

**ONTARIO
SUPERIOR COURT OF JUSTICE**

COMMERCIAL LIST

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

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF NELSON EDUCATION LTD. AND
NELSON EDUCATION HOLDINGS LTD.**

Applicants

**MOTION RECORD
(Returnable August 27, 2015)**

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INDEX

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INDEX

Tab	Document
1.	Notice of Motion dated August 24, 2015
2.	Draft Order

TAB 1

Court File No. CV15-10961-00CL

**ONTARIO
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**NOTICE OF MOTION
(Returnable August 27, 2015)**

The Applicants will bring a motion before the Honourable Justice Newbould on August 27, 2015, at 10:00 a.m. or as soon before or after that time as the matter may be heard at 330 University Avenue, Toronto, Ontario.¹

PROPOSED METHOD OF HEARING: The motion is to be heard orally.

1. THE APPLICANTS MAKE A MOTION FOR AN ORDER:

- (a) abridging the time for and validating the service of this Notice of Motion and the Motion Record and dispensing with further service thereof;
- (b) extending the Stay Period (as defined in the Amended and Restated Initial Order of this Court dated June 8, 2015 (the "**Amended and Restated Initial Order**")) to September 30, 2015; and
- (c) such further and other relief as this Court deems just.

¹ Any capitalized terms that are not defined herein shall have the meanings ascribed to them in the Affidavit of Greg Nordal sworn May 11, 2015, attached as Tab 2 to the Application Record of the Applicants, filed.

- 2 -

2. THE GROUNDS FOR THE MOTION ARE:

- (a) on May 12, 2015, the Court granted an Order (the “**Initial Order**”), *inter alia*, (i) granting a stay of proceedings under the CCAA in respect of the Applicants until June 10, 2015, and (ii) setting a date of May 29, 2015 for a comeback hearing (the “**Comeback Hearing**”) to allow any interested party that wished to amend or vary the Initial Order to appear or bring a motion before the Court;
- (b) at the Comeback Hearing on May 29, 2015, the Court appointed FTI Consulting Canada Inc. as the Monitor (the “**Monitor**”) of the Applicants going forward in these CCAA proceedings;
- (c) on June 8, 2015, this Court granted the Amended and Restated Initial Order which, among other things, extended the Stay Period to July 17, 2015;
- (d) on June 29, 2015, this Court granted an Order extending the Stay Period to August 31, 2015;
- (e) the Applicants are bringing a motion seeking Court approval of the proposed Transaction (the “**Sale Approval Motion**”), which motion was scheduled for August 13, 2015, and subsequently adjourned to August 27, 2015;
- (f) since the Initial Order, the Applicants have acted and continue to act in good faith and with due diligence in carrying out the terms of the Orders of this Court and in respect of all matters relating to the CCAA proceedings;
- (g) subject to obtaining Court approval of the Transaction at the Sale Approval Motion and satisfying the other conditions under the Purchase Agreement, the Applicants intend to complete the Transaction effective August 31, 2015;
- (h) the Applicants require an extension of the Stay Period to September 30, 2015 to, among other things, (i) continue to manage and operate the Nelson Business in the ordinary course while working to implement the Transaction, subject to Court approval; (ii) complete the Transaction if it is approved by the Court at the Sale Approval Motion; (iii) attend to the necessary corporate and commercial steps

- 3 -

required to implement the Transaction; (iv) continue to work with stakeholders in connection with matters related to the Applicants and these proceedings; and (v) attend to the orderly termination of these CCAA proceedings and the wind-down of the Applicants following the sale and transition of the Nelson Business to the Purchaser;

- (i) the Company's cash flow forecast attached to the Third Report of the Monitor dated August 4, 2015 (the "**Monitor's Third Report**") indicates that the Applicants will have sufficient funding to meet their post-filing obligations during the requested extended Stay Period;
- (j) under the Purchase Agreement, on closing of the Transaction, the Applicants will retain a cash reserve of \$1.15 million post-closing (the "**Cash Reserve**") to complete post-closing and CCAA matters, and any funds remaining in the Cash Reserve on the earlier of the wind-down of the Company or 18 months from the closing of the Transaction are required to be returned to the Purchaser pursuant to the Purchase Agreement;
- (k) the Applicants consulted with the Monitor in respect of the relief sought in this motion;
- (l) the provisions of the CCAA and the inherent and equitable jurisdiction of this Court;
- (m) Rules 1.04, 1.05, 2.03, 3.02, 16, and 37 of the *Rules of Civil Procedure*, R.R.O. 1990, Reg. 194, as amended; and
- (n) such further and other grounds as counsel may advise and this Court may permit.

3. THE FOLLOWING DOCUMENTARY EVIDENCE WILL BE USED AT THE HEARING OF THE MOTION:

- (a) the affidavits, transcripts, written questions and answers of the affiants, evidence and Monitor's reports filed in connection with the motions returnable August 27, 2015 and these proceedings;

- 4 -

- (b) the Monitor's Third Report and the appendices attached thereto, filed, and the Fourth Report of the Monitor and any appendices attached thereto, to be filed; and
- (c) such materials as counsel may advise and this Court may permit.

- 5 -

Date: August 24, 2015

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**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT* ACT,
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Proceeding commenced at Toronto

**NOTICE OF MOTION
(Returnable August 27, 2015)**

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TAB 2

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**ONTARIO
SUPERIOR COURT OF JUSTICE
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THE HONOURABLE)	THURSDAY, THE 27 TH
)	
JUSTICE NEWBOULD)	DAY OF AUGUST, 2015

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ORDER

THIS MOTION made by Nelson Education Ltd. ("**Nelson Education**") and Nelson Education Holdings Ltd. (together with Nelson Education, the "**Applicants**") pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Notice of Motion, filed, and the Third and Fourth Reports of FTI Consulting Canada Inc. in its capacity as the Court-appointed Monitor of the Applicants (the "**Monitor**"), filed, and on hearing the submissions of counsel for the Applicants, the Monitor, the First Lien Steering Committee and the First Lien Agent (each as defined in the Amended and Restated Initial Order of this Court dated June 8, 2015 (the "**Amended and Restated Initial Order**")), and the Royal Bank of Canada, in its capacities as First Lien Lender, Second Lien Agent, Second Lien Lender and provider of the Applicants' Cash Management System (each as defined in the Amended and Restated Initial Order), and no one else appearing although duly served as appears from the affidavit of service ● sworn ●, 2015, filed,

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

 2. **THIS COURT ORDERS** that the Stay Period, as such term is defined in the Amended and Restated Initial Order, be and is hereby extended to and including 11:59 p.m. on September 30, 2015, and that all other terms of the Amended and Restated Initial Order shall remain in full force and effect, unamended, except as may be required to give effect to this paragraph or otherwise provided in this Order.

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

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