

EXHIBIT “C”

EXHIBIT "C"

referred to in the Affidavit of

STEPHEN LIVINGSTONE

Sworn January 25, 2024

DocuSigned by:

Rania Hammad

3CCD226759524E3

A Commissioner for Taking Affidavits

Court File No. CV-23-00708635-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

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

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
IGNITE HOLDINGS INC., IGNITE SERVICES INC., and IGNITE INSURANCE
CORPORATION**

Applicants

**AFFIDAVIT OF STEPHEN LIVINGSTONE
(Sworn November 22, 2023)**

I, Stephen Livingstone, of the Village of St. Jacobs, in the Province of Ontario, MAKE OATH AND SAY:

1. I am the President and Secretary of Ignite Services Inc. ("**Ignite Services**" or the "**Company**"), Ignite Holdings Inc. ("**Ignite Holdings**"), and Ignite Insurance Corporation ("**Ignite Insurance**", and together with Ignite Services and Ignite Holdings, the "**Applicants**" or the "**Companies**") and the Companies' sole director. I have held these positions since February 8, 2016.

2. I am responsible for overseeing the operations of the Companies, their liquidity management and, ultimately, for assisting in their restructuring process. Because of my involvement with the Companies, I have knowledge of the matters to which I hereinafter depose, except where otherwise stated. I have also reviewed the books and records of the Companies and have spoken with certain other individuals who manage the Companies, as necessary. Where I have relied upon such information, I do verily believe such information to be true.

3. This affidavit is sworn in support of a motion (the "**Motion**") brought by the Applicants seeking an order (the "**Priority Claims Order**") approving the Priority Claims Procedure (as defined below) to resolve any claims against the Purchased Shares (as defined below) that rank in priority to the obligations owing to the Applicants' first-ranking secured creditor, Aviva Insurance Company of Canada ("**Aviva**") under the Aviva Loan Agreement (as defined

below) and the conditional limitation of liability agreement dated October 27, 2023 (as amended, the “**Limitation of Liability Agreement**”) (the “**Senior Secured Obligations**”).

4. Capitalized terms used herein and not otherwise defined have the meanings ascribed to them in my affidavits sworn on October 26, 2023 (the “**Initial Affidavit**”), or November 1, 2023 (the “**Second Livingstone Affidavit**”). All references to monetary amounts in this affidavit are in Canadian dollars unless otherwise stated.

I. OVERVIEW

A. Background

5. The Company carries on business as a digital insurance brokerage for personal, auto, commercial, pet, and travel insurance. Through the Company’s digital platform and with the support of its broker licensed employees, the Company assists its customers with shopping for and purchasing of various insurance policies from multiple insurance companies.

6. The Company has been operating at a loss since 2018. From commencement of operations to March 31, 2023, the Company has suffered total net losses of over \$59.8 million, and most recently the Company has suffered net losses of over \$10.1 million for each of the fiscal years ended March 31, 2022, and March 31, 2023. The Company has continued to operate at a loss until the date of this affidavit, with losses continuing to accrue.

7. While the Company’s financial difficulties were driven by a variety of factors, the significant net losses suffered by the Company over the years are largely due to the Company operating as a multi-carrier insurance brokerage with suboptimal rates being offered by insurance companies, significant customer acquisition costs in the insurance brokerage industry generally, and significant capital investments in its technology.

8. Facing a severe liquidity crisis, the Applicants sought and obtained protection under the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”) pursuant to an order issued by the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) on October 30, 2023 (the “**Initial Order**”).

9. Among other things, the Initial Order:

- (a) appointed KPMG Inc. ("**KPMG**") as monitor of the Applicants (in such capacity, the "**Monitor**") in these proceedings (the "**CCAA Proceedings**");
- (b) granted an initial 10-day stay of proceedings in favour of the Applicants, staying all proceedings and remedies taken or that might be taken against or in respect of the Applicants, any of their assets, property, and undertakings ("**Property**"), or business, or their director and officers (the "**D&Os**") (the "**Stay Period**");
- (c) approved the execution by the Applicants of an interim facility loan agreement (the "**DIP Facility Agreement**") entered into on October 26, 2023 with Primary Group Limited ("**Primary**"), and in its capacity as lender under the DIP Facility Agreement, the "**DIP Lender**"), pursuant to which the DIP Lender has agreed to advance to the Applicants a total amount of up to \$1.1 million (the "**DIP Facility**") during these CCAA Proceedings, of which an initial amount of \$350,000 was advanced during the initial 10-day Stay Period; and
- (d) granted the following priority charges against the Property:
 - (i) an "**Administration Charge**" against the Property in the amount of \$750,000, as security for the payment of the professional fees and disbursements incurred and to be incurred by the Monitor, counsel to the Monitor, and counsel to the Applicants;
 - (ii) a "**D&O Charge**" against the Property in the maximum amount of \$250,000 in favour of the D&Os of the Applicants as security for the Applicants' obligation to indemnify such D&Os for obligations and liabilities they may incur in such capacities after the commencement of the CCAA Proceedings; and
 - (iii) a "**DIP Lender's Charge**" (and together with the Administration Charge and the D&O Charge, the "**Charges**") against the Property as security for the Applicants' obligations under the DIP Facility Agreement.

B. The ARIO

10. On November 9, 2023, the Applicants sought and obtained an amended and restated Initial Order (the “**ARIO**”), a copy of which is attached as Exhibit “A” hereto, which among other things:

- (a) extended the Stay Period to and including January 31, 2024;
- (b) authorized the Applicants to increase the amounts which may be borrowed by the Applicants under the DIP Facility Agreement to \$1.1 million;
- (c) authorized the Applicants to pay pre-filing amounts owing for goods and services supplied by Tri-Quest Marketing Inc. to the Applicants, but only to the extent such amounts are, in the opinion of the Monitor, required to be paid for the success of the restructuring of the Applicants’ business, with consent of the Monitor; and
- (d) ordered that the Charges shall rank in priority to all other security interests, trusts, liens, charges, encumbrances, and claims of secured creditors, statutory or otherwise in favour of any person, notwithstanding the order of perfection or attachment, on notice to those persons likely to be affected thereby, provided that the DIP Lender’s Charge shall not rank in priority to the amounts of any super-priority claim of the Canada Revenue Agency (the “**CRA**”) for unremitted source deductions, which priority is not reversed by operation of applicable law (the “**CRA Priority Payables**”).

11. Furthermore, pursuant to section 25(e) of the ARIO, the Monitor is authorized to assist the Applicants, to the extent required by the Applicants, in their implementation of a process to identify and determine priority claims with respect to the Applicants’ Property. The development of a claims process by the Applicants and the Monitor, in consultation with Aviva, in respect of such priority claims, including the CRA Priority Payables, is also a requirement under the Limitation of Liability Agreement (as attached as Exhibit “C” to the Second Livingstone Affidavit).

C. Approval and Reverse Vesting Order

12. Also on November 9, 2023, the Applicants sought and obtained the “**Approval and Reverse Vesting Order**”, a copy of which is attached as Exhibit “B” hereto, which among other things approved the purchase agreement dated as of October 26, 2023 (the “**Purchase Agreement**”), between Ignite Holdings, as vendor, and Southampton Financial Inc. (“**Southampton**”), as purchaser (the “**Purchaser**”), the transactions contemplated therein (the “**Transactions**”), and authorized the Applicants to take such additional steps and execute such additional documents as necessary or desirable for the completion of the Transactions.

13. The Transactions contemplated in the Purchase Agreement have been structured to form a “reverse vesting” transaction whereby, among other things and after the completion of certain pre-closing implementation and capitalization steps, Southampton will purchase the new shares of the Company from Ignite Holdings (the “**Purchased Shares**”) and become the sole shareholder of the Company. After closing, all Excluded Contracts, Excluded Assets, and Excluded Liabilities (each as defined in the Purchase Agreement) with respect to the Company will be transferred and “vested out” to Residual Co., so as to allow Southampton to indirectly acquire the Company’s business and assets on a “free and clear” basis.

14. The Purchase Agreement represents the best option available to the Applicants and their stakeholders, since the Transactions are expected to (a) provide for the Company’s continuing operations as a going concern, resulting in (i) most of the Company’s employees preserving their employment; (ii) the Company’s customers maintaining their ongoing relationships with the Company; and (iii) the Company’s suppliers of services being able to maintain their business relationships with the Company; (b) provide for most of the Applicants’ secured liabilities being satisfied; and (c) provide for various unsecured and contingent liabilities, arising after the date of commencement of the CCAA Proceedings, to be assumed by the Purchaser.

15. Since the issuance of the Approval and Reverse Vesting Order, the Applicants have been working towards expeditiously closing the Transactions contemplated under the Purchase Agreement by the anticipated closing date of November 30, 2023.

II. RELIEF SOUGHT

A. The Priority Claims Procedure

16. As described in greater detail in my Initial Affidavit, the Applicants' major secured lender is Aviva.

17. On November 15, 2021, Ignite Services, as borrower, and Aviva, as lender, entered into a loan agreement (the "**Aviva Loan Agreement**"), pursuant to which Aviva made a \$3 million non-revolving credit facility available to Ignite Services (the "**Aviva Facility**"). The Aviva Loan Agreement was subsequently amended on March 31, 2022, and November 16, 2022, to provide for, among other things, an increased principal amount which may be borrowed by Ignite Services from \$3 million to \$5.94 million. As at October 26, 2023, the outstanding principal amount under the Aviva Facility is \$5.94 million.

18. Ignite Services' obligations under the Aviva Loan Agreement are secured by:

- (a) security agreements executed by Ignite Services and Ignite Insurance in favour of Aviva, pursuant to which each of Ignite Services and Ignite Insurance granted a first-ranking charge on all of their assets in favour of Aviva; and
- (b) securities pledge agreement executed by Ignite Holdings in favour of Aviva, pursuant to which Ignite Holdings pledged all the issued and outstanding common shares in Ignite Services and Ignite Insurance to Aviva.

19. The Monitor's counsel conducted a review of the security granted by the Applicants in respect of the Aviva Facility and has provided to the Monitor a written opinion that, subject to standard qualifications and assumptions customary in rendering security opinions of this nature, the security granted by the Applicants in respect of the Aviva Facility constitute valid and enforceable security perfected by registration in the Province of Ontario.

20. Also as described in greater detail in my Initial Affidavit, on February 23, 2023, the CRA issued a notice to Ignite Services setting out certain discrepancies in the Company's reported deductions as compared to its remittance account with respect to tax deductions, Canada Pension Plan, and employment insurance.

21. On June 22, 2023, the CRA issued a notice of assessment to Ignite Services pursuant to which the CRA assessed Ignite Services as having \$3,721,625.53 in outstanding source deductions as of March 31, 2023. Per the notice of assessment, the outstanding source deductions are broken down as follows:

- (a) Federal Tax – \$1,947,661.49;
- (b) Provincial Tax (Ontario) – \$662,190.09;
- (c) Canada Pension Plan – \$489,981.55;
- (d) Employment Insurance – \$53,652.86;
- (e) Penalty – \$315,345.64; and
- (f) Interest – \$252,793.90,

(collectively, the “**Source Deductions**”).

22. I am advised by Maria Konyukhova, a partner at Stikeman Elliott LLP, counsel to the Applicants, that some of these amounts may rank in priority to the Aviva debt and security.

23. Accordingly, shortly after the commencement of these CCAA Proceedings, the Applicants, with the assistance of the Monitor, commenced discussions with the CRA to quantify the amounts of the Source Deductions up to the date of filing.

24. To that end, the Applicants and the Monitor, in consultation with the DIP Lender and Aviva, designed a process (the “**Priority Claims Procedure**”) for the identification, quantification, and resolution of any indebtedness, liability, obligation or claim of any kind whatsoever against the Purchased Shares that rank in priority to the Senior Secured Obligations owing to Aviva but excluding any indebtedness, liability, obligation or claim secured by a court ordered charge pursuant to the Initial Order or any other Order within these CCAA proceedings (the “**Priority Claims**”), which will be transferred and vested in Residual Co. upon closing of the Transactions.

25. Furthermore, the Applicants and the Monitor consulted the CRA on multiple occasions leading up to the date of this affidavit in connection with the adequacy of the timelines established by the proposed Priority Claims Order with respect to the quantification

of the amounts of the Source Deductions up to the date of filing.

26. A draft of the proposed Priority Claims Order will be attached to the Applicants' Motion Record and stakeholders are encouraged to consult that draft for full details of the Priority Claims Procedure. However, the following is a high-level summary of certain key aspects of the Priority Claims Procedure:¹

- (a) **Notice.** The Monitor shall provide notice of the Priority Claims Order and the Priority Claims Bar Date within five (5) Business Days following the issuance of the Priority Claims Order;
- (b) **Priority Claims Bar Date.** The Priority Claims Bar Date to submit a Proof of Claim with respect to all Priority Claims is 5:00 p.m. (Toronto time) on January 11, 2024;
- (c) **Priority Claims Procedure.** The Monitor shall review all Proofs of Claim and may accept, settle, or dispute the amount and priority of each asserted Priority Claim set out therein for the purpose of distribution. Also, the Monitor may, at any time, request additional information with respect to any asserted Priority Claim, and may request that a Priority Claimant file a revised Proof of Claim;
- (d) **Notice of Dispute.** If the Monitor is unable to resolve any asserted Priority Claim within a time period or in a manner satisfactory to the Monitor and wishes to dispute such asserted Priority Claim, the Monitor shall deliver a Notice of Dispute to the applicable Priority Claimant;
- (e) **Resolution of Disputed Priority Claims.** The Monitor may at any time refer any Disputed Priority Claim or a portion thereof to the Court, such alternative dispute resolution or other court of competent jurisdiction as may be ordered by the Court or agreed to by the Monitor and the applicable Priority Claimant, to resolve the dispute.

27. The Applicants believe that the Priority Claims Procedure set out in the Priority Claims Order is a fair and efficient mechanism to identify and quantify any Priority Claims.

¹ All capitalized terms used in this subsection and not otherwise defined herein have the meanings given to them in the proposed Priority Claims Order.

An expeditious claims process is required given that following the closing of the Transactions, and prior to the expiry of the Stay Period on January 31, 2024, Residual Co. (as an applicant in these CCAA Proceedings, following such time) plans to return to this Court to seek approval of distributions to secured creditors and/or priority creditors from the purchase price received under the Purchase Agreement.

28. The Applicants believe that the notification process described in the Priority Claims Order will provide Priority Claimants with adequate notice of the Priority Claims Procedure, and an adequate opportunity to prove their Priority Claims prior to the Priority Claims Bar Date.

29. In addition, the Applicants believe that the adjudication procedure described in the Priority Claims Order will facilitate the fair and expeditious resolution of any disputes regarding the status and/or amount of each Priority Claim.

B. The Reimbursement Agreement

30. The Applicants also seek approval and authorization for the Monitor to enter into and execute the “**Reimbursement Agreement**”, a copy of which is attached as Exhibit “C” hereto, pursuant to which, *inter alia* (i) within 2 business days of the closing of the Transactions, the Monitor shall pay to the DIP Lender \$1.1 million, in satisfaction of the principal amount owing under the DIP Facility (the “**Distribution**”), and (ii) the Monitor may seek a return, refund, or repayment of the Distribution, if required, as determined by the Monitor in its reasonable discretion, to satisfy any deficit relating to the CRA Priority Payables, or on such other grounds as may be approved by the Court.

31. Pursuant to the ARIO, the DIP Lender’s Charge ranks below the CRA Priority Payables in priority against the Property. The proposed Reimbursement Agreement will allow the DIP Lender to recover the amounts advanced to the Applicants without waiting for the Priority Claims Procedure, and the quantification of the CRA Priority Payables, to be completed.

32. The Monitor and the Applicants expect that there will be sufficient proceeds from closing of the Transactions to repay the obligations under the DIP Facility Agreement and the CRA Priority Payables. The proposed Reimbursement Agreement provides additional

assurances to the Monitor and the stakeholders that the stakeholders will not be prejudiced should there be a shortfall.

PART III – CONCLUSION

33. For the reasons set out above, I believe that it is in the best interests of the Applicants and their stakeholders that this Court to grant the proposed Priority Claims Order, approving the Priority Claims Procedure to resolve claims against the Purchased Shares that rank in priority to the Senior Secured Obligations owing to Aviva.

34. I swear this affidavit in support of the Applicants' Motion for the Priority Claims Order and for no other or improper purpose.

SWORN remotely via videoconference, by Stephen Livingstone, stated as being located in the Village of St. Jacobs, in the Province of Ontario, before me at the City of Toronto, in Province of Ontario, this 22nd day of November, 2023, in accordance with O. Reg 431/20, *Administering Oath or Declaration Remotely*.

DocuSigned by:

Rania Hammad

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Commissioner for Taking Affidavits, etc.
RANIA HAMMAD

DocuSigned by:

Steve Livingstone

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STEPHEN LIVINGSTONE

EXHIBIT “D”

EXHIBIT "D"

referred to in the Affidavit of

STEPHEN LIVINGSTONE

Sworn January 25, 2024

DocuSigned by:

Rania Hammad

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A Commissioner for Taking Affidavits



Court File No. CV-23-00708635-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

THE HONOURABLE	)	WEDNESDAY THE 29 TH DAY
	)	
JUSTICE KIMMEL	)	OF NOVEMBER, 2023

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF IGNITE
HOLDINGS INC., IGNITE SERVICES INC., and IGNITE INSURANCE CORPORATION

Applicants

PRIORITY CLAIMS ORDER

THIS MOTION, made by Ignite Services Inc., Ignite Holdings Inc., and Ignite Insurance Corporation (collectively, the "**Applicants**") pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**"), for an order establishing a priority claims procedure to identify, quantify and resolve any Priority Claims (as that term is defined below), was heard this day by judicial videoconference via Zoom.

ON READING the affidavit of Stephen Livingstone sworn November 22, 2023 (the "**Third Livingstone Affidavit**") and the Exhibits attached thereto, the Second Report of KPMG Inc., in its capacity as the Court-appointed monitor of the Applicants (in such capacity, the "**Monitor**") dated November 23, 2023, and on hearing the submissions of counsel for the Applicants, the Monitor, Aviva Insurance Company of Canada ("**Aviva**"), Primary Group Limited (the "**DIP Lender**"), Southampton Financial Inc., and the Canada Revenue Agency, and such other parties as listed on the Participant Information Form, with no one else appearing although duly served as appears from the affidavits of service of Rania Hammad, as filed,

SERVICE

1. **THIS COURT ORDERS** that service of the Notice of Motion and the Motion Record is hereby validated so that this Motion is properly returnable today and further service thereof is hereby dispensed with.

DEFINITIONS

2. **THIS COURT ORDERS** that for purposes of this Priority Claims Order, any capitalized terms not otherwise defined herein shall have the meanings attributed to them in the Order of the Honourable Justice Conway dated November 9, 2023 (the “**Approval and Reverse Vesting Order**”), and the following terms shall have the following meanings:

- (a) “**Barred Priority Claims**” has the meaning ascribed to it in paragraph 6 of this Priority Claims Order;
- (b) “**Business Day**” means a day, other than a Saturday, Sunday or a statutory holiday, on which banks are generally open for business in Toronto, Ontario;
- (c) “**Court**” means the Ontario Superior Court of Justice (Commercial List);
- (d) “**Disputed Priority Claim**” means any asserted Priority Claim, or portion thereof, which the Monitor disputes pursuant to a Notice of Dispute delivered pursuant to paragraph 8 of this Priority Claims Order;
- (e) “**Initial CCAA Order**” means the Initial Order of the Honourable Justice Conway dated October 30, 2023, and as amended and restated on November 9, 2023;
- (f) “**Newspaper Notice**” means the notice to Priority Claimants for publication substantially in the form attached as Schedule “A” hereto;
- (g) “**Notice Letter**” means the notice substantially in the form attached as Schedule “B” hereto;
- (h) “**Notice of Dispute**” means a notice substantially in the form attached as Schedule “D” hereto;
- (i) “**Person**” means any individual, partnership, limited partnership, firm, joint venture, trust, entity, corporation, limited or unlimited liability company, unincorporated organization, trade union, pension plan administrator, pension plan regulator, governmental authority or agency, employee or other association, or similar entity, howsoever designated or constituted and wherever located;
- (j) “**Priority Claim**” means any indebtedness, liability, obligation or claim of any kind

whatsoever against the Purchased Shares that ranks in priority to the Senior Secured Obligations but excluding any indebtedness, liability, obligation or claim secured by a court ordered charge pursuant to the Initial CCAA Order or any other Order within these CCAA proceedings;

- (k) **“Priority Claimant”** means any Person asserting a Priority Claim;
- (l) **“Priority Claims Bar Date”** means 5:00 p.m. (Toronto time) on January 11, 2024;
- (m) **“Priority Claims Procedure”** means the procedures outlined in this Priority Claims Order in connection with the identification, quantification and resolution of Priority Claims, as may be amended or supplemented by further order of the Court;
- (n) **“Proof of Claim”** means a proof of claim form in substantially the form attached hereto as Schedule “C”, and which when filed by any Priority Claimant in connection with a Priority Claim shall include all supporting documentation in respect of such Priority Claim; and
- (o) **“Senior Secured Obligations”** means all indebtedness, liabilities and obligations owing by the Applicants to Aviva under the loan agreement dated November 15, 2021, and the conditional limitation of liability agreement dated October 27, 2023, as amended (as described and attached as an exhibit to the Initial Livingstone Affidavit and the Second Livingstone Affidavit, respectively).

NOTICE OF PRIORITY CLAIMS BAR DATE

3. **THIS COURT ORDERS** that the Monitor shall provide notice of this Priority Claims Order and the Priority Claims Bar Date by:

- (a) Delivering within five (5) Business Days by email or, where no known email is available, prepaid ordinary mail a Proof of Claim form and Notice Letter to all Persons that: (i) is a known potential Priority Claimant listed in the books and records of the Applicants; or (ii) registered an interest against the Applicants under the *Personal Property Security Act* (Ontario);

- (b) Causing the Newspaper Notice (or condensed version thereof, as the Monitor may deem appropriate) to be published for one (1) Business Day in *The Globe and Mail* (National Edition) as soon as practicable after the date of this Priority Claims Order; and
- (c) Posting within three (3) Business Days the Notice Letter on the Monitor's case website: <https://kpmg.com/ca/IgniteGroup>.

4. **THIS COURT ORDERS** that the Monitor shall, provided such request is received prior to the Priority Claims Bar Date, deliver as soon as practically possible following receipt of a request therefor, a copy of the Proof of Claim to any Person claiming to be a Priority Claimant and requesting such Proof of Claim.

PRIORITY CLAIMS BAR DATE

5. **THIS COURT ORDERS** that any Person asserting a Priority Claim shall deliver to the Applicants and the Monitor by the Priority Claims Bar Date a completed Proof of Claim which shall provide for such information and supporting documentation as is necessary to establish such Priority Claim, including: (i) detailed accounting supporting the quantum of the asserted Priority Claim, and (ii) the basis and the supporting documents or agreements on which the asserted Priority Claim may rank in priority to the Senior Secured Obligations. For greater certainty, no Person asserting a Priority Claim shall be entitled to submit a placeholder claim or provide for any reservation of rights to add or amend a Proof of Claim at a later date except as specifically provided for herein.

6. **THIS COURT ORDERS** that any Person that does not file a Proof of Claim in accordance with this Priority Claims Order so that such Proof of Claim is received by the Monitor by the Priority Claims Bar Date shall be forever barred, estopped and enjoined from asserting or enforcing a Priority Claim against the Purchased Shares, the Applicants, Residual Co. or the Purchaser ("**Barred Priority Claims**"), and any and all such Barred Priority Claims shall be forever and irrevocably barred, extinguished and discharged as against the Purchased Shares, the Applicants, Residual Co. and the Purchaser, without any further act or notification.

PRIORITY CLAIMS PROCEDURE

7. **THIS COURT ORDERS** that the Monitor shall review all Proofs of Claim and shall accept, settle, or dispute the amount and priority of each asserted Priority Claim set out therein

for the purpose of distribution, if any. At any time, the Monitor may request additional information with respect to any asserted Priority Claim, and may request that the Priority Claimant file a revised Proof of Claim. The Monitor shall consult with the Applicants and the DIP Lender prior to accepting, settling or disputing any Priority Claim.

8. **THIS COURT ORDERS** that if the Monitor is unable to resolve any asserted Priority Claim within a time period or in a manner satisfactory to the Monitor and wishes to dispute such asserted Priority Claim, the Monitor shall deliver a Notice of Dispute to the applicable Priority Claimant.

9. **THIS COURT ORDERS** that the Monitor may, at any time, refer any Disputed Priority Claim or a portion thereof for resolution to the Court, or as may be otherwise ordered by the Court or agreed to by the Monitor and the applicable Priority Claimant.

NOTICE AND SERVICE

10. **THIS COURT ORDERS** that the Monitor may, unless otherwise specified by this Priority Claims Order, serve and deliver or cause to be served and delivered any letters, notices or other documents to Priority Claimants or any other interested Person by forwarding copies by ordinary mail, courier, personal delivery or email to such Persons or their counsel (including counsel of record in any ongoing litigation) at the physical or electronic address, as applicable, last shown on the books and records of the Applicants or set out in such Priority Claimant's Proof of Claim. Any such service and delivery shall be deemed to have been received: (a) if sent by ordinary mail, on the third Business Day after mailing within Ontario, the fifth (5th) Business Day after mailing within Canada (other than within Ontario) and tenth Business Day after mailing internationally; (b) if sent by courier or personal delivery, on the next Business Day following dispatch; and (c) if delivered by email by 5:00 p.m. on a Business Day, on such Business Day, and if delivered after 5:00 p.m. or other than on a Business Day, on the following Business Day.

11. **THIS COURT ORDERS** that any notice or other communication to be given under this Priority Claims Order to the Monitor shall be in writing in substantially the form, if any, provided for in this Priority Claims Order and will be sufficiently given only if delivered by courier, by personal delivery or email addressed to:

KPMG Inc., in its capacity as the Court-appointed Monitor of the Applicants
Bay Adelaide Centre
333 Bay Street #4600
Toronto, ON M5H 2S5

Attention: Anamika Gadia / George Bourikas
Email: agadia@kpmg.ca / gbourikas@kpmg.ca
Telephone: (416) 777-3842 / (416) 777-8887

with a copy to:

Osler, Hoskin & Harcourt LLP
100 King Street West
First Canadian Place, Suite 6200
Toronto, ON M5X 1B8

Attention: Michael De Lellis / Ben Muller
Email: mdelellis@osler.com / bmuller@osler.com
Telephone: (416) 862-5997 / (416) 862-5923

12. **THIS COURT ORDERS** that any notice or other communication to be given under this Priority Claims Order to the Applicants shall be in writing in substantially the form, if any, provided for in this Priority Claims Order and will be sufficiently given only if delivered by courier, by personal delivery or email addressed to:

Stikeman Elliott LLP
199 Bay Street, Suite 5300
Toronto, ON M5L 1B9

Attention: Maria Konyukhova / Rania Hammad
Email: mkonyukhova@stikeman.com / rhammad@stikeman.com
Telephone: (416) 869-5230 / (416) 869-5578

MONITOR PROTECTIONS

13. **THIS COURT ORDERS** that, in carrying out the terms of this Priority Claims Order, the Monitor (a) shall have all the protections afforded to it by the CCAA, this Priority Claims Order, the Initial CCAA Order, and any other orders of the Court in these CCAA proceedings, or as an officer of the Court, including the stay of proceedings in its favour pursuant to the Initial CCAA Order; (b) shall incur no liability or obligation as a result of carrying out the provisions of this Priority Claims Order, including in respect of its exercise of discretion as to the completion,

execution or time of delivery of any documents to be delivered hereunder, other than in respect of gross negligence or wilful misconduct; (c) shall be entitled to rely on the books and records of the Applicants and any information provided by or on behalf of the Applicants or otherwise obtained by the Monitor, all without independent inquiry or investigation; (d) shall not be liable for any claims or damages resulting from any errors or omissions in such books, records or information; (e) shall be authorized and empowered to assist any Priority Claimant in the filing of a Proof of Claim; and (f) may seek such assistance as may be reasonably required to carry out its duties and obligations pursuant to this Priority Claims Order from the Applicants or any of their affiliates, including making such inquiries and obtaining such records and information as it deems appropriate in connection with the Priority Claims Procedure. Nothing in this Priority Claims Order shall derogate from the protections afforded to the Monitor by the CCAA, any other federal or provincial applicable law or the Initial CCAA Order. The Monitor shall have no obligation to make any payment under this Priority Claims Order unless the Monitor is holding a reserve, as applicable, adequate to effect any such payment.

REIMBURSEMENT AGREEMENT

14. **THIS COURT ORDERS** that the agreement between the Monitor and the DIP Lender (the “**Reimbursement Agreement**”), a copy of which is attached as Exhibit “C” to the Third Livingstone Affidavit, is hereby approved and that the execution of the Reimbursement Agreement is hereby authorized, approved and ratified, with such minor amendments as the parties thereto may deem necessary. The Monitor and the DIP Lender are hereby authorized and directed to perform their obligations under the Reimbursement Agreement, including, without limitation, the payment of the Distribution (as defined in the Reimbursement Agreement) to the DIP Lender contemplated thereby, and to take such additional steps and execute such additional documents as may be necessary or desirable to complete these obligations.

GENERAL

15. **THIS COURT ORDERS** that the Applicants may set-off (whether by way of legal, equitable or contractual set-off) against payments or other distributions to be made to any Priority Claimant, any claims of any nature whatsoever that any of the Applicants may have against such Priority Claimant; provided that, neither the failure to do so nor the allowance of any Priority Claim hereunder shall constitute a waiver or release by the Applicants of any such claim that any of the Applicants may have against such Priority Claimant.

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

17. **THIS COURT ORDERS** that the Monitor, the Applicants, or any Priority Claimant may seek directions from this Court with respect to this Priority Claims Order on not less than seven (7) days' notice to the other parties or upon such other notice, if any, as this Court may order.



Digitally signed
by Jessica Kimmel
Date: 2023.11.29
14:43:20 -05'00'

Schedule “A” – Newspaper Notice

NOTICE TO CREDITORS OF Ignite Holdings Inc., Ignite Services Inc., and Ignite Insurance Corporation (collectively, the “**Applicants**”).

NOTICE IS HEREBY GIVEN THAT, pursuant to an order of the Ontario Superior Court of Justice (Commercial List) granted November 29, 2023 (the “**Priority Claims Order**”), any person who believes that they have a **PRIORITY CLAIM** against the Applicants must send a Proof of Claim to the Applicants and the Monitor to be received by 5:00 p.m. (Toronto time) on January 11, 2024 (the “**Priority Claims Bar Date**”). All capitalized terms not defined herein have the meanings ascribed to them in the Priority Claims Order.

PROOFS OF CLAIM WHICH ARE NOT RECEIVED BY THE PRIORITY CLAIMS BAR DATE WILL BE FOREVER EXTINGUISHED AND SUCH PRIORITY CLAIMANTS WILL BE FOREVER BARRED, ESTOPPED AND ENJOINED FROM ASSERTING OR ENFORCING A PRIORITY CLAIM AGAINST THE PURCHASED SHARES, THE APPLICANTS, RESIDUAL CO. OR THE PURCHASER.

PLEASE NOTE THAT ANY PERSON WITH A **SECURED CLAIM** OR **UNSECURED CLAIM** IS NOT REQUIRED TO SUBMIT A PROOF OF CLAIM IN THIS PROCESS IN RESPECT OF SUCH SECURED CLAIM OR UNSECURED CLAIM AT THIS TIME. **ANY SECURED CLAIMS OR UNSECURED CLAIMS RECEIVED BY THE APPLICANTS AND THE MONITOR WILL NOT BE ACCEPTED, SETTLED OR DISPUTED, NOR WILL THEY BE FOREVER BARRED, EXTINGUISHED OR DISCHARGED.**

Further details regarding the Applicants, a copy of the Priority Claims Order and the Proof of Claim form can be obtained from the Monitor’s website at <https://kpmg.com/ca/igniteGroup>.

For questions, please contact the Monitor at:

KPMG Inc., in its capacity as the Court-appointed Monitor of the Applicants
Bay Adelaide Centre
333 Bay Street #4600
Toronto, ON M5H 2S5

Attention: Anamika Gadia / George Bourikas
Email: agadia@kpmg.ca / gbourikas@kpmg.ca
Telephone: (416) 777-3842 / (416) 777-8887

Schedule “B” – Notice Letter

NOTICE LETTER

RE: NOTICE OF PRIORITY CLAIMS PROCEDURE & PRIORITY CLAIMS BAR DATE

This notice is being published pursuant to an Order of the Ontario Superior Court of Justice (Commercial List) dated November 29, 2023 (the “**Priority Claims Order**”), in the proceedings respecting Ignite Holdings Inc., Ignite Services Inc., and Ignite Insurance Corporation (collectively, the “**Applicants**”) under the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended.

Pursuant to the Initial Order dated October 30, 2023, KPMG Inc. was appointed as monitor in these CCAA proceedings (in such capacity, the “**Monitor**”), and pursuant to the Priority Claims Order is authorized to conduct a priority claims procedure (the “**Priority Claims Procedure**”) with respect to any indebtedness, liability, obligation or claim of any kind whatsoever against the Purchased Shares that ranks in priority to the Senior Secured Obligations but excluding any indebtedness, liability, obligation or claim secured by a court ordered charge pursuant to the Initial CCAA Order or any other Order within these CCAA proceedings (the “**Priority Claims**”). Additionally, the Monitor is required to send Proofs of Claim and Notice Letters to, among others, potential Priority Claimants. All capitalized terms not defined herein shall have the meanings ascribed to them in the Priority Claims Order.

The Priority Claims Order, the Proof of Claim, and related materials may be accessed from the Monitor’s Website at <https://kpmg.com/ca/igniteGroup>.

I. SUBMISSION OF A PROOF OF CLAIM

All persons wishing to assert a Priority Claim **MUST** file a Proof of Claim with the Applicants and the Monitor.

Secured claims and unsecured claims are not being called for in this Priority Claims Procedure. Such claims will not be reviewed, considered or addressed in this Priority Claims Procedure.

The priority claims bar date is 5:00 p.m. (Toronto Time) on January 11, 2024 (the “Priority Claims Bar Date”). Proofs of Claim in respect of Priority Claims must be completed and filed with the Applicants and the Monitor on or before the Priority Claims Bar Date.

PROOFS OF CLAIM MUST BE ACTUALLY RECEIVED BY THE APPLICANTS AND THE MONITOR BY THE PRIORITY CLAIMS BAR DATE OR THE PRIORITY CLAIM WILL BE FOREVER AND IRREVOCABLY BARRED, EXTINGUISHED AND DISCHARGED. If you are required to file a Proof of Claim pursuant to the Priority Claims Procedure but do not file a Proof of Claim in respect of a Priority Claim by the Priority Claims Bar Date you shall not be entitled to any distribution in respect of such Priority Claims.

II. MONITOR CONTACT INFORMATION

The Monitor can be contacted at the following address for any enquiries with respect to the Priority Claims Procedure:

KPMG Inc., in its capacity as the Court-appointed Monitor of the Applicants
Bay Adelaide Centre
333 Bay Street #4600
Toronto, ON M5H 2S5

Attention: Anamika Gadia / George Bourikas
Email: agadia@kpmg.ca / gbourikas@kpmg.ca
Telephone: (416) 777-3842 / (416) 777-8887

Schedule “C” – Proof of Claim

PROOF OF CLAIM

All capitalized terms not defined herein have the meanings ascribed to them in the Priority Claims Order dated November 29, 2023 in the proceedings of Ignite Holdings Inc., Ignite Services Inc., and Ignite Insurance Corporation under the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended.

I. PARTICULARS OF PRIORITY CLAIMANT:

1. Full Legal Name of Priority Claimant:

Claimant”) (the “Priority

2. Full Mailing Address of the Priority Claimant:

3. Telephone Number:

4. E-Mail Address:

5. Attention (Contact Person):

6. Have you acquired this Priority Claim by assignment?

Yes: ☐ No: ☐ (if yes, attach documents evidencing assignment)

If Yes, Full Legal Name of Original Priority Claimant(s):

II. PROOF OF CLAIM:

1. I, _____
(name of Priority Claimant if Priority Claimant is an individual or representative of the
Priority Claimant if Priority Claimant is not an individual), of

_____ do hereby certify:
(city and province)

- (a) that I [check (✓) one]

☐ am the Priority Claimant; OR

☐ am _____ (state position or title) of

(name of Priority Claimant)

- (b) that I have knowledge of all the circumstances connected with the Priority Claim referred to below;
- (c) that complete documentation in support of the Priority Claim referred to below is attached;
- (d) the Priority Claimant has a Priority Claim as follows:

a. TOTAL PRIORITY CLAIM: CDN\$ _____

Note: This should only include Priority Claims. Secured claims and unsecured claims will not be considered or addressed in this Priority Claims Procedure and should not be included here.

III. EVIDENCE OF PRIORITY:

1. In order to file your Proof of Claim, evidence of the priority or a basis for making a Priority Claim are required. Attach any supporting documents to the Proof of Claim.

IV. PARTICULARS OF PRIORITY CLAIM

Other than as already set out herein, the particulars of the undersigned's total Priority Claim are attached.

(Provide full particulars of the Priority Claim and supporting documentation, including detailed accounting of the amount, description of transaction(s) or agreement(s) giving rise to the Priority Claim, and date and number of all invoices, particulars of all credits, discounts, etc. claimed.)

V. FILING OF PRIORITY CLAIM

This Proof of Claim **MUST** be actually received by the Applicants and the Monitor **before 5:00 p.m. (Toronto time) on January 11, 2024** (the “**Priority Claims Bar Date**”).

Completed forms must be delivered by courier, personal delivery or email addressed to:

If to the Applicants:

Stikeman Elliott LLP
199 Bay Street, Suite 5300
Toronto, ON M5L 1B9

Attention: Maria Konyukhova / Rania Hammad
Email: mkonyukhova@stikeman.com / rhammad@stikeman.com
Telephone: (416) 869-5230 / (416) 869-5578

If to the Monitor:

KPMG Inc., in its capacity as the Court-appointed Monitor of the Applicants
Bay Adelaide Centre
333 Bay Street #4600
Toronto, ON M5H 2S5

Attention: Anamika Gadia / George Bourikas
Email: agadia@kpmg.ca / gbourikas@kpmg.ca
Telephone: (416) 777-3842 / (416) 777-8887

with a copy to:

Osler, Hoskin & Harcourt LLP
100 King Street West
First Canadian Place, Suite 6200
Toronto, ON M5X 1B8

Attention: Michael De Lellis / Ben Muller
Email: mdelellis@osler.com / bmuller@osler.com
Telephone: (416) 862-5997 / (416) 862-5923

FAILURE TO FILE YOUR PROOF OF CLAIM SUCH THAT IT IS ACTUALLY RECEIVED BY THE APPLICANTS AND THE MONITOR BY THE PRIORITY CLAIMS BAR DATE WILL RESULT IN YOUR PRIORITY CLAIM BEING FOREVER AND IRREVOCABLY BARRED, EXTINGUISHED AND DISCHARGED AND IN YOU BEING PREVENTED FROM MAKING OR ENFORCING A PRIORITY CLAIM AGAINST THE PURCHASED SHARES, THE APPLICANTS, RESIDUAL CO. OR THE PURCHASER.

Certification

I hereby certify that:

1. I am the Priority Claimant or an authorized representative of the Priority Claimant.
2. I have knowledge of all the circumstances connected with this Priority Claim.
3. I agree with the supporting documentation attached (if any).

All information submitted in this Proof of Claim form must be true, accurate and complete. Filing false or misleading information relating to your Proof of Claim may result in penalties.

Name: _____

Signature: _____

Dated at _____ this _____ day of _____, 202__.

Schedule “D” – Notice of Dispute

NOTICE OF DISPUTE

**IN RESPECT OF ASSERTED PRIORITY CLAIMS AGAINST IGNITE HOLDINGS INC.,
IGNITE SERVICES INC., and IGNITE INSURANCE CORPORATION**

TO: [Priority Claimant Address]

Priority Claims Reference Number: _____

The Applicants hereby disagree with the quantum, validity and/or priority of the asserted Priority Claim as set out in the Proof of Claim. The Applicants dispute the asserted Priority Claim for the following reasons, among others:

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

AND IN THE MATTER OF PLAN OF COMPROMISE OR ARRANGEMENT OF IGNITE HOLDINGS INC., IGNITE SERVICES INC., and IGNITE INSURANCE CORPORATION

Applicants

	ONTARIO SUPERIOR COURT OF JUSTICE (COMMERCIAL LIST) PROCEEDING COMMENCED AT TORONTO
	PRIORITY CLAIMS ORDER
	STIKEMAN ELLIOTT LLP Barristers & Solicitors 5300 Commerce Court West 199 Bay Street Toronto, Canada M5L 1B9 Maria Konyukhova (LSO #52880V) Tel: (416) 869-5230 Email: mkonyukhova@stikeman.com Philip Yang (LSO #82084O) Tel: (416) 869-5593 Email: pyang@stikeman.com Rania Hammad (LSO #86940I) Tel: (416) 869-5578 Email: rhammad@stikeman.com Lawyers for the Applicants

EXHIBIT “E”

EXHIBIT "E"

referred to in the Affidavit of

STEPHEN LIVINGSTONE

Sworn January 25, 2024

DocuSigned by:

Rania Hammad

30CD226758524E3...

A Commissioner for Taking Affidavits

**AVIVA INSURANCE COMPANY OF CANADA
PAY-OFF AMOUNT**

Pay-Off Amount as at January 30, 2024 –
\$7,357,212.93 (\$5,940,000 principal + \$1,417,212.93 interest)

Per-Diem Interest Amount after January 30, 2024 –
\$1,947.54 per day.

Court File No. CV-23-00708635-00CL

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

AND IN THE MATTER OF PLAN OF COMPROMISE OR ARRANGEMENT OF 1000704712 ONTARIO INC., IGNITE HOLDINGS INC., AND
IGNITE INSURANCE CORPORATION

Applicants

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

PROCEEDING COMMENCED AT TORONTO

**AFFIDAVIT OF STEPHEN LIVINGSTONE
(SWORN JANUARY 25, 2024)**

STIKEMAN ELLIOTT LLP
Barristers & Solicitors
5300 Commerce Court West
199 Bay Street
Toronto, Canada M5L 1B9

Maria Konyukhova (LSO #52880V)
Tel: (416) 869-5230
Email: mkonyukhova@stikeman.com

Rania Hammad (LSO #86940I)
Tel: (416) 869-5578
Email: rhammad@stikeman.com

Lawyers for the Applicants

TAB 3

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

THE HONOURABLE	)	TUESDAY, THE 30TH DAY
	)	
JUSTICE KIMMEL	)	OF JANUARY, 2024

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

AND IN THE MATTER OF PLAN OF COMPROMISE OR ARRANGEMENT OF 1000704712
ONTARIO INC., IGNITE HOLDINGS INC., AND IGNITE INSURANCE CORPORATION

Applicants

CCAA TERMINATION AND DISTRIBUTION ORDER

THIS MOTION, made by 1000704712 Ontario Inc. ("**Residual Co.**"), Ignite Holdings Inc., and Ignite Insurance Corporation (collectively, the "**Applicants**") pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") for an order (the "**Order**"), among other things: (a) approving the Monitor's Reports (as defined below) of KPMG Inc. ("**KPMG**") in its capacity as monitor of the Applicants and Ignite Services Inc. ("**Ignite Services**"), as a former Applicant in these CCAA Proceedings (as defined below) (in such capacity, the "**Monitor**") and the fees, disbursements, and activities of the Monitor and its counsel described therein; (b) approving the Distributions specified herein; (c) approving the Assignment Agreement specified herein; (d) terminating the proceedings of the Applicants under the CCAA (the "**CCAA Proceedings**"); (e) terminating the Charges (as defined below); (f) discharging KPMG in its capacity as the Monitor, upon the Monitor's service of the Termination Certificate (as defined below) on the service list in these CCAA Proceedings; and (g) granting certain related relief, was heard this day by judicial videoconference via Zoom.

ON READING the affidavit of Stephen Livingstone sworn January 25, 2024 (the "**Fourth Livingstone Affidavit**") and the Exhibits thereto, the Third Report of the Monitor dated January [X], 2024 and the appendices thereto (the "**Third Report**"), the affidavit of Anamika Gadia sworn January [X], 2024 (the "**Gadia Affidavit**") and the Exhibits thereto, the affidavit of Michael De Lellis sworn January [X], 2024 (the "**De Lellis Affidavit**") and the Exhibits thereto, and on hearing the submissions of counsel for the Applicants, counsel for the Monitor, counsel for Aviva Insurance Company of Canada ("**Aviva**"), counsel for Primary Group Limited, and such other

parties as listed on the Participant Information Form, with no one else appearing although duly served as appears from the affidavit of service of Rania Hammad, as filed,

SERVICE AND DEFINITIONS

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

2. **THIS COURT ORDERS** that capitalized terms used in this Order and not otherwise defined herein shall have the meanings ascribed to them in the Approval and Reverse Vesting Order of the Honourable Justice Conway dated November 9, 2023, the Priority Claims Order of the Honourable Justice Kimmel dated November 29, 2023, or the Fourth Livingstone Affidavit, as applicable.

APPROVAL OF THE MONITOR'S REPORTS, ACTIVITIES AND FEES

3. **THIS COURT ORDERS** that the First Report of the Monitor dated November 2, 2023, the Second Report of the Monitor dated November 23, 2023 and the Third Report dated January [X], 2024 (collectively, the "**Monitor's Reports**") and the conduct and activities of the Monitor referred to therein are hereby ratified and approved; provided, however, that only the Monitor, in its personal capacity and only with respect to its own personal liability, shall be entitled to rely upon or utilize in any way such approval.

4. **THIS COURT ORDERS** that the fees and disbursements of KPMG, in its capacity as Monitor and Proposed Monitor, for the period from September 15, 2023 to January 15, 2024, as set out in the Gadia Affidavit [**and the Third Report**], are hereby approved.

5. **THIS COURT ORDERS** that the fees and disbursements of Osler, Hoskin & Harcourt LLP ("**Osler**") as legal counsel to KPMG, in its capacity as Monitor and Proposed Monitor, for the period from September 28, 2023 to January 15, 2024, as set out in the De Lellis Affidavit [**and the Third Report**], are hereby approved.

6. **THIS COURT ORDERS** that the anticipated further fees and disbursements of the Monitor and Osler in connection with the completion by the Monitor of its remaining duties and administration of the CCAA Proceedings are estimated not to exceed \$90,000 (inclusive of HST) (the "**Remaining Fees and Disbursements**"), [**all as set out in the Third Report**], be and are hereby approved, and that the Monitor and Osler shall not be required to pass their accounts in

respect of any further activities in connection with the administration of the CCAA Proceedings, *provided, however*, that if the further fees and disbursements of the Monitor and Osler in connection with the completion by the Monitor of its remaining duties and administration of the CCAA Proceedings exceed the above estimate, the Monitor shall return to Court to seek approval to pay any such amounts in excess of the Remaining Fees and Disbursements pursuant to a further Order of the Court.

DISTRIBUTIONS

7. **THIS COURT ORDERS** the Monitor, for and on behalf of the Applicants, is hereby authorized, without further order of this Court, to make one or more distributions (collectively, the “Distributions”):

- (a) to the Canada Revenue Agency in satisfaction of its Priority Claim totalling \$3,468,541.12;
- (b) to KPMG pursuant to and in accordance with paragraph 24 of this Order; and
- (c) to Aviva in satisfaction of amounts owing by the Applicants with respect to the Senior Secured Obligations, not to exceed the outstanding amount owing by the Applicants under the Senior Secured Obligations.

8. **THIS COURT ORDERS** that the Monitor and the Applicants are hereby authorized to take all reasonably necessary steps and actions to effect the Distributions in accordance with the provisions of this Order, and shall not incur any liability as a result of making the Distributions.

9. **THIS COURT ORDERS** that the Distributions to Aviva in accordance with this Order shall be permanent and indefeasible payments of the Senior Secured Obligations.

10. **THIS COURT ORDERS** that, notwithstanding:

- (a) the pendency of these CCAA Proceedings;
- (b) any application for a bankruptcy or receivership order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act*, R.S.C., 1985, c. B-3, as amended (the “**BIA**”) or other applicable legislation in respect of the Applicants and any bankruptcy or receivership order issued pursuant to any such applications;
- (c) any assignment in bankruptcy made in respect of the Applicants; and

- (d) any provisions of any federal or provincial legislation,

the Distributions shall be made free and clear of all Claims and Encumbrances, including the Charges, and shall be binding on any trustee in bankruptcy or receiver that may be appointed in respect of the Applicants and shall not be void or voidable nor deemed to be a preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the BIA 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.

TERMINATION OF CCAA PROCEEDINGS

11. **THIS COURT ORDERS** that, upon service by the Monitor of an executed certificate in substantially the form attached hereto as Schedule "A" (the "**Termination Certificate**") on the service list in these CCAA Proceedings certifying that, to the knowledge of the Monitor, all matters to be attended to in connection with these CCAA Proceedings have been completed, these CCAA Proceedings shall be terminated without any further act or formality (the "**CCAA Termination Time**"); provided, however, that nothing herein impacts the validity of any Orders made in these CCAA Proceedings or any action or steps taken by any Person pursuant thereto or in connection therewith.

12. **THIS COURT ORDERS** that the Monitor is hereby directed to file a copy of the Termination Certificate with the Court as soon as is practicable following the service thereof on the service list in these CCAA Proceedings.

13. **THIS COURT ORDERS** that the Administration Charge, the D&O Charge and the DIP Lender's Charge (collectively, the "**Charges**") shall be terminated, released and discharged as of the CCAA Termination Time without any further act or formality.

DISCHARGE OF THE MONITOR

14. **THIS COURT ORDERS** that effective at the CCAA Termination Time, KPMG shall be and is hereby discharged from its duties as the Monitor and shall have no further duties, obligations or responsibilities as Monitor from and after the CCAA Termination Time, provided that, notwithstanding its discharge as Monitor, KPMG shall have the authority to carry out, complete or address any matters in its role as Monitor, respectively, that are ancillary or incidental to these CCAA Proceedings following the CCAA Termination Time, as may be required, including the satisfaction of any outstanding obligations of the Applicants under the Purchase Agreement (the

“Monitor Incidental Matters”). In completing any such Monitor Incidental Matters, KPMG shall continue to have the benefit of the provisions of all Orders made in these CCAA Proceedings and all protections under the CCAA, including all approvals, protections, stay of proceedings in favour of KPMG in its capacity as the Monitor, and nothing in this Order shall affect, vary, derogate from or amend any of the protections in favour of the Monitor pursuant to any Order issued in these CCAA Proceedings.

15. **THIS COURT ORDERS** that, notwithstanding any provision of this Order, the Monitor’s discharge or the termination of these CCAA Proceedings, nothing herein shall affect, vary, derogate from, limit or amend, and KPMG shall continue to have the benefit of, all of the rights, approvals, releases and protections in favour of the Monitor at law or pursuant to the CCAA, the ARIO, Approval and Reverse Vesting Order, or any other Order of this Court in these CCAA Proceedings or otherwise, all of which are expressly continued and confirmed following the CCAA Termination Time, including in connection with any other actions taken by the Monitor following the CCAA Termination Time with respect to the Applicants or these CCAA Proceedings.

16. **THIS COURT ORDERS** that no action or other proceeding shall be commenced against KPMG in any way arising from or related to KPMG’s capacity or conduct as Monitor, except with prior leave of this Court on not less than fifteen (15) days prior written notice to KPMG.

ASSIGNMENT INTO BANKRUPTCY

17. **THIS COURT ORDERS** that the Applicants, with the assistance of the Monitor, are hereby authorized, in their discretion, to make an assignment in bankruptcy pursuant to the BIA before the CCAA Termination Time.

18. **THIS COURT ORDERS** that the Applicants are authorized to execute, and the Monitor is authorized to file on behalf of the Applicants, any assignment in bankruptcy and related documents.

19. **THIS COURT ORDERS** that KPMG is authorized and empowered, but not obligated, to act as trustee in bankruptcy (the **“Trustee”**) for each of the Applicants.

20. **THIS COURT ORDERS** that this Order shall bind any Trustee appointed in respect of any of the Applicants.

21. **THIS COURT ORDERS** that the Trustee shall be and is hereby authorized to administer the bankruptcy estates as if such estates were in respect of a single bankrupt for the purposes of

carrying out its duties and responsibilities as trustee under the BIA (the “**Consolidated Proceedings**”), including, without limitation:

- (i) administering the bankruptcy estates of 1000704712 Ontario Inc., Ignite Holdings Inc., and Ignite Insurance Corporation under a single court file number and title of proceeding;
- (ii) sending a notice of the first meeting of creditors (the “**Notice**”) in the manner prescribed by section 102 of the BIA by sending a consolidated Notice for all of the Applicants to accompany the Notice set out in subsection 102(2) of the BIA (the “**Forms**”);
- (iii) convening meetings of creditors and inspectors in the bankrupt estates of the Applicants through one combined advertisement and conducting such meetings jointly provided that the results of any creditors’ vote shall be separately tabulated for each such bankrupt estate;
- (iv) using a consolidated form of proof of claim that directs creditors to identify the bankrupt estate in which a claim is made for voting and for distribution purposes;
- (v) maintaining a consolidated bank account with respect to the Applicants’ respective bankruptcy estates;
- (vi) issuing consolidated reports in respect of the bankruptcy estates of the Applicants;
- (vii) performing a consolidated making, filing, advertising and distribution of all filings and notices in the bankrupt estates of the Applicants required under the BIA; and
- (viii) appointing a single group of inspectors to be the inspectors for the consolidated bankruptcy estates of the Applicants.

22. **THIS COURT ORDERS** that the Consolidated Proceedings are not a substantive consolidation of the bankrupt estates of the Applicants and will automatically terminate if the Trustee is replaced as licensed insolvency trustee of any, but not all, of the estates of the Applicants.

23. **THIS COURT ORDERS** that the Consolidated Proceedings do not:

- (a) affect the separate legal status of the corporate structure of the Applicants;
- (b) cause any of the bankrupt estates of the Applicants to be liable for any claim for which it is otherwise not liable, or cause any of the Applicants to have any interest in any asset which it otherwise would not have; or
- (c) affect the bankrupt estates of the Applicants filing obligations under the BIA.

BANKRUPTCY RESERVE

24. **THIS COURT ORDERS** that the Monitor is hereby authorized and directed to transfer \$75,000 (the “**Bankruptcy Reserve**”) to KPMG for the fees and disbursements of the Trustee and its counsel (plus applicable taxes) incurred in connection with intended assignments of the Applicants into bankruptcy pursuant to the BIA. Following completion of the Applicants' BIA proceedings, the Trustee is hereby authorized and directed to pay any available remainder from the Bankruptcy Reserve to Aviva, in an amount not to exceed the outstanding amount owing by the Applicants under the Senior Secured Obligations.

ASSIGNMENT AGREEMENT

25. **THIS COURT ORDERS** that the agreement among Residual Co., Ignite Services and Aviva (the “**Assignment Agreement**”), a copy of which is attached as Exhibit “F” to the Fourth Livingstone Affidavit, is hereby approved and that the execution of the Assignment Agreement is hereby authorized, approved and ratified, with such minor amendments as the parties thereto may deem necessary. Residual Co. is hereby authorized and directed to perform its obligations under the Assignment Agreement, including, without limitation, the assignment of the Adjustable Promissory Note by Residual Co. to Aviva contemplated thereby, and to take such additional steps and execute such additional documents as may be necessary or desirable to complete these obligations.

RELEASES

26. **THIS COURT ORDERS** that, effective at the CCAA Termination Time, in addition to the protections in favour of the Monitor in any Order of this Court in the CCAA Proceedings or the CCAA, the Monitor, Osler, and each of their respective affiliates, and each of their respective current and former officers, directors, partners, employees and agents, as applicable, (collectively, the “**Released Parties**”) shall be and are hereby released and forever discharged from any and all claims that any Person may have or be entitled to assert against the Released Parties now or may hereafter by reason of any act, omission, transaction, dealing or other occurrence in any way relating to arising out of, or in respect of the CCAA Proceedings, including in carrying out any incidental matters, whether known or unknown, matured or unmatured, foreseen or unforeseen, relating to matters that were raised, or could have been raised, in the within proceedings (collectively, the “**Released Claims**”), and any such Released Claims are hereby irrevocably and permanently released, discharged, stayed, extinguished and forever

barred and the Released Parties shall have no liability in respect thereof, save and except for any gross negligence or wilful misconduct.

EXTENSION OF THE STAY PERIOD

27. **THIS COURT ORDERS** that the Stay Period be and is hereby extended to the CCAA Termination Time.

GENERAL

28. **THIS COURT ORDERS** that the Applicants or the Monitor may from time to time apply to this Court to amend, vary or supplement this Order or for advice and directions in the discharge of its powers and duties under this Order or in the interpretation or application of this Order.

29. **THIS COURT ORDERS** that this Order shall have full force and effect in all provinces and territories in Canada.

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

Schedule A

Court File No. CV-23-00708635-00CL

ONTARIO SUPERIOR COURT OF JUSTICE (COMMERCIAL LIST)

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

AND IN THE MATTER OF PLAN OF COMPROMISE OR ARRANGEMENT OF 1000704712
ONTARIO INC., IGNITE HOLDINGS INC., AND IGNITE INSURANCE CORPORATION

Applicants

TERMINATION CERTIFICATE

RECITALS

1. KPMG Inc. ("**KPMG**") was appointed as the Monitor of Ignite Services Inc. ("**Ignite Services**"), Ignite Holdings Inc. ("**Ignite Holdings**"), and Ignite Insurance Corporation ("**Ignite Insurance**" and, together with Ignite Services and Ignite Holdings, the "**Ignite Group**") in the within proceedings commenced under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") pursuant to an Initial Order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated October 30, 2023 (as amended, the "**Initial Order**").
2. Unless otherwise indicated herein, capitalized terms used in this Termination Certificate shall have the meaning given to them in the CCAA Termination and Distribution Order.
3. Pursuant to the Approval and Reverse Vesting Order of the Honourable Justice Conway dated November 9, 2023, the Court approved the purchase agreement dated October 26, 2023 (the "**Purchase Agreement**") between Ignite Holdings, as vendor, and Southampton Financial Inc. ("**Southampton**"), as purchaser, and the transactions contemplated therein (the "**Transactions**").
4. Upon closing of the Transactions on December 1, 2023, *inter alia*, (i) all of the Ignite Group's right, title and interest in and to the Excluded Assets (as defined in the Purchase Agreement) vested absolutely and exclusively in Residual Co.; (ii) all of the Excluded Liabilities (as defined in the Purchase Agreement) were transferred to, assumed by and vested in Residual Co.; (iii) all of the right, title and interest in and to the Purchased Shares

(as defined in the Purchase Agreement) vested absolutely and exclusively in Southampton free and clear of and from any Claims and Encumbrances (each as defined in the Purchase Agreement); and (iv) Ignite Services was deemed to cease being an Applicant in these CCAA Proceedings, with Residual Co. becoming an Applicant in these CCAA Proceedings.

3. Pursuant to an Order of this Court dated January 30, 2024 (the “**CCAA Termination and Distribution Order**”), among other things, KPMG shall be discharged as the Monitor and the Applicants’ CCAA Proceedings shall be terminated upon the service of this Termination Certificate on the service list in these CCAA Proceedings, all in accordance with the terms of the CCAA Termination and Distribution Order.

THE MONITOR CERTIFIES the following:

1. To the knowledge of the Monitor, all matters to be attended to in connection with the Applicants’ CCAA Proceedings (Court File No. CV-23-00708635-00CL) have been completed.

The CCAA Termination Time will occur upon service of the Termination Certificate by the Monitor on the service list in these CCAA Proceedings.

DATED at Toronto, Ontario this _____ day of _____, 2024.

KPMG INC. in its capacity as the Court-appointed Monitor of the Applicants and not in its personal or corporate capacity

Per: _____
Name:
Title:

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

AND IN THE MATTER OF PLAN OF COMPROMISE OR ARRANGEMENT OF 1000704712 ONTARIO INC., IGNITE HOLDINGS INC., AND
IGNITE INSURANCE CORPORATION

Applicants

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

PROCEEDING COMMENCED AT TORONTO

**CCAA TERMINATION AND DISTRIBUTION
ORDER**

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Lawyers for the Applicants

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF 1000704712 ONTARIO
INC., IGNITE HOLDINGS INC., AND IGNITE INSURANCE CORPORATION

Applicants

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

PROCEEDING COMMENCED AT TORONTO

**MOTION RECORD
(RE: CCAA TERMINATION AND
DISTRIBUTION ORDER)
(RETURNABLE JANUARY 30, 2024)**

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