



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 Madam Justice Fitzpatrick at the courthouse at 800 Smithe Street, Vancouver, BC, V6Z 2E1 on October 13, 2023 at 10:00 a.m. for the orders set out in Part 1 below.

Part 1: ORDER(S) SOUGHT

1. An Order amending and restating the Amended and Restated Initial Order made August 3, 2023 ("**ARIO**"), substantially in the form of draft Order attached as **Schedule "B"**, which provides the following relief:
 - (a) an extension of the stay of proceedings provided for in the ARIO up to and including November 20, 2023;
 - (b) an extension of the limited stay of proceedings provided in relation to the LoanMe Income Trusts (the "**LoanMe Stay**"); and
 - (c) an expansion of the powers to be exercised by the Chief Restructuring Officer ("**CRO**").

2. Such further and 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 ARIO, the 1st Affidavit of Peter Kravitz, sworn July 25, 2023, or the 2nd Affidavit of Peter Kravitz, sworn September 18, 2023. All amounts are referenced in USD, unless otherwise stated.
2. The Petitioners provide 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.
3. The Petitioners are over-leveraged and have recurring operating losses, working capital deficiencies, and insufficient cash flow to meet their obligations. As of July 14, 2023, the Petitioners have an outstanding debt load of approximately \$283.5 million.
4. Pursuant to an order made July 25, 2023 (the "**Initial Order**"), NextPoint Financial Inc. and certain subsidiaries 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. was appointed monitor (the "**Monitor**").
5. Also pursuant to the Initial Order, the Court appointed the CRO, granted an initial stay of proceedings and approved various charges.
6. On August 3, 2023, the Court made the ARIO which:
 - (a) extended the Stay Period to October 20, 2023;
 - (b) approved an increase to certain priority charges, including:
 - (i) increasing the Administration Charge from \$1,000,000 to \$2,000,000;

- (ii) increasing the CRO Charge from \$500,000 to \$1,000,000;
 - (iii) increasing the D&O Charge from \$500,000 to \$2,000,000;
 - (c) clarified the priority of the Franchisee Lender Charge; and
 - (d) increased 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.
7. Also, on August 3, 2023, the Court made an order approving the Sales and Investment Solicitation Process (the "**SISP**"), including the Stalking Horse agreement, and approving the Restructuring Support Agreement (the "**RSA**").
8. 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 Honorable Thomas M. Horan of the United States Bankruptcy Court for the District of Delaware (the "**US Bankruptcy Court**") recognized the Initial Order.
9. On August 16, 2023, the US Bankruptcy Court entered an order recognizing and approving, among other relief, the SISP and the ARIO.
10. The Petitioners and Province marketed the Petitioners' assets and operations in accordance with the SISP.
11. The Petitioners did not receive any bids prior to the Phase 1 Deadline that had a reasonable prospect of culminating in a Qualified Bid (as defined in the SISP).
12. On September 11, 2023, the Petitioners terminated the SISP and notified the Service List and the parties that had submitted bids of this termination.
13. On September 19, 2023, the Court granted an Order which, among other things:
- (a) added LM BP Holdings, LLC as a Petitioner in this Proceeding;
 - (b) approved the a formula for calculating for the transaction fee payable to the CRO in the event of an applicable transaction;

- (c) removed LoanMe Trust Prime 2018-1 and LoanMe Trust SBL 2019-1 (collectively, the "**LoanMe Income Trusts**") as Petitioners in this proceeding; and
 - (d) granted the limited stay of proceedings provided in relation to the LoanMe Income Trusts (the "**LoanMe Stay**") until the hearing of this Application.
14. The Petitioners and the BP Lenders are in the process of settling a revised transaction agreement (the "**Transaction Agreement**"), which increases the consideration to be provided thereunder relative to the stalking horse purchase agreement (the "**SHPA**") and revises the structure to a "reverse vesting order" in light of recently identified information that leaves such structure as the only way to complete the transactions and achieve the commercial terms contemplated in the original SHPA, the details of which will be set forth in an application to be served in the near term.
15. The Petitioners intend to seek approval of the Transaction Agreement at a future appearance before this Honourable Court.

Extension of Stay

16. The Petitioners seek a 30 day extension of the Stay of Proceedings from October 20 until and including November 20, 2023. The Petitioners intend to return to Court for approval of the Transaction Agreement and to develop a plan to facilitate the wind-down of the remaining Petitioners (identified in Schedule A as LoanMe entities) during this period.

LoanMe Income Trusts

17. Following the removal of the LoanMe Income Trusts as petitioners in these proceedings and the order granting the LoanMe Stay, the Petitioners have continued discussions with the LoanMe Income Trust trustees and their counsel.
18. The Petitioners have filed a statement with the United States Bankruptcy Court for the District of Delaware to advise of the removal of the LoanMe Income Trusts as petitioners. In addition, both LoanMe Income Trusts have issued notices to their unit holders to advise of the filing and of the LoanMe Stay.
19. The Petitioners request that the LoanMe Stay be extended until the end of these proceedings. The Petitioners have been advised by the counsel for LoanMe Trust Prime

2018-1 that they support the granting of the stay until the end of the proceedings and have requested that the time limited nature of the limited stay granted be extended.

20. At the time of the filing of this application, discussions are ongoing between counsel for the Petitioners and counsel for LoanMe Trust SBL 2019-1, and their position is expected by the time of the hearing of this application.
21. As unitholders of the LoanMe Income Trusts, the Petitioners do not have access to the various agreements and details regarding commercial arrangements between the LoanMe Income Trusts and third parties; however, the Petitioners are concerned that the incorrect filing of the LoanMe Income Trusts and/or the filing of the Petitioners, which may constitute "affiliates" with the LoanMe Income Trusts as a result of their significant unit holdings, may create an event of default or give rise to other rights against the LoanMe Income Trusts that could be detrimental to the LoanMe Income Trusts and, in turn, the value of the unit interests held therein by the Petitioners.

The NextPoint Board of Directors

22. The NextPoint Board of Directors (the "**Board**") carries a directors and officers insurance policy in the amount of \$15,000,000 (the "**D&O Policy**"). The D&O Policy has very favourable tail coverage for actions taken during the term of the policy.
23. The D&O Policy expires on October 20, 2023, and replacement insurance with the same coverage is cost-prohibitive and of limited benefit given the advanced state of the restructuring and the favourable terms of the existing policy.
24. It was originally contemplated that a sale would be approved by this Court on or before October 10, 2023, and that the Board would see the restructuring through to the completion of the successful transaction identified by the SISP and the completion of these proceedings, which were previously anticipated to occur by such time.
25. The intention is for the Directors to resign on or before October 20, 2023, in light of the upcoming expiry of the D&O Policy.
26. When the Board resigns, the CEO and the CRO will be the only directors or officers of NextPoint.

27. As a result, the Petitioners are seeking the Second ARIO to enhance the CRO's powers as they relate to the business of the Petitioners, including the ability to, *inter alia*:
 - (a) take any and all actions and steps, and execute all documents and writings, on behalf of and in the name of NextPoint, in order to facilitate the performance of their obligations; and
 - (b) exercise any powers which may be properly exercised by any board of directors of NextPoint.
28. No other person will be appointed to act as an officer or director of NextPoint, making it logical and cost-effective to enhance the CRO's powers to take additional steps for completion of the Transaction Agreement and other steps related to these CCAA proceedings.
29. The Monitor and the CRO agree to the proposed modification and expansion of the CRO's role to complete the transaction and advance these proceedings.

Part 3: LEGAL BASIS

1. The Petitioners rely generally on the CCAA, the *Supreme Court Civil Rules*, and the inherent and equitable jurisdiction of this Honourable Court.

Extension of the Stay

2. Subsection 11.02(2) of the CCAA provides that the Petitioners may apply for an extension of the stay 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 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.

3. In determining whether the appropriate circumstances exist to extend the stay, 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 stay is appropriate and necessary to enable the Petitioners to continue operations while advancing the Transaction Agreement (including returning to court for its approval) and developing a plan for the wind-up of the LoanMe entities.
5. The Petitioners, with the assistance of the CRO and the Monitor, have been working in good faith and with due diligence to advance these proceedings in pursuit of a restructuring that will maximize value for their stakeholders. The Petitioners submit that, in these circumstances, it is necessary and appropriate that the stay be extended to November 20, 2023.
6. The Monitor supports the extension of the stay to November 20, 2023.

The LoanMe Stay

7. Where an entity is not a “debtor company” for the purposes of imposing a stay of proceedings under s. 11.02 of the CCAA, a court may exercise its jurisdiction under s. 11 of the CCAA to make any order it thinks fit, including to extend a stay of proceedings against a non-debtor in furtherance of the restructuring on appropriate terms.

Forest & Marine Financial Corp., Re, 2009 BCSC 1234, at para. 12.
Forest & Marine, at para. 21.

8. In determining whether a stay of proceedings against a non-debtor should be granted or extended, the court must consider whether it is “just and reasonable” to do so.

Lehndorff General Partner Ltd., Re, 1993 CarswellOnt 183, [1993] O.J. No. 14, at para. 16 [“*Lehndorff*”].

9. As unitholders of the LoanMe Income Trusts, the Petitioners do not have access to the various agreements and details regarding commercial arrangements between the LoanMe Income Trusts and third parties. However, they are concerned that the incorrect filing of the LoanMe Income Trusts and/or the filing of the Petitioners, which may be “affiliates” with the LoanMe Income Trusts as a result of their significant unit holdings, may create an event of default or give rise to other rights against the LoanMe Income Trusts that could

be detrimental to the LoanMe Income Trusts. This could, in turn, impair the value of the unit interests held therein by the Petitioners.

10. Therefore, the Petitioners submit that it is necessary and appropriate to continue the LoanMe Stay.

Expanded CRO Powers

11. Given the stage of the proceedings, the selection of the successful bid, and the progress already made towards concluding that transaction, the Board's role is logically and practically coming to an end. Accordingly, the Petitioners seek an expansion of the CRO's powers that would allow the Board to resign, without jeopardizing the Petitioners' operations or restructuring. As noted above, the D&O Policy will not be in place beyond October 20, 2023.
12. The expanded powers for the CRO are consistent with expanded powers granted by this Honourable Court in similar circumstances, particularly where there is no board of directors of a petitioner.

Veris Gold Corp. (re), order made after application on November 18, 2014, in proceeding S144431, Vancouver Registry.

Part 4: MATERIAL TO BE RELIED ON

1. Affidavit #1 of Peter Kravitz, made July 25, 2023;
2. Affidavit #2 of Peter Kravitz, made September 18, 2023;
3. Affidavit #3 of Peter Kravitz, made October 10, 2023;
4. First Report of the Monitor, dated August 2, 2023;
5. Second Report of the Monitor, dated September 18, 2023;
6. Third Report of the Monitor (to be filed); and
7. Any such further materials as counsel advises and this Honourable Court permits.

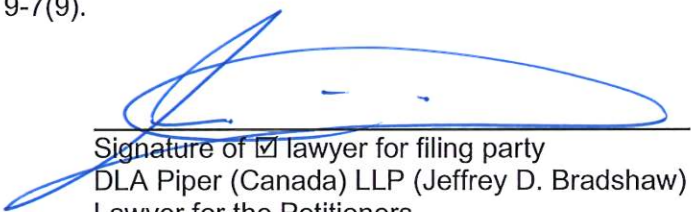
The applicants estimate that the application will take 2 hours.

- This matter is not within the jurisdiction of a master. Madam Justice Fitzpatrick is seized of this matter. The date and time for this Application has been confirmed with Supreme Court Scheduling.

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).

October 10, 2023 _____
 Dated


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

To be completed by the court only:	
Order made	
<input type="checkbox"/>	in the terms requested in paragraphs _____ of Part 1 of this notice of application
<input type="checkbox"/>	with the following variations and additional terms:

Date: _____	
Signature of <input type="checkbox"/> Judge <input type="checkbox"/> 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 "B"

No. S-235288
Vancouver Registry

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IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c.
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FINANCIAL, INC. AND THOSE PARTIES LISTED ON SCHEDULE "A"

PETITIONERS

ORDER MADE AFTER APPLICATION
(SECOND AMENDED AND RESTATED INITIAL ORDER)

BEFORE THE HONOURABLE)
MADAM JUSTICE FITZPATRICK) October 13, 2023
)
)

THE APPLICATION of the Petitioners coming on for hearing at Vancouver, British Columbia, on the October 13, 2023; AND ON HEARING Jeffrey D. Bradshaw, Samantha Arbor and Sean Gillis, articulated student, counsel for the Petitioners and those other counsel listed on Schedule "B" hereto; AND UPON READING the material filed, including the First Affidavit of Peter Kravitz sworn July 25, 2023 (the "**First Kravitz Affidavit**"), the Second Affidavit of Peter Kravitz sworn September 18, 2023 (the "**Second Kravitz Affidavit**") and the Third Affidavit of Peter Kravitz sworn October 10, 2023; AND UPON BEING ADVISED that the secured creditors who are likely to be affected by the charges created herein here given notice; 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 and the inherent jurisdiction of this Honourable Court;

THIS COURT ORDERS AND DECLARES THAT:

1. This Second Amended and Restated Initial Order amends and restates the Amended and Restated Initial Order (the "**ARIO**") of this Court made in these proceedings on August 3, 2023.

SERVICE

2. The time for service of the Petitioner's Notice of Application dated October 10, 2023, is abridged such that this Application is properly returnable today and service upon any

interested party other than those parties on the Service List (as defined below) is hereby dispensed with.

JURISDICTION

3. The Petitioners are companies to which the CCAA applies. For greater certainty, the companies set out in Schedule "A" to this Order shall enjoy the benefits of the protections provided herein, and shall be subject to the same restrictions hereunder.

DEFINED TERMS

4. Capitalized terms that are used in this Order shall have the meanings ascribed to them in the First Kravitz Affidavit if they are not otherwise defined herein.

POSSESSION OF PROPERTY AND OPERATIONS

5. Subject to this Order and any further Order of this Court, the Petitioners shall remain in possession and control of its current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the "**Property**"), and continue to carry on its business (the "**Business**") in the ordinary course and in a manner consistent with the preservation of the Business and the Property. The Petitioners shall be authorized and empowered to continue to retain and employ the employees, consultants, agents, experts, accountants, counsel and such other persons (collectively, "**Assistants**") currently retained or employed by them, with liberty to retain such further Assistants as they deem reasonably necessary or desirable in the ordinary course of business or for carrying out the terms of this Order.
6. The Petitioners shall be entitled to continue to utilize the central cash management system currently in place as described in the First Kravitz Affidavit, or, with the consent of the Interim Lender (as hereinafter defined), replace it with another substantially similar central cash management system (the "**Cash Management System**") and that any present or future bank providing the Cash Management System shall not be under any obligation whatsoever to inquire into the propriety, validity or legality of any transfer, payment, collection or other action taken under the Cash Management System, or as to the use or application by the Petitioners of funds transferred, paid, collected or otherwise dealt with in the Cash Management System, shall be entitled to provide the Cash Management System without any liability in respect thereof to any Person (as hereinafter defined) other than the Petitioners, pursuant to the terms of the documentation applicable to the Cash Management System, and shall be, in its capacity as provider of the Cash Management System, an unaffected creditor under any plan of compromise and arrangement (a "**Plan**") with regard to any claims or expenses it may suffer or incur in connection with the provision of the Cash Management System.
7. The Petitioners shall be entitled, but not required, to pay the following expenses which may have been incurred prior to the Order Date:

- (a) all outstanding wages, salaries, employee and pension benefits (including long and short term disability payments), vacation pay and expenses (but excluding severance pay) payable before or after the Order Date, in each case incurred in the ordinary course of business and consistent with the relevant compensation policies and arrangements existing at the time incurred (collectively "**Wages**"); and
 - (b) the fees and disbursements of any Assistants retained or employed by the Petitioners which are related to the Petitioners' restructuring, at their standard rates and charges, including payment of the fees and disbursements of legal counsel retained by the Petitioners, whenever and wherever incurred, in respect of:
 - (i) these proceedings or any other similar proceedings in other jurisdictions in which the Petitioners or any subsidiaries or affiliated companies of the Petitioners are domiciled;
 - (ii) any litigation in which the Petitioners are named as a party or is otherwise involved, whether commenced before or after the Order Date; and
 - (iii) any related corporate matters.
8. Except as otherwise provided herein, and subject to the terms of the Definitive Documents, the Petitioners shall be entitled to pay all expenses reasonably incurred by the Petitioners in carrying on the Business in the ordinary course following the Order Date, and in carrying out the provisions of this Order, which expenses shall include, without limitation:
- (a) all expenses and capital expenditures reasonably incurred and which are necessary for the preservation of the Property or the Business including, without limitation, payments on account of insurance (including directors' and officers' insurance), maintenance and security services, provided that any capital expenditure exceeding \$500,000 shall be approved by the Monitor;
 - (b) all obligations incurred by the Petitioners after the Order Date, including without limitation, with respect to goods and services actually supplied to the Petitioners following the Order Date (including those under purchase orders outstanding at the Order Date but excluding any interest on the Petitioners' obligations incurred prior to the Order Date); and
 - (c) fees and disbursements of the kind referred to in paragraph 7(b) which may be incurred after the Order Date.
9. The Petitioners are authorized to remit, in accordance with legal requirements, or pay:
- (a) any statutory deemed trust amounts in favour of the Crown in right of Canada or of any Province thereof or any other taxation authority which are required to be deducted from Wages, including, without limitation, amounts in respect of (i)

employment insurance, (ii) Canada Pension Plan, (iii) Quebec Pension Plan, and (iv) income taxes or any such claims which are to be paid pursuant to Section 6(3) of the CCAA;

- (b) all goods and services or other applicable sales taxes (collectively, "**Sales Taxes**") required to be remitted by the Petitioners in connection with the sale of goods and services by the Petitioners, but only where such Sales Taxes accrue or are collected after the Order Date, or where such Sales Taxes accrued or were collected prior to the Order Date but not required to be remitted until on or after the Order Date;
 - (c) any amount payable to the Crown in right of Canada or of any Province thereof or any political subdivision thereof or any other taxation authority in respect of municipal property taxes, municipal business taxes or other taxes, assessments or levies of any nature or kind which are entitled at law to be paid in priority to claims of secured creditors; and
 - (d) all interest and fees payable from time to time pursuant to and in accordance with the LT Term Loan.
10. Until such time as a real property lease is disclaimed in accordance with the CCAA, the Petitioners shall pay all amounts constituting rent or payable as rent under real property leases (including, for greater certainty, common area maintenance charges, utilities and realty taxes and any other amounts payable as rent to the landlord under the lease) based on the terms of existing lease arrangements or as otherwise may be negotiated between the Petitioners and the landlord from time to time ("**Rent**"), for the period commencing from and including the Order Date, twice-monthly in equal payments on the first and fifteenth day of the month in advance (but not in arrears). On the date of the first of such payments, any Rent relating to the period commencing from and including Order Date shall also be paid.
11. Except as specifically permitted herein, the Petitioners are hereby directed, until further Order of this Court:
- (a) to make no payments of principal, interest thereon or otherwise on account of amounts owing by the Petitioners to any of their creditors as of the Order Date except as authorized by this Order;
 - (b) to make no payments in respect of any financing leases which create security interests;
 - (c) to grant no security interests, trust, mortgages, liens, charges or encumbrances upon or in respect of any of their Property, nor become a guarantor or surety, nor otherwise become liable in any manner with respect to any other person or entity except as authorized by this Order;

- (d) to not grant credit except in the ordinary course of the Business only to its customers for goods and services actually supplied to those customers, provided such customers agree that there is no right of set-off in respect of amounts owing for such goods and services against any debt owing by the Petitioners to such customers as of the Order Date; and
- (e) to not incur liabilities except in the ordinary course of Business.

FINANCIAL ARRANGEMENTS

- 12. The Petitioners are hereby authorized and empowered to borrow, repay and reborrow from Republic pursuant and subject to the terms of the Republic Facility Agreement.
- 13. The Petitioners are hereby authorized and empowered to borrow, repay and reborrow from FCB pursuant and subject to the terms of the FCB Facility Agreement, subject to the terms of the Accommodation Agreement and the Definitive Documents.
- 14. FCB shall be entitled to and is hereby granted a charge (the "**Franchisee Lender Charge**") on the Property of NextPoint Financial Inc., NPI Holdco LLC, JTH Tax, LLC, LT Holdco, LLC, LT Intermediate Holdco, LLC, SiempreTax+ LLC, Wefile LLC, LTS Properties, LLC, JTH Court Plaza, LLC, LTS Software LLC, JTH Tax Office Properties, LLC, Liberty Credit Repair, LLC, 360 Accounting Solutions, LLC, JTH Financial, LLC, JTH Properties 1632, LLC, Liberty Tax Holding Corporation, and Liberty Tax Service, Inc. (collectively, the "**FCB Charged Property**") in an amount equal to the value of the indebtedness, interest, fees, liabilities and obligations to FCB in respect of loans entered into or advances made after the granting of this Order under and pursuant to the FCB Facility Agreement.

RESTRUCTURING

- 15. Subject to such requirements as are imposed by the CCAA, the Petitioners shall have the right to:
 - (a) subject to the terms of the Definitive Documents, permanently or temporarily cease, downsize or shut down all or any part of its Business or operations and commence marketing efforts in respect of any of its redundant or non-material assets and to dispose of redundant or non-material assets not exceeding \$50,000 in any one transaction or \$250,000 in the aggregate;
 - (b) terminate the employment of such of its employees or temporarily lay off such of its employees as it deems appropriate; and
 - (c) pursue all avenues of refinancing for its Business or Property, in whole or part;all of the foregoing to permit the Petitioners to proceed with an orderly restructuring of the Business (the "**Restructuring**").

16. The Petitioners shall provide each of the relevant landlords with notice of the Petitioners' intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the Petitioners' entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors who claim a security interest in the fixtures, such landlord and the Petitioners, or by further Order of this Court upon application by the Petitioners, the landlord or the applicable secured creditors on at least two (2) clear days' notice to the other parties. If the Petitioners disclaim the lease governing such leased premises in accordance with Section 32 of the CCAA, it shall not be required to pay Rent under such lease pending resolution of any dispute concerning such fixtures (other than Rent payable for the notice period provided for in Section 32(5) of the CCAA), and the disclaimer of the lease shall be without prejudice to the Petitioners' claim to the fixtures in dispute.
17. If a notice of disclaimer is delivered pursuant to Section 32 of the CCAA, then: (a) during the period prior to the effective time of the disclaimer, the landlord may show the affected leased premises to prospective tenants during normal business hours on giving the Petitioners and the Monitor 24 hours' prior written notice; and (b) at the effective time of the disclaimer, the landlord shall be entitled to take possession of any such leased premises without waiver of or prejudice to any claims the landlord may have against the Petitioners, or any other rights the landlord might have, in respect of such lease or leased premises and the landlord shall be entitled to notify the Petitioners of the basis on which it is taking possession and gain possession of and re-lease such leased premises to any third party or parties on such terms as the landlord considers advisable, provided that nothing herein shall relieve the landlord of its obligation to mitigate any damages claimed in connection therewith.
18. Pursuant to Section 7(3)(c) of the *Personal Information Protection and Electronics Documents Act*, S.C. 2000, c. 5 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, as applicable (the "**Relevant Enactment**"), the Petitioners, in the course of these proceedings, is permitted to, and hereby shall, disclose personal information of identifiable individuals in its possession or control to stakeholders, its advisors, prospective investors, financiers, buyers or strategic partners (collectively, "**Third Parties**"), but only to the extent desirable or required to negotiate and complete the Restructuring or to prepare and implement any Plan or transactions for that purpose; provided that the Third Parties to whom such personal information is disclosed enter into confidentiality agreements with the Petitioners binding them in the same manner and to the same extent with respect to the collection, use and disclosure of that information as if they were an organization as defined under the Relevant Enactment, and limiting the use of such information to the extent desirable or required to negotiate or complete the Restructuring or to prepare and implement any Plan or transactions for that purpose, and attorning to the jurisdiction of this Court for the purposes of that agreement. Upon the

completion of the use of personal information for the limited purposes set out herein, the Third Parties shall return the personal information to the Petitioners or destroy it. If the Third Parties acquire personal information as part of the Restructuring or the preparation and implementation of any Plan or transactions in furtherance thereof, such Third Parties may, subject to this paragraph and any Relevant Enactment, continue to use the personal information in a manner which is in all respects identical to the prior use thereof by the Petitioners.

APPOINTMENT OF CHIEF RESTRUCTURING OFFICER

19. A chief restructuring officer shall be appointed on the following terms:
- (a) the agreement dated as of July 1, 2023, pursuant to which the Petitioners have engaged Province, LLC and Province Fiduciary Services, LLC (collectively "**Province**") to provide the services of Peter Kravitz to act as chief restructuring officer to the Petitioners (the "**CRO**") and other supporting personnel of Province, LLC (the "**Supporting Personnel**"), a copy of which is attached as Exhibit "**S**" to the First Kravitz Affidavit (the "**CRO Engagement Letter**"), and the appointment of the CRO pursuant to the terms thereof is hereby approved, including, without limitation, payment of the Monthly Fees (as defined in the CRO Engagement Letter and the Transaction Fee (as defined in the CRO Engagement Letter);
 - (b) the CRO shall perform the functions set out in the CRO Engagement Letter. The CRO shall provide timely updates to the Monitor in respect of their activities;
 - (c) in addition to the rights and protections afforded the CRO as an officer of this Court, the CRO shall not be or be deemed to be a director, *de facto* director, or employee of any entity of the Petitioners;
 - (d) nothing in this Order shall be construed as resulting in Province (or any director, officer or employee thereof) or the CRO being an employer, successor employer, a responsible person, operator or person with apparent authority within the meaning of any statute, regulation or rule of law, or equity (including any Environmental Legislation, each as defined below) for any purpose whatsoever;
 - (e) none of Province, its officers, directors, or employees, nor the CRO shall, as a result of the performance of their respective obligations and duties in accordance with the terms of the CRO Engagement Letter, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation; provided however, if Province or the CRO is nevertheless found to be in Possession of any Property under Environmental Legislation, then Province or the CRO, as the case may be, shall be entitled to the benefits and protections in relation to the Petitioners and such Property as are provided to a monitor under section 11.8(3) of the CCAA; provided further however, that nothing in this subparagraph shall exempt Province

or the CRO from any duty to report or make disclosure imposed by a law and incorporated by reference in section 11.8(4) of the CCAA;

- (f) Province and the CRO shall not incur any liability or obligation as a result of the appointment or carrying out duties as CRO, whether before or after the granting of this Order, save and except for any gross negligence or wilful misconduct, provided that any liability of Province and the CRO with respect to carrying out duties as CRO shall in no event exceed the quantum of the fees paid under the CRO Agreement;
 - (g) no action or other proceeding shall be commenced in relation to NextPoint directly, or by way of counterclaim, third party claim or otherwise, against or in respect of Province, its officers, directors, employees, or the CRO, and all rights and remedies of any Person against or in respect of them are hereby stayed and suspended, except with the written consent of the CRO or with leave of this Court on notice to the Petitioners, the Monitor, and the CRO, provided, however, that nothing in this order, including this subparagraph 19(g) shall affect such investigations, actions, suits or proceedings by a regulatory body that are permitted by section 11.1 of the CCAA. Notice of any such motion seeking leave of this Court shall be served upon the Petitioners, the Monitor, and the CRO at least seven (7) days prior to the return date of any such motion for leave;
 - (h) the obligations of the Petitioners to Province (and any director, officer or employee thereof) and the CRO pursuant to the CRO Engagement Letter, are not claims that may be compromised pursuant to any Plan, any proposal under the *Bankruptcy and Insolvency Act* or any other restructuring and no such Plan, proposal or restructuring shall be approved that does not provide for the payment of all amounts due to Province (and any director, officer or employee thereof) and the CRO pursuant to the terms of the CRO Engagement Letter; and
 - (i) for the purpose of carrying out the functions and duties set out in the CRO Engagement Letter, the CRO (i) shall have full and complete access to the property of the Petitioners, including the premises, books, records, data (including data in electronic format) and other financial documents of the Petitioners, and (ii) is hereby authorized to meet with any employee, director, representative or agent of the Petitioners. The employees, directors, representatives, and agents of the Petitioners are hereby directed to fully cooperate with the CRO in connection with the functions and duties set out in the CRO Engagement Letter.
20. Province and the CRO shall be entitled to the benefit of and are hereby granted a charge on the Property (the "**CRO Charge**"), which shall not exceed an aggregate amount of \$1,000,000, to secure the Monthly Fees (as defined in the CRO Engagement Letter) and other amounts payable to Province (and any director, officer or employee thereof) and the CRO under the CRO Engagement Letter, other than the Transaction Fee (as defined in

the CRO Engagement Letter). The CRO Charge shall have the priority set out in paragraphs 53 and 56 hereof.

POWERS OF THE CRO

21. In addition to and in no way derogating from the powers and duties of the CRO as otherwise set out in the CRO Engagement Letter and this Order, the CRO is hereby granted the following powers to be exercised in his discretion and when he considers it appropriate:
- (a) to exercise all powers necessary to operate the Business;
 - (b) to exercise the restructuring powers set out in paragraphs 15 to 18 of this Order;
 - (c) to disclaim or resiliate agreements to which the Petitioners are parties, pursuant to section 32 of the CCAA, including without limitation, taking all ancillary and necessary steps in relation to such disclaimers or resiliations;
 - (d) to take all steps and execute such necessary documents, certificates and agreements, on behalf of the Petitioners, including preparation of budgets and cash flows;
 - (e) to exercise the powers and authority granted to the Petitioners under paragraphs 5 through 18 of this Order, take all steps and execute such necessary documents, certificates and agreements, on behalf of the Petitioners, in respect of or reasonably incidental to the banking, financial or administrative activities of such Petitioner; and
 - (f) to perform such other duties or take steps reasonably incidental to the exercise of any powers and obligations conferred upon the CRO by this Order or any further order of this Court.
22. No provision of this Order is intended, or shall be deemed, to appoint or otherwise obligate the CRO as a director or employee of any of the Petitioners. Additionally, nothing in this Order shall be deemed to constitute the CRO as a receiver, trustee, assignee, liquidator or receiver and manager of any of the Petitioners.

STAY OF PROCEEDINGS, RIGHTS AND REMEDIES

23. Until and including November 20, 2023, or such later date as this Court may order (the "**Stay Period**"), no action, suit or proceeding in any court or tribunal (each, a "**Proceeding**") against or in respect of the Petitioners or the Monitor, or affecting the Business or the Property, shall be commenced or continued except with the written consent of the Petitioners and the Monitor or with leave of this Court, and any and all Proceedings currently under way against or in respect of the Petitioners or affecting the

Business or the Property are hereby stayed and suspended pending further Order of this Court.

24. During the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being "**Persons**" and each being a "**Person**") against or in respect of the Petitioners or the Monitor, or affecting the Business or the Property, are hereby stayed and suspended except with the written consent of the Petitioners and the Monitor or leave of this Court.
25. During the Stay Period, no Proceeding shall be commenced or continued against or in respect of any of the Petitioners' franchisees (collectively, the "**Franchisees**"), or any of their current and future assets, business, undertaking and properties of every nature and kind whatsoever, and wherever situate, including all proceeds thereof (collectively, the "**Franchisee Property**", and together with the Franchisees' business, the "**Franchisee Business and Property**") including, without limitation, terminating, making any demand, accelerating, amending or declaring in default or taking any enforcement steps under any agreement or agreements, and no default or event of default shall have occurred or be deemed to have occurred under any such agreement or agreements, by reason of:
 - (a) The insolvency of the Petitioners;
 - (b) Any of the Petitioners having made a petition to this Court under the CCAA;
 - (c) Any of the Petitioners being party to these proceedings;
 - (d) Any of the Petitioners taking any step related to these proceedings; or
 - (e) Any default or cross-default arising from the matters set out in subparagraphs (a), (b), (c) or (d) above (collectively, the "**Franchisee Default Events**").
26. During the Stay Period, all rights and remedies of any Person against or in respect of the Franchisees, or affecting the Franchisee Property and Business, as a result of a Franchisee Default Event, are hereby stayed and suspended except with the written consent of the Petitioners and the Monitor or leave of this Court.
27. During the Stay Period, no Proceeding shall be commenced or continued against or in respect of LoanMe Trust Prime 2018-1 and LoanMe Trust SBL 2019-1 (collectively, the "**LoanMe Income Trusts**"), or any of their current and future assets, business, undertaking and properties of every nature and kind whatsoever, and wherever situate, including all proceeds thereof (collectively, the "**LoanMe Trust Property**", and together with the Trust portfolios, the "**Trust Portfolios and Property**") including, without limitation, terminating, making any demand, accelerating, amending or declaring in default or taking any enforcement steps under any agreement or agreements, and no default or event of default shall have occurred or be deemed to have occurred under any such agreement or agreements, by reason of:

- (a) The insolvency of the Petitioners;
- (b) Any of the Petitioners or the LoanMe Income Trusts having filed a petition to this Court under the CCAA;
- (c) Any of the Petitioners or the LoanMe Income Trusts being or having been party to these proceedings;
- (d) Any of the Petitioners taking any step related to these proceedings; or
- (e) Any default or cross-default arising from the matters set out in subparagraphs (a), (b), (c) or (d) above

(collectively, the "**Petitioner Default Events**").

28. During the Stay Period, all rights and remedies of any Person against or in respect of the LoanMe Income Trusts, or affecting the Trust Portfolios and Property, as a result of a Petitioner Default Event, are hereby stayed and suspended except with the written consent of the Petitioners and the Monitor or leave of this Court.
29. Nothing in this Order, including paragraphs 23 and 24, shall: (i) empower the Petitioners to carry on any business which the Petitioners are not lawfully entitled to carry on; (ii) affect such investigations, actions, suits or proceedings by a regulatory body as are permitted by Section 11.1 of the CCAA; (iii) prevent the filing of any registration to preserve or perfect a mortgage, charge or security interest (subject to the provisions of Section 39 of the CCAA relating to the priority of statutory Crown securities); or (iv) prevent the registration or filing of a lien or claim for lien or the commencement of a Proceeding to protect lien or other rights that might otherwise be barred or extinguished by the effluxion of time, provided that no further step shall be taken in respect of such lien, claim for lien or Proceeding except for service of the initiating documentation on the Petitioners.

NO INTERFERENCE WITH RIGHTS

30. During the Stay Period, no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Petitioners, except with the written consent of the Petitioners and the Monitor or leave of this Court.

CONTINUATION OF SERVICES

31. During the Stay Period, all Persons having oral or written agreements with the Petitioners or mandates under an enactment for the supply of goods and/or services, including without limitation all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation, services, utility or other services to the Business or the Petitioners, are hereby restrained until further Order of this Court from discontinuing, altering, interfering with, or terminating the supply of such goods

or services as may be required by the Petitioners, and that the Petitioners shall be entitled to the continued use of its current premises, telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the Order Date are paid by the Petitioners in accordance with normal payment practices of the Petitioners or such other practices as may be agreed upon by the supplier or service provider and the Petitioners and the Monitor, or as may be ordered by this Court.

NON-DEROGATION OF RIGHTS

32. Notwithstanding any provision in this Order, no Person shall be prohibited from requiring immediate payment for goods, services, use of leased or licensed property or other valuable consideration provided on or after the Order Date, nor shall any Person, other than Republic and FCB pursuant to paragraphs 12-14 above, be under any obligation to advance or re-advance any monies or otherwise extend any credit to the Petitioners on or after the Order Date. Nothing in this Order shall derogate from the rights conferred and obligations imposed by the CCAA.

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

33. During the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA, no Proceeding may be commenced or continued against the directors or officers of the Petitioners with respect to any claim against the directors or officers that arose before the date hereof and that relates to any obligations of the Petitioners whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers for the payment or performance of such obligations, until a compromise or arrangement in respect of the Petitioners, if one is filed, is sanctioned by this Court or is refused by the creditors of the Petitioners or this Court. Nothing in this Order, including in this paragraph, shall prevent the commencement of a Proceeding to preserve any claim against a director or officer of the Petitioners that might otherwise be barred or extinguished by the effluxion of time, provided that no further step shall be taken in respect of such Proceeding except for service of the initiating documentation on the applicable director or officer.

DIRECTORS AND OFFICERS INDEMNIFICATION AND CHARGE

34. The Petitioners shall indemnify its directors and officers against obligations and liabilities that they may incur as directors or officers of the Petitioners after the commencement of the within proceedings, except to the extent that, with respect to any director or officer, the obligation or liability was incurred as a result of the director's or officer's gross negligence or wilful misconduct.
35. The directors and officers of the Petitioners shall be entitled to the benefit of and are hereby granted a charge (the "**Directors' Charge**") on the Property, which charge shall not exceed an aggregate amount of \$3,000,000 as security for the indemnity provided in

paragraph 34 of this Order. The Directors' Charge shall have the priority set out in paragraphs 53 and 56 herein.

36. Notwithstanding any language in any applicable insurance policy to the contrary, (a) no insurer shall be entitled to be subrogated to or claim the benefit of the Directors' Charge, and (b) the Petitioners' directors and officers shall only be entitled to the benefit of the Directors' Charge to the extent that they do not have coverage under any directors' and officers' insurance policy, or to the extent that such coverage is insufficient to pay amounts indemnified in accordance with paragraph 34 of this Order.

APPOINTMENT OF MONITOR

37. FTI Consulting Canada Inc. ("FTI") is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the business and financial affairs of the Petitioners with the powers and obligations set out in the CCAA or set forth herein, and that the Petitioners and their shareholders, officers, directors, and Assistants shall advise the Monitor of all material steps taken by the Petitioners pursuant to this Order, and shall co-operate fully with the Monitor in the exercise of its powers and discharge of its obligations and provide the Monitor with the assistance that is necessary to enable the Monitor to adequately carry out the Monitor's functions.
38. The Monitor, in addition to its prescribed rights and obligations under the CCAA, is hereby directed and empowered to:
- (a) monitor the Petitioners' receipts and disbursements;
 - (b) report to this Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, and such other matters as may be relevant to the proceedings herein;
 - (c) assist the Petitioner, to the extent required by the Petitioner, in its dissemination, to the Interim Lender (as hereinafter defined) and its counsel on a monthly basis of financial and other information as agreed to between the Petitioner and the Interim Lender which may be used in these proceedings including reporting on a basis to be agreed with the Interim Lender;
 - (d) advise the Petitioners in their preparation of the Petitioners' cash flow statements and reporting required by the Interim Lender, which information shall be reviewed with the Monitor and delivered to the Interim Lender and its counsel on a periodic basis, but not less than monthly, or as otherwise agreed to by the Interim Lender;
 - (e) monitor all payments, obligations or transfers as between the Petitioners for purposes of determining the amounts subject to the Intercompany Charges (as defined below);

- (f) have full and complete access to the Property, including the premises, books, records, data, including data in electronic form, and other financial documents of the Petitioners, to the extent that is necessary to adequately assess the Petitioners' business and financial affairs or to perform its duties arising under this Order;
 - (g) be at liberty to engage independent legal counsel or such other persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order; and
 - (h) perform such other duties as are required by this Order or by this Court from time to time.
39. The Monitor shall not take possession of the Property and shall take no part whatsoever in the management or supervision of the management of the Business and shall not, by fulfilling its obligations hereunder, or by inadvertence in relation to the due exercise of powers or performance of duties under this Order, be deemed to have taken or maintained possession or control of the Business or Property, or any part thereof, and nothing in this Order shall be construed as resulting in the Monitor being an employer or a successor employer, within the meaning of any statute, regulation or rule of law or equity, for any purpose whatsoever.
40. Nothing herein contained shall require or allow the Monitor to occupy or to take control, care, charge, possession or management (separately and/or collectively, "**Possession**") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Fisheries Act*, the *British Columbia Environmental Management Act*, the *British Columbia Fish Protection Act* and regulations thereunder (the "**Environmental Legislation**"), provided however that nothing herein shall exempt the Monitor from any duty to report or make disclosure imposed by applicable Environmental Legislation. For greater certainty, the Monitor shall not, as a result of this Order or anything done in pursuance of the Monitor's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.
41. The Monitor shall provide any creditor of the Petitioners and the Interim Lender with information provided by the Petitioners in response to reasonable requests for information made in writing by such creditor addressed to the Monitor. The Monitor shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Monitor has been advised by the Petitioners is confidential, the Monitor shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Monitor and the Petitioners may agree.

42. In addition to the rights and protections afforded the Monitor under the CCAA or as an officer of this Court, the Monitor shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the rights and protections afforded the Monitor by the CCAA or any applicable legislation.

FEES AND DISBURSEMENTS

43. The Monitor, counsel to the Monitor, counsel to the BP Lenders (as defined in the First Kravitz Affidavit) and counsel to the Petitioners shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, by the Petitioners as part of the cost of these proceedings, whether incurred prior to, on, or subsequent to the date of this Order. The Petitioners are hereby authorized and directed to pay the accounts of the Monitor, counsel to the Monitor, counsel to the BP Lenders and counsel to the Petitioners on a weekly basis and, in addition, the Petitioners are hereby authorized to pay to the Monitor, counsel to the Monitor, and counsel to the Petitioners, retainers in the amount of USD \$100,000, USD \$50,000 and USD \$200,000 respectively, to be held by them as security for payment of their respective fees and disbursements outstanding from time to time.
44. The Monitor and its legal counsel shall pass their accounts from time to time, and for this purpose the accounts of the Monitor and its legal counsel are hereby referred to a judge of the British Columbia Supreme Court who may determine the manner in which such accounts are to be passed, including by hearing the matter on a summary basis or referring the matter to a Registrar of this Court.

ADMINISTRATION CHARGE

45. The Monitor, counsel to the Monitor, and counsel to the Petitioners shall be entitled to the benefit of and are hereby granted a charge (the "**Administration Charge**") on the Property, which charge shall not exceed an aggregate amount of \$2,000,000, as security for their respective fees and disbursements incurred at their standard rates and charges, both before and after the making of this Order in respect of these proceedings. The Administration Charge shall have the priority set out in paragraphs 53 and 56 hereof.

INTERCOMPANY CHARGE

46. To the extent that any Petitioner (an "**Intercompany Lender**") after the date of this Order makes any payment to or on behalf of, or incurs any obligation on behalf of, or discharges any obligation of, a Petitioner (other than itself) (the "**Debtor Petitioner**"), such Intercompany Lender is hereby granted a charge (each, an "**Intercompany Charge**") on all of the Property of such Debtor Petitioner in the amount of such payment, obligation or transfer. The Intercompany Charge shall have the priority set out in paragraphs 53 and 56 hereof.

INTERIM FINANCING

47. The Petitioner is hereby authorized and empowered to obtain and borrow under a credit facility from the BP Lenders and Drake (the "**Interim Lender**") in order to finance the continuation of the Business and preservation of the Property, provided that borrowings under such credit facility shall not exceed \$25 million USD unless permitted by further Order of this Court.
48. Such credit facility shall be on the terms and subject to the conditions set forth in the commitment letter between the Petitioner and the Interim Lender dated as of July 25, 2023 (the "**Commitment Letter**"), filed.
49. The Petitioner is hereby authorized and empowered to execute and deliver such credit agreements, mortgages, charges, hypothecs and security documents, guarantees and other definitive documents (collectively and together with the Commitment Letter, the "**Definitive Documents**", which, for the avoidance of doubt, includes the DIP Budget), as are contemplated by the Commitment Letter or as may be reasonably required by the Interim Lender pursuant to the terms thereof, and the Petitioner is hereby authorized and directed to pay and perform all of its indebtedness, interest, fees, liabilities and obligations to the Interim Lender under and pursuant to the Commitment Letter and the Definitive Documents as and when the same become due and are to be performed, notwithstanding any other provision of this Order.
50. The Interim Lender shall be entitled to the benefit of and is hereby granted a charge (the "**Interim Lender's Charge**") on the Property. The Interim Lender's Charge shall not secure an obligation that exists before this Order is made. The Interim Lender's Charge shall have the priority set out in paragraphs 53 and 56 hereof.
51. Notwithstanding any other provision of this Order:
 - (a) the Interim Lender may take such steps from time to time as it may deem necessary or appropriate to file, register, record or perfect the Interim Lender's Charge or any of the Definitive Documents;
 - (b) upon the occurrence of an event of default under any of the Definitive Documents or the Interim Lender's Charge, the Interim Lender, upon 5 days' notice to the Petitioner and the Monitor, may exercise any and all of its rights and remedies against the Petitioner or the Property under or pursuant to the Commitment Letter, Definitive Documents and the Interim Lender's Charge, including without limitation, to cease making advances to the Petitioner and set off and/or consolidate any amounts owing by the Interim Lender to the Petitioner against the obligations of the Petitioner to the Interim Lender under the Commitment Letter, the Definitive Documents or the Interim Lender's Charge, to make demand, accelerate payment and give other notices, or to apply to this Court for the appointment of a receiver, receiver and manager or interim receiver, or for a bankruptcy order against the

Petitioner or the Property under or pursuant to the Definitive Documents and the Interim Lender's Charge, including without limitation, for the appointment of a trustee in bankruptcy of the Petitioner; and

- (c) the foregoing rights and remedies of the Interim Lender shall be enforceable against any trustee in bankruptcy, interim receiver, receiver or receiver and manager of the Petitioner or the Property.

- 52. The Interim Lender, in such capacity, shall be treated as unaffected in any plan of arrangement or compromise filed by the Petitioner under the CCAA, or any proposal filed by the Petitioner under the *Bankruptcy and Insolvency Act* of Canada (the "**BIA**"), with respect to any advances made under the Definitive Documents.

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

- 53. The priorities of the Administration Charge, the CRO Charge, the Directors' Charge, each Intercompany Charge, the Franchisee Lender Charge, and the Interim Lender's Charge as among them, shall be as follows:

First – Administration Charge (to the maximum amount of \$2,000,000) and the CRO Charge (to the maximum amount of \$1,000,000), on a *pari passu* basis;

Second –

- a) Interim Lender's Charge and the Franchisee Lender Charge, on a *pari passu* basis, secured against the FCB Charged Property, and
- b) Interim Lender's Charge, secured against all of the Property that is not FCB Charged Property;

Third – Directors' Charge (to the maximum amount of \$3,000,000); and

Fourth – Intercompany Charge.

- 54. Any security documentation evidencing, or the filing, registration or perfection of, the Administration Charge, the CRO Charge, the Interim Lender's Charge, the Franchisee Lender Charge and the Directors' Charge (collectively, the "**Charges**") shall not be required, and that the Charges shall be effective as against the Property and shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect any such Charges.
- 55. Each of the Charges shall constitute a mortgage, security interest, assignment by way of security and charge on the Property and such Charges shall rank in priority to all other security interests, trusts, liens, mortgages, charges and encumbrances and claims of

secured creditors, statutory or otherwise (collectively, "**Encumbrances**"), in favour of any Person, save and except those claims contemplated by section 11.8(8) of the CCAA.

56. Except as otherwise expressly provided herein, or as may be approved by this Court, the Petitioners shall not grant or suffer to exist any Encumbrances over any Property that rank in priority to, or *pari passu* with the Charges, unless the Petitioners obtain the prior written consent of the Monitor and the beneficiaries of the Charges.
57. The Charges shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Charges (collectively, the "**Chargees**") shall not otherwise be limited or impaired in any way by (a) the pendency of these proceedings and the declarations of insolvency made herein; (b) any application(s) for bankruptcy order(s) issued pursuant to the BIA, or any bankruptcy order made pursuant to such applications; (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (d) the provisions of any federal or provincial statutes; or (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, mortgage, security agreement, debenture, sublease, offer to lease or other agreement (collectively, an "**Agreement**") which binds any of the Petitioners; and notwithstanding any provision to the contrary in any Agreement:
- (a) neither the creation of the Charges nor the execution, delivery, perfection, registration or performance of the Commitment Letter or the other Definitive Documents shall create or be deemed to constitute a breach by any of the Petitioners of any Agreement to which it is a party;
 - (b) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the creation of the Charges or the execution, delivery or performance of the Definitive Documents; and
 - (c) the payments made by the Petitioners pursuant to this Order, the Commitment Letter or the other Definitive Documents, and the granting of the Charges, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.
58. Any Charge created by this Order over leases of real property in Canada shall only be a Charge in the Petitioners' interest in such real property leases.

SERVICE AND NOTICE

59. The Petitioners and the Monitor are at liberty to serve this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or electronic

transmission to the Petitioners' creditors or other interested parties at their respective addresses as last shown on the records of the Petitioners and that any such service or notice by courier, personal delivery or electronic transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

60. Any Person that wishes to be served with any application and other materials in these proceedings must deliver to the Monitor by way of ordinary mail, courier, personal delivery or electronic transmission a request to be added to a service list (the "**Service List**") to be maintained by the Monitor. The Monitor shall post and maintain an up to date form of the Service List on its website at: <http://cfcanada.fticonsulting.com/nextpoint> (the "**Monitor's Website**").
61. Any party to these proceedings may serve any court materials in these proceedings by emailing a PDF or other electronic copy of such materials to counsels' email addresses as recorded on the Service List from time to time, and the Monitor shall post a copy of all prescribed materials on the Monitor's Website.
62. Notwithstanding paragraphs 65 and 66 of this Order, service of the Petition, the Notice of Hearing of Petition, any affidavits filed in support of the Petition and this Order shall be made on the Federal and British Columbia Crowns in accordance with the *Crown Liability and Proceedings Act*, R.S.C. 1985, c. C-50, and regulations thereto, in respect of the Federal Crown, and the *Crown Proceeding Act*, R.S.B.C. 1996, c. 89, in respect of the British Columbia Crown.

GENERAL

63. The Petitioners or the Monitor may from time to time apply to this Court for directions in the discharge of its powers and duties hereunder.
64. Nothing in this Order shall prevent the Monitor from acting as an interim receiver, a receiver, a receiver and manager, or Licensed Insolvency Trustee of the Petitioners, the Business or the Property.
65. THIS COURT REQUESTS the aid and recognition of other Canadian and foreign Courts, tribunal, regulatory or administrative bodies, including any Court or administrative tribunal of any federal or State Court or administrative body in the United States of America, to act in aid of and to be complementary to this Court in carrying out the terms of this Order where required. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Petitioners and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Petitioners and the Monitor and their respective agents in carrying out the terms of this Order.

66. Each of the Petitioners and the Monitor be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order and the CRO, acting as the authorized officer for Petitioner, NextPoint Financial Inc. as a foreign representative, duly and hereby appointed, is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada, including acting as a foreign representative of the Petitioners to apply to the United States Bankruptcy Court for relief pursuant to Chapter 15 of the *United States Bankruptcy Code*, 11 U.S.C. §§ 101-1330, as amended.
67. The Petitioners may (subject to the provisions of the CCAA and the BIA) at any time file a voluntary assignment in bankruptcy or a proposal pursuant to the commercial reorganization provisions of the BIA if and when the Petitioners determine that such a filing is appropriate.
68. The Petitioners are hereby at liberty to apply for such further interim or interlocutory relief as it deems advisable within the time limited for Persons to file and serve Responses to the Petition.
69. Leave is hereby granted to hear any application in these proceedings on two (2) clear days' notice after delivery to all parties on the Service List of such Notice of Application and all affidavits in support, subject to the Court in its discretion further abridging or extending the time for service.
70. Any interested party (including the Petitioners and the Monitor) may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to all parties on the Service List and to any other party or parties likely to be affected by the order sought or upon such other notice, if any, as this Court may order.
71. Endorsement of this Order by counsel appearing on this application is hereby dispensed with.

72. This Order and all of its provisions are effective as of 12:01 a.m. local Vancouver time on the Order Date.

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 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 Stores LLC
25. LM BP Holdings, LLC
26. InsightsLogic LLC
27. LM 2020 CM I SPE, LLC

SCHEDULE "B"

NAME OF COUNSEL	PARTY REPRESENTING
Kibben Jackson Lisa Hiebert	The Monitor
Lance Williams	First Century Bank, N.A.
Marc Wasserman David Rosenblat	BasePoint
Martin Sennott	Drake Enterprises Ltd.

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

AND

IN THE MATTER OF A PLAN OF COMPROMISE AND
ARRANGEMENT OF NEXTPOINT FINANCIAL, INC. AND
THOSE PARTIES LISTED ON SCHEDULE "A"

PETITIONERS

ORDER MADE AFTER APPLICATION

DLA Piper (Canada) LLP
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File No.: 109926-00007

JDB/saa

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

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SAA/day