

COURT OF APPEAL

BETWEEN:

M&M BUSINESS GROUP, L.P., MUFEED HADDAD and MIKE BUDKA

APPELLANT

AND:

NEXTPPOINT FINANCIAL, INC., AND THOSE PARTIES LISTED ON SCHEDULE "A"

RESPONDENTS
(PETITIONERS)

AND:

FTI CONSULTING CANADA INC., FIRST CENTURY BANK, N.A., BASEPOINT, DRAKE
ENTERPRISES LTD., FRONTIER CAPITAL GROUP LTD., CHILMARK ADMINISTRATIVE
LLC, TMI TRUST COMPANY, CMB TAX SERVICE, LLC, and HIS MAJESTY THE KING IN
RIGHT OF CANADA

RESPONDENTS

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Schedule "A"

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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

1. CTAX Acquisition LLC
2. Community Tax Puerto Rico LLC
3. Community Tax LLC

Loan Me Entities

1. NPLM Holdco LLC
2. MMS Servicing LLC

3. LoanMe, LLC
4. LoanMe Funding, LLC
5. LM Retention Holdings, LLC
6. LoanMe Stores LLC
7. LM BP Holdings, LLC
8. InsightsLogic LLC
9. LM 2020 CM I SPE, LLC

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RESPONDENTS
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LLC, TMI TRUST COMPANY, CMB TAX SERVICE, LLC, and HIS MAJESTY THE KING IN
RIGHT OF CANADA

RESPONDENTS

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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

**ORDER MADE AFTER APPLICATION
APPROVAL AND VESTING ORDER**

))
))
BEFORE)	THE HONOURABLE MADAM)
)	JUSTICE FITZPATRICK)
))
))

October 31, 2023

ON THE APPLICATION of the Petitioners coming on for hearing at 800 Smithe Street, Vancouver, BC V6Z 2E1 on this date and on hearing Jeffrey D. Bradshaw, Samantha Arbor and Lydia Huang, articulated student, 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 fourth affidavit of Peter Kravitz sworn October 24, 2023 (the "**Kravitz Affidavit**") and the Fourth Report of FTI Consulting Canada Inc. ("**FTI**"), in its capacity as monitor (the "**Monitor**") dated October 27, 2023; AND PURSUANT TO the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CAA**"), 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 such that this application is properly returnable today and the need for further service of the Application and supporting materials is hereby dispensed with.
2. Capitalized terms used in this Order and not otherwise defined herein shall have the meanings ascribed to them in the Sale and Investment Solicitation Process approved by Order of this Honourable Court on July 25, 2023 (the "**SISP**"), the Second Amended and

Restated Initial Order of this Court dated October 13, 2023 (the “**Initial Order**”), or the Transaction Agreement appended as Exhibit “A” to the Kravitz Affidavit (as may be amended, supplemented or otherwise modified from time to time in accordance with the terms thereof and hereof, the “**Transaction Agreement**”).

APPROVAL AND VESTING

3. The Transaction Agreement and the transactions contemplated therein (collectively, the “**Transactions**”), including the Implementation Steps, for the acquisition of 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, Liberty Tax Holding Corporation, Liberty Tax Service Inc., JTH Court Plaza, LLC, LTS Software LLC, CTAX Acquisition LLC, Community Tax LLC, and Community Tax Puerto Rico LLC (collectively, the “**Acquired Entities**”) are hereby approved. The execution of the Transaction Agreement by NextPoint and the Acquired Entities (collectively, the “**NP Entities**”) is hereby authorized and approved, with such minor amendments as the NP Entities and the Purchaser may deem necessary, with the approval of the Monitor and subject to the terms of the Support Agreement, or as may be required by the Purchaser pursuant to the terms of the Transaction Agreement. The Petitioners are hereby authorized and directed to perform their obligations under the Transaction Agreement, and to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transactions.
4. This Order shall constitute the only authorization required by the Petitioners to proceed with the Transactions and no shareholder or other approval shall be required in connection therewith.
5. As of the Effective Time (as defined in the Monitor’s Certificate):
 - (a) 1000694777 Ontario Limited (“**Residual Co. 1**”) and 1000694777 USA LLC (“**Residual Co. 2**”) shall be companies to which the CCAA applies; and
 - (b) Residual Co. 1 and Residual Co. 2 shall be added as Petitioners in these CCAA proceedings and all references in any Order of this Court in respect of these CCAA proceedings to (i) a “Petitioner” or the “Petitioners” shall refer to and include Residual Co. 1 and Residual Co. 2, *mutatis mutandis*, and (ii) “Property” shall include the current and future assets, licenses, undertakings and properties of every nature and kind whatsoever, and wherever situate, including all proceeds thereof, of Residual Co. 1 and Residual Co. 2, as applicable, including the Excluded Assets (the “**Residual Co. Property**”), and, for greater certainty, each of the Charges (excluding the Directors’ Charge, which shall be terminated, released and discharged and be of no further force or effect, without the need for any further act of formality, as of the Effective Time) shall constitute charges on the Residual Co. Property.

6. Upon delivery of the Monitor's certificate (the "**Monitor's Certificate**") to the Purchaser, substantially in the form attached as **Schedule "C"** hereto, the following shall occur and shall be deemed to have occurred, subject to the terms of the Implementation Steps:

(a) as of the Effective Time:

- (i) with respect to the Acquired Entities which were not formed or incorporated under the laws of the United States (the "**Non-US Acquired Entities**"), all of the Non-US Acquired Entities' right, title and interest in and to their respective Excluded Assets shall vest absolutely and exclusively in Residual Co. 1;
- (ii) with respect to the Acquired Entities formed or incorporated under the laws of the United States (the "**US Acquired Entities**"), all of the US Acquired Entities' right, title and interest in and to their respective Excluded Assets shall vest absolutely and exclusively in Residual Co. 2; and
- (iii) in each case, all applicable Claims and Encumbrances shall continue to attach to such Excluded Assets with the same nature and priority as they had immediately prior to their transfer;

(b) all Excluded Contracts and Excluded Liabilities (which, for certainty includes all debts, liabilities, obligations, indebtedness, contracts, leases, agreements, and undertakings of any kind or nature whatsoever, whether direct or indirect, known or unknown, absolute or contingent, accrued or unaccrued, liquidated or unliquidated, matured or unmatured or due or not yet due, in law or equity and whether based in statute or otherwise) of the Non-US Acquired Entities and the US Acquired Entities (in each case, other than the Assumed Liabilities) shall be transferred to, assumed by and vest absolutely and exclusively in Residual Co. 1 and Residual Co. 2, respectively, such that all Excluded Contracts and Excluded Liabilities shall become obligations of Residual Co. 1 and Residual Co. 2, as applicable, and shall no longer be obligations of the Acquired Entities, and the Acquired Entities and all of their remaining assets, licenses, undertakings and properties of every nature and kind whatsoever and wherever situate (collectively, the "**Retained Assets**") shall be and are hereby forever released and discharged from all Excluded Contracts and Excluded Liabilities, and all related Claims and Encumbrances, other than the permitted encumbrances, easements and restrictive covenants affecting or relating to the Retained Assets listed on Schedule "1.1(b)" of the Transaction Agreement (the "**Permitted Encumbrances**"), are hereby expunged and discharged as against the Retained Assets;

(c) all right, title and interest in and to the Purchased Interests acquired by the Purchaser shall vest absolutely and exclusively in the Purchaser free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual,

statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "Claims") including, without limiting the generality of the foregoing: (x) any encumbrances or charges created by the Initial Order, the SISP Order, or any other Order of this Court, and (y) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (British Columbia) or any other personal property registry system (all of which are collectively referred to as the "Encumbrances", which term shall not include the Permitted Encumbrances) and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Interests are hereby expunged and discharged as against the Purchased Interests;

- (d) all equity interests of the Acquired Entities existing prior to the commencement of the Implementation Steps (for greater certainty, other than the Purchased Interests and any issued equity interests owned by any other Acquired Entity or Acquired Entities), as well as all options, conversion privileges, equity-based awards, warrants, securities, debentures, loans, notes or other rights, agreements or commitments of any character whatsoever that are held by any Person (as hereinafter defined) and are convertible or exchangeable for any securities of any of the Acquired Entities, or which require the issuance, sale or transfer by any NP Entity of any shares or other securities of any NP Entity, or which otherwise evidence a right to acquire the Purchased Interests and/or the share capital of any Acquired Entity or otherwise relate thereto, shall be deemed terminated and cancelled or redeemed as provided in the Implementation Steps, as applicable; and
 - (e) the Acquired Entities shall and shall be deemed to cease to be Petitioners in this CCAA proceeding, and the Acquired Entities shall be deemed to be released from the purview of the Initial Order and all other Orders of this Court granted in respect of these CCAA proceedings, save and except for this Order, the provisions of which (as they related to the Acquired Entities) shall continue to apply in all respects.
7. The Monitor is to (a) provide a copy of the Monitor's Certificate to the parties to the Transaction Agreement; and (b) file with this Court a copy of the Monitor's Certificate forthwith after delivery thereof in connection with the Transactions as well as a copy of the final form of Transaction Agreement, all related schedules and the Implementation Steps.
 8. The Monitor may rely on written notice from NextPoint and the Purchaser regarding the satisfaction or waiver of conditions to closing under the Transaction Agreement and shall have no liability with respect to delivery of the Monitor's Certificate.
 9. For the purposes of determining the nature and priority of Claims, from and after the Effective Time, all Claims and Encumbrances released, expunged and discharged

- pursuant to paragraph 6, including as against the Acquired Entities, the Retained Assets and the Purchased Interests, shall attach to the Excluded Assets with the same priority as they had immediately prior to the Transactions, as if the Transactions had not occurred.
10. Pursuant to Section 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act* or Section 18(1)(o) of the *Personal Information Protection Act of British Columbia*, the Petitioners are hereby authorized, permitted and directed to, at the Effective Time, disclose and transfer to the Purchaser all human resources and payroll information in the Acquired Entities' records pertaining to past and current employees of the Acquired Entities. The Purchaser shall maintain and protect the privacy of such information in accordance with applicable law and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use of such information by the Acquired Entity prior to the Effective Time.
 11. At the Effective Time and without limiting the provisions of paragraph 6 hereof, the Purchaser and the Acquired Entities shall be deemed released from any and all claims, liabilities (direct, indirect, absolute or contingent) or obligations with respect to any Taxes (including penalties and interest thereon) of, or that relate to, the Petitioners (provided, as it relates to the Purchaser and the Acquired Entities, such release shall not apply to (a) Taxes in respect of the business and operations conducted by the Acquired Entities after the Effective Time; or (b) Taxes expressly assumed as Assumed Liabilities pursuant to the Transaction Agreement), including, without limiting the generality of the foregoing, all Taxes that could be assessed against the Purchaser or the Acquired Entities (including its affiliates and any predecessor corporations) pursuant to section 160 of the *Income Tax Act* (Canada) (the "**Tax Act**"), or proposed section 160.01 of the Tax Act, including as a result of any future amendments or proposed amendments to such provisions or related provisions, or any provincial equivalent, in connection with the Petitioners.
 12. Except to the extent expressly contemplated by the Transaction Agreement, all Continuing Contracts to which any of the Acquired Entities are a party upon delivery of the Monitor's Certificate will be and remain in full force and effect upon and following delivery of the Monitor's Certificate and no individual, firm, corporation, governmental body or agency, or any other entity (all of the foregoing, collectively being "**Persons**" and each being a "**Person**") who is a party to any such arrangement may accelerate, terminate, rescind, refuse to perform or otherwise repudiate its obligations thereunder, or enforce or exercise any right (including any right of set-off, dilution or other remedy) or make any demand under or in respect of any such arrangement and no automatic termination will have any validity or effect, by reason of:
 - (a) any event that occurred on or prior to the Effective Time and is not continuing that would have entitled such Person to enforce those rights or remedies (including defaults or events of default arising as a result of the insolvency of any Petitioner);
 - (b) the insolvency of any Petitioner or the fact that the Petitioners sought or obtained relief under the CCAA;

- (c) any compromises, releases, discharges, cancellations, transactions, arrangements, reorganizations or other steps taken or effected pursuant to the Transaction Agreement, the Transactions or the provisions of this Order, or any other Order of this Court in these CCAA proceedings; or
 - (d) any transfer or assignment, or any change of control of an Acquired Entity arising from the implementation of the Transaction Agreement, the Transactions or the provisions of this Order.
- 13. For greater certainty, (a) nothing in paragraph 12 hereof shall waive, compromise or discharge any obligations of the Acquired Entities or the Purchaser in respect of any Assumed Liabilities; (b) the designation of any Claim as an Assumed Liability is without prejudice to the Acquired Entities' and the Purchaser's right to dispute the existence, validity or quantum of any such Assumed Liability; and (c) nothing in this Order or the Transaction Agreement shall affect or waive the Acquired Entities' or Purchaser's rights and defences, both legal and equitable, with respect to any Assumed Liability, including, but not limited to, all rights with respect to entitlements to set-offs or recoupments against such Assumed Liability.
- 14. From and after the Effective Time, all Persons shall be deemed to have waived any and all defaults of any Petitioner then existing or previously committed by any Petitioner, or caused by any Petitioner, directly or indirectly, or noncompliance with any covenant, warranty, representation, undertaking, positive or negative pledge, term, provision, condition or obligations, expressed or implied, in any Continuing Contract, existing between such Person and any Acquired Entity directly or indirectly from the filing by the Petitioners under the CCAA and the implementation of the Transactions, including without limitation any of the matters or events listed in paragraph 12 hereof, and any and all notices of default and demands for payment or any step or proceeding taken or commenced in connection therewith under a Continuing Contract shall be deemed to have been rescinded and of no further force or effect; provided that, nothing herein shall be deemed to excuse the Purchaser or the Petitioners from performing their obligations under, or be a waiver of defaults by the Purchaser or the Petitioners under, the Transaction Agreement and the related agreements and documents, or affect the validity of the Implementation Steps.
- 15. From and after the Effective Time, any and all Persons shall be and are hereby forever barred, estopped, stayed and enjoined from commencing, taking, applying for or issuing or continuing any and all steps or proceedings, whether directly, derivatively or otherwise, and including without limitation, administrative hearings and orders, declarations and assessment, commenced, taken or proceeded with or that may be commenced, taken or proceeded with against the Purchaser or the Acquired Entities relating in any way to or in respect of any Excluded Assets, Excluded Contracts or Excluded Liabilities and any other claims, obligations and other matters which are waived, released, expunged or discharged pursuant to this Order; provided that, nothing herein shall affect the validity of the Implementation Steps.

16. From and after the Effective Time:
- (a) the nature of the Assumed Liabilities assumed by the Purchaser or retained by the Acquired Entities, including, without limitation, their amount and their secured or unsecured status, shall not be affected or altered as a result of the Transactions or this Order;
 - (b) the nature of the Excluded Liabilities, including, without limitation, their amount and their secured or unsecured status, shall not be affected or altered as a result of their transfer to Residual Co. 1 or Residual Co. 2, as applicable;
 - (c) any Person that prior to the Effective Time had a valid right or claim against the Acquired Entities under or in respect of any Excluded Contract or Excluded Liability (each an "Excluded Liability Claim") shall no longer have such right or claim against the Acquired Entities but will have an equivalent Excluded Liability Claim against Residual Co. 1 or Residual Co. 2, as applicable, in respect of the Excluded Contract and Excluded Liability from and after the Effective Time in its place and stead, and nothing in this Order limits, lessens or extinguishes the Excluded Liability Claim of any Person as against Residual Co. 1 or Residual Co. 2, as applicable; and
 - (d) the Excluded Liability Claim of any Person against Residual Co. 1 or Residual Co. 2, as applicable, following the Effective Time shall have the same rights, priority and entitlement as such Excluded Liability Claim had against the applicable Acquired Entities prior to the Effective Time.

PRE-CLOSING REORGANIZATION

17. In completing the transactions contemplated in the Implementation Steps, the Petitioners be and are hereby authorized:
- (a) to execute and deliver any documents and assurances governing or giving effect to the Implementation Steps as the Petitioners and the Purchaser, in their discretion, may deem to be reasonably necessary or advisable to conclude the Implementation Steps, including the execution of such deeds, contracts or documents, as may be contemplated in the Transaction Agreement and all such deeds, contracts or documents are hereby ratified, approved and confirmed; and
 - (b) to take such steps as are, in the opinion of the Petitioners and the Purchaser, necessary or incidental to the implementation of the Implementation Steps.
18. The Petitioners be and are hereby permitted to execute and file notices of alteration, articles of amendment, amalgamation, continuance or reorganization or such other documents or instruments as may be required to permit or enable and effect the Implementation Steps and that such articles, documents or other instruments shall be deemed to be duly authorized, valid and effective notwithstanding any requirement under

federal or provincial law to obtain director or shareholder approval with respect to such actions or to deliver any statutory declarations that may otherwise be required under corporate law to effect the Implementation Steps.

19. This Order shall constitute the only authorization required by the Petitioners to proceed with the Implementation Steps and no director, shareholder or regulatory approval shall be required in connection with any of the steps contemplated pursuant to the Implementation Steps save for those authorizations contemplated in the Transaction Agreement.
20. The Registrar of Companies appointed pursuant to the British Columbia *Business Corporations Act* is hereby authorized and directed to accept and receive any articles of amendment, amalgamation, continuance or reorganization or such other documents or instruments as may be required to permit or enable and effect the Implementation Steps contemplated in the Transaction Agreement, filed by either the Petitioners, Residual Co. 1 or Residual Co. 2, as the case may be.

RELEASES

21. Effective as of the Effective Time, (a) the current and former directors, officers, employees, legal counsel and advisors of the Acquired Entities; (b) the Monitor and its legal counsel; (c) the CRO; and (d) the DIP Lenders, the Purchaser and their respective affiliates, and each of their respective current and former directors, officers, employees, legal counsel and advisors (in such capacities, collectively, the “Released Parties”) shall be deemed to be forever irrevocably released by the Releasing Parties (as hereinafter defined) and discharged from any and all present and future claims (including, without limitation, claims for contribution or indemnity), liabilities, indebtedness, demands, actions, causes of action, counterclaims, suits, damages, judgments, executions, recoupments, debts, sums of money, expenses, accounts, liens, taxes, recoveries, and obligations of any nature or kind whatsoever (whether direct or indirect, known or unknown, absolute or contingent, accrued or unaccrued, liquidated or unliquidated, matured or unmatured or due or not yet due, in law or equity and whether based in statute or otherwise) based in whole or in part on any act or omission, transaction, dealing or other occurrence existing or taking place on or prior to the Effective Time (and, with respect to the current or former directors or officers of the Acquired Entities, on and after July 25, 2023), or undertaken or completed in connection with or pursuant to the terms of this Order, in respect of, relating to, or arising out of (x) the Petitioners, the business, operations, assets, property and affairs of the Petitioners wherever or however conducted or governed, the administration and/or management of the Petitioners, these CCAA proceedings and/or the U.S. Proceedings, or (y) the Transaction Agreement, the Support Agreement, any agreement, document, instrument, matter or transaction involving the Petitioners arising in connection with or pursuant to any of the foregoing, and/or the consummation of the Transactions (collectively, subject to the excluded matters below, the “Released Claims”), which Released Claims shall be deemed to be fully, finally, irrevocably and forever waived, discharged, released, cancelled and barred as against the Released Parties.

22. Nothing in this paragraph or paragraph 21 shall waive, discharge, release, cancel or bar (A) any claim that is not permitted to be released pursuant to section 5.1(2) of the CCAA or claim with respect to any act or omission that is determined by a court of competent jurisdiction to have constituted actual fraud, willful misconduct, or gross negligence, or (B) any obligations of any of the Released Parties under or in connection with the Transaction Agreement, the Support Agreement and/or any agreement, document, instrument, matter or transaction involving the Petitioners arising in connection with or pursuant to any of the foregoing. **"Releasing Parties"** means any and all Persons (besides the Petitioners and their respective current and former affiliates), and their current and former affiliates' current and former members, directors, managers, officers, investment committee members, special committee members, equity holders (regardless of whether such interests are held directly or indirectly), predecessors, successors, assigns, participants, subsidiaries, affiliates, partners, limited partners, general partners, affiliated investment funds or investment vehicles, managed accounts or funds, and each of their respective current and former members, equity holders, officers, directors, managers, principals, members, management companies, advisor board members, investment fund advisors or managers, employees, agents, trustees, investment managers, financial advisors, partners, legal counsel, accountants, investment bankers, consultants, representatives, and other professionals, each in their capacity as such.
23. Effective as of the Effective Time, the Released Parties shall be deemed to be forever irrevocably released by each of the Petitioners and their respective current and former affiliates, and discharged from, any and all Released Claims held by the Petitioners and such current and former affiliates as of the Effective Time, which Released Claims shall be deemed to be fully, finally, irrevocably and forever waived, discharged, released, cancelled and barred as against the Released Parties, subject to the limitations set forth in paragraph 22(A) and (B).
24. Without affecting or limiting the releases set forth in paragraphs 21 through 23 hereof, effective as of the Effective Time, none of (a) the current and former directors, officers, employees, legal counsel and advisors of the Acquired Entities; (b) the Monitor and its legal counsel; (c) the CRO; and (d) the DIP Lenders, the Purchaser and their respective affiliates, and their respective current and former directors, officers, employees, legal counsel and advisors (in such capacities, collectively, the **"Exculpated Parties"**), shall have or incur, and each Exculpated Party is exculpated from, any Causes of Action (as hereinafter defined) against such Exculpated Party for any act or omission in respect of, relating to, or arising out of the Transaction Agreement, the Support Agreement and/or the consummation of the Transactions, these CCAA proceedings, the U.S. Proceedings, the formulation, preparation, dissemination, negotiation, filing or consummation of the Transaction Agreement, the Support Agreement and all related agreements and documents, any transaction, contract, instrument, release, or other agreement or document created or entered into in connection with the Transactions, the pursuit of approval and consummation of the Transactions or the recognition thereof in the United States, and/or the transfer of assets and liabilities pursuant to this Order, except for causes

of action related to any act or omission that is determined by a court of competent jurisdiction to have constituted actual fraud, willful misconduct, or gross negligence..

25. All Persons are permanently and forever barred, estopped, stayed and enjoined, on and after the Effective Time, with respect to any and all claims or causes of actions released pursuant to this Order (including but not limited to the Released Claims), from (a) commencing, conducting or continuing in any manner, directly or indirectly, any action, suits, demands or other proceedings of any nature or kind whatsoever (including, without limitation, any proceeding in a judicial, arbitral, administrative or other forum) against any of the Released Parties or Exculpated Parties; (b) enforcing, levying, attaching, collecting or otherwise recovering or enforcing by any manner or means, directly or indirectly, any judgment, award, decree or order against any of the Released Parties or Exculpated Parties or their respective property; (c) commencing, conducting, continuing or making in any manner, directly or indirectly, any action, suit, claim, demand or other proceeding of any nature or kind whatsoever (including any proceeding in a judicial, arbitral, administrative or other forum) against any Person who makes a claim or might reasonably be expected to make a claim, in any manner or forum, including by way of contribution or indemnity or other relief, against one or more of the Released Parties or Exculpated Parties; (d) creating, perfecting, asserting or otherwise enforcing, directly or indirectly, any Encumbrance of any kind against the Released Parties or Exculpated Parties or their respective property; or (e) taking any actions to interfere with the consummation of the Transactions; and any such proceedings will be deemed to have no further effect against such parties and will be released, discharged or vacated without cost.
26. Without affecting or limiting the releases set forth in paragraphs 21 through 23 hereof, effective as of the Effective Time, each Consenting Party (as hereinafter defined) shall be deemed to have consented and agreed to paragraphs 21 through 25 hereof. "**Consenting Parties**" means any Person who is, at the Effective Time, a party to the Support Agreement.
27. Notwithstanding:
- (a) these proceedings;
 - (b) any applications for a bankruptcy order now or hereafter issued pursuant to the BIA in respect of the Petitioners, Residual Co. 1 or Residual Co. 2, and any bankruptcy order issued pursuant to any such applications; and
 - (c) any assignment in bankruptcy made by or in respect of any of the Petitioners or Residual Co. 1 or Residual Co. 2;

the Transaction Agreement and the Transactions (including without limitation the transfer and vesting of the Excluded Assets, the Excluded Contracts and the Excluded Liabilities in Residual Co. 1 and Residual Co. 2, the transfer and vesting of the Purchased Interests in and to the Purchaser authorized herein or pursuant to the Transaction Agreement and

the Implementation Steps) shall be binding on any trustee in bankruptcy that may be appointed in respect of any of the Petitioners and/or Residual Co. 1 and/or Residual Co. 2, as applicable, and shall not be void or voidable by creditors of the Petitioners or Residual Co. 1 or Residual Co. 2, nor shall they constitute nor be deemed to be a transfer at undervalue, fraudulent preference, assignment, fraudulent conveyance, or other reviewable transaction under the CCAA, the *Bankruptcy and Insolvency Act* or any other applicable federal or provincial legislation, nor shall they constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

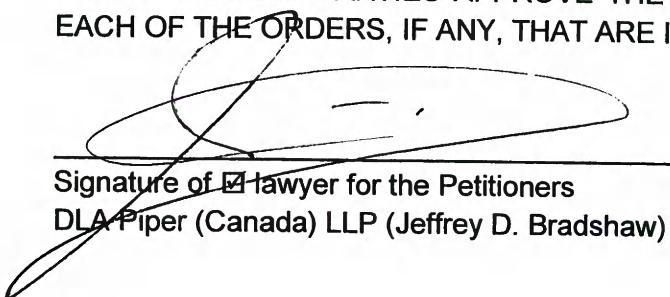
28. Nothing in this Order, including the release of the Acquired Entities from the purview of the CCAA proceedings pursuant to paragraph 5(e) hereof and the addition of Residual Co. 1 and Residual Co. 2 as Petitioners in these CCAA proceedings, shall affect, vary, derogate from, limit or amend, and FTI shall continue to have the benefit of, any and all rights and approvals and protections in favour of the Monitor at law or pursuant to the CCAA, the Initial Order, this Order, any other Orders in these CCAA proceedings or otherwise, including all approvals, protections and stays of proceedings in favour of FTI in its capacity as Monitor, all of which are expressly continued and confirmed.

GENERAL

29. Having been advised of the provisions of Multilateral Instrument 61-101 "Protection of Minority Security Holders in Special Transactions" relating to the requirement for "minority" shareholder approval in certain circumstances, no meeting of shareholders or other holders of Equity Claims (as defined in the CCAA) in the Petitioners is required to be held in respect of the Transactions and accordingly, there is no requirement to send any disclosure document related to the Transactions to such holders.
30. Following the Effective Time, the Purchaser shall be authorized to take all steps as may be necessary to effect the discharge of the Claims and Encumbrances (other than the Permitted Encumbrances) as against the Purchased Interests, the Acquired Entities and the Retained Assets.
31. Following the Effective Time, the title of these proceedings shall be hereby changed by removing the current Petitioners that are not Excluded Entities and adding Residual Co. 1 and Residual Co. 2.
32. Endorsement of this order by counsels other than counsel for the Petitioners is hereby dispensed with.
33. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body, wherever located, to give effect to this Order and to assist the Petitioners and their 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 Petitioners as may be necessary or

desirable to give effect to this Order or to assist the Petitioners and its 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 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

1. CTAX Acquisition LLC
2. Community Tax Puerto Rico LLC
3. Community Tax LLC

Loan Me Entities

1. NPLM Holdco LLC
2. MMS Servicing LLC
3. LoanMe, LLC
4. LoanMe Funding, LLC

5. LM Retention Holdings, LLC
6. LoanMe Stores LLC
7. LM BP Holdings, LLC
8. InsightsLogic LLC
9. LM 2020 CM I SPE, LLC

Schedule "B" – List of Counsel

Name of Counsel	Party Representing
Lisa Hiebert	The Monitor
Mary Buttery, KC Mare Wasserman Dave Rosenblat	BasePoint
Lance Williams	First Century Bank, N.A.
Martin Sennott	Drake Enterprises Ltd.
David Gruber	TMI Trust Company
Kieran Siddall	Chilmark

Schedule "C" – Monitor's Certificate

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"

MONITOR'S CERTIFICATE

A. Pursuant to an Initial Order of the Honourable Madam Justice Fitzpatrick of the British Columbia Supreme Court (the "**Court**") dated July 25, 2023, the Petitioners were granted protection from their creditors pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-46, as amended (as amended, the "**CCA**"), and FTI Consulting Canada Inc. was appointed as the monitor (the "**Monitor**").

B. Pursuant to an Approval and Vesting Order of the Court dated October 31, 2023 (the "**Order**"), the Court approved the transactions (collectively, the "**Transactions**") contemplated by the Transaction Agreement (as amended in the form attached as Exhibit ● hereto, the "**Transaction Agreement**") and ordered, *inter alia*, (a) that all of the Acquired Entities' right, title and interest in and to the Excluded Assets, the Excluded Contracts and the Excluded Liabilities shall vest absolutely and exclusively in and to Residual Co. 1 and Residual Co. 2, as applicable; and (b) the vesting of all of the right, title and interest in and to the Purchased Interests absolutely and exclusively in and to the Purchaser, free and clear of any Encumbrances.

C. Capitalized terms used but not defined herein have the meanings ascribed to them in the Order.

THE MONITOR CERTIFIES the following:

1. The Monitor has received written confirmation from the Purchaser and NextPoint, in form and substance satisfactory to the Monitor, that all conditions to closing have been satisfied or waived by the parties to the Transaction Agreement.

2. This Monitor's Certificate was delivered by the Monitor at _____ on _____, 2023 (the "Effective Time").

FTI CONSULTING CANADA INC., in its capacity as Monitor of the Petitioners, and not in its personal capacity

By: _____

Name:

Title:

COURT OF APPEAL FOR BRITISH COLUMBIA

FORM 1

NOTICE OF APPEAL (RULE 6(1))



Court of Appeal File No.
(For Registry Use Only)

Case File No. **CA49489**

Supreme Court File No.

S-235288

The file number can be found on the upper right corner of the Supreme Court documents

Supreme Court Registry Location

Vancouver Registry

To the respondent(s)

A Court proceeding has been commenced against you in the Court of Appeal. See the final page of this form for details on how to respond.

1. PARTIES TO THE APPEAL

Appellant(s)

List the party(ies) appealing the Supreme Court or tribunal order. Identify their roles in the proceeding below in brackets. E.g., Jane Doe (plaintiff, petitioner, etc.)

M&M Business Group, L.P., Mufeed Haddad, and Mike Budka

Respondent(s)

List the other party(ies) in the Supreme Court or tribunal order you are appealing who are affected by the appeal. Identify their roles in the proceeding below in brackets. E.g., Jane Doe (defendant).

NextPoint Financial, Inc., NPI Holdco LLC, LT Holdco, LLC, LT Intermediate Holdco, LLC, SiempreTax + LLC, JTH Tax LLC, Liberty Tax Holding Corporation, Liberty Tax Service, Inc., JTH Financial, LLC, JTH Properties 1632, LLC, Wefile LLC, JTH Tax Office Properties, LLC, LTS Software LLC, JTH Court Plaza, LLC, 360 Accounting Solutions, LLC, LTS Properties, LLC, CTAX Acquisition LLC, Community Tax Puerto Rico LLC, Community Tax LLC, NPLM Holdco LLC, MMS Servicing LLC, LoanMe, LLC, LoanMe Funding, LLC, LM Retention Holdings, LLC, LoanMe Stores LLC, LM BP Holdings, LLC, InsightsLogic LLC, LM 2020 CM I SPE, LLC (Petitioners); FTI Consulting Canada Inc. (Monitor); BasePoint (Respondent); First Century Bank, N.A. (Respondent); Drake Enterprises Ltd. (Respondent); TMI Trust Company (Respondent); Chilmark Administrative Ltd. (Respondent); Frontier Capital Group Ltd. (Respondent), CMB Tax Service, LLC (Respondent); HMTK in Right of Canada (Respondent)

2. THE ORDER YOU ARE APPEALING

020

Is leave to appeal required?

Court of Appeal Rule 12 explains when you need leave to appeal. If you are unsure, check "Yes".

Yes No

Who made the order?

Name the justice or other decision maker who pronounced the order you are appealing.

Madam Justice Fitzpatrick

What court and/or tribunal pronounced the order(s)?

Supreme Court Tribunal

Name of tribunal

Date the order was pronounced

Include the day, month and year that the order being appealed was pronounced (not the date the

31/10/2023

DD/MM/YYYY

City where the order was pronounced

Vancouver, BC

Length of lower court hearing

Indicate in days or hours the length of the hearing that led to the order you are appealing from. For example, if you are appealing a judgment from a trial that took two hours, enter "two hours."

One day

What type of proceeding are you appealing from?

Check one only.

Trial Judgment Order of a Tribunal
 Summary Trial Judgment Chambers Judgment

3. RELIEF SOUGHT

If leave to appeal is not required, fill out Part A. If you are seeking leave to appeal, fill out Part B.

PART A: LEAVE NOT REQUIRED

Part of the order being appealed

If you only want to appeal one part of an order, enter the part

Order(s) you are seeking on appeal

Briefly list the order(s) you will ask this Court to make on appeal. For example: "Set aside the trial judgment and order a new trial". Include any order as to costs.

PART B: SEEKING LEAVE TO APPEAL**Part of the order being appealed**

If you are only seeking leave to appeal one part of an order, enter the part that you are seeking leave to appeal.

The appellants seek leave to appeal the Order to the extent it provides for a transfer of the appellants' assets to residual companies. Without limitation, the appellants seek leave to appeal paragraphs 1, 3, and 6 of the Order.

Grounds for leave to appeal

Be as specific as possible. For example, if you believe the trial judge used an incorrect legal test or otherwise misapplied the law, indicate that here.

1. The supervising judge erred in dispensing with the requirement that the appellants be provided with notice of the underlying application, in which they had a material interest.
2. The supervising judge erred in approving the reverse vesting order in the absence of evidence from the Monitor as to the economic impact of excluding (or not excluding) the appellants' Area Developer Agreements.

4. ADDITIONAL INFORMATION**Sealing order**

Is there an order sealing any part of the trial court or tribunal file? If yes, add date(s).

Yes No

Date

DD/MM/YYYY

Anonymity order/publication ban

Are there orders that protect the identity of a party or parties? If yes, add date(s).

Yes No

Date

DD/MM/YYYY

Areas of law raised in the appeal

You may check more than one box if appropriate. For example, you should check "motor vehicle accidents" and "torts" for a personal injury claim involving a

- | | | |
|--------------------------------------------------------|------------------------------------------|------------------------------------------------|
| <input type="checkbox"/> Constitutional/Administrative | <input type="checkbox"/> Civil Procedure | <input checked="" type="checkbox"/> Commercial |
| <input type="checkbox"/> Motor Vehicle Accidents | <input type="checkbox"/> Municipal Law | <input type="checkbox"/> Real Property |
| <input type="checkbox"/> Torts | <input type="checkbox"/> Equity | <input type="checkbox"/> Wills and Estates |
| <input type="checkbox"/> Divorce Act (Canada) | <input type="checkbox"/> Family Law Act | <input type="checkbox"/> Other |

Appeals involving children

Does this appeal involve the rights or interests of a child? E.g., Parenting order

Yes No

5. SERVICE

Are you representing yourself?

Yes No

Name(s) and address(es) within BC for service of appellant(s). If you have a lawyer, include the law firm's address; otherwise provide your own residential address.

Lawson Lundell LLP
1600-925 West Georgia Street
Vancouver, BC V6C 3L2
Attention: William L. Roberts / Laura L. Bevan / Sarah B. Hannigan

Phone number(s) of appellant(s)

(604) 685-3456

Email address(es) for service of appellant(s)

If you provide an email address, you are consenting to have documents served on you by email.

wroberts@lawsonlundell.com
lbevan@lawsonlundell.com
shannigan@lawsonlundell.com

Date form completed

Date

21/11/2023

Name of lawyer or party authorizing filing of this form

Sarah Hannigan

DD/MM/YYYY

To the appellant(s):

You must file and serve this form on each respondent named in this document within the timelines required by the *Court of Appeal Act* and Court of Appeal Rules. You must file a Notice of Hearing **not more than one year** after filing this Form 1 or your appeal will be placed on the inactive list (Rule 50(1)(a)).

To the respondent(s)

If you intend to participate in this proceeding, **you must give notice** of your intention by doing the following **not more than 10 days** after receiving this Notice of Appeal: (1) file a "Notice of Appearance" (Form 2 of the *Court of Appeal Rules*) in a Court of Appeal registry and; (2) serve the Notice of Appearance on the appellant.

If you fail to file and serve a Notice Appearance:

- You are presumed to take no position on the appeal, or the application for leave to appeal (if leave is required).
- The parties are not obliged to serve you with any further documents related to the appeal, including an order granting leave to appeal (if leave is required).

You are presumed to take no position if you fail to file and serve a Notice of Appearance within the time described above. The filing registries for the British Columbia Court of Appeal are as follows.

Central Registry:

B.C. Court of Appeal
Suite 400, 800 Hornby St.
Vancouver BC V6Z 2C5

Other Registries:

B.C. Court of Appeal
The Law Courts
P.O. Box 9248
STN PROV GOVT
850 Burdett Ave.
Victoria BC V8W 1B4

B.C. Court of Appeal
223 - 455 Columbia St.
Kamloops BC V2C 6K4

Inquiries should be addressed to (604) 660-2468.

VANCOUVER

NOV 23 2023

COURT OF APPEAL
REGISTRY

Court of Appeal File No. CA49489

COURT OF APPEAL

BETWEEN:

M&M BUSINESS GROUP, L.P., MUFEED HADDAD and MIKE BUDKA

APPELLANT

AND:

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

RESPONDENTS
(PETITIONERS)

AND:

FTI CONSULTING CANADA INC., FIRST CENTURY BANK, N.A., BASEPOINT, DRAKE
ENTERPRISES LTD., FRONTIER CAPITAL GROUP LTD., CHILMARK ADMINISTRATIVE
LLC, TMI TRUST COMPANY, CMB TAX SERVICE, LLC, and HIS MAJESTY THE KING IN
RIGHT OF CANADA

RESPONDENTS

NOTICE OF MOTION


TO: The Appellants and Respondents

TAKE NOTICE THAT AN APPLICATION will be made by the Respondents NextPoint Financial, Inc., and the other Petitioners, to the presiding justice at 800 Smithe Street, Vancouver, British Columbia, at 2:00 p.m. on November 23, 2023 for an order pursuant to Rule 47 (1) and Rule 48 (1) that this appeal be referred into case management for a time tabling order, setting out an expedited timeline for the application for leave to appeal, the proposed stay, and the hearing of the appeal itself, should leave be granted, and any responsive filings thereto.

AND TAKE NOTICE THAT in support of the application will be read the First Affidavit of Wen-Shih Yang, sworn November 23, 2023, the Fourth Report of the Monitor dated October 27, 2023, and the Fifth Report of the Monitor dated November 16, 2023.

The Applicants anticipate that this application will be contested.

Nov 23, 2023
Dated


DLA Piper (Canada) LLP (Jeffrey D. Bradshaw)
Solicitor for the applicants

This application will take no more than 30 minutes to be heard.

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
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13. JTH Court Plaza, LLC
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24. LoanMe Stores LLC
25. LM BP Holdings, LLC
26. InsightsLogic LLC
27. LM 2020 CM I SPE, LLC

Court of Appeal File No. CA49489

COURT OF APPEAL

BETWEEN:

M&M BUSINESS GROUP, L.P., MUFEED HADDAD and MIKE BUDKA

APPELLANTS

AND:

NEXTPPOINT FINANCIAL, INC., AND THOSE PARTIES LISTED ON
SCHEDULE "A"

RESPONDENTS
(PETITIONERS)

AND:

FTI CONSULTING CANADA INC., FIRST CENTURY BANK, N.A.,
BASEPOINT, DRAKE ENTERPRISES LTD., FRONTIER CAPITAL
GROUP LTD., CHILMARK ADMINISTRATIVE LLC, TMI TRUST
COMPANY, CMB TAX SERVICE, LLC, and HIS MAJESTY THE KING
IN RIGHT OF CANADA

RESPONDENTS

NOTICE OF MOTION

DLA Piper (Canada) LLP
Barristers & Solicitors
Suite 2700
1133 Melville Street
Vancouver, BC V6E 4E5

Tel. No. 604.687.9444
Fax No. 604.687.1612

File No.: 109926-00007

JDB/day

COURT OF APPEAL FOR BRITISH COLUMBIA

FORM 7

NOTICE OF URGENT APPLICATION (RULE 57(2))

Court of Appeal File No.

CA49489

The file number can be found on the upper right corner of the Notice of Appeal.

VANCOUVER
NOV 23 2023
COURT OF APPEAL
REGISTRY
[STAMP]

M&M Business Group, L.P.

v.

NextPoint Financial, Inc.

Name of the first appellant named on Form 1: Notice of Appeal.

Name of the first respondent named on Form 1: Notice of Appeal.

To the person(s) filing the notice of urgent application (the *applicant*):

In cases of urgency you may apply for permission to bring an application on shorter notice than is otherwise required under the Court of Appeal Rules. You must obtain an urgent application hearing date from the registrar. Even in cases of urgency, you must give notice and attempt to serve the application material on all parties.

Name of person(s) bringing the urgent application

NextPoint Financial, Inc.

Location where the application will be heard
Enter the address of the courthouse.

Vancouver

Date the application will be heard

November 23, 2023

Time application will be heard

2:00 p.m.

DD/MM/YYYY

First Affidavit of Wen-Shih Yang, sworn November 23, 2023; and relying upon the Fourth Report of the Monitor dated October 27, 2023, and Fifth Report of the Monitor dated November 16, 2023, previously filed in these proceedings.

List any affidavits being filed
An affidavit explaining the need for
urgency is not required, but may be
provided.

Yes No

Have you filed materials in support
of the main application?
If yes, list the material you have filed.

Date form completed

22/11/2023

Name of lawyer or applicant
authorizing filing of this form

Jeffrey D. Bradshaw

DD/MM/YYYY



VANCOUVER
 NOV 23 2023
 COURT OF APPEAL
 REGISTRY

DLA Piper (Canada) LLP
 1133 Melville St, Suite 2700
 Vancouver BC V6E 4E5
 www.dlapiper.com

Jeffrey D. Bradshaw
 jeffrey.bradshaw@dlapiper.com
 T +1 604.643.2941
 F +1 604.605.3714

November 22, 2023

FILE NUMBER: 109926-00007

DELIVERED BY HAND

Court of Appeal
 800 Smithe Street
 Vancouver, BC V6Z 2E1

Attention: Registrar

Dear Sir/Madam:

Re: M&M Business Group, L.P. et al v. NextPoint Financial, Inc. et al; Court of Appeal No. CA49489 Vancouver Registry (the "Appeal")

We are counsel for the Respondents (Petitioners in the Court below) in the above noted Appeal. We are seeking an urgent case management time tabling order for the hearing of the application for leave to appeal, and the underlying appeal. This appeal is of an order made in proceedings under the CCAA for the sale of tax preparation and tax dispute resolution businesses operated by the Petitioners, through approximately 2,500 franchisees in Canada and the United States, in a transaction with total consideration of \$297 million USD.

The order under appeal is to be recognized at a hearing in Delaware in concurrent proceedings under Chapter 15 of the US Bankruptcy Code on December 11, 2023. There is urgency and there will be prejudice to the myriad stakeholders if the Appeal does not proceed in a manner that preserves the US recognition hearing on December 11, namely:

- The Petitioners are running out of their current debtor in possession financing and only have sufficient funding to a short time after the current stay period being on or around December 22, 2023;
- The transaction was originally set to close in September. Delay is preventing closing, as recognition is a condition to closing, and potentially imperiling the transaction;
- The recognition hearing has already been delayed by over a month due to an objection filed in the Delaware proceedings by the Appellants and the Delaware court's limited availability;
- The tax preparation business is seasonal and starts in earnest in January, and the Purchasers need to be in control of the business as soon as possible to make preparation for the coming cycle or risk significant operational challenges; and

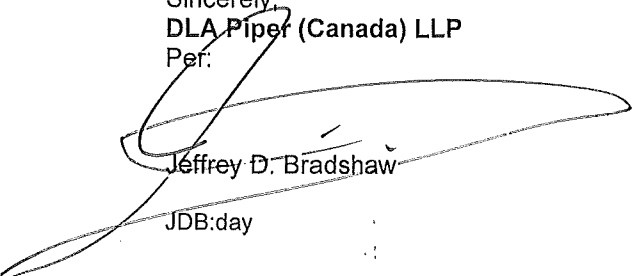


Page 2 of 2

- The recognition hearing in Delaware is subject to a Scheduling Order that will require further orders of that court to adjust. The Delaware court and this Court have extremely limited time available before the holiday break.

The Petitioner Respondents request an urgent referral into case management.

Sincerely,
DLA Piper (Canada) LLP
Per:



Jeffrey D. Bradshaw

JDB:day

CAN: 50867433.1

VANCOUVER
 NOV 23 2023
 COURT OF APPEAL
 REGISTRY

This is the 1st affidavit
 of Wen-Shih Yang in this case
 and was made on November 23 2023

Court of Appeal File No. CA49489

COURT OF APPEAL

BETWEEN:

M&M BUSINESS GROUP, L.P., MUFEED HADDAD and MIKE BUDKA

APPELLANTS

AND:

NEXTPPOINT FINANCIAL, INC., AND THOSE PARTIES LISTED ON SCHEDULE "A"

RESPONDENTS
 (PETITIONERS)

AND:

FTI CONSULTING CANADA INC., FIRST CENTURY BANK, N.A., BASEPOINT, DRAKE
 ENTERPRISES LTD., FRONTIER CAPITAL GROUP LTD., CHILMARK ADMINISTRATIVE
 LLC, TMI TRUST COMPANY, CMB TAX SERVICE, LLC, and HIS MAJESTY THE KING IN
 RIGHT OF CANADA

RESPONDENTS

AFFIDAVIT


I, Wen-Shih Yang, of Suite 2700 - 1133 Melville Street, Vancouver, British
 Columbia, Legal Assistant, AFFIRM THAT:

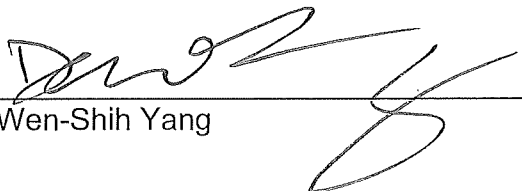
1. I am an employee of the law firm of DLA Piper (Canada) LLP, counsel for the
 Petitioners, NextPoint Financial Inc. and those parties listed on Schedule "A" in
 this proceeding. I have personal knowledge of the facts and matters hereinafter

deposed to in this Affidavit, except where they are stated to be made upon information and belief and where so stated I verily believe them to be true.

- 2. Attached and marked as **Exhibit "A"** to my affidavit is a true copy of correspondence between counsel for the Petitioners/Respondents and counsel for the Appellants, dated November 21 and November 22, 2023, regarding a potential timeline for an expedited appeal.
- 3. Attached and marked as **Exhibit "B"** to my affidavit is a true copy of correspondence between counsel for the Petitioners/Respondents and counsel for the Appellants, dated November 22, 2023 discussing the availability of counsel for the Appellants.

AFFIRMED BEFORE ME at Vancouver,)
 British Columbia, on November 23,)
 2023.)


 _____)
 A Commissioner for taking Affidavits for)
 British Columbia.)


 _____)
 Wen-Shih Yang)

Samantha Arbor
Barrister & Solicitor
DLA Piper (Canada) LLP
 1133 Melville Street, Suite 2700
 Vancouver, BC V6E 4E5
 604.687.9444

- 3 -

Schedule "A"

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2. NPI Holdco LLC

Liberty Tax Entities

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

This is **Exhibit "A"** referred to in the Affidavit of Wen-Shih Yang affirmed before me at Vancouver, British Columbia on this the 23 day of November, 2023.



A Commissioner for taking Affidavits for
British Columbia.

Samantha Arbor
Barrister & Solicitor
DLA Piper (Canada) LLP
1133 Melville Street, Suite 2700
Vancouver, BC V6E 4E5
604.687.9444

Bradshaw, Jeffrey

From: Bradshaw, Jeffrey
Sent: Wednesday, November 22, 2023 3:03 PM
To: 'William Roberts'; 'Sarah Hannigan'; 'Laura Bevan'
Cc: Arbor, Samantha; Hunter, Carole; 'lhiebert@fasken.com'; 'kjackson@fasken.com'; Albanese, Rachel; Martin, Craig
Subject: RE: [EXTERNAL] In the matter of a Plan of Compromise and Arrangement of NextPoint Financial, Inc. and those parties listed on Schedule "A" | CA

Hi Will, Laura, and Sarah,

We will be bringing an urgent application for a case management time tabling order. The Court is able to hear us tomorrow afternoon or on Friday, and they have a strong preference for appearing tomorrow afternoon. Can you confirm your availability as soon as possible. We are working on the necessary materials and will circulate as soon as they are available but wanted to let you know that we will be applying under Rule 57 for an Order under Rule 48 (1) to try to set the following timelines (or something very similar):

1. We provide our response to your leave application on Monday November 27th.
2. You provide your appeal materials by Thursday November 30th.
3. We provide you with our response materials on Monday December 4th.
4. We will proceed with the leave application and, if necessary, the appeal on Wednesday December 6th.

You have our position on urgency. I am available by phone to discuss.

Regards,
 Jeffrey

Jeffrey Bradshaw
 Associate

T +1 604.643.2941
 F +1 604.605.3714
 E jeffrey.bradshaw@dlapiper.com

Please note our new address:
 1133 Melville St, Suite 2700
 Vancouver, BC
 V6E 4E5

From: Bradshaw, Jeffrey
Sent: Wednesday, November 22, 2023 12:04 PM
To: William Roberts <wroberts@lawsonlundell.com>; Sarah Hannigan <shannigan@lawsonlundell.com>; Laura Bevan <lbevan@lawsonlundell.com>
Cc: Arbor, Samantha <samantha.arbor@ca.dlapiper.com>; Hunter, Carole <carole.hunter@ca.dlapiper.com>; lhiebert@fasken.com; kjackson@fasken.com; Albanese, Rachel <Rachel.Albanese@us.dlapiper.com>; Martin, Craig <craig.martin@us.dlapiper.com>
Subject: RE: [EXTERNAL] In the matter of a Plan of Compromise and Arrangement of NextPoint Financial, Inc. and those parties listed on Schedule "A" | CA

Hi Will,

I have discussed with our US colleagues and they do not believe it is possible to move that hearing at this point as 1) there is a scheduling order that would require court time to revise (a copy is attached), 2) there then is an issue of notice and renotice for a new hearing date, and 3) there is extremely limited court availability given the run up to the holidays. There is also an issue of budget (as demonstrated in the latest cashflow filed with the Court) and potential material adverse impact on the business as the Purchaser is buying a tax preparation business that needs to be operational for the upcoming tax season starting in January. We are attempting here to address your appeal in an efficient manner that does not create additional prejudice to the Company, purchaser, and other stakeholders, including Liberty and Community Tax customers. That interest in keeping the business running should be aligned with your clients' interests and their stated filed positions in Canada and the US. Is anyone else from your office available on the 6th? Happy to hop on a call to discuss.

Regards,
Jeffrey

Jeffrey Bradshaw
Associate

T +1 604.643.2941
F +1 604.605.3714
E jeffrey.bradshaw@dlapiper.com

Please note our new address:
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From: William Roberts <wroberts@lawsonlundell.com>

Sent: Wednesday, November 22, 2023 11:07 AM

To: Bradshaw, Jeffrey <jeffrey.bradshaw@ca.dlapiper.com>; Sarah Hannigan <shannigan@lawsonlundell.com>; Laura Bevan <lbevan@lawsonlundell.com>

Cc: Arbor, Samantha <samantha.arbor@ca.dlapiper.com>; Hunter, Carole <carole.hunter@ca.dlapiper.com>; lhiebert@fasken.com; kjackson@fasken.com; Albanese, Rachel <Rachel.Albanese@us.dlapiper.com>; Martin, Craig <craig.martin@us.dlapiper.com>

Subject: RE: [EXTERNAL] In the matter of a Plan of Compromise and Arrangement of NextPoint Financial, Inc. and those parties listed on Schedule "A" | CA

Jeffrey,

We (Sarah, Laura and me) are unfortunately in Ottawa for a hearing the week of Dec 4. Are you able to push the US recognition hearing a week or two?

Will

William L. Roberts* | Partner
Lawson Lundell LLP
D 604.631.9163 | F 604.641.4401
*Law Corporation

From: Bradshaw, Jeffrey <jeffrey.bradshaw@dlapiper.com>

Sent: Wednesday, November 22, 2023 11:04 AM

To: Sarah Hannigan (3144) - 14Flr <shannigan@lawsonlundell.com>; William Roberts (3163) - 14Flr <wroberts@lawsonlundell.com>; Laura Bevan (3106) - 14Flr <lbevan@lawsonlundell.com>

Cc: Arbor, Samantha <samantha.arbor@dlapiper.com>; Hunter, Carole <carole.hunter@dlapiper.com>; lhiebert@fasken.com; kjackson@fasken.com; Albanese, Rachel <Rachel.Albanese@us.dlapiper.com>; Martin, Craig <craig.martin@us.dlapiper.com>

Subject: RE: [EXTERNAL] In the matter of a Plan of Compromise and Arrangement of NextPoint Financial, Inc. and those parties listed on Schedule "A" | CA

Importance: High

[THIS MESSAGE ORIGINATED FROM OUTSIDE OUR FIRM]

Hi Will and Sarah,

We were able to successfully download the materials from the site. Thank you.

We are writing to seek agreement on an expedited timeline for your leave application and the appeal, should you be successful on the leave application. The Petitioners are at risk significant prejudice, even the risk of losing the transaction if we are unable to maintain the Delaware recognition date set for December 11, 2023.

It appears to me be most efficient if we were able to have your leave application heard, and if leave is granted, have your appeal heard immediately thereafter. I have looked at the Court schedule, spoken with Maria Littlejohn at the Court of Appeal registry and there is a day available for the hearing of the leave application and potentially the appeal on December 6th and that is being held for us pending our confirmation and confirmation from the Registrar. I would propose that we confirm that date with the Court today, and proceed with the following timelines:

1. We provide our response to your leave application on Monday November 27th.
2. You provide your appeal materials by Thursday November 30th.
3. We provide you with our response materials on Monday December 4th.
4. We will proceed with the leave application and, if necessary, the appeal on Wednesday December 6th.

Given the tight turnaround, please let us know your thoughts on the above as soon as possible, but no later than 3:45 pm today as we will need to confirm with the Registry before 4. If not, we will need to bring an urgent application to chambers this week to seek this timeline (or something very similar) by way of court order. Please feel free to call me if you would like to discuss.

Regards,
Jeffrey

Jeffrey Bradshaw
Associate

T +1 604.643.2941
F +1 604.605.3714
E jeffrey.bradshaw@dlapiper.com

Please note our new address:
1133 Melville St, Suite 2700
Vancouver, BC
V6E 4E5

From: Sarah Hannigan <shannigan@lawsonlundell.com>

Sent: Tuesday, November 21, 2023 3:54 PM

To: Bradshaw, Jeffrey <jeffrey.bradshaw@ca.dlapiper.com>; Arbor, Samantha <samantha.arbor@ca.dlapiper.com>; Yang, Dannis <dannis.yang@ca.dlapiper.com>; Brousson, Colin <colin.brousson@ca.dlapiper.com>; Craig.Munro@fticonsulting.com; Tom.Powell@fticonsulting.com; Huw.Parks@fticonsulting.com; Paul.bishop@fticonsulting.com; Michael.clark@fticonsulting.com; kjackson@fasken.com; lhiebert@fasken.com;

svolkow@fasken.com; lwilliams@mccarthy.ca; abowron@mccarthy.ca; jkrclark@mccarthy.ca; sdanielisz@mccarthy.ca; mwasserman@osler.com; drosenblat@osler.com; epaplowski@osler.com; mattery@osler.com; msennott@boughtonlaw.com; sevans@boughtonlaw.com; SWeisz@cozen.com; HEsslinger@cozen.com; aminollah.Sabzevari@justice.gc.ca; mihai.Beschea@justice.gc.ca; khanh.Gonzalez@justice.gc.ca; evan.cobb@nortonrosefulbright.com; jennifer.stam@nortonrosefulbright.com; scott.boucher@nortonrosefulbright.com; serbus@coastalnet.com

Cc: William Roberts <wroberts@lawsonlundell.com>; Laura Bevan <lbevan@lawsonlundell.com>; Teri Stevens <tstevens@lawsonlundell.com>

Subject: [EXTERNAL] In the matter of a Plan of Compromise and Arrangement of NextPoint Financial, Inc. and those parties listed on Schedule "A" | CA

DLA Piper (Canada) LLP ALERT: This is an external email. Do not click links or open attachments unless you recognize the sender's email address and know the content is safe.

Good afternoon:

Please see the attached correspondence regarding our clients' application for leave to appeal the Order of Madam Justice Fitzpatrick, pronounced October 31, 2023, and a stay of proceedings. The attachments referred to in this letter are available at the following file-share link:

Lawson Lundell would like to share a file with you. This link will expire on 02/04/24 at 23:59.

<https://filesend.lawsonlundell.com/?u=VMv9&p=DvFk>

For technical support, please contact our help desk at 604.408-5585.

Best,



SARAH HANNIGAN (she/her) | Associate
 D 604.631.9144 | F 604.669.1620 | E shannigan@lawsonlundell.com
 LAWSON LUNDELL LLP 1600 - 925 West Georgia Street, Vancouver, BC V6C 3L2
 Vancouver | Calgary | Yellowknife | Kelowna



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This is **Exhibit "B"** referred to in the Affidavit of Wen-Shih Yang affirmed before me at Vancouver, British Columbia on this the 23 day of November, 2023.



A Commissioner for taking Affidavits for
British Columbia.

Samantha Arbor
Barrister & Solicitor
DLA Piper (Canada) LLP
1133 Melville Street, Suite 2700
Vancouver, BC V6E 4E5
604.687.9444

Bradshaw, Jeffrey

From: Bradshaw, Jeffrey
Sent: Wednesday, November 22, 2023 5:25 PM
To: 'Laura Bevan'
Cc: 'Sarah Hannigan'; 'William Roberts'
Subject: RE: [EXTERNAL] NextPoint

Your secret is safe with me.

I will circle back internally. If I get instructions to try and get to chambers this week or Monday to get an urgent order for a timeline to the 6th, I will advise as soon as I can.

Regards,
 Jeffrey

Jeffrey Bradshaw
 Associate

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 F +1 604.605.3714
 E jeffrey.bradshaw@dlapiper.com

Please note our new address:
 1133 Melville St, Suite 2700
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From: Laura Bevan <lbevan@lawsonlundell.com>
Sent: Wednesday, November 22, 2023 1:27 PM
To: Bradshaw, Jeffrey <jeffrey.bradshaw@ca.dlapiper.com>
Cc: Sarah Hannigan <shannigan@lawsonlundell.com>; William Roberts <wroberts@lawsonlundell.com>
Subject: RE: [EXTERNAL] NextPoint

Hi Jeff –

That timeline will most certainly not work. Our appeal raises serious questions that need to be heard and considered by the court on full argument and record. Even in the most extraordinary of circumstances (which these are not) that timeline is impossible. Don't tell Will, but I am not a literal magician, despite what I say to his face.

LLB

Laura L. Bevan (she/her) | Partner
 Lawson Lundell LLP
 D 604.631.9106 | F 604.669.1620

From: Bradshaw, Jeffrey <jeffrey.bradshaw@dlapiper.com>
Sent: Wednesday, November 22, 2023 1:16 PM
To: Laura Bevan (3106) - 14Flr <lbevan@lawsonlundell.com>
Cc: William Roberts (3163) - 14Flr <wroberts@lawsonlundell.com>; Sarah Hannigan (3144) - 14Flr

<shannigan@lawsonlundell.com>

Subject: RE: [EXTERNAL] FW: NextPoint

[THIS MESSAGE ORIGINATED FROM OUTSIDE OUR FIRM]

Thanks Laura. What about your availability late next week? That's going to super compressed but we may be able to work out a plan to that date if agreeable and if available from the Court.

Regards,
Jeffrey

Jeffrey Bradshaw
Associate

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E jeffrey.bradshaw@dlapiper.com

Please note our new address:
1133 Melville St, Suite 2700
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From: Laura Bevan <lbevan@lawsonlundell.com>

Sent: Wednesday, November 22, 2023 1:10 PM

To: Bradshaw, Jeffrey <jeffrey.bradshaw@ca.dlapiper.com>

Cc: William Roberts <wroberts@lawsonlundell.com>; Sarah Hannigan <shannigan@lawsonlundell.com>

Subject: [EXTERNAL] FW: NextPoint

DLA Piper (Canada) LLP ALERT: This is an external email. Do not click links or open attachments unless you recognize the sender's email address and know the content is safe.

Hi Jeffrey,

I'm working with Will and Sarah on the Nextpoint proceedings. Jumping in here to let you know that our SCC team (Will, Sarah, myself) will be gone the entire week of December 4. We can't be back for December 7 or 8. The earliest availability we have is December 13.

Laura L. Bevan (she/her) | Partner
Lawson Lundell LLP
D 604.631.9106 | F 604.669.1620

From: Bradshaw, Jeffrey <jeffrey.bradshaw@dlapiper.com>

Sent: Wednesday, November 22, 2023 12:40 PM

To: William Roberts (3163) - 14Flr <wroberts@lawsonlundell.com>

Subject: NextPoint

[THIS MESSAGE ORIGINATED FROM OUTSIDE OUR FIRM]

Hi Will,

Tried your line. Have a call into Tim at the CA registry and wanted to try and connect briefly before. Could you be back from Ottawa for a hearing on the 7th if I can get a panel convened? I just peaked and I think you are in on the 6th at SCC no?

Regards,
Jeffrey

Jeffrey Bradshaw
Associate

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F +1 604.605.3714
E jeffrey.bradshaw@dlapiper.com



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Court of Appeal File No. CA49489

COURT OF APPEAL

BETWEEN:

M&M BUSINESS GROUP, L.P., MUFEED HADDAD and MIKE BUDKA

APPELLANTS

AND:

NEXTPPOINT FINANCIAL, INC., AND THOSE PARTIES LISTED ON
SCHEDULE "A"

RESPONDENTS
(PETITIONERS)

AND:

FTI CONSULTING CANADA INC., FIRST CENTURY BANK, N.A.,
BASEPOINT, DRAKE ENTERPRISES LTD., FRONTIER CAPITAL GROUP
LTD., CHILMARK ADMINISTRATIVE LLC, TMI TRUST COMPANY, CMB TAX
SERVICE, LLC, and HIS MAJESTY THE KING IN RIGHT OF CANADA

RESPONDENTS

AFFIDAVIT

DLA Piper (Canada) LLP
Barristers & Solicitors
Suite 2700
1133 Melville Street
Vancouver, BC V6E 4E5

Tel. No. 604.687.9444
Fax No. 604.687.1612

File No.: 109926-00007

JDB/day



049

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 APPENDIX "A"**

PETITIONERS

FOURTH REPORT OF THE MONITOR

October 27, 2023

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Appendix A – List of Petitioners

INTRODUCTION

1. On July 25, 2023, NextPoint Financial, Inc. (“**NPI**”) and 29 other petitioners (collectively, the “**Petitioners**”) were granted an initial order (the “**Initial Order**”) under the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”) in the Supreme Court of British Columbia Action No. S-235288, Vancouver Registry (the “**CCAA Proceedings**”).
2. The Initial Order provided for, among other things:
 - a. a stay of proceedings (the “**Stay of Proceedings**”) against the Petitioners until August 3, 2023;
 - b. the appointment of FTI Consulting Canada Inc. as Monitor of the Petitioners (the “**Monitor**”); and
 - c. the appointment of Peter Kravitz of Province Fiduciary Services, LLC (together with Province LLC, “**Province**”) as the Petitioners’ Chief Restructuring Officer (“**CRO**”).
3. On July 27, 2023, the Petitioners obtained orders in the U.S. Bankruptcy Court for the District of Delaware (the “**US Bankruptcy Court**”) under Chapter 15 of the United States Bankruptcy Code (the “**Chapter 15 Proceedings**”) recognizing the CCAA Proceedings as a foreign main proceeding and granting certain additional provisional relief relating to the recognition of the Initial Order.
4. On August 3, 2023, this Honourable Court granted the following orders:
 - a. an amended and restated Initial Order (the “**ARIO**”) which, among other things:
 - i. extended the Stay of Proceedings up to and including October 20, 2023;

- ii. increased the amounts of certain priority charges granted in the Initial Order;
 - iii. clarified the priority of a charge (the “**FCB Charge**”) granted on certain property of Liberty Tax in an amount equal to the value of the indebtedness, interest, fees, liabilities and obligations to First Century Bank N.A. (“**FCB**”) incurred after the granting of the Initial Order; and
 - iv. approved an increase in the amount of the interim financing facility (the “**Interim Facility**”) to the maximum principal amount of \$25.0 million and increasing the amount of the charge on the Petitioners’ property to secure the obligations under the Interim Facility (the “**Interim Facility Charge**”); and
 - b. an order (the “**SISP Order**”) approving a restructuring support agreement dated July 25, 2023 among the Petitioners and certain secured creditors (the “**RSA**”) and a sales and investment solicitation process (the “**SISP**”). The SISP included a stalking horse purchase agreement (the “**SHPA**”) among certain of the Petitioners and certain of their lenders (the collectively, the “**Purchasers**”).
- 5. On August 16, 2023, the US Bankruptcy Court entered an order recognizing and approving, among other relief, the SISP Order and ARIO.
- 6. On September 19, 2023, granted an order (the “**September 19 Order**”):
 - a. removing LoanMe Trust Prime 2018-1 (the “**2018 Trust**”) and LoanMe Trust SBL 2019-1 (the “**2019 Trust**”) and together, the “**LoanMe Income Trusts**”) as Petitioners in these CCAA Proceedings;
 - b. providing for a limited Stay of Proceedings against the LoanMe Income Trusts (the “**LoanMe Stay**”); and

- c. adding LM BP Holdings, LLC as a Petitioner in these CCAA Proceedings.
7. On October 13, 2023, this Honourable Court granted an order amending and restating the ARIO (the “**Second ARIO**”), as follows:
 - a. extending the Stay of Proceedings up to and including November 20, 2023;
 - b. extending the LoanMe Stay; and
 - c. expanding the powers to be exercised by the CRO.
8. On September 22, 2023, the Petitioners filed with the US Bankruptcy Court a notice consistent with the September 19 Order and Second ARIO in respect of the LoanMe Income Trusts and the LoanMe Stay.
9. On October 5, 2023, NPI filed a motion in the US Bankruptcy Court seeking recognition of LM BP Holdings, LLC as a Petitioner in these CCAA Proceedings and certain additional relief relating to the recognition of the Initial Order.
10. On October 24, 2023, the Petitioners filed a notice of application returnable October 31, 2023, for an order (the “**RVO**”), among other things:
 - a. approving the transactions contemplated by a transaction agreement (the “**Transaction Agreement**”) among NPI and certain subsidiaries (the “**NextPoint Entities**”) and certain of its secured lenders (the “**Purchasers**”);
 - b. vesting in a Canadian residual company (“**Residual Co. 1**”) all of the right, title and interest in and to certain assets (the “**Excluded Assets**”) and liabilities (the “**Excluded Liabilities**”) of the acquired entities which were not formed or incorporated in the United States (the “**Non-US Acquired Entities**”); and

- c. vesting in a United States residual company (“**Residual Co. 2**”) all of the right, title and interest in and to the Excluded Assets and Excluded Liabilities of the acquired entities which were formed or incorporated in the United States (the “**US Acquired Entities**” and together with the Non-US Acquired Entities, the “**Acquired Entities**”).

PURPOSE

11. The purpose of this report is to provide this Honourable Court and the Petitioners’ stakeholders with information with respect to:
 - a. an independent review performed by the Monitor’s legal counsel of the security held by BP Commercial Funding Trust, Series SPL-X (the “**BP Lenders**”) and Drake Enterprises Ltd. (“**Drake**”);
 - b. the Transaction Agreement;
 - c. the Petitioners’ application for the RVO;
 - d. Disclaimer Notices issued by the Petitioners in respect of certain real property leases and operating agreements; and
 - e. the Monitor’s conclusions and recommendations.

TERMS OF REFERENCE

12. In preparing this report, the Monitor has relied upon certain information (the “**Information**”) including the Petitioners’ unaudited financial information, books and records and discussions with the CRO and management of the Petitioners (collectively, “**Management**”). The Monitor has also consulted with the financial and legal advisors of the Petitioners.

13. Except as described in this report, the Monitor has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would comply with Generally Accepted Assurance Standards pursuant to the Chartered Professional Accountants of Canada Handbook.
14. The Monitor has not examined or reviewed financial forecasts and projections referred to in this report in a manner that would comply with the procedures described in the Chartered Professional Accountants of Canada Handbook.
15. Future-oriented financial information reported to be relied on in preparing this report is based on Management's assumptions regarding future events. Actual results may vary from forecast and such variations may be material.
16. Unless otherwise stated, all monetary amounts contained herein are expressed in United States dollars to be consistent with the Petitioners' primary reporting currency.

SECURITY OPINIONS

17. The Monitor's independent legal counsel, Fasken Martineau Dumoulin LLP, has coordinated security opinions (the "**Opinions**") in respect of the security held by each of the BP Lenders and Drake in Canada and the United States.
18. Subject to the standard qualifications and assumptions outlined in each of the Opinions, the Opinions reflect that:
 - a. the documents that NPI HoldCo LLC, LT Holdco, LLC, NPI and certain subsidiary guarantors including LoanMe LLC are party to, including the security agreement dated as of July 2, 2021 (as amended and restated or otherwise modified prior to the date of the opinion, the "**NPI Security Agreement**"), constitute valid, binding and enforceable obligations of such parties, and the provisions of the NPI Security Agreement are effective to create, in favour of the

BP Lenders, a security interest over the collateral described in the NPI Security Agreement; and

- b. the documents that CTAX Acquisition LLC and other subsidiary guarantors are a party to, including the security agreement dated June 29, 2022 (as amended and restated or otherwise modified prior to the date of the opinion, the “**CTax Security Agreement**”), constitute valid, binding and enforceable obligations of such parties, and the provisions of the Drake Security Agreement are effective to create, in favour of Drake, a security interest over the collateral described in the CTax Security Agreement.

SALES PROCESS AND TRANSACTION AGREEMENT

19. The Petitioners, with the assistance of the CRO and with the oversight of the Monitor, marketed the Petitioners’ interests in the Liberty Tax and Community Tax business lines in accordance with the SISP. The detailed timelines and procedures of the Sales Process are described in the First Report of the Monitor dated August 2, 2023, and are not repeated herein.

20. Highlights of the Sales Process are as follows:

- a. the CRO contacted 158 potentially interested parties, including 46 strategic and 112 private equity or other financial investors and provided them with a copy of a process summary non-confidential information letter;
- b. 13 potential purchasers executed non-disclosure agreements and were provided with access to an electronic data room; and
- c. two non-binding indications of interest (“**IOIs**”) for the Petitioners interests in Liberty Tax and Community Tax were received by the CRO and the Monitor.

21. As described in the Second Report of the Monitor dated September 18, 2023, the Petitioners, under the direction of the CRO and in consultation with the Monitor and the BP Lenders, determined that neither of the IOIs had a reasonable prospect of culminating in a Qualified Bid and that they were not considered “LOIs” as defined in the SISP. As a result, the Petitioners terminated the SISP and, on September 11, 2023, notified the bidders and Service List in the CCAA Proceedings of the termination.
22. In consultation with the CRO and Monitor, the BP Lenders and Drake advised the CRO and Monitor that they would amend their bid (the “**Amended Bid**”) to increase the purchase price through an increase to the credit bid of over \$96.0 million.
23. The Petitioners and Purchasers are continuing to negotiate the Amended Bid. However, the Monitor understands that the key commercial terms of the Transaction Agreement are expected to include the following (with any capitalized terms not defined herein intending to bear their meanings as defined in the Transaction Agreement):
- a. the purchase price is equal to the sum of:
 - i. a credit bid of \$196.59 million of the Interim Facility and first-lien debt, including a \$144.59 credit bid in respect of Liberty Tax (the “**LT Credit Bid Amount**”) and a \$52.0 million credit bid in respect of Community Tax (the “**CTAX Credit Bid Amount**”); plus
 - ii. an amount to be determined with the NextPoint Entities which will be sufficient to pay any encumbrances on the assets of the NextPoint Entities that rank prior to the interests of the Purchasers’ security interest in the assets of the NextPoint Entities, and are not otherwise an Assumed Liability, in an aggregate amount not exceeding \$500,000 (the “**Closing Cash Payment**”); plus
 - iii. the assumption of certain liabilities (the “**Assumed Liabilities**”), including:

1. the \$75.0 million LT Term Loan;
 2. the applicable taxes to be borne by the Acquired Entities; and
 3. all other debts, liabilities and obligations under the Continuing Contracts that are not Excluded Contracts for the period from and after the Closing. These Continuing Contracts include the agreement (the “**FCB Agreement**”) with First Century Bank N.A. (“**FCB**”), which is the subject of the Franchisee Lender Charge (as defined in the Amended and Restated Initial Order) with respect to applicable obligations;
- b. the purchase price shall be satisfied as follows:
- i. by causing the release of the applicable NextPoint Entities from (a) \$14.0 million of the amounts outstanding under the Interim Facility and (b) obligations owing pursuant to any and all revolving credit loans outstanding under the BP NP-Liberty Credit Agreement in an aggregate amount equal to the LT Credit Bid Amount;
 - ii. by causing the release of the applicable NextPoint Entities from (a) \$7.0 million of the amounts outstanding and obligations owing pursuant to the Interim Facility; and (b) the CTAX First Lien Debt, including the principal amount of such claims and interest and fees accrued as of the Closing Date, in an aggregate amount equal to the CTAX Credit Bid Amount; and
 - iii. by payment of the Closing Cash Payment to NPI;
- c. the remaining \$4.0 million owing under the Interim Facility will remain unpaid following implementation of the transaction and will be secured by the DIP Charge against the assets of the remaining Petitioners (comprised of NextPoint Financial Inc., NPI Holdco LLC and the various LoanMe entities) and Residual

Co. 1 and Residual Co. 2, which are intended to be added as Petitioners following the Effective Time (collectively, the “**Post-Closing Petitioners**”);

- d. the Purchasers (or their designee) will directly or indirectly acquire all of the Acquired Entities in their entirety other than the Excluded Liabilities and the Excluded Assets which include, among other things, the following:
 - i. cash for a wind-down of the CCAA Proceedings of \$600,000 and for professional fee retainers held in the segregated escrow bank account set forth in the DIP Term Sheet (the “**Retained Cash**”) (provided that any unused portion of the Retained Cash, after payment or reservation for all wind down expenses and professional fee retainers, as determined by the Monitor, shall be transferred by the Monitor or the CRO, as applicable, to the Acquired Entities after the Closing);
 - ii. certain contracts of the NextPoint Entities as set out in the Disclosure Letter; and
 - iii. equity interests or any other assets set forth in the Disclosure Letter, which may be modified as agreed upon by NextPoint and the Purchasers at least 3 days prior to closing;
- e. the obligations and liabilities of the Acquired Entities will consist only of the Assumed Liabilities;
- f. all Excluded Contracts and Excluded Liabilities of the Non-US Acquired Entities will be transferred to and vest in Residual Co. 1;
- g. all Excluded Contracts and Excluded Liabilities of the US Acquired Entities will be transferred to and vest in Residual Co. 2;

- h. unless the Parties otherwise agree in writing, the closing date will be no later than 5 business days after certain conditions precedent have been satisfied or waived, provided that no closing date is later than the Outside Date (as defined in the RSA); and
 - i. the Petitioners within the LoanMe business line will not be acquired.
24. The Monitor's comments with respect to the Transaction Agreement are as follows:
- a. The business and assets of the Petitioners have been extensively marketed.
 - b. The SISP was fair and transparent and provided all participants with equal access to information and opportunity to submit an offer and was conducted with the oversight of the Monitor.
 - c. The secured lenders were consulted in respect of the SISP.
 - d. The Purchase Price and other terms of the Transaction Agreement are fair and reasonable in consideration of the market value of the purchased assets as determined through the SISP, including providing greater value than indicated in the IOIs received.
 - e. As noted above, under the terms of the Transaction Agreement there will be \$4.0 million owing under the Interim Facility following closing, which will be secured by the DIP Charge against the assets of the Post-Closing Petitioners. Under the terms of the SHPA, it was contemplated that up to the full amount of the Interim Facility would have been credit bid and there would have been significant debt left owing to the BP Lenders under their pre-filing facility guaranteed by among others, LoanMe LLC. Based on the Monitor's review of the Petitioners' books and records and discussions with the CRO and Management, the Monitor understands that the only realizable assets within the Post-Closing Petitioners are the interest LM Retention Holdings, LLC ("**LM Retention**") holds in the 2018

Trust (which has a book value of approximately \$2.2 million) and approximately \$94,000 in cash held at LoanMe LLC. The Monitor understands that LM Retention no longer has an interest in the 2019 Trust. Management and the CRO have advised the Monitor that there are no creditors with claims against LM Retention. Accordingly, if the Interim Facility had been credit bid in full, if LM Retention received any proceeds, those would have been distributed to LoanMe LLC and been subject to the BP Lender's security interest at that entity. Accordingly, based on the information provided by the Petitioners and the CRO, there is no material prejudice arising from the revised transaction structure and notional allocation of the \$4.0 million under the Interim Facility and corresponding Interim Facility Charge on the assets of the Post-Closing Petitioners. Counsel for Chilmark Administrative LLC ("**Chilmark**") has contacted the Monitor's counsel to advise that Chilmark has an interest in LoanMe entities. At the time this report was finalized, the Monitor had not received particulars of this interest or claim.

- f. The CRO advises the Monitor that the maximum amount of the Closing Cash Payment will be sufficient to pay any encumbrances on the assets of the NextPoint Entities that rank prior to the interests of the Purchasers' security interest in the assets of the NextPoint Entities, and are not otherwise an Assumed Liability.
- g. The only Assumed Liability with a priority claim to the pre-filing debt owing to the BP Lenders is under the FCB Agreement that is secured by the FCB Charge, which the Transaction Agreement contemplates will be assumed by the Purchaser on closing.
- h. The Monitor notes that certain court-ordered charges will continue following conclusion of the transaction and, going forward, be secured against the Excluded Assets, including the LoanMe entities, in Residual Co. 1 and Residual Co. 2. The Monitor is advised by the CRO, Petitioners and the Purchaser that there will be no

amounts owing on such charges as of the closing date, and that the beneficiaries of such charges consent to the charges continuing against the Excluded Assets.

- i. The target date of the Transaction Agreement will enable the Petitioners to complete a transaction within the liquidity runway afforded by the Interim Facility.
 - j. The timelines, conditions and other key terms of the Transaction Agreement are commercially reasonable in the circumstances, based on the Monitor's experience with similar transactions in the context of insolvency and restructuring proceedings.
 - k. The Transaction Agreement will provide for the continued operation of the Liberty Tax and Community Tax business lines, offering greater benefit than a forced liquidation.
25. Overall, the Transaction Agreement is the highest and best offer available for the business and assets of the Petitioners and is in the best interests of Petitioners' stakeholders.

REVERSE VESTING ORDER

26. The Transaction Agreement contemplates a RVO structure, as opposed to an asset purchase agreement as proposed in the original stalking horse purchase agreement dated July 25, 2023, for the following reasons:

- a. the "Compromised LT Entities" that were to be transferred to the Purchasers hold Electronic Filing Identification Numbers ("EFIN"s) which were issued by the Internal Revenue Service ("IRS") and allow for the entities to file tax returns on behalf of customers and represent customers in connection with IRS investigations. The EFINS are non-transferrable and the Petitioners advise the Monitor that it could take several months to obtain new EFINS;

- b. JTH, a Compromised LT Entity under the SHPA, has a registered Franchise Disclosure Document (“FDD”) in the U.S. which allows it to operate the franchise business of Liberty Tax. The Petitioners advise the Monitor that the FDD is critical to the business, cannot be transferred and it could take several months to register a new FDD in its place;
 - c. the Compromised LT Entities are party to a large number of business-critical contracts which would require consent to an assignment in an asset purchase transaction which would be impractical in the circumstances; and
 - d. JTH operates a complex payroll system developed by ADP that is non-transferable and would take significant time and cost to replace.
27. The Monitor’s comments with respect to the RVO structure of the Transaction Agreement are as follows:
- a. the RVO is necessary since certain key components of the Petitioners’ business are non-transferrable under a traditional asset sale transaction structure and, to the extent such components could be replaced, the steps required to do so would result in significant additional delays and costs, which would be reflected in the costs of these proceedings and/or the purchase price;
 - b. the RVO structure avoids potentially significant delays and costs associated with having to seek the consent to assignment from contract counterparties or, if such consents could not be obtained, orders assigning such contracts pursuant to section 11.3 of the CCAA;
 - c. no stakeholder is prejudiced by the RVO structure, as compared to an asset transaction. In particular, based on the transaction value and the amounts owing to secured creditors, there is no apparent prejudice to creditors whose claims will be Excluded Liabilities as their claims would not have been assumed and their unsecured claims would have received no recovery;

- d. there has been broad notice of the CCAA proceedings, and the proposed transaction (structured as an asset transaction which, as noted above, would not result in recovery for unsecured creditors);
 - e. the stakeholder and transaction outcome under the RVO is at least as favourable as any alternative transaction since, in the circumstances, the Petitioners believe the RVO is the only viable transaction;
 - f. the RVO structure is a requirement of the Transaction Agreement which is the highest and best offer as determined by the SISP. Accordingly, and based on discussions with the Petitioners and the Purchaser, the Monitor understands that an asset transaction, as previously contemplated, is not a viable option for the sale of this business.
28. The Petitioners have not served all contract counterparties with the materials in connection with seeking approval of the RVO. However, the counterparties have all been served with notice of the CCAA Proceedings and none of the contract counterparties have requested to be added to the Service List in the CCAA Proceedings. The CRO also advises that contract counterparties were notified of the proposed transaction and upcoming application by mail sent on or before October 25, 2023. Various contract counterparties have since contacted the legal counsel to the Petitioners and the CRO to discuss the notice and have not raised any concerns. The Monitor agrees with the Petitioners view that the cost (estimated by the CRO to be approximately \$245,000) and administrative burden of serving the materials on the contract counterparties are not justified in this case since there is no anticipated recovery for unsecured creditors.
29. The proposed RVO includes releases in favour of certain parties (collectively, the “**Released Parties**”) including:
- a. the current and former directors, officers, employees, legal counsel, and advisors of the Acquired Entities;

- b. the Monitor and its legal counsel;
 - c. Drake, the Purchasers and their respective affiliates; and
 - d. the CRO and each of their current and former directors, officers, employees, legal counsel and advisors.
30. The Released Parties will be released from any and all present and future claims of any nature or kind whatsoever based in whole or in part on any act or omission, transaction or dealing or other occurrent existing or taking place on prior to the Effective Time (and, with respect to the current or former directors and officers of the Acquired Entities, on and after July 25, 2023) in respect of (i) the Petitioners and their business, operations and administration and the CCAA Proceedings and/or Chapter 15 Proceedings, or (ii) the Transaction Agreement and other related documents.
31. The proposed release does not release any claim against directors and officers that cannot be released pursuant to section 5.1(2) of the CCAA.
32. The Monitor is of the view that each of the Released Parties have made significant contributions to the successful going-concern restructuring transaction in respect of the Petitioners, including facilitating the ongoing operations and advancing the sale process, and that the proposed releases are reasonable in the circumstances.

DISCLAIMER NOTICES

33. In order to conserve estate assets and prepare for the anticipated completion of the Transaction Agreement, the Petitioners, in consultation with the Monitor, determined that it was necessary to issue disclaimer notices to certain landlords and counterparties to operating agreements.
34. The disclaimers relate to 44 real property leases for premises which the Petitioners desire to vacate and six operating agreements that were for services no longer in use or for

which the costs are not commensurate with the ongoing benefits. In each case, the Purchasers have confirmed that they do not wish to assume the applicable contract under the Transaction Agreement.

35. Accordingly, the Monitor approved the Disclaimer Notices that were served on the respective counterparties on October 20, 2023 and they will become effective on November 19, 2023.

CONCLUSIONS AND RECOMMENDATIONS

36. Based on the forgoing, the Monitor respectfully recommends that this Honourable Court grant the RVO.

All of which is respectfully submitted this October 27, 2023.

FTI Consulting Canada Inc.
in its capacity as Monitor of the Petitioners



Tom Powell
Senior Managing Director



Craig Munro
Managing Director

Appendix A

List of Petitioners

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

Liberty Tax Entities

3. LT Holdco, LLC
4. LT Intermediate Holdco, LLC
5. SiempreTax+ LLC
6. JTH Tax LLC
7. Liberty Tax Holding Corporation
8. Liberty Tax Service, Inc.
9. JTH Financial, LLC
10. JTH Properties 1632, LLC
11. Liberty Credit Repair, LLC
12. Wefile LLC
13. JTH Tax Office Properties, LLC
14. LTS Software LLC
15. JTH Court Plaza, LLC
16. 360 Accounting Solutions, LLC
17. LTS Properties, LLC

Community Tax Entities

18. CTAX Acquisition LLC
19. Community Tax Puerto Rico LLC
20. Community Tax LLC

LoanMe Entities

21. NPLM Holdco LLC
22. MMS Servicing LLC
23. LoanMe, LLC
24. LoanMe Funding, LLC
25. LM Retention Holdings, LLC
26. LoanMe Stores LLC
27. InsightsLogic LLC
28. LM 2020 CM I SPE, LLC
29. LM BP Holdings, LLC



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 APPENDIX "A"**

PETITIONERS

FIFTH REPORT OF THE MONITOR

November 16, 2023

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Appendix A – List of Petitioners

Appendix B – Third Cash Flow Statement

INTRODUCTION

1. On July 25, 2023, NextPoint Financial, Inc. (“**NPI**”) and 29 other petitioners (collectively, the “**Petitioners**”) were granted an initial order (the “**Initial Order**”) under the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”) in the Supreme Court of British Columbia Action No. S-235288, Vancouver Registry (the “**CCAA Proceedings**”).
2. The Initial Order provided for, among other things:
 - a. a stay of proceedings (the “**Stay of Proceedings**”) in respect of the Petitioners until August 3, 2023;
 - b. the appointment of FTI Consulting Canada Inc. as Monitor of the Petitioners (in such capacity, the “**Monitor**”); and
 - c. the appointment of Peter Kravitz of Province Fiduciary Services, LLC (together with Province LLC, “**Province**”) as the Petitioners’ Chief Restructuring Officer (“**CRO**”).
3. On July 27, 2023, the Petitioners obtained orders in the United States Bankruptcy Court for the District of Delaware (the “**US Bankruptcy Court**”) under Chapter 15 of the United States Bankruptcy Code (the “**Chapter 15 Proceedings**”) recognizing the CCAA Proceedings as a foreign main proceeding and granting certain additional provisional relief relating to the recognition of the Initial Order.
4. On August 3, 2023, this Honourable Court granted the following orders:
 - a. an amended and restated Initial Order (the “**ARIO**”) which, among other things, extended the Stay of Proceedings up to and including October 20, 2023, increased the amounts of certain priority charges granted in the Initial Order, including securing the interim financing and approved an increase in the amount of the

interim financing facility (the “**Interim Facility**”) to the maximum principal amount of \$25.0 million; and

- b. an order (the “**SISP Order**”) approving a restructuring support agreement dated July 25, 2023, among the Petitioners and certain secured creditors and a sales and investment solicitation process, including a stalking horse purchase agreement among certain of the Petitioners and certain of their lenders.
5. On August 16, 2023, the US Bankruptcy Court entered an order recognizing the SISP Order and ARIO.
6. On September 19, 2023, this Honourable Court granted an order (the “**September Order**”):
 - a. removing LoanMe Trust Prime 2018-1 (the “**2018 Trust**”) and LoanMe Trust SBL 2019-1 (the “**2019 Trust**” and together with the 2018 Trust, the “**LoanMe Income Trusts**”) as Petitioners in these CCAA Proceedings;
 - b. providing for a stay of proceedings in respect of the LoanMe Income Trusts (the “**LoanMe Stay**”); and
 - c. adding LM BP Holdings, LLC as a Petitioner in these CCAA Proceedings.
7. On September 22, 2023, the Petitioners filed with the US Bankruptcy Court, a notice consistent with the September Order in respect of the LoanMe Income Trusts and the LoanMe Stay.
8. On October 5, 2023, NPI filed a motion in the US Bankruptcy Court seeking recognition of the addition of LM BP Holdings, LLC as a Petitioner in these CCAA Proceedings and certain additional relief relating to the recognition of the Initial Order. On November 2, 2023, the US Bankruptcy Court entered an order recognizing the September Order.

9. On October 13, 2023, this Honourable Court granted an order further amending and restating the ARIO (the “**Second ARIO**”) which, among other things, extended the Stay of Proceedings up to and including November 20, 2023, extended the LoanMe Stay and expanded the CRO’s powers.

10. On October 31, 2023, this Honourable Court granted the following:
 - a. an order (the “**RVO**”), which among other things approved the transactions contemplated by a transaction agreement (the “**Transaction Agreement**”) among NPI and certain subsidiaries (the “**NextPoint Entities**”) and certain of its secured lenders (the “**Purchasers**”) and vesting in a Canadian residual company all the right title and interest in and to excluded assets and liabilities for the acquired entities that were formed or incorporated in Canada, and vesting in a United States residual company (“**US ResidualCo**”) all the right title and interest in and to excluded assets and liabilities for the acquired entities that were formed or incorporated in the United States, in each case on closing of the transaction in accordance with its terms; and

 - b. an order causing all previous orders made in these proceedings to have no force and effect as against the 2019 Trust.

11. On November 6, 2023, the US Bankruptcy Court conducted an initial hearing on the Petitioners’ application seeking recognition of the RVO. However, certain area developers of the Liberty Tax franchises (the “**Area Developers**”) filed an objection to the recognition. Due to the lack of court availability, to allow sufficient time to argue the matter on its merits, the Petitioners continued the RVO recognition hearing to Monday, December 11, 2023.

12. On November 10, 2023, the Petitioners filed a notice of application returnable November 17, 2023, for the following:

- a. an order (the “**Claims Process Order**”) approving a procedure for the identification and adjudication of claims (the “**Claims Process**”), including requiring claims be submitted by December 15, 2023. The Claims Process was originally for claims against NPLM Holdco LLC, MMS Servicing LLC, LoanMe, LLC, LoanMe, Funding, LLC, LoanMe Stores LLC, LM Retention Holdings, LLC, LM BP Holdings, LLC, InsightsLogic LLC and LM 2020 CMI I SPE, LLC (collectively, “**LoanMe**”), but on November 14, 2023, the Petitioners delivered a further application and draft form of order to include claims against NPI and NPI Holdco LLC (with LoanMe, collectively, the “**Claims Process Entities**”); and
- b. an order (the “**Stay Extension Order**”) further extending the Stay of Proceedings to December 22, 2023 (the “**Stay Extension**”).

PURPOSE

13. The purpose of this report is to provide this Honourable Court and the Petitioners’ stakeholders with information with respect to:
 - a. an update on the status of the transactions contemplated by the Transaction Agreement and RVO;
 - b. a description of the proposed Claims Process;
 - c. the Petitioners’ actual cash receipts and disbursements for the 14-week period that ended October 27, 2023 (“**Reporting Period**”), as compared to the cash flow statement included in the Third Report of the Monitor dated October 11, 2023;
 - d. an updated cash flow statement (the “**Third Cash Flow Statement**”) for the period ending December 22, 2023 (the “**Forecast Period**”), including the key assumptions on which the cash flow statement is based;
 - e. an update on disclaimer notices issued by the Petitioners;

- f. the proposed Stay Extension; and
- g. the Monitor's conclusions and recommendations.

TERMS OF REFERENCE

14. In preparing this report, the Monitor has relied upon certain information (the "**Information**") including the Petitioners' unaudited financial information, books and records and discussions with the CRO and management of the Petitioners (collectively, "**Management**"). The Monitor has also consulted with the financial and legal advisors of the Petitioners.
15. Except as described in this report, the Monitor has not audited, reviewed, or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would comply with Generally Accepted Assurance Standards pursuant to the Chartered Professional Accountants of Canada Handbook.
16. The Monitor has not examined or reviewed financial forecasts and projections referred to in this report in a manner that would comply with the procedures described in the Chartered Professional Accountants of Canada Handbook.
17. Future-oriented financial information reported to be relied on in preparing this report is based on Management's assumptions regarding future events. Actual results may vary from forecast and such variations may be material.
18. Unless otherwise stated, all monetary amounts contained herein are expressed in United States dollars to be consistent with the Petitioners' primary reporting currency.

STATUS OF THE TRANSACTION AGREEMENT

19. The Transaction Agreement is subject to certain conditions precedent including, among other things, the recognition of the RVO by the US Bankruptcy Court.

20. As described above, the Petitioners' recognition hearing was continued to December 11, 2023. Accordingly, the Petitioners have not yet concluded the transactions contemplated by the Transaction Agreement and RVO.

CLAIMS PROCESS

21. The Petitioners intend to implement the wind-up of LoanMe and/or the Claims Process Entities through a plan of compromise and arrangement. To facilitate this, the Petitioners seek the Claims Process Order to establish a process for determining the nature and amounts of claims against the Claims Process Entities. Any capitalized terms used and not defined are as defined in the Claims Process Order.
22. Province and the CRO advise the Monitor that the Claim Process Entities' books and records are accurate and up-to-date. Accordingly, the Claims Process Order primarily contemplates a negative assurance claims process to minimize professional costs, with most creditors receiving claim amount notices (the "**Negative Notice Creditors**") setting out the claim that each Negative Notice Creditor has against any, or all, of the Claim Process Entities based on the books and records. A Negative Notice Creditor will not be required to file proofs of claim unless they disagree with the assessment of its claim. Negative Notice Creditors that disagree with their claim amount must submit a Proof of Claim including the amount, status and documentation for their claim.
23. For Negative Notice Creditors, the completed Proof of Claim must be received before the Claims Bar Date, or such later date as the Monitor may agree to in writing, or the creditor will be deemed to have accepted the claim as set forth in the Claim Amount Notice, without further ability to dispute the claims or otherwise assert claims against the Claims Process Entities.
24. Any creditors, or potential creditors, that do not receive a Claim Amount Notice, but wish to assert a claim, must submit a Proof of Claim before the Claims Bar Date, or such later date as the Monitor may agree to in writing. Parties that fail to submit a Proof of Claim

by the Claims Bar Date, or such later date as the Monitor may agree to in writing, will be barred from asserting claims against the Claims Process Entities.

25. Where a Proof of Claim is disputed in whole or in part, the Monitor may issue a Notice of Revision or Disallowance advising the creditor of the reasons for that decision.
26. If a creditor objects to the Notice of Revision or Disallowance, the creditor must deliver a Notice of Dispute to the Monitor within ten days of the Notice of Revision or Disallowance and within 15 days of the Notice of Dispute, file with this Honourable Court and serve on the Claims Process Entities and the Monitor a Notice of Application to have their claim determined¹.
27. The key aspects and timelines of the Claims Process are set out in the below table:

Event	Applicable Dates/Timing
Delivery of Claims Packages to Negative Notice Creditors and other creditors	After the Claims Process Order is made, and no later than Friday, November 24, 2023
Post to the Monitor's website a copy of the Claims Process Order, the Claim Process Instruction Letter and other relevant materials	Within 2 business days of the Claims Process Order is made (on or before Tuesday, November 21)
Publish a notice in the Wall Street Journal	Within 5 business days of the Claims Process Order (on or before Friday, November 24)
Claims Bar Date	5:00 p.m. (Vancouver time) on Friday, December 15, 2023
Adjudication of claims by the Monitor	Following receipt of proofs of claim

¹ The Monitor understands that the Petitioners intend for such applications to be heard as a hearing *de novo*.

Notice of Dispute to the Notice of Revision or Disallowance by a Creditor	Within 10 days after the Notice of Revision or Disallowance
File and serve on the applicable Claims Process Entity and the Monitor a Notice of Application to have their claim determined	Within 15 days after the Notice of Dispute

28. The Monitor is to supervise the delivery and receipt of the various forms and notices and, with Claims Process Entities, review the claims submitted by creditors. The Monitor, in accordance with the Claims Process, may also, at any time:

- a. refer a claim to this Honourable Court for resolution where, in the Monitor's discretion, that referral is preferable or necessary for the resolution or the valuation of the claim;
- b. accept the amount of claim for voting purposes (without prejudice to the Claims Process Entities' ability to later contest the validity or amount of the claim); and
- c. settle and resolve any Disputed Claims.

29. The Monitor's comments on the proposed Claims Process Order are as follows:

- a. the Claims Process allows for the determination of claims against the Claims Process Entities in a fair, transparent, comprehensive, and expeditious manner;
- b. with the assistance of Province, the Claims Process Entities have conducted a thorough review of their books and records to support the Claim Amount Notices for Negative Notice Creditors;
- c. any creditor that does not receive a Claim Amount Notice, or disagrees with the Claim Amount Notice received, is required to file a Proof of Claim;

- d. the Claims Bar Date provides sufficient time for potential claimants to evaluate and submit any Proof of Claim;
- e. the Claim Process provides a prescribed structure for Disputed Claims;
- f. conducting a Claims Process is necessary to facilitate a potential wind-up plan for the Claims Process Entities;
- g. in the event of a plan, the proposed timeline allows time to resolve Disputed Claims prior to any meeting of creditors; and
- h. overall, the Monitor is of the view that the Claims Process Order and applicable timelines are fair and reasonable and is appropriate in the circumstances.

CASH FLOW VARIANCE ANALYSIS

30. The Monitor has undertaken weekly reviews of the Petitioners' actual cash flows in comparison to those contained in the Second Cash Flow Statement. The Petitioners' actual cash receipts and disbursements as compared to the Second Cash Flow Statement for the period of July 25, 2023 to October 27, 2023, are summarized below:

NextPoint			
Cash Flow Variance Analysis			
Fourteen Week Period Ended October 27, 2023			
<i>(USD\$ thousands)</i>	Actual	Forecast	Variance
Operating Receipts			
Community Tax Operating Receipts	\$ 6,598	\$ 7,377	\$ (779)
Liberty Operating Receipts	6,644	5,721	923
Total Operating Receipts	13,242	13,098	144
Operating Disbursements			
Community Tax Operating Disbursements	(3,353)	(3,537)	\$ 184
Liberty Operating Disbursements	(11,258)	(10,568)	(691)
NextPoint Operating Disbursements	(698)	(1,356)	658
LoanMe Operating Disbursements	80	80	0
Employee Compensation	(9,412)	(9,743)	331
Total Operating Disbursements	(24,641)	(25,124)	483
Net Change in Cash from Operations	(11,399)	(12,026)	627
Non-Operating Items			
Non-Operating Receipts	2,600	3,100	(500)
Restructuring Professional Fees	(4,526)	(8,019)	3,494
Net Change in Cash from Non-Operating Items	(1,926)	(4,919)	2,994
Financing			
Interim Financing	25,000	25,000	-
Interim Financing Fees and Interest	(578)	(579)	1
Net Change in Cash from Financing	24,422	24,421	1
Net Change in Cash	11,098	7,476	3,622
Opening Cash	4,791	4,791	-
Ending Cash	\$ 15,889	\$ 12,267	\$ 3,622

31. Overall, the Petitioners realized a favourable net cash flow variance of approximately \$3.6 million. The key components of the variance are as follows:

- a. operating receipts were higher than forecast as a result of initiatives to accelerate the collection of Liberty Tax accounts receivable, partially offset by lower than forecast receipts at Community Tax;
- b. operating disbursements were lower than forecast, primarily as a result of lower employee compensation than forecast and reduced non-restructuring professional fee disbursements at NPI, partially offset by franchisee funding disbursements at Liberty Tax;

- c. non-operating receipts were \$0.5 million lower than forecast due to a timing difference in respect of the collection of proceeds from the sale of a minority interest in Trilogy Software Inc., partially offset by the receipt of the first installment of the initial service fee from Republic Bank & Trust Company related to Liberty Tax’s refund-based loans product, and pursuant to the Republic Facility Agreement as defined in the affidavit of Peter Kravitz sworn July 25, 2023. The initial service fee is payment for services and deliverables provided by JTH Financial, LLC including, but not limited to, marketing, training materials, consumer applications, consumer settlement and disclosure documents;
- d. restructuring professional fees were approximately \$3.5 million lower than forecast as a result of timing differences that are expected to reverse in the coming weeks. A summary of the restructuring professional fee disbursements made in the CCAA Proceedings to date is set out in the following table:

Professional Fee Summary						
Fourteen Week Period Ended October 27, 2023						
<i>(USD thousands)</i>						
Firm	Role	Fees	Disbursements	Taxes	Total	
Province	Financial Advisor / CRO	\$ 1,725	\$ 10	\$ -	\$ 1,735	
DLA Piper	Counsel to NextPoint	1,040	73	-	1,113	
FTI	Monitor	378	2	19	399	
Fasken	Monitor's Counsel	119	4	11	134	
Kirkland	Lender Counsel	638	17	-	656	
Osler	Lender Counsel	188	15	-	203	
Portage	Lender Financial Advisor	160	-	-	160	
Cole Schotz	Lender Counsel	51	1	-	52	
Other	Other Restructuring Professionals	13	60	-	73	
Total		\$ 4,312	\$ 184	\$ 30	\$ 4,526	

- e. overall, the Petitioners have drawn \$25.0 million under the Interim Facility and are holding a cash balance of approximately \$15.9 million.

THIRD CASH FLOW STATEMENT

32. Management has prepared the Third Cash Flow Statement for the 22-week period ending December 22, 2023. A copy of the Third Cash Flow Statement is attached as Appendix “B”.

33. A summary of the Third Cash Flow Statement is set out in the table below:

NextPoint			
Third Cash Flow Statement			
Twenty Two Week Period Ending December 22, 2023			
<i>(USD\$ thousands)</i>	Weeks 1-14	Weeks 15-22	Weeks 1-22
	Actual	Forecast	Total
Operating Receipts			
Community Tax Operating Receipts	\$ 6,598	\$ 4,693	\$ 11,291
Liberty Operating Receipts	6,644	2,319	8,963
Total Operating Receipts	13,242	7,012	20,254
Operating Disbursements			
Community Tax Operating Disbursements	(3,353)	(2,284)	(5,637)
Liberty Operating Disbursements	(11,258)	(7,681)	(18,939)
NextPoint Operating Disbursements	(698)	(1,777)	(2,475)
LoanMe Operating Disbursements	80	-	80
Employee Compensation	(9,412)	(5,323)	(14,735)
Total Operating Disbursements	(24,641)	(17,065)	(41,706)
Net Change in Cash from Operations	(11,399)	(10,053)	(21,452)
Non-Operating Items			
Non-Operating Receipts	2,600	6,000	8,600
Restructuring Professional Fees	(4,526)	(8,070)	(12,596)
Net Change in Cash from Non-Operating Items	(1,926)	(2,070)	(3,996)
Financing			
Interim Financing	25,000	-	25,000
Interim Financing Fees and Interest	(578)	(492)	(1,070)
Net Change in Cash from Financing	24,422	(492)	23,930
Net Change in Cash	11,098	(12,615)	(1,517)
Opening Cash	4,791	15,889	4,791
Ending Cash	\$ 15,889	\$ 3,274	\$ 3,274
Memo: Summary of Ending Cash by Bank Account Type			
Operating Bank Accounts	\$ 6,481	\$ 1,936	\$ 1,936
Professional Fee Escrow Bank Accounts	9,408	1,338	1,338
Ending Cash	\$ 15,889	\$ 3,274	\$ 3,274

34. The Third Cash Flow Statement is based on the following key assumptions:

- a. operating receipts and disbursements are assumed to be largely consistent with recent performance and typical seasonality for the applicable business lines, with assumptions listed in greater detail in Appendix “**B**”;
- b. non-operating receipts are assumed to include \$6.0 million of initial service fees from Republic Bank & Trust Company. The Petitioners may collect an additional \$2.0 million during the Forecast Period relating to the sale of a minority interest in Trilogy Software Inc., which represents upside that is not reflected in the Third Cash Flow Statement;
- c. restructuring professional fees include the CRO, the Petitioners’ legal counsel, the Monitor, the Monitor’s legal counsel, the Interim Lenders’ advisors and legal counsel and other professionals. Approximately \$3.0 million of the estimated professional fee disbursements relate to accrued but unpaid accounts; and
- d. the ending cash balance includes approximately \$1.3 million advanced under the Interim Facility and held in a segregated, escrow bank account in support of professional fees as provided for under the Interim Facility terms.

35. The Third Cash Flow Statement does not include any receipts or disbursements that may result from the closing of the Transaction Agreement which may occur during the period.

DISCLAIMER NOTICES

36. On October 27, 2023, the Petitioners, in consultation with the Monitor, determined that it was necessary and appropriate to issue disclaimer notices to the Area Developers in respect of 12 Area Developer Agreements (“**AD Agreements**”). The AD Agreements are excluded contracts under the Transaction Agreement and, pursuant to the RVO, will be transferred to US ResidualCo.
37. On November 14, 2023, US legal counsel, through a Canadian Agent, representing three Area Developers filed a notice of application (the “**AD Application**”) for an order, among other things:

- a. setting aside the Notices of Disclaimer in respect of four AD Agreements to which they are a party;
- b. making a declaration that the subject AD Agreements have not been disclaimed or resiliated;
- c. making a declaration that the subject AD Agreements and their respective franchise agreements are integrated transactions and that, to the extent the Petitioners retain the franchise agreements, the Petitioners must continue to perform their obligations under the corresponding AD Agreements; and
- d. making a declaration that the subject Area Developers are entitled to continue to use certain intellectual property notwithstanding the disclaimer or resiliation of the AD Agreements.

38. The AD Application is currently returnable December 1, 2023, but counsel for the Petitioners advises that they have held discussions with the Canadian Agent as to timing for the hearing, and by agreement has submitted a request for a hearing the week of December 18th.

39. Counsel for the Petitioners advise that they will be filing response materials to the AD Application and that the Petitioners do not agree with the facts and positions asserted by the Area Developers.

40. The Monitor may issue a further report in respect of the disputed disclaimer notices in advance of the proposed hearing date.

STAY EXTENSION

41. The Monitor's comments with respect to the Petitioners' application for the Stay Extension are as follows:

- a. the Stay Extension will allow the Petitioners time to work to close the transactions contemplated by the Transaction Agreement and RVO, advance the Claims Process and continue to develop its plan to wind-down the Claims Process Entities;
- b. the Third Cash Flow Statement forecasts that the Petitioners will have sufficient liquidity and will not require a further increase to the Interim Facility during the proposed Stay Extension;
- c. there will be no material prejudice to the Petitioners' creditors and other stakeholders as a result of the Stay Extension; and
- d. the Petitioners are acting in good faith and with due diligence.

CONCLUSIONS AND RECOMMENDATIONS

42. Based on the forgoing, the Monitor respectfully recommends that this Honourable Court grant the Claims Process Order and Stay Extension Order.

All of which is respectfully submitted this November 16, 2023.

FTI Consulting Canada Inc.
in its capacity as Monitor of the Petitioners



Tom Powell
Senior Managing Director



Craig Munro
Managing Director

Appendix A

List of Petitioners

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

Liberty Tax Entities

3. LT Holdco, LLC
4. LT Intermediate Holdco, LLC
5. SiempreTax+ LLC
6. JTH Tax LLC
7. Liberty Tax Holding Corporation
8. Liberty Tax Service, Inc.
9. JTH Financial, LLC
10. JTH Properties 1632, LLC
11. Liberty Credit Repair, LLC
12. Wefile LLC
13. JTH Tax Office Properties, LLC
14. LTS Software LLC
15. JTH Court Plaza, LLC
16. 360 Accounting Solutions, LLC
17. LTS Properties, LLC

Community Tax Entities

18. CTAX Acquisition LLC
19. Community Tax Puerto Rico LLC
20. Community Tax LLC

LoanMe Entities

21. NPLM Holdco LLC
22. MMS Servicing LLC
23. LoanMe, LLC
24. LoanMe Funding, LLC
25. LM Retention Holdings, LLC
26. LoanMe Stores LLC
27. InsightsLogic LLC
28. LM 2020 CM I SPE, LLC
29. LM BP Holdings, LLC

Appendix B

Cash Flow Statement for the 22-week period ending
December 22, 2023

NextPoint
Cash Flow Statement
For the 22-week period ending December 22, 2023

<i>Week Ending</i> <i>(USDS thousands)</i>	<i>Weeks 1-14</i> 27-Oct-23 Actual	<i>Week 15</i> 3-Nov-23 Forecast	<i>Week 16</i> 10-Nov-23 Forecast	<i>Week 17</i> 17-Nov-23 Forecast	<i>Week 18</i> 24-Nov-23 Forecast	<i>Week 19</i> 1-Dec-23 Forecast	<i>Week 20</i> 8-Dec-23 Forecast	<i>Week 21</i> 15-Dec-23 Forecast	<i>Week 22</i> 22-Dec-23 Forecast	<i>Total</i>
Operating Receipts										
Community Tax Operating Receipts	[1] \$ 6,598	\$ 619	\$ 495	\$ 743	\$ 618	\$ 585	\$ 468	\$ 702	\$ 463	\$ 11,291
Liberty Operating Receipts	[2] 6,644	351	351	351	351	228	228	228	228	8,963
Total Operating Receipts	13,242	971	847	1,094	970	813	696	930	691	20,254
Operating Disbursements										
Community Tax Operating Disbursements	[3] (3,353)	(311)	(269)	(269)	(331)	(317)	(275)	(275)	(239)	(5,637)
Liberty Operating Disbursements	[4] (11,258)	(1,495)	(395)	(395)	(845)	(1,404)	(799)	(799)	(1,549)	(18,939)
NextPoint Operating Disbursements	[5] (698)	(796)	(83)	(506)	(84)	(163)	(27)	(90)	(28)	(2,475)
LoanMe Operating Disbursements	[6] 80	-	-	-	-	-	-	-	-	80
Employee Compensation	[7] (9,412)	(869)	(560)	(850)	(560)	(1,000)	(35)	(1,414)	(35)	(14,735)
Total Operating Disbursements	(24,641)	(3,470)	(1,306)	(2,020)	(1,820)	(2,883)	(1,137)	(2,578)	(1,851)	(41,706)
Net Change in Cash from Operations	(11,399)	(2,499)	(459)	(926)	(850)	(2,070)	(440)	(1,648)	(1,160)	(21,452)
Non-Operating Items										
Non-Operating Receipts	[8] 2,600	1,500	-	1,500	-	1,500	-	1,500	-	8,600
Restructuring Professional Fees	[9] (4,526)	(727)	(577)	(3,624)	(651)	(537)	(651)	(651)	(651)	(12,596)
Net Change in Cash from Non-Operating Items	(1,926)	773	(577)	(2,124)	(651)	963	(651)	849	(651)	(3,996)
Financing										
Interim Financing	[10] 25,000	-	-	-	-	-	-	-	-	25,000
Interim Financing Fees and Interest	[11] (578)	(246)	-	-	-	(246)	-	-	-	(1,070)
Net Change in Cash from Financing	24,422	(246)	-	-	-	(246)	-	-	-	23,930
Net Change in Cash	11,098	(1,973)	(1,036)	(3,050)	(1,501)	(1,354)	(1,091)	(799)	(1,811)	(1,517)
Opening Cash	4,791	15,889	13,916	12,880	9,830	8,329	6,975	5,884	5,085	4,791
Ending Cash	\$ 15,889	\$ 13,916	\$ 12,880	\$ 9,830	\$ 8,329	\$ 6,975	\$ 5,884	\$ 5,085	\$ 3,274	\$ 3,274
Memo.: Operating Bank Accounts										
Opening Cash	\$ 4,791	\$ 6,481	\$ 5,235	\$ 4,776	\$ 5,350	\$ 4,500	\$ 3,684	\$ 3,244	\$ 3,096	\$ 4,791
<i>Net Change in Cash</i>	<i>14,519</i>	<i>(1,245)</i>	<i>(459)</i>	<i>574</i>	<i>(850)</i>	<i>(816)</i>	<i>(440)</i>	<i>(148)</i>	<i>(1,160)</i>	<i>9,974</i>
<i>Transfer to Escrow Account</i>	<i>(12,829)</i>	-	-	-	-	-	-	-	-	<i>(12,829)</i>
Ending Cash	\$ 6,481	\$ 5,235	\$ 4,776	\$ 5,350	\$ 4,500	\$ 3,684	\$ 3,244	\$ 3,096	\$ 1,936	\$ 1,936
Memo.: Professional Fee Escrow Bank Accounts										
Opening Cash	\$ -	\$ 9,408	\$ 8,681	\$ 8,104	\$ 4,480	\$ 3,829	\$ 3,291	\$ 2,640	\$ 1,989	\$ -
<i>Net Change in Cash</i>	<i>(3,421)</i>	<i>(727)</i>	<i>(577)</i>	<i>(3,624)</i>	<i>(651)</i>	<i>(537)</i>	<i>(651)</i>	<i>(651)</i>	<i>(651)</i>	<i>(11,491)</i>
<i>Transfer from Operating Account</i>	<i>12,829</i>	-	-	-	-	-	-	-	-	<i>12,829</i>
Ending Cash	\$ 9,408	\$ 8,681	\$ 8,104	\$ 4,480	\$ 3,829	\$ 3,291	\$ 2,640	\$ 1,989	\$ 1,338	\$ 1,338

Peter Kravitz, Chief Restructuring Officer
Nextpoint Financial Inc.

Notes:

Management has prepared this Cash Flow Statement solely for the purposes of determining the liquidity requirements of NextPoint during the CCAA Proceedings.

The Cash Flow Statement is based on the probable and hypothetical assumptions detailed below. Actual results will likely vary from performance projected and such variations may be material.

- [1] Community Tax operating receipts are forecast based on 2022 actuals, adjusted for differences in Internal Revenue Service (IRS) activity in pursuing collections, with the accompanying impact on demand for debt resolution work.
- [2] Liberty Tax operating receipts are primarily derived from collections relating to financial products and royalties from franchisees, and are assumed to be consistent with current run rates and seasonality. The December/early January period forecasted is the low point in the year for Liberty Tax operating receipts.
- [3] The most material component of Community Tax operating disbursements is advertising expenses which are critical to the Petitioners for customer relationship and revenue origination.
- [4] Liberty Tax operating disbursements relates to software licenses, rent, utilities and general accounts payable.
- [5] NextPoint operating disbursements are primarily comprised of corporate overhead costs, adjusted for recent restructuring initiatives.
- [6] LoanMe operating disbursements are very limited as the entity is in the process of being wound down.
- [7] Employee compensation consists of total payroll and benefits on a consolidated basis between the NextPoint, Liberty Tax, and Community Tax. Compensation is at its low point currently with the limited amount of temporary employees, but is expected to increase beginning in late December/early January.
- [8] Non-operating receipts are assumed to include installment of the initial service fee from Republic Bank & Trust Company related to Liberty Tax's refund-based loans product, and pursuant to the Republic Facility Agreement as defined in the affidavit of Peter Kravitz sworn July 25, 2023.
- [9] Restructuring professional fees include the fees and disbursements of the Petitioners' legal counsel, Chief Restructuring Officer, the Monitor, the Monitor's legal counsel, and the financial advisor and legal counsel to the lending syndicate.
- [10] Interim financing of \$25.0m has been advanced over the forecast period.
- [11] Interim financing fees and interest include a commitment fee of 1% payable in full on the date of the initial advance, and interest of SOFR plus 6.5% per annum.
- [12] Ending cash includes advanced amounts under the Interim Facility including amounts held in a segregated, escrow bank account in support of professional fees.

Court of Appeal File No. CA49489

Supreme Court File No. S-235288

COURT OF APPEAL

ON APPEAL FROM the order of the Honourable Justice Fitzpatrick, of the Supreme Court of
British Columbia, pronounced October 31, 2023

BETWEEN:

M&M BUSINESS GROUP, L.P., MUFEED HADDAD and MIKE BUDKA

APPELLANTS
(RESPONDENTS)

AND:

NEXTPPOINT FINANCIAL, INC., AND THOSE PARTIES LISTED ON SCHEDULE "A"

RESPONDENTS
(PETITIONERS/APPLICANTS)

AND:

FTI CONSULTING CANADA INC., FIRST CENTURY BANK, N.A., BASEPOINT, DRAKE
ENTERPRISES LTD., FRONTIER CAPITAL GROUP LTD., CHILMARK ADMINISTRATIVE
LLC, TMI TRUST COMPANY, CMB TAX SERVICE, LLC, and HIS MAJESTY THE KING IN
RIGHT OF CANADA

RESPONDENTS
(RESPONDENTS)

**MEMORANDUM OF ARGUMENT OF NEXTPPOINT FINANCIAL, INC., AND THOSE PARTIES
LISTED ON SCHEDULE "A" ON THE RESPONDENTS' URGENT APPLICATION FOR CASE
MANAGEMENT**

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Counsel for the Respondent, TMI Trust Company

- 3 -

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**ATTN: Aminollah Sabzevari, Mihai
Beschea, Khanh Gonzalez**

ATTN: Jeffrey P. Serbus, Cindy L. Serbus

*Counsel for the Respondent, HMTK in Right
of Canada*

MEMORANDUM OF ARGUMENT

1. On October 31, 2023, Justice Fitzpatrick made an order (the “**Order**”) granting a reverse vesting order in the proceedings in the court below, which, among other things, approved the transaction detailed below.
2. M&M Business Group, L.P., Mufeed Haddad and Mike Budka (collectively, the “**Appellants**” or the “**Area Developers**”) sought leave to appeal the Order on November 21, 2023 (the “**Appeal**”).
3. The applicants, the NextPoint Group and 26 other petitioners listed on Schedule “A” (collectively, the “**Applicants**” or the “**NextPoint Group**”) apply for an urgent referral to case management pursuant to Rule 47(1) and 48(1) of the *Court of Appeal Rules*, B.C. Reg. 120/2022 to set a timeline for the appeal process.

Background

4. The background to these proceedings is set out in the Fifth Report to Court of the Receiver, dated November 16, 2023 (the “**Fifth Report**”).
5. On July 25, 2023, the Applicants were granted an initial order (the “**Initial Order**”) under the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (“**CCAA**”) in the Supreme Court of British Columbia Action No. S-235288, Vancouver Registry (the “**CCAA Proceedings**”).
6. On July 27, 2023, the Applicants obtained orders in the United States Bankruptcy Court for the District of Delaware (the “**US Bankruptcy Court**”) under Chapter 15 of the United States Bankruptcy Code (the “**Chapter 15 Proceedings**”) recognizing the CCAA Proceedings as a foreign main proceeding and granting certain additional provisional relief related to the recognition of the Initial Order.
7. On August 3, 2023, the Supreme Court of British Columbia granted:
 - (a) an amended and restated Initial Order which, among other things, extended the Stay of Proceedings and increased the amounts of certain priority charges granted in the Initial Order; and
 - (b) an order (the “**SISP Order**”) approving, among other things, a restructuring support agreement among the NextPoint Group and certain of its lenders, and a sales and investment solicitation process, including a stalking horse purchase agreement among certain of the NextPoint Group and certain of their secured lenders (the “**Purchasers**”).
8. The sales and solicitation process approved by the SISP Order contemplated a closing of a transaction to purchase certain of the assets of the NextPoint Group, either by the

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Purchasers or by a third party if another offer was received, by the end of September, 2023.

9. No offer that had a reasonable prospect of culminating in a qualified bid was received by the deadline set in the SISP Order, and the sales and investment solicitation process was terminated by the NextPoint Group on September 11, 2023. The stalking horse bid was determined to be the successful bid. Following additional due diligence by the Purchasers, the NextPoint Group and the Purchasers determined that certain licences and agreements were non-transferrable to the Purchasers, and that a reverse vesting order was required to effect the contemplated purchase (the “**Transaction**”).
10. On October 31, 2023, the Supreme Court of British Columbia granted the Order which, among other things, approved the purchase of certain of the Applicants by the Purchasers. The Order approved the form of Transaction which required the use of a reverse vesting order. The reverse vesting order was required because of non-transferrable licenses, contracts, and the payroll system that are required in order to operate the business. The Transaction allows the business to continue after the purchase, benefiting all stakeholders, including the NextPoint Group’s current employees and existing franchisees.
11. The restructuring support agreement requires that the Order be recognized by the U.S. Bankruptcy Court in the concurrent Chapter 15 Proceedings. In the Chapter 15 Proceedings, on October 16, 2023, the NextPoint Group filed a motion for recognition of the vesting order, to be heard on November 6, 2023, by the U.S. Court.
12. On October 31, 2023, the Area Developers filed an objection to the recognition of the Order in the Chapter 15 Proceedings. However, the objection could not be addressed in the time available for the hearing on November 6, 2023. The recognition motion has been continued to December 11, 2023. As a result of the delay, the Transaction could not be completed as scheduled.
13. On November 17, 2023, the Supreme Court of British Columbia granted an order, among other things, extending the stay of proceedings in the CCAA Proceeding to December 22, 2023, to allow for the recognition hearing in the Chapter 15 Proceedings on December 11, 2023. The NextPoint Group’s current cash flow projections indicate that any further extension will require additional financing.
14. On November 21, 2023, the Area Developers filed their application for leave to appeal the Order.

The Application for Case Management

15. The current scheduled date for the hearing of the Appeal in the CCAA Proceedings is December 14, 2023. The Applicants submit that there will be prejudice to the myriad

stakeholders if the Appeal does not proceed in a manner that preserves the U.S. recognition hearing on December 11, 2023, including:

- (a) the NextPoint Group is running out of their current debtor in possession financing and only have sufficient funding to a short time after the current stay period, which is set to expire on December 22, 2023;
 - (b) the delay is preventing closing, as recognition is a condition to closing, and this is potentially imperiling the Transaction;
 - (c) the recognition hearing in the Chapter 15 Proceedings has already been delayed by over a month due to an objection filed in the Chapter 15 Proceedings by the Area Developers and the U.S. Bankruptcy Court's limited availability;
 - (d) the tax preparation business is seasonal and starts in earnest in January, and the Purchasers need to be in control of the business as soon as possible to make preparations for the coming cycle or risk significant operational challenges; and
 - (e) the recognition hearing in the Chapter 15 Proceedings is subject to a scheduling order that will require further orders of the U.S. Bankruptcy Court to adjust. The U.S. Bankruptcy Court and this Court have extremely limited time available before the holiday break.
16. Counsel for the NextPoint Group has attempted to coordinate an expedited timeline for the hearing of the Appeal. However, counsel for the Appellants and the NextPoint Group have been unable to agree on dates for any expedited hearing of the leave application and, if leave is granted, the Appeal.

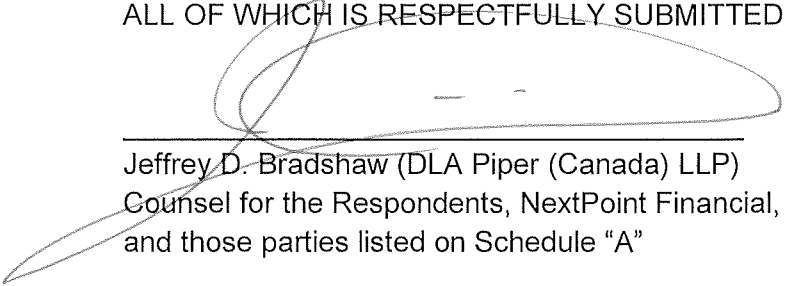
ORDER SOUGHT

17. The NextPoint Group seeks an order:
- (a) for case management of the Appeal; and
 - (b) setting the following timelines for the Appeal:
 - (i) the Respondents will file and serve their response to the Appellants' application for leave to appeal by Monday, November 27, 2023;
 - (ii) the Appellants will file and serve their materials for the Appeal by Thursday, November 30, 2023;
 - (iii) the Respondents will file and serve their response materials for the Appeal by Monday, December 4, 2023; and

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- (iv) the leave application will be heard on Wednesday, December 6, 2023, and, if leave is granted, the hearing of the Appeal will be thereafter on December 6, 2023.

ALL OF WHICH IS RESPECTFULLY SUBMITTED



Jeffrey D. Bradshaw (DLA Piper (Canada) LLP)
Counsel for the Respondents, NextPoint Financial, Inc.
and those parties listed on Schedule "A"

Schedule "A"

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

Liberty Tax Entities

3. LT Holdco, LLC
4. LT Intermediate Holdco, LLC
5. SiempreTax+ LLC
6. JTH Tax LLC
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25. LM Retention Holdings, LLC
26. LoanMe Stores LLC
27. LM BP Holdings, LLC

28. InsightsLogic LLC
29. LM 2020 CM I SPE, LLC

Part 5: Table of Authorities

1. *Industrial Alliance Insurance and Financial Services Inc. v. Wedgemount Power Limited Partnership*, 2018 BCCA 283
2. *Southern Star Developments Ltd. v. Quest University Canada*, 2020 BCCA 364
3. *Kruger v Wild Goose Vintners Inc.*, Oral Reasons for Judgment, CA47618