



SUPERIOR COURT OF JUSTICE

COUNSEL/ENDORSEMENT SLIP

COURT FILE NO.: CV-23-00692784-00CL

DATE: March 24th, 2023

NO. ON LIST: 2

TITLE OF PROCEEDING: RE INSCAPE CORPORATION et al

BEFORE: JUSTICE CONWAY

PARTICIPANT INFORMATION

For Plaintiff, Applicant, Moving Party:

Name of Person Appearing	Name of Party	Contact Info
Monica Faheim	Applicants	mfaheim@millerthomson.com
David Ward	Applicants	dward@millerthomson.com
Courtenay Cullen	U.S. Counsel to Applicants (Inscape Corp et al)	ccullen@willkie.com

For Defendant, Respondent, Responding Party:

Name of Person Appearing	Name of Party	Contact Info
Philip Cho	Prevolv Inc.	pcho@weirfoulds.com
Max Shrow	Prevolv Inc.	mskrow@weirfoulds.com

For Other, Self-Represented:

Name of Person Appearing	Name of Party	Contact Info
Matilda Lici	Alvarez & Marsal Canada Inc	mlici@airdberlis.com
Steven L. Graff		sgraff@airdberlis.com
Daniel Richer	Gordon Brothers	dricher@fasken.com
Daniel Daigle	United Steelworkers	ddaigle@usw.ca
Ian Breneman	Empire Office	ibreneman@ahbl.ca

ENDORSEMENT OF JUSTICE CONWAY:

- [1] **All defined terms used in this Endorsement shall, unless otherwise defined, have the meanings ascribed to them in the Notice of Motion of the Applicants for the motion returnable March 24, 2023.**
- [2] The Applicants seek two orders today. The first is an Approval and Vesting Order (AVO) for the transaction with Gordon Brothers described in the materials. The order is supported by the Monitor, who had described the sale process for these assets in its Third Report. The order is unopposed by any other party. I am satisfied that the transaction should be approved and the AVO granted. The transaction was generated from the Sale and Liquidation Process, the market was appropriately canvassed and the purchase price is fair and reasonable in the circumstances. I grant the AVO.
- [3] The second is the Ancillary Relief Order that approves the Monitor's activities and fees, approves a distribution to the secured creditor Hilco (subject to amounts for the Directors' Charge) and various provisions regarding the Dealer Dispute. All provisions of that order are unopposed and supported by the Monitor, except for those with respect to the Dealer Dispute. The undisputed provisions of the Ancillary Relief Order are acceptable to me and I approve them.
- [4] With respect to the Dealer Dispute, the parties agreed that a summary process for me, as the supervising CCAA judge, to determine the availability of a set-off by Prevolv Inc. ("**Prevolv**") is the appropriate process. I agree. The order sets out a timetable for the Dealer Claim Motion to be heard. The hearing is scheduled for **May 2, 2023 at 11 a.m. before me for 3 hours (in person, confirmed with the Commercial List office).**
- [5] The Applicants further sought, among other things, an order that Prevolv, who is a significant account debtor of Inscape Corporation, pay to the Monitor, in trust (the "**Prepayment**"), an amount equal to the claimed account receivable (the "**Receivable**"), to ensure that the litigation between the Applicants and Prevolv as to whether Prevolv has a right of set off vis-à-vis the Receivable is not moot should that set off argument be rejected or the set off does not succeed to defeat the entirety of the Receivable.
- [6] I have not included a requirement for the Prepayment in the Ancillary Relief Order. However, I have required that certain reporting be made and information be provided to the Monitor. The Monitor is at liberty to return to court at any time, subject to appropriate notice, if any, to speak to me should there be any concern raised over the information, or access thereto, that Prevolv is providing pursuant to the Ancillary Relief Order, or should it become apparent that Prevolv's financial circumstances appear to demonstrate a concern about its ability to pay the Receivable. This court will then give further consideration to, among other things, the Prepayment request, and the Ancillary Relief Order is without prejudice to the parties' ability to seek or respond to that relief.
- [7] AVO and Ancillary Relief Order to go signed by me and attached to this Endorsement. These orders are effective from today's date and are enforceable without the need for entry and filing.

