiliates in accordance with the terms of the SISP Order, or (b) the Company RSA Parties terminating the RSA following the NextPoint board of directors determining, upon the advice of outside counsel and financial advisors, that proceeding with the Stalking Horse Transaction would be inconsistent with the exercise of its fiduciary duties or applicable law.
46. The NextPoint Group is of the view that the inclusion of the Stalking Horse Transaction as part of the SISP will benefit the NextPoint Group's efforts to maximize value for the benefit of all stakeholders by, among other things: (a) setting a "floor price" and commercial terms for a transaction involving the shares and/or the business and assets of some of the

NextPoint Group entities; (b) helping to generate interest in the NextPoint Group among potential purchasers; and (c) providing a level of certainty, stability and efficiency during the SISP, both in terms of setting a baseline price and documentation for the SISP and assuring stakeholder groups that there will be a going concern sale of a significant portion of the NextPoint Group's business.

Part 3: LEGAL BASIS

1. The Petitioner relies on:
 - (a) the CCAA;
 - (b) *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "BIA");
 - (c) *Supreme Court Civil Rules*, in particular Rules 8-1, 13-1, and 22-4;
 - (d) the inherent and equitable jurisdiction of this Court; and
 - (e) such further and other legal bases and authorities as counsel may advise and this Court may permit.

Extension of the Stay of Proceedings is Appropriate

2. Subsection 11.02(2) of the CCAA provides that the Petitioner may apply for an extension of the Stay of Proceedings for a period that a court considers necessary on any terms that a court may impose. Subsection 11.02(3) of the CCAA provides that the Court shall not make the order extending the Stay of Proceedings unless:
 - (a) the applicant satisfies the Court that circumstances exist that make the order appropriate; and
 - (b) in the case of an order under subsection (2), the applicant also satisfies the Court that the applicant has acted, and is acting, in good faith and with due diligence.

CCAA s. 11.02.

3. In determining whether the appropriate circumstances exist to extend the Stay of Proceedings, the Court should inquire whether the order sought advances the remedial purpose of the CCAA.

North American Tungsten Corp. (Re), 2015 BCSC 1376 at para. 25.

4. Extending the relief granted by the Initial Order, including the Stay of Proceedings, is appropriate and necessary to enable the Petitioner to complete transactions for the benefit of the Petitioner's stakeholders.

Increasing the Interim DIP Financing Facility and Interim Lender's Charge are Appropriate

5. Section 11.2(4) of the CCAA vests the Court with the jurisdiction to grant an interim financing charge over the assets of the debtor in priority to the claim of any secured creditor of the debtor, on notice to the secured creditors who are likely to be affected by such security or charge. In deciding whether to make an order for an interim lender's charge, the court will consider, among other factors:
 - (a) the period during which the debtor is expected to be subject to CCAA proceedings;
 - (b) how the debtor's business and financial affairs are to be managed during the proceedings;
 - (c) whether the debtor's management has the confidence of its major creditors;
 - (d) whether the loan would enhance the prospects of a viable compromise or arrangement being made in respect of the debtor;
 - (e) the nature and value of the debtor's property
 - (f) whether any creditor would be materially prejudiced as result of the security or charge; and
 - (g) the monitor's report, if any.

CCAA s. 11.2.

6. In order to continue the Petitioners' operations, and advance the restructuring efforts, the Petitioners require the amounts as forecasted in the Cash-Flow Statement. Without such financing, the Petitioners will be unable to continue their operations and enter into favourable transactions all of which will be to the detriment of the Petitioners, their creditors, and other stakeholders.
7. The Petitioners and the Monitor are of the view that the DIP Facility on offer from the DIP Lender is in the best interest of the Petitioners and all of the stakeholders.

Re: Target Canada Co., 2015 ONSC 303, at paras. 67-70

8. The Petitioner submits that the CCAA section 11.2 factors support the approval of the Interim Financing Charge sought herein as:
 - (a) the period during which the Petitioners are expected to be subject to the CCAA proceedings is limited, as the Monitor will continue to oversee progress in these proceedings generally;
 - (b) the business and financial affairs of the Petitioners continue to be managed by the directors, officers, and CRO of the Petitioners; the Petitioners are acting with due diligence and in good faith, and are currently overseen by the Monitor and will continue to be overseen by the Monitor;
 - (c) without the funding available under the DIP Commitment Letter, the Petitioners will not be able to fund their operations and continue the restructuring efforts to the detriment of the Petitioners' stakeholders;
 - (d) given the terms of the DIP Commitment Letter and the value of the assets and debt of the NextPoint Group, the Interim Financing Charge does not materially prejudice any creditor;
 - (e) the stakeholders on the service list have been given notice of the application to approve the DIP Commitment Letter and Interim Financing Charge; and
 - (f) the Monitor supports the approval of the DIP Commitment Letter and the approval of the Interim Financing Charge.

CCAA s. 11.2.

9. As such, the Petitioner submits that it is appropriate in these circumstances to grant approval of the increase of the DIP Lending and the Interim Lender's Charge.

Increasing the Priority Charges is Appropriate

10. Section 11.52 of the CCAA provides that the Court may order a charge to cover the fees and expenses of the Monitor, including the fees and expenses of any financial, legal or other experts engaged by the Monitor in the performance of their duties, and any financial, legal, or other experts engaged by the company for the purpose of proceedings under the CCAA.

CCAA s. 11.52.

11. Increasing the Administration Charge is appropriate in the circumstances. The Administration Charge secures the professional fees of the Monitor, the Monitor's legal counsel, and the Petitioners' legal counsel, including counsel in the United States and the fees of professionals acting on behalf of the Petitioners in the concurrent Chapter 15 proceedings in the United States. All of the beneficiaries of the Administration Charge have contributed, and will continue to contribute, to the Petitioners' restructuring efforts.
12. Increasing the CRO Charge is also appropriate in the circumstances. The CRO and Province continue to contribute to the Petitioners' restructuring efforts.
13. Pursuant to s. 11.51 of the CCAA, the Court has specific authority to grant a "super priority" charge to the directors and officers of a company as security for the indemnity provided by the company in respect of certain statutory obligations. Such charge can rank in priority over the claims of any secured creditor of the debtor company. In deciding whether to grant a D&O Charge, the court must be satisfied that:
- (a) notice is given to the secured creditors who are likely to be affected;
 - (b) the charge relates to obligations or liabilities that may be incurred after the commencement of CCAA proceedings;
 - (c) the amount of the charge is reasonable;

- (d) directors' and officers' insurance is not otherwise available; and
- (e) the charge will not provide coverage for wilful misconduct or gross negligence.

CCAA, s. 11.51.

Laurentian University of Sudbury, 2021 ONSC 659

Nordstrom Canada Retail, Inc., 2023 ONSC 1422

14. In these circumstances, increasing the D&O Charge is appropriate because:
- (a) the Petitioners will continue to benefit from the active and committed involvement of the directors and officers, who have considerable institutional knowledge and valuable experience and whose continued participation will help facilitate an effective restructuring and is essential to the viability of the Petitioners' business and the preservation of enterprise value;
 - (b) the existing insurance coverage is inadequate for an enterprise of this size and additional coverage is unavailable;
 - (c) the D&O Charge does not secure obligations incurred by a director or officer as a result of their gross negligence or wilful misconduct; and
 - (d) the Proposed Monitor is of the view that the D&O Charge is reasonable and appropriate in the circumstances.
15. The increase to the Priority Charges is reasonable and appropriate in the circumstances.

The Approval of the Support Agreement is Appropriate

16. The Petitioners rely on the Court's inherent jurisdiction pursuant to s. 11 of the CCAA for approval of the RSA.
17. The Petitioner, with the assistance of the Monitor, has been working in good faith and with due diligence to advance these CCAA proceedings, in pursuit of a restructuring that will maximize value for their stakeholders.

Sales and Solicitation Process

18. The Petitioners rely on the Court's inherent jurisdiction pursuant to s. 11 of the CCAA for approval of the SISP.

19. The proposed SISP has the following material elements (all capitalized terms not herein defined have the meaning as set out in the SISP):
- (a) a Teaser Letter to be sent out to any of the Known Potential Bidders within 2 business days after the granting of the order approving the SISP;
 - (b) a Non-Disclosure Agreement will be prepared, and due diligence materials will be compiled to be available to parties after they execute the NDA;
 - (c) Potential bidders will be required to submit certain information about themselves to determine if they are Qualified Bidders;
 - (d) Qualified Bidders will submit non-binding letters of the intent for either a Sale Proposal or an Investment Proposal on or before the LOI Deadline;
 - (e) the Petitioners and the Monitor will evaluate the LOIs and determine which of the Qualified Bidders should proceed to Phase 2 of the SISP;
 - (f) Qualified Bidders will submit a bid and the Petitioner, with the assistance of the Monitor, will determine if such bid is a Qualified Bid;
 - (g) Qualified Bidders will be notified of the Auction; and
 - (h) the Petitioner will conduct the Auction, and the Successful Bid will be selected by the Petitioners in consultation with the Monitor.
20. The proposed SISP was developed in consultation with, and is supported by, the Monitor.
21. The Petitioners submit that the proposed SISP is the best available and most practical method for the Petitioners assets and attract investment generally for the benefit of its creditors in a timely manner.
22. The SISP as presented is supported by the CRO, the Monitor, the Interim Lender and the fulcrum secured creditors.

Stalking Horse and Break Fee

23. Approval of the Stalking Horse Agreement is being sought at this stage for the purpose of approving it as the stalking horse bid under the SISF and approving the Break Fee and Expense Reimbursement. If the Stalking Horse Agreement is ultimately designated as the "Successful Bid" in the SISF, further approval from the Court will be sought.
24. Stalking horse agreements facilitate sales processes by establishing a baseline price and deal structure for superior bids from interested parties, maximizing the value of a business for the benefit of its stakeholders and enhancing the fairness of the sale process. Stalking horse agreements have been approved concurrently with a sale process under the CCAA in a number of other proceedings, where doing so is deemed to be accretive to a sales process.

Nortel Networks Corp (Re), 2009 CanLII 39492 (ON SC) at para 56; *Aralez Pharmaceuticals Inc*, (October 20, 2018) Toronto, CV-18-603054-00CL at para 6 (Order Re Bidding Procedures Approval); *Clover Leaf Holdings Company*, (December 20, 2019) Toronto, CV-19-631523-00CL at para 6 (Bidding Procedures, Stalking Horse Approval and Stay Extension Order); *In the Matter of a Plan of Arrangement of UrtheCast Corp.*, 2020 BCSC 2024 (CanLII) at para 4 (Sales Process Order dated October 16, 2020).

25. The Stalking Horse Agreement is the result of negotiations with the Stalking Horse Bidder and establishes a valuable baseline price that will: (a) act as a "protective bid" by ensuring a going-concern outcome for the Liberty Tax and Community Tax businesses, and (b) provide value to the SISF by setting a baseline purchase price intended to create a competitive bidding environment, thereby increasing the likelihood of a value maximizing transaction in the SISF.
26. The Monitor and the DIP Lender are supportive of the approval of the Stalking Horse Agreement.
27. Fee structures like the Break Fee and the Expense Reimbursement are intended to compensate a stalking horse bidder for the time and resources spent in developing the stalking horse agreement, and the opportunity cost of undertaking such detailed diligence. Courts considering break or termination fees in similar CCAA processes have approved

break fees in the range of 3% and expense reimbursements in the range of 2%. Market comparables suggest an overall break fee range of 1.8% to 5% of the value of the bid. Agreeing to such payments is a matter of business judgment and therefore judicial deference is appropriate, provided the business decision falls within the range of reasonableness. Courts have also afforded significant deference to the monitor's position and have recognized that break fees and accompanying charges are common place in court-supervised insolvency proceedings, including under the CCAA.

Danier Leather Inc, Re, 2016 ONSC 1044 (CanLII) at paras 41-42 and para 44; *CCM Master Qualified Fund Ltd v blutip Power Technologies Ltd*, 2012 ONSC 1750 (CanLII) at para 13; *Brainhunter Inc. Re*, 2009 CanLII 72333 (ON SC) at para 20; *Quest University Canada (Re)*, 2020 BCSC 1845 (CanLII) at paras 55-57 and 62.

28. The Break Fee and Expense Reimbursement was derived taking into account the value of the Stalking Horse Transaction. the proposed Break Fee is in line with market terms, is consistent with market practice and is reasonable in all of the circumstances and is supported by the CRO and the Monitor.

Part 4: MATERIAL TO BE RELIED ON

1. Affidavit #1 of Peter Kravitz made on July 25, 2023;
2. Affidavit #1 of Wen-Shih Yang made on July 25, 2023;
3. First Report of the Monitor, to be filed; and
4. Any such further materials as counsel advises and this Honourable Court permits.

The applicant estimates that the application will take 1 hour.

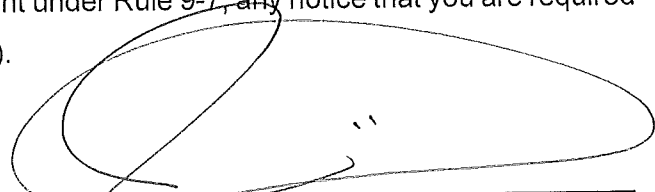
- This matter is within the jurisdiction of a master.
- This matter is not within the jurisdiction of a master and Justice Fitzpatrick is seized of this matter.

TO THE PERSONS RECEIVING THIS NOTICE OF APPLICATION: If you wish to respond to this notice of application, you must, within 5 business days after service of this notice of application or, if this application is brought under Rule 9-7, within 8 business days after service of this notice of application,

- (a) file an application response in Form 33;
- (b) file the original of every affidavit, and of every other document, that
 - (i) you intend to refer to at the hearing of this application, and
 - (ii) has not already been filed in the proceeding; and
- (c) serve on the applicant 2 copies of the following, and on every other party of record one copy of the following:
 - (i) a copy of the filed application response;
 - (ii) a copy of each of the filed affidavits and other documents that you intend to refer to at the hearing of this application and that has not already been served on that person;
 - (iii) if this application is brought under Rule 9-7, any notice that you are required to give under Rule 9-7(9).

July 27, 2023 _____

Dated



Signature of lawyer for filing party
DLA Piper (Canada) LLP (Jeffrey D. Bradshaw)
Lawyer for the Petitioner

To be completed by the court only:

Order made

in the terms requested in paragraphs _____ of Part 1
of this notice of application

with the following variations and additional terms:

Date: _____

Signature of Judge Master

APPENDIX

The following information is provided for data collection purposes only and is of no legal effect.

THIS APPLICATION INVOLVES THE FOLLOWING:

- discovery: comply with demand for documents
- discovery: production of additional documents
- oral matters concerning document discovery
- extend oral discovery
- other matter concerning oral discovery
- amend pleadings
- add/change parties
- summary judgment
- summary trial
- service
- mediation
- adjournments
- proceedings at trial
- case plan orders: amend
- case plan orders: other
- experts
- none of the above

Schedule "A"

(List of Petitioners)

Schedule "A"

1. NextPoint Financial, Inc.
2. NPI Holdco LLC

Liberty Tax Entities

1. LT Holdco, LLC
2. LT Intermediate Holdco, LLC
3. SiempreTax+ LLC
4. JTH Tax LLC
5. Liberty Tax Holding Corporation
6. Liberty Tax Service, Inc.
7. JTH Financial, LLC
8. JTH Properties 1632, LLC
9. Liberty Credit Repair, LLC
10. Wefile LLC
11. JTH Tax Office Properties, LLC
12. LTS Software LLC
13. JTH Court Plaza, LLC
14. 360 Accounting Solutions, LLC
15. LTS Properties, LLC

Community Tax Entities

16. CTAX Acquisition LLC
17. Community Tax Puerto Rico LLC
18. Community Tax LLC

LoanMe Entities

19. NPLM Holdco LLC

20. MMS Servicing LLC
21. LoanMe, LLC
22. LoanMe Funding, LLC
23. LM Retention Holdings, LLC
24. LoanMe Trust Prime 2018-1
25. LoanMe Trust SBL 2019-1
26. LoanMe Stores LLC
27. InsightsLogic LLC
28. LM 2020 CM I SPE, LLC

Schedule "B"

(SISP ORDER)

SCHEDULE 'B'

No. S-235288
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

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 AND ARRANGEMENT OF NEXTPOINT
FINANCIAL, INC. AND THOSE PARTIES LISTED ON SCHEDULE "A"

PETITIONERS

O R D E R MADE AFTER APPLICATION

(SISP ORDER)

BEFORE THE HONOURABLE)
JUSTICE FITZPATRICK) AUGUST 3, 2023
)

ON THE APPLICATION of the Petitioners coming on for hearing at Vancouver, British Columbia, on the 3rd day of August, 2023; AND ON HEARING Jeffrey D. Bradshaw and Samantha Arbor and Parker Fogler, temporary articulated student, counsel for the NextPoint Entities and those other counsel listed on **Schedule "B"** hereto; AND UPON READING the material filed, including the Notice of Application of the Petitioners, the affidavit of Peter Kravitz sworn July 25, 2023 and the exhibits thereto (the "**Kravitz Affidavit**"), the First Report of FTI Consulting Canada Inc. (the "**First Report**"), in its capacity as monitor (the "**Monitor**"), dated _____, 2023; AND pursuant to the Companies' Creditors Arrangement Act, R.S.C. 1985, c. C-36, as amended (the "**CCAA**"), the British Columbia Supreme Court Civil Rules, BC Reg 168/2009, and the inherent jurisdiction of this Honourable Court;

THIS COURT ORDERS AND DECLARES THAT:

SERVICE AND DEFINITIONS

1. The time for service of the Notice of Application for this order and the supporting materials, is hereby abridged and this application is properly returnable today and hereby dispenses with further service thereof.
2. Capitalized terms used in this Order and not otherwise defined herein shall have the meanings ascribed to them in the SISP, the Amended and Restated Initial Order of this Court dated August 3, 2023 (the "**ARIO**"), or the Support Agreement attached as **Exhibit "M"** to the Kravitz Affidavit (the "**Support Agreement**"), as applicable.

SALES AND INVESTMENT SOLICITATION PROCESS

3. The Sale and Investment Solicitation Process attached hereto as **Schedule "C"** (the "**SISP**") is hereby approved and the Petitioners are hereby authorized to implement the SISP pursuant to the terms thereof. The Petitioners, and the Monitor are hereby authorized and directed to perform their respective obligations and to do all things reasonably necessary to perform their obligations thereunder.
4. The Monitor and its affiliates, partners, directors, employees, and agents and controlling persons shall have no liability with respect to any and all losses, claims, damages or liabilities of any nature or kind to any person in connection with or as a result of the SISP, except to the extent of losses, claims, damages or liabilities that arise or result from the gross negligence or wilful misconduct of the Monitor, or the CRO, in performing their obligations under the SISP, as determined by this Court.

SUPPORT AGREEMENT

5. The Support Agreement is hereby approved and the Petitioners are authorized and empowered to enter into the Support Agreement, *nunc pro tunc*, subject to such minor amendments as may be consented to by the Monitor and as may be acceptable to each of the

parties thereto, and are authorized, empowered and directed to take all steps and actions in respect of, and to comply with all of their obligations pursuant to, the Support Agreement.

6. Notwithstanding the stay of proceedings imposed by the ARIO, a counterparty to the Support Agreement may exercise any termination right that may become available to such counterparty pursuant to the Support Agreement, provided that such termination right must be exercised pursuant to and in accordance with the Support Agreement.

STALKING HORSE PURCHASE AGREEMENT

7. NextPoint Financial Inc., NPI Holdco LLC, LT Holdco, LLC, LT Intermediate Holdco, LLC, SiempreTax+ LLC, JTH Tax LLC, JTH Financial, LLC, JTH Properties 1632, LLC, JTH Tax Office Properties, LLC, Wefile LLC, Liberty Credit Repair, LLC, LTS Properties, LLC, 360 Accounting Solutions, LLC, JTH Court Plaza, LLC, LTS Software LLC, CTAX Acquisition LLC, Community Tax LLC, Community Tax Puerto Rico LLC (collectively, the "**Vendors**") and are hereby authorized and empowered to enter into the stalking horse purchase agreement (the "**Stalking Horse Purchase Agreement**") dated as of July 25, 2023, between the Vendors and BP Commercial Funding Trust, Series SPL-X (the "**Stalking Horse Bidder**") and attached as Exhibit "**O**" to the Kravitz Affidavit, *nunc pro tunc*, and such minor amendments as may be acceptable to each of the parties thereto, with the approval of the Monitor and subject to the terms of the Support Agreement; provided that, nothing herein approves the sale and the vesting of any Property to the Stalking Horse Bidder (or any of its designees) pursuant to the Stalking Horse Purchase Agreement and that the approval of any sale and vesting of any such Property shall be considered by this Court on a subsequent application made to this Court if the Stalking Horse Transaction is the Successful Bid pursuant to the SISF.

BID PROTECTIONS

8. The Break-Up Fee is hereby approved and the Petitioners are hereby authorized and directed to pay the Break-Up Fee to the Stalking Horse Bidder (or as it may direct) in the manner and circumstances described in the Stalking Horse Purchase Agreement.

PIPEDA

9. Pursuant to clause 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act*, and Section 18(1)(o) of the *Personal Information Protection Act*, S.B.C. 2003, c. 63, and any regulations promulgated under authority of either Act, the Monitor, the Petitioners and their respective advisors are hereby authorized and permitted to disclose and transfer to prospective SISP participants (each, a **"SISP Participant"**) and their advisors personal information of identifiable individuals but only to the extent desirable or required to negotiate or attempt to complete a transaction pursuant to the SISP (a **"Transaction"**). Each SISP Participant to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation for the purpose of effecting a Transaction, and if it does not complete a Transaction, shall return all such information to the Monitor or the Petitioners, or in the alternative destroy all such information and provide confirmation of its destruction if requested by the Monitor or the Petitioners. Any Successful Party shall maintain and protect the privacy of such information and, upon closing of the Transaction(s) contemplated in the Successful Bid(s), shall be entitled to use the personal information provided to it that is related to the Business and/or Property acquired pursuant to the SISP in a manner that is in all material respects identical to the prior use of such information by the Petitioners, and shall return all other personal information to the Monitor or the Petitioners, or ensure that all other personal information is destroyed and provide confirmation of its destruction if requested by the Monitor or the Petitioners.

GENERAL

10. This Order shall have full force and effect in all provinces and territories in Canada.

11. Endorsement of this Order by counsel appearing on this application other than the counsel for the Petitioners is hereby dispensed with.

12. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal and regulatory or administrative bodies, having jurisdiction in Canada or in the United States of America, including the United States Bankruptcy Court overseeing the Petitioners' proceedings under Chapter 15 of the Bankruptcy Code in Case No. 23-10983-TMH, or in any other foreign jurisdiction, to give effect to this Order and to assist the Petitioners, the Monitor, and their

respective agents in carrying out the terms of this Order. All courts, tribunals and regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Petitioners and the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Petitioners and the Monitor and their respective agents in carrying out the terms of this Order.

THE FOLLOWING PARTIES APPROVE THE FORM OF THIS ORDER AND CONSENT TO EACH OF THE ORDERS, IF ANY, THAT ARE INDICATED ABOVE AS BEING BY CONSENT:

Signature of

Party Lawyer for the Petitioners

DLA Piper (Canada) LLP (Jeffrey D. Bradshaw)

BY THE COURT

REGISTRAR

Schedule "A"

1. NextPoint Financial, Inc.
2. NPI Holdco LLC

Liberty Tax Entities

1. LT Holdco, LLC
2. LT Intermediate Holdco, LLC
3. SiempreTax+ LLC
4. JTH Tax LLC
5. Liberty Tax Holding Corporation
6. Liberty Tax Service, Inc.
7. JTH Financial, LLC
8. JTH Properties 1632, LLC
9. Liberty Credit Repair, LLC
10. Wefile LLC
11. JTH Tax Office Properties, LLC
12. LTS Software LLC
13. JTH Court Plaza, LLC
14. 360 Accounting Solutions, LLC
15. LTS Properties, LLC

Community Tax Entities

16. CTAX Acquisition LLC

17. Community Tax Puerto Rico LLC

18. Community Tax LLC

LoanMe Entities

19. NPLM Holdco LLC

20. MMS Servicing LLC

21. LoanMe, LLC

22. LoanMe Funding, LLC

23. LM Retention Holdings, LLC

24. LoanMe Trust Prime 2018-1

25. LoanMe Trust SBL 2019-1

26. LoanMe Stores LLC

27. InsightsLogic LLC

28. LM 2020 CM I SPE, LLC

Schedule "B"

NAME OF COUNSEL	PARTY REPRESENTING

Schedule "C"

SALE AND INVESTMENT SOLICITATION PROCESS

Sale and Investment Solicitation Process

1. On August __, 2023, the Supreme Court of British Columbia (the “**Court**”) granted an order (the “**SISP Order**”) that, among other things, (a) authorized the NextPoint Entities to implement a sale and investment solicitation process (“**SISP**”) in accordance with the terms hereof, (b) approved the Support Agreement, (c) authorized and directed NextPoint Financial Inc., NPI Holdco LLC, LT Holdco, LLC, LT Intermediate Holdco, LLC, SiempreTax+ LLC, JTH Tax LLC, JTH Financial, LLC, JTH Properties 1632, LLC, JTH Tax Office Properties, LLC, Wefile LLC, Liberty Credit Repair, LLC, LTS Properties, LLC, 360 Accounting Solutions, LLC, JTH Court Plaza, LLC, LTS Software LLC, CTAX Acquisition LLC, Community Tax LLC, and Community Tax Puerto Rico LLC to enter into the Stalking Horse Purchase Agreement, and (d) approved the Break-Up Fee. Capitalized terms that are not defined herein have the meanings ascribed thereto in the Amended & Restated Initial Order granted by the Court in the NextPoint Entities’ proceedings under the *Companies’ Creditors Arrangement Act* on August __, 2023, as amended, restated or supplemented from time to time, or the SISP Order, as applicable.
2. This SISP sets out the manner in which (i) binding bids for executable transaction alternatives that are superior to the sale transaction to be provided for in the Stalking Horse Purchase Agreement involving the shares and/or the business and assets of the NextPoint Entities will be solicited from interested parties, (ii) any such bids received will be addressed, (iii) any Successful Bid (as defined below) will be selected, and (iv) Court approval of any Successful Bid will be sought. Such transaction alternatives may include, among other things, a sale of some or all of the NextPoint Entities shares, assets and/or business and/or an investment in the NextPoint Entities, each of which shall be subject to all terms set forth in this SISP.
3. The SISP shall be conducted by the NextPoint Entities under the oversight of FTI Consulting Canada Inc., in its capacity as court-appointed monitor (the “**Monitor**”).
4. Parties who wish to have their bids considered shall participate in the SISP in accordance with the terms herein.
5. The SISP will be conducted such that the NextPoint Entities will (under the oversight of the Monitor):
 - a) prepare marketing materials and a process letter;
 - b) prepare and provide applicable parties with access to a data room containing diligence information;
 - c) solicit interest from parties to enter into non-disclosure agreements (parties shall only obtain access to the data room and be permitted to participate in the SISP if they execute a non-disclosure agreement that is in form and substance satisfactory to the NextPoint Entities); and
 - d) request that such parties (other than the Stalking Horse Bidder or its designee) submit (i) a letter of intent to bid that identifies the potential bidder (which, for the avoidance of doubt, may be a purchaser or an investor) and a general description of

the assets and/or business(es) of the NextPoint Entities that would be the subject of the bid and that reflects a reasonable prospect of culminating in a Qualified Bid (as defined below), as determined by the NextPoint Entities in consultation with the Monitor and the Consenting BP NP-Liberty Lenders (as defined in the Support Agreement) (subject to the confidentiality requirements set forth in Section 14 below) (a “**LOI**”) by the LOI Deadline (as defined below) and, if applicable, (ii) a binding offer meeting at least the requirements set forth in Section 7 below, as determined by the NextPoint Entities in consultation with the Monitor (a “**Qualified Bid**”) by the Qualified Bid Deadline (as defined below).

6. The SISP shall be conducted subject to the terms hereof and the following key milestones:
 - a) Court approval of SISP and authorizing the applicable NextPoint Entities to enter into the Stalking Horse Purchase Agreement, and commencement by NextPoint Entities of solicitation process – August 4, 2023, subject to Court availability;
 - b) Deadline to submit LOI – 11:59 p.m. Eastern Daylight Time on September 4, 2023 (the “**LOI Deadline**”);
 - c) Deadline to submit a Qualified Bid – 11:59 p.m. Eastern Daylight Time on September 25, 2023 (the “**Qualified Bid Deadline**”);
 - d) Deadline to determine whether a bid is a Qualified Bid and, if applicable, to notify those parties who submitted a Qualified Bid of the Auction (as defined below) – 5:00 p.m. Eastern Daylight Time on September 26, 2023;
 - e) The NextPoint Entities to hold Auction (if applicable) – 10:00 a.m. Eastern Daylight Time on September 27, 2023; and
 - f) Implementation Order (as defined below) hearing:
 - o (if no LOI is submitted) – by no later than September 15, 2023, subject to Court availability.
 - o (if there is no Auction) – by no later than October 6, 2023, subject to Court availability.
 - o (if there is an Auction) – by no later than 9 days after completion of the Auction, subject to Court availability.

7. In order to constitute a Qualified Bid, a bid must comply with the following:
 - a. it provides for (i) the payment in full in cash on closing of the DIP Financing (as defined in the Support Agreement), the Expense Reimbursement, and the Break-up Fee, plus cash consideration equal to at least \$1,000,000; (ii) the payment in full in cash on closing of the BP NP-Liberty Claims (as defined in the Support Agreement), along with any related interest, fees or other obligations, or the assumption of the BP NP-Liberty Claims (or portion thereof) on terms satisfactory to the Consenting BP NP-Liberty Lenders in their sole discretion; (iii) the payment in full in cash on closing the sum of all amounts secured by each Intercompany Charge in favour of each Intercompany Lender that is not acquired pursuant to the bid; and (iv) the payment in full in cash on closing of any claims ranking in priority to the claims set forth in subparagraphs (i) - (iii), including any claims secured by Court-ordered charges, unless otherwise agreed to by the applicable holders thereof in their sole discretion.

- b. it provides a detailed sources and uses schedule that identifies, with specificity, the amount of cash consideration (the “**Cash Consideration Value**”) and any assumptions that could reduce the net consideration payable.
- c. it is reasonably capable of being consummated within 30 days after completion of the Auction if selected as the Successful Bid;
- d. it contains:
 - i. duly executed binding transaction document(s);
 - ii. the legal name and identity (including jurisdiction of existence) and contact information of the bidder, full disclosure of its direct and indirect principals, and the name(s) of its controlling equityholder(s);
 - iii. a redline to the Stalking Horse Purchase Agreement, unless the bid is in the form of a plan of arrangement, in which case copies of the plan of arrangement and all documentation that is contemplated to be executed in connection therewith shall be provided;
 - iv. evidence of authorization and approval from the bidder’s board of directors (or comparable governing body) and, if necessary to complete the transaction, the bidder’s equityholder(s);
 - v. disclosure of any connections or agreements with the NextPoint Entities or any of its affiliates, any known, potential, prospective bidder, or any officer, manager, director, or known equity security holder of the NextPoint Entities or any of its affiliates; and
 - vi. such other information reasonably requested by the NextPoint Entities or the Monitor;
- e. it includes a letter stating that the bid is submitted in good faith, is binding and is irrevocable until the selection of the Successful Bid; provided, however, that if such bid is selected as the Successful Bid, it shall remain irrevocable until the closing of the Successful Bid;
- f. it provides written evidence of a bidder’s ability to fully fund and consummate the transaction and satisfy its obligations under the transaction documents, including binding equity/debt commitment letters and/or guarantees covering the full value of all cash consideration and the additional items (in scope and amount) covered by the guarantees provided by affiliates of the Purchaser in connection with the Stalking Horse Purchase Agreement;
- g. it does not include any request for or entitlement to any break fee, expense reimbursement or similar type of payment;
- h. it is not conditional upon:
 - i. approval from the bidder’s board of directors (or comparable governing body) or equityholder(s);
 - ii. the outcome of any due diligence by the bidder; or
 - iii. the bidder obtaining financing;
- i. it includes an acknowledgment and representation that the bidder has had an opportunity to conduct any and all required due diligence prior to making its bid;
- j. it specifies any regulatory or other third-party approvals the party anticipates would be required to complete the transaction (including the anticipated timing necessary to obtain such approvals);
- k. it includes full details of the bidder’s intended treatment of the NextPoint Entities’

- employees under the proposed bid;
- l. it is accompanied by a cash deposit (the “**Deposit**”) by wire transfer of immediately available funds equal to 10% of the Cash Consideration Value, which Deposit shall be retained by the Monitor in a non-interest bearing trust account in accordance with this SISP;
 - m. a statement that the bidder will bear its own costs and expenses (including legal and advisor fees) in connection with the proposed transaction, and by submitting its bid is agreeing to refrain from and waive any assertion or request for reimbursement on any basis; and
 - n. it is received by the Qualified Bid Deadline.
8. The NextPoint Entities, in consultation with the Monitor, may waive compliance with any one or more of the requirements specified in Section 7 above and deem a non-compliant bid to be a Qualified Bid, provided that the NextPoint Entities shall not waive compliance with the requirements specified in Subsections 7(a), (b), (d), (e), (f), (g), (i) or (l) without the prior written consent of the Stalking Horse Bidder and Consenting BP NP-Liberty Lenders.
 9. Notwithstanding the requirements specified in Section 7 above, the transaction contemplated by the Stalking Horse Purchase Agreement (the “**Stalking Horse Transaction**”), is deemed to be a Qualified Bid, provided that, for greater certainty, no Deposit shall be required to be submitted in connection with the Stalking Horse Transaction.
 10. If one or more Qualified Bids (other than the Stalking Horse Transaction) has been received by the NextPoint Entities on or before the Qualified Bid Deadline, the NextPoint Entities may proceed with an auction process to determine the successful bid(s) (the “**Auction**”), which Auction shall be administered in accordance with Schedule “A” hereto. The successful bid(s) selected within the Auction shall constitute the “**Successful Bid**”. Forthwith upon determining to proceed with an Auction, the NextPoint Entities shall provide written notice to each party that submitted a Qualified Bid (including the Stalking Horse Transaction), along with copies of all Qualified Bids and a statement by the NextPoint Entities specifying which Qualified Bid is the leading bid.
 11. If, by the LOI Deadline no LOI has been received, then the SISP shall be deemed to be terminated and the Stalking Horse Transaction shall be the Successful Bid and shall be consummated in accordance with and subject to the terms of the Support Agreement and the Stalking Horse Purchase Agreement. If no Qualified Bid (other than the Stalking Horse Transaction) has been received by the NextPoint Entities on or before the Qualified Bid Deadline, then the Stalking Horse Transaction shall be the Successful Bid and shall be consummated in accordance with and subject to the terms of the Support Agreement and the Stalking Horse Purchase Agreement.
 12. Following selection of a Successful Bid, the NextPoint Entities, with the assistance of its advisors, shall seek to finalize any remaining necessary definitive agreement(s) with respect to the Successful Bid in accordance with the key milestones set out in Section 6.

Once the necessary definitive agreement(s) with respect to a Successful Bid have been finalized, as determined by the NextPoint Entities, in consultation with the Monitor, the NextPoint Entities shall apply to the Court for an order or orders approving such Successful Bid and/or the mechanics to authorize the NextPoint Entities to complete the transactions contemplated thereby, as applicable, and authorizing the NextPoint Entities to (i) enter into any and all necessary agreements and related documentation with respect to the Successful Bid, (ii) undertake such other actions as may be necessary to give effect to such Successful Bid, and (iii) implement the transaction(s) contemplated in such Successful Bid (each, an **“Implementation Order”**).

13. All Deposits shall be retained by the Monitor in a non-interest bearing trust account. If a Successful Bid is selected and an Implementation Order authorizing the consummation of the transaction contemplated thereunder is granted, any Deposit paid in connection with such Successful Bid will be non-refundable and shall, upon closing of the transaction contemplated by such Successful Bid, be applied to the cash consideration to be paid in connection with such Successful Bid or be dealt with as otherwise set out in the definitive agreement(s) entered into in connection with such Successful Bid. Any Deposit delivered with a Qualified Bid that is not selected as a Successful Bid, will be returned to the applicable bidder as soon as reasonably practicable (but not later than ten (10) business days) after the date upon which the Successful Bid is approved pursuant to an Implementation Order or such earlier date as may be determined by the NextPoint Entities, in consultation with the Monitor.
14. The NextPoint Entities shall provide information in respect of the SISP to the Consenting BP NP-Liberty Lenders on a confidential basis, including (A) copies of any LOI and any bid received, including any Qualified Bid, no later than one (1) calendar day following receipt thereof by the NextPoint Entities or their advisors, and (B) such other information as reasonably requested by the Consenting BP NP-Liberty Lenders or their legal counsel or financial advisors or as necessary to keep the Consenting BP NP-Liberty Lenders informed no later than two (2) calendar days after any such request or any material change to the proposed terms of any bid received, including any Qualified Bid, as to the terms of any bid, including any Qualified Bid, (including any changes to the proposed terms thereof) and the status and substance of discussions related thereto.
15. Any amendments to this SISP may only be made by: (a) the NextPoint Entities with the written consent of the Monitor and after consultation with the Consenting BP NP-Liberty Lenders, provided that the NextPoint Entities shall not amend Subsections 7(a), (b), (d), (e), (f), (g), (i) or (l) or Section 13 without the prior written consent of the Stalking Horse Bidder and the Consenting BP NP-Liberty Lenders.

SCHEDULE "A": AUCTION PROCEDURES

1. **Auction.** If the NextPoint Entities receive at least one Qualified Bid (other than the Stalking Horse Transaction), the NextPoint Entities will conduct and administer the Auction in accordance with the terms of the SISP. Instructions to participate in the Auction, which will take place via video conferencing, will be provided to Qualified Parties (as defined below) not less than 24 hours prior to the Auction.

2. **Participation.** Only parties that provided a Qualified Bid by the Qualified Bid Deadline, including the Stalking Horse Transaction (collectively, the "**Qualified Parties**"), shall be eligible to participate in the Auction. No later than 5:00 p.m. Eastern Daylight Time on the day prior to the Auction, each Qualified Party (other than the Stalking Horse Bidder) must inform the NextPoint Entities whether it intends to participate in the Auction. The NextPoint Entities will promptly thereafter inform in writing each Qualified Party who has expressed its intent to participate in the Auction of the identity of all other Qualified Parties that have indicated their intent to participate in the Auction. If no Qualified Party provides such expression of intent, the Stalking Horse Transaction shall be the Successful Bid.

3. **Auction Procedures.** The Auction shall be governed by the following procedures:

- a. **Attendance.** Only the NextPoint Entities, the Qualified Parties, the Monitor and each of their respective advisors will be entitled to attend the Auction, and only the Qualified Parties will be entitled to make any subsequent Overbids (as defined below) at the Auction;
- b. **Minimum Overbid.** The Auction shall begin with the Qualified Bid that represents the highest or otherwise best Qualified Bid as determined by the NextPoint Entities, in consultation with the Monitor (the "**Initial Bid**"), and any bid made at the Auction by a Qualified Party subsequent to the NextPoint Entities' announcement of the Initial Bid (each, an "**Overbid**"), must proceed in minimum additional cash increments of **\$100,000**;
- c. **Bidding Disclosure.** The Auction shall be conducted such that all bids will be made and received in one group video-conference, on an open basis, and all Qualified Parties will be entitled to be present for all bidding with the understanding that the true identity of each Qualified Party will be fully disclosed to all other Qualified Parties and that all material terms of each subsequent bid will be fully disclosed to all other Qualified Parties throughout the entire Auction; provided, however, that the NextPoint Entities, in their discretion, may establish separate video conference rooms to permit interim discussions between the NextPoint Entities and individual Qualified Parties with the understanding that all formal bids will be delivered in one group video conference, on an open basis;
- d. **Bidding Conclusion.** The Auction shall continue in one or more rounds and will conclude after each participating Qualified Party has had the

opportunity to submit one or more additional bids with full knowledge and written confirmation of the then-existing highest bid(s); and

- e. **No Post-Auction Bids.** No bids will be considered for any purpose after the Auction has concluded.

4. **Selection.** Before the conclusion of the Auction, the NextPoint Entities, in consultation with the Monitor, will: (a) review each Qualified Bid, considering the factors set out in Section 7 of the SISP and, among other things, (i) the amount of consideration being offered and, if applicable, the proposed form, composition and allocation of same, (ii) the value of any assumption of liabilities or waiver of liabilities not otherwise accounted for in prong (i) above; (iii) the likelihood of the Qualified Party's ability to close a transaction by thirty (30) days after completion of the Auction and the timing thereof (including factors such as the transaction structure and execution risk, including conditions to, timing of, and certainty of closing; termination provisions; availability of financing and financial wherewithal to meet all commitments; and required governmental or other approvals), (iv) the likelihood of the Court's approval of the Successful Bid, and (v) any other factors the NextPoint Entities may, consistent with its fiduciary duties, reasonably deem relevant; and (b) identify the highest or otherwise best bid received at the Auction (the "**Successful Bid**" and the Qualified Party making such bid, the "**Successful Party**").

5. **Acknowledgement.** The Successful Party shall complete and execute all agreements, contracts, instruments or other documents evidencing and containing the terms and conditions upon which the Successful Bid was made within one business day of the Successful Bid being selected as such, unless extended by the NextPoint Entities in their sole discretion, subject to the milestones set forth in Section 6 of the SISP.

No. S-235288
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

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 AND
ARRANGEMENT OF NEXTPOINT FINANCIAL, INC. AND
THOSE PARTIES LISTED ON SCHEDULE "A"

PETITIONER

NOTICE OF APPLICATION

DLA Piper (Canada) LLP
Barristers & Solicitors
2800 Park Place
666 Burrard Street
Vancouver, BC V6C 2Z7

Tel. No. 604.687.9444

Fax No. 604.687.1612

File No.: 109926-00007

CDB/day

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