

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 1000704712 ONTARIO INC., IGNITE HOLDINGS INC., AND IGNITE
INSURANCE CORPORATION**

Applicants

**SUPPLEMENTARY AFFIDAVIT OF STEPHEN LIVINGSTONE
(Sworn January 29, 2024)**

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 1000704712 Ontario Inc. ("**Residual Co.**"), Ignite Holdings Inc. ("**Ignite Holdings**"), Ignite Insurance Corporation ("**Ignite Insurance**", together with Residual Co. and Ignite Holdings, the "**Applicants**") and Ignite Services Inc. ("**Ignite Services**", together with Ignite Holdings and Ignite Insurance, the "**Ignite Group**", and together with the Applicants, the "**Companies**"), an Applicant until closing of the Transactions, and the Companies' sole director. I have held these positions since November 8, 2023, with respect to Residual Co. and February 8, 2016, with respect to the Ignite Group.
2. I swear this affidavit as a supplement to my affidavit sworn on January 25, 2024 (the "**Fourth Livingstone Affidavit**")¹ in support of the Applicants' motion for the issuance of the CCAA Termination and Distribution Order, substantially in the form found at Tab 3 of the Applicants' Motion Record dated January 25, 2024.
3. All references to monetary amounts in this affidavit are in Canadian dollars unless otherwise indicated.

¹ All capitalized terms used herein and not otherwise defined herein have the meanings given to them in the Fourth Livingstone Affidavit.

I. APPROVAL OF ASSIGNMENT AGREEMENT

4. As noted in the Fourth Livingstone Affidavit, the Applicants are seeking approval of the Assignment Agreement contemplated therein, and authorization for Residual Co. to take such additional steps and execute such additional documents as necessary or desirable for the completion of the assignment of the Earnout to Aviva.

5. At the time that the Fourth Livingstone Affidavit was sworn, the terms of the Assignment Agreement were being actively negotiated amongst Residual Co., Aviva and Ignite Services.

6. A copy of the Assignment Agreement as agreed amongst, and proposed to be entered, by the parties is attached as **Exhibit "A"** hereto.

7. For the reasons described in the Fourth Livingstone Affidavit and the Monitor's Third Report, this Court should approve the Assignment Agreement contemplating the assignment to Aviva of any Earnout payable to Residual Co. under the Adjustable Promissory Note, at the Effective Time (as defined therein). Specifically, given that the proposed Distributions to Aviva are expected to be significantly less than the outstanding amount of the Senior Secured Obligations owing by the Applicants to Aviva.

II. CONCLUSION

8. I believe that approval of the Assignment Agreement is in the best interests of the Applicants and their stakeholders. Further, I understand that the Monitor has reviewed, and is supportive of Residual Co. entering, the Assignment Agreement.

9. I swear this affidavit in support of the of the Applicants' motion for the CCAA Termination and Distribution Order and for no other or improper purpose.

SWORN remotely via videoconference, by Stephen Livingstone, stated as being located in the City of Toronto, in the Province of Ontario, before me at the City of Toronto, in Province of Ontario, this day of January 29, 2024, in accordance with O. Reg 431/20, *Administering Oath or Declaration Remotely.*

DocuSigned by:

Rania Hammad

3CCD226759524E3...

Commissioner for Taking Affidavits, etc.
RANIA HAMMAD

DocuSigned by:

Steve Livingstone

421DD567E50D4AD...

STEPHEN LIVINGSTONE

EXHIBIT “A”

EXHIBIT "A"

referred to in the Affidavit of

STEPHEN LIVINGSTONE

Sworn January 29, 2024

DocuSigned by:

Raviah Hammad

3CCD226759524E3...

A Commissioner for Taking Affidavits

ADJUSTABLE PROMISSORY NOTE ASSIGNMENT AGREEMENT

This assignment agreement is dated January 29, 2024 by and among 1000704712 Ontario Inc. (the “**Assignor**”), Aviva Insurance Company of Canada (the “**Assignee**”), and Ignite Services Inc. (the “**Debtor**”).

RECITALS:

- (a) Ignite Holdings Inc. (“**Holdings**”) and the Debtor were parties to an adjustable promissory note granted by Debtor in favour of Holdings dated November 29, 2023 in the principal amount of C\$2,500,000 (the “**Note**”);
- (b) pursuant to the approval and reverse vesting order of the Honourable Justice Conway dated November 9, 2023, the Note was assigned by Holdings to the Assignor and all right, title and interest in the Note held by Holdings was vested absolutely in the Assignor on December 1, 2023;
- (c) the Assignor wishes to assign to the Assignee all of the Assignor’s right, title and interest in and to, and all benefits of the Assignor under the Note, and the Assignee wishes to assume, perform and discharge the obligations and liabilities of the Assignor under the Note; and
- (d) the Debtor wishes to consent to the assignment of the Note.

In consideration of the above and for other good and valuable consideration, the receipt and sufficiency of which is acknowledged by the parties, the parties agree as follows:

Section 1 Assignment

As and from 12:01 a.m. Eastern Time on January 31, 2024 (the “**Effective Time**”), the Assignor assigns to the Assignee all of the Assignor’s right, title and interest in and to, and all benefits of the Assignor under, the Note.

Section 2 Assumption by Assignee

The Assignee assumes and will perform and discharge all the obligations and liabilities of the Assignor under the Note arising after the Effective Time.

Section 3 Debtor Consent to Assignment and Release

The Debtor consents to and acknowledges the assignment of the Note to the Assignee and releases and discharges the Assignee from all of its obligations and liabilities under the Note arising after the Effective Time. The Debtor acknowledges and agrees that this written consent is provided in compliance with Section 11 of the Note.

Section 4 Representations and Warranties

Each of the Assignor and the Debtor (each a “**Representor**”) severally represents and warrants to the Assignee in respect of itself only that:

- (a) the Note is valid, in full force and effect, and unamended as at the date of this agreement;

- (b) there exists no default or event of default on the part of such Representor, or event, occurrence, condition or act concerning or related to or on the part of such Representor which, with the giving of notice, the lapse of time or the happening of any other event or condition, would become a default or event of default on the part of such Representor under the Note; and
- (c) it has duly complied with, fulfilled or performed all terms and conditions under the Note to be complied with, fulfilled or performed by it up to the date of this agreement.

Section 5 Further Assurances

On or after the date of this agreement, each party shall execute and deliver such documents and take all such action as is reasonably required to carry out the intent and purpose of this agreement.

Section 6 Binding Nature

This agreement becomes effective when executed by all of the parties. After that time, it will be binding upon and enure to the benefit of the parties and their respective successors, legal representatives and permitted assigns. Neither this agreement nor any of the rights or obligations under this agreement, including any right to payment, may be assigned or transferred, in whole or in part, by any party without the prior written consent of the other parties. Any purported assignment or transfer without such written consent will be null and void and of no effect. Notwithstanding the foregoing, the Debtor may assign, delegate, or otherwise transfer any or all of its rights, interests and obligations under the Note as a matter of law to the surviving entity in any merger, amalgamation, consolidation, or reorganization involving the Debtor.

Section 7 Assignee Contact Information

All notices, reports or other communications required or permitted by the Note shall be given pursuant to the terms of section 8 of the Note. Such notices, reports or other communications shall be addressed to the Assignee, as follows:

if to the Assignee by email, to:

generalcounsel.ca@aviva.com

If to the Assignee other than by email, to:

**Aviva Insurance Company of Canada
10 Aviva Way, Suite 100
Markham, Ontario L6G 0G1
Attention: Chief Financial Officer**

with a copy to:

**Aviva Insurance Company of Canada
10 Aviva Way, Suite 100
Markham, Ontario L6G 0G1
Attention: General Counsel and Chief Legal Officer**

Section 8 Governing Law

This agreement is governed by, and will be interpreted and construed in accordance with, the laws of the Province of Ontario and the federal laws of Canada applicable in Ontario.

Section 9 Counterparts

This agreement may be executed in any number of counterparts, each of which is deemed to be an original, and such counterparts together constitute one and the same instrument. Transmission of an executed signature page by facsimile, email or other electronic means is as effective as a manually executed counterpart of this agreement.

[Remainder of page intentionally left blank. Signature page(s) follow.]

The parties have executed this agreement.

1000704712 ONTARIO INC.

By:

Authorized Signing Officer

AVIVA INSURANCE COMPANY OF CANADA

By:

Authorized Signing Officer

IGNITE SERVICES INC.

By:

Authorized Signing Officer

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

**SUPPLEMENTARY AFFIDAVIT OF
STEPHEN LIVINGSTONE
(SWORN JANUARY 29, 2024)**

STIKEMAN ELLIOTT LLP
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Lawyers for the Applicants