

**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 SUNGARD AVAILABILITY
SERVICES (CANADA) LTD./SUNGARD, SERVICES DE
CONTINUITE DES AFFAIRES (CANADA) LTEE

APPLICATION OF SUNGARD AVAILABILITY SERVICES
(CANADA) LTD./SUNGARD, SERVICES DE CONTINUITE DES
AFFAIRES (CANADA) LTEE UNDER SECTION 46 OF THE
COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-
36, AS AMENDED

**PRE-FILING REPORT
OF THE PROPOSED INFORMATION OFFICER**

ALVAREZ & MARSAL CANADA INC.

APRIL 13, 2022

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1.0 INTRODUCTION

- 1.1 On April 11, 2022 (the “**Filing Date**”), Sungard Availability Services (Canada) Ltd./Sungard, Services de Continuite des Affaires (Canada) Ltee (“**Sungard AS Canada**”), and 11 affiliated companies (each a “**Debtor**” and collectively, the “**Debtors**”, and together with their direct and indirect non-Debtor affiliates, the “**Company**”)¹, commenced voluntary reorganization proceedings (the “**Chapter 11 Proceedings**”) pursuant to Chapter 11 of the U.S. Bankruptcy Code (the “**U.S. Bankruptcy Code**”) with the United States Bankruptcy Court for the Southern District of Texas (the “**U.S. Court**”).
- 1.2 On April 11, 2022, Sungard AS Canada, as the proposed foreign representative of itself and the other Debtors, brought an application (the “**Application**”) before the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) for certain relief pursuant to Part IV of the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”, and these proceedings the “**CCAA Recognition Proceedings**”, and together with the Chapter 11 Proceedings, the “**Restructuring Proceedings**”).
- 1.3 The Application sought/seeks three orders and is proceeding in stages. On the initial return date of April 11, 2022, Sungard AS Canada sought and obtained an interim order (the “**Interim Order**”), among other things, staying proceedings (the “**Interim Stay**”) against Sungard AS Canada as well as Sungard AS New Holdings III, LLC and Sungard

¹ “**Debtors**” means the following entities that are “debtors” in the Chapter 11 Proceedings: InFlow LLC; Sungard AS New Holdings, LLC; Sungard AS New Holdings II, LLC; Sungard AS New Holdings III, LLC; Sungard Availability Network Solutions Inc.; Sungard Availability Services (Canada) Ltd./Sungard, Services de Continuite des Affaires (Canada) Ltee; Sungard Availability Services Holdings (Canada), Inc.; Sungard Availability Services Holdings (Europe), Inc.; Sungard Availability Services Holdings, LLC; Sungard Availability Services Technology, LLC; Sungard Availability Services, LP; and Sungard Availability Services, Ltd.

Availability Services LP (together, the “**Guarantor Debtors**”), which have guaranteed certain lease obligations of Sungard AS Canada but have no assets in Canada, other than certain registered intellectual property rights, pending the determination of the relief set out below. The Interim Stay was required as although Sungard AS Canada had filed a petition with the U.S. Court commencing its Chapter 11 Case (and had received an automatic stay of proceedings in the United States), first day orders had not yet been issued by the U.S. Court, including any order appointing a foreign representative in the proceedings, which is required to commence Part IV CCAA proceedings. Without the Interim Stay, Sungard AS Canada and the Guarantor Debtors would not have had the creditor protection in Canada that they had in the United States during the period between commencement of the Chapter 11 Proceedings and the issuance of the First Day Orders (defined below). A copy of the Interim Order is attached hereto as **Appendix “A”**.

- 1.4 On April 12, 2022, the U.S. Court granted various orders in the Chapter 11 Proceedings (the “**First Day Orders**”), including an order authorizing Sungard AS Canada to act as foreign representative in the Chapter 11 Proceedings (the “**U.S. Foreign Representative Order**”).
- 1.5 With the U.S. Foreign Representative Order having been issued by the U.S. Court, Sungard AS Canada is now in a position to proceed to seek the remaining two orders contemplated by the Application, being the Initial Recognition Order and the Supplemental Order as defined and described in paragraphs 1.6 (a) and (b) below.
- 1.6 The purpose of this pre-filing report (the “**Pre-Filing Report**”) is to provide this Court with background information with respect to the Debtors and the Chapter 11 Proceedings,

and to assist the Court in considering Sungard AS Canada's request for the following relief being sought:

- (a) an order, among other things: (i) finding that Sungard AS Canada is the foreign representative (in such capacity, the “**Foreign Representative**”) of the Debtors; (ii) finding that the centre of main interest for Sungard AS Canada is the United States; and (iii) recognizing the case (the “**Chapter 11 Case**” and together with the cases commenced by the other Debtors, the “**Chapter 11 Cases**”) commenced by Sungard AS Canada in the U.S. Court as a foreign main proceeding under Part IV of the CCAA (the “**Initial Recognition Order**”); and
- (b) an order, among other things: (i) recognizing certain of the First Day Orders of the U.S. Court entered in the Chapter 11 Cases (the “**U.S. Orders**”); (ii) appointing Alvarez & Marsal Canada Inc. (“**A&M Canada**”) as information officer in respect of these proceedings (in such capacity, the “**Information Officer**”); and (iii) granting the Administration Charge (as defined below) and the DIP Agents' Charge (as defined below) (the “**Supplemental Order**”).

1.7 Other than the Chapter 11 Proceedings and these CCAA Recognition Proceedings, the Proposed Information Officer is not aware of any other foreign proceedings in respect of the Debtors. However, on March 25, 2022, a non-Debtor affiliate of the Company commenced an administration proceeding in the United Kingdom.

2.0 TERMS OF REFERENCE AND DISCLAIMER

2.1 In preparing this Pre-Filing Report, A&M Canada has relied solely on information and documents provided by the Foreign Representative, its Canadian legal counsel, the other Debtors, and their U.S.-based restructuring advisor, FTI Consulting, Inc. (“**FTI**”) (collectively, the “**Information**”). Except as otherwise described in this Pre-Filing Report:

- (a) the Proposed Information Officer has reviewed the Information for reasonableness, internal consistency and use in the context in which it was provided. However, the Proposed Information Officer has not audited or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with Canadian Auditing Standards (“**CASs**”) pursuant to the *Chartered Professional Accountants Canada Handbook* (the “**Handbook**”), and accordingly, the Proposed Information Officer expresses no opinion or other form of assurance contemplated under CASs in respect of the Information; and
- (b) some of the information referred to in this Pre-Filing Report consists of forecasts and projections. An examination or review of the financial forecasts and projections, as outlined in the Handbook, has not been performed.

2.2 Future-oriented financial information referred to in this Pre-Filing Report was prepared based on estimates and assumptions made by the Debtors’ management. Readers are cautioned that since projections are based upon assumptions about future events and conditions that are not ascertainable, the actual results will vary from the projections, and the variations could be significant.

2.3 This Pre-Filing Report should be read in conjunction with the Affidavit of Michael K. Robinson, sworn on April 11, 2022 (the “**Robinson Affidavit**”), the Declaration of Michael K. Robinson dated April 11, 2022 and filed in the Chapter 11 Proceedings, a copy of which is attached as Exhibit “B” to the Robinson Affidavit (the “**First Day Declaration**”), the Declaration of Tom Hedus dated April 11, 2022 and filed in the Chapter 11 Proceedings, a copy of which is attached hereto as **Appendix “B”** (the “**Hedus Declaration**”), the Declaration of Christopher Nicholls dated April 11, 2022 and filed in the Chapter 11 Proceedings, a copy of which is attached hereto as **Appendix “C”** (the “**Nicholls Declaration**”) , and the affidavit of Stephanie Fernandes sworn April 12, 2022 (the “**Fernandes Affidavit**”).

2.4 Unless otherwise stated, all monetary amounts contained herein are expressed in USD.

3.0 BACKGROUND

Company Overview

3.1 The Company is headquartered in Wayne, Pennsylvania and is a provider of cloud-connected infrastructure services delivering business resilience to customers in the event of unplanned business disruption, ranging from man-made events to natural disasters. As explained in further detail in the Robinson Affidavit, the Company’s business is divided into four product segments: (i) Colocation & Network Services; (ii) Cloud & Managed Services; (iii) Recovery Services; and (iv) Workplace Recovery.

3.2 The Company operates 55 facilities (comprising 24 data centres and 31 work area recovery centres) servicing approximately 2,000 customers across the United States, Canada, the

United Kingdom and Europe in a variety of industries, including financial institutions, healthcare, manufacturing, logistics, transportation and others.

- 3.3 As of the Filing Date, the Debtors had approximately 585 employees in the United States and Canada.
- 3.4 During fiscal 2021, the Company generated consolidated revenue of approximately \$587 million and as of the Filing Date had approximately \$423.7 million in aggregate secured debt outstanding under its primary prepetition credit facilities.
- 3.5 Sungard AS Canada's operations consist of six leased facilities and approximately 35 employees. During fiscal 2021, Sungard AS Canada generated revenue of approximately \$33.2 million, representing approximately 6% of the Company's consolidated revenue.
- 3.6 For a detailed description of the Debtors' business, refer to the Robinson Affidavit and the First Day Declaration. A corporate organization chart showing the ownership structure of the Company is attached as Exhibit "E" to the Robinson Affidavit.

Secured Credit Facilities

- 3.7 As of the Filing Date, the Debtors had approximately \$423.7 million in aggregate secured debt outstanding under their primary credit facilities, comprised of the following:

Facility	Sungard AS Canada	Balance Outstanding (\$US in millions)
Revolving Credit Agreement	Borrower and Guarantor	\$29.0
Prepetition 1L Term Loan Credit Agreement	Guarantor	108.2
Prepetition Non-Extending 2L Credit Agreement	Not an Obligor	8.9
Prepetition New 2L Credit Agreement	Guarantor	277.6
Total		\$423.7

3.8 As noted in the table above, Sungard AS Canada is not an obligor under the Prepetition Non-Extending 2L Credit Agreement. Accordingly, Sungard AS Canada’s obligations under the credit facilities totaled approximately \$414.8 million as of the Filing Date.

3.9 Each of the credit facilities is described in detail in the Robinson Affidavit and the First Day Declaration. Key terms and components of the facilities include the following:

Sungard AS Prepetition Secured Credit Facilities	
Revolving Credit Agreement	
Borrowers	<ul style="list-style-type: none"> Sungard AS New Holdings III, LLC (“Sungard AS III”) and all Debtors other than Sungard AS Holdings II, LLC (“Holdings”) (collectively, the “Revolving Borrowers”) Sungard AS Canada is included as a Revolving Borrower
Lender	<ul style="list-style-type: none"> PNC Bank (“PNC” or the “Prepetition ABL Lender”) as lender and administrative agent (in such capacity, the “Prepetition ABL Agent”)
Balance Outstanding	<ul style="list-style-type: none"> \$29.0 million
Commitment	<ul style="list-style-type: none"> \$50 million revolving facility
Security & Guarantors	<ul style="list-style-type: none"> The obligors granted a security interest and continuing lien on all of their right, title and interest in substantially all of their assets The obligations under the Revolving Credit Facility are secured by (i) a first priority lien on the ABL Priority Collateral² (as defined in the Interim DIP Order), and (ii) a third priority lien on the Term Loan Priority Collateral³ (as defined in the Interim DIP Order) Sungard AS Canada delivered: (i) an Ontario law governed security agreement granting a security interest and lien in favour of the Prepetition ABL Agent over all of Sungard AS Canada’s present and future property except for certain commonly excluded assets; and (ii) a short form intellectual property security agreement granting a lien against Sungard AS Canada’s Canadian registered intellectual property, which security agreement was registered with the Canadian Intellectual Property Office (“CIPO”). In addition, Sungard AS Canada Parent pledged all of Sungard AS Canada’s Shares (collectively, the “Sungard AS Canada Shares”) The obligations under the Revolving Credit Facility are guaranteed by all Debtors other than Sungard AS Sungard AS Canada is a guarantor (in addition to being a borrower) pursuant to an Ontario law governed guarantee

² The ABL Priority Collateral includes certain accounts, rights to receive payments, intangibles, cash, inventory, and books and records.

³ The Term Loan Priority Collateral is collateral granted to the Prepetition ABL Agent or the agents for the prepetition term loans other than the ABL Priority Collateral

Prepetition 1L Term Loan Credit Agreement	
Borrowers	<ul style="list-style-type: none"> Sungard AS III
Lenders	<ul style="list-style-type: none"> A syndicate of lenders and Alter Domus Products Corp as the administrative agent (in such capacity, the “Prepetition 1L Agent”)
Balance Outstanding	<ul style="list-style-type: none"> \$108.2 million
Security & Guarantors	<ul style="list-style-type: none"> The obligations under the Prepetition 1L Term Loan Credit Agreement are secured by (i) a first priority lien on Term Loan Priority Collateral and (ii) a second priority lien on ABL Priority Collateral The obligations under the Prepetition 1L Term Loan Credit Agreement are guaranteed by all Debtors other than Sungard AS New Holdings, LLC (“Sungard AS”) Sungard AS Canada delivered (i) a security agreement in favour of the Prepetition 1L Agent granting a security interest and lien in favour of the Prepetition 1L Agent over all of Sungard AS Canada’s present and future property and assets except for certain commonly excluded assets; and (ii) a short form intellectual property security agreement in favour of the Prepetition 1L Agent granting a lien against its Canadian registered intellectual property, which security agreement was registered with CIPO. In addition, Sungard AS Canada Parent pledged the Sungard AS Canada Shares Sungard AS Canada is a guarantor pursuant to a New York law governed guarantee
Prepetition Non-Extending 2L Credit Agreement	
Borrowers	<ul style="list-style-type: none"> Sungard AS III Sungard AS Canada is neither a borrower nor a guarantor
Lenders	<ul style="list-style-type: none"> A syndicate of lenders that chose not to exchange their loans for new loans under the Prepetition New 2L Credit Agreement and Alter Domus Products Corp. as the administrative agent
Balance Outstanding	<ul style="list-style-type: none"> \$8.9 million
Security & Guarantors	<ul style="list-style-type: none"> The obligations under the Prepetition Non-Extending 2L Credit Agreement are secured by (i) a second priority lien on the Term Loan Priority Collateral and (ii) a third priority lien on the ABL Priority Collateral (in each case, other than the assets of, and equity in, Sungard AS Canada, Sungard Availability Services Holdings (Europe), Inc. and Sungard Availability Services, Ltd., and equity of Sungard Availability Services (France) SAS, Guardian iT, Sungard Availability Services Holdings (UK) Limited and Sungard AS UK) The obligations under the Prepetition Non-Extending 2L Credit Agreement are guaranteed by all Debtors other than (i) Sungard AS, (ii) Sungard Availability Services Holdings (Europe), Inc., (iii) Sungard Availability Services, Ltd. and (iv) Sungard AS Canada
Prepetition New 2L Credit Agreement	
Borrowers	<ul style="list-style-type: none"> Sungard AS III

Lender	<ul style="list-style-type: none"> • A syndicate of lenders and Alter Domus Products Corp. as the administrative agent (in such capacity, the “Prepetition 2L Agent”)
Balance Outstanding	<ul style="list-style-type: none"> • \$277.6 million
Security & Guarantors	<ul style="list-style-type: none"> • The obligations under the Prepetition New 2L Credit Agreement are secured by (i) a second priority lien on the Term Loan Priority Collateral and (ii) a third priority lien on the ABL Priority Collateral • The obligations under the Prepetition 2L Term Loan Credit Agreement are guaranteed by all Debtors other than Sungard AS • Sungard AS Canada delivered (i) a security agreement in favour of the Prepetition 2L Agent granting a security interest and lien in favour of the Prepetition 2L Agent over all of Sungard AS Canada’s present and future property and assets except for certain commonly excluded assets; and (ii) a short form intellectual property security agreement in favour of the Prepetition 2L Agent granting a lien against its Canadian registered intellectual property, which security agreement was registered with CIPO. In addition, Sungard AS Canada Parent pledged the Sungard AS Canada Shares • Sungard AS Canada is a guarantor pursuant to a New York law governed guarantee

3.10 The Proposed Information Officer understands that prior to the Petition Date, \$7.0 million of cash on hand was directed to Sungard Availability Services (UK) Limited to provide it with access to critical operational liquidity in order to ensure uninterrupted operations and preserve customer relationships in the United Kingdom and elsewhere. Notwithstanding this advance to the United Kingdom affiliate, the board of directors of the United Kingdom entity ultimately determined that administration proceedings in the United Kingdom were appropriate under the circumstances.

3.11 The Proposed Information Officer also understands that on March 24, 2022, the Debtors and the Prepetition ABL Agent entered into an amendment and waiver agreement pursuant to which, among other things, the Debtors agreed to restrict the use of \$13.5 million of Cash Collateral securing the Revolving Credit Agreement and the Prepetition ABL Agent agreed to waive the default arising from the administration proceedings in the United Kingdom.

- 3.12 As a result of, among other things, providing funding to the United Kingdom administration process, the Proposed Information Officer understands that the Debtors had inadequate cash on hand to prepare for the Chapter 11 Proceedings and to make certain critical payments to vendors, employees and professionals leading up to the commencement of the Chapter 11 Proceedings. Accordingly, the Debtors entered into the Prepetition Bridge Facility (as defined below) with certain of the Term Loan DIP Lenders (as defined below) on or about April 7, 2022 on the condition that the Debtors seek authorization from the U.S. Court at the “first-day motions” to use a portion of the Interim Term Loan DIP Amount (as defined below) to repay the Prepetition Bridge Facility in full. As described below, the Interim DIP Order entered by the U.S. Court authorized the Debtors to repay the Prepetition DIP Facility. Similarly, the Interim DIP Order authorized the Debtors to repay the ABL DIP Lenders \$13.5 million in respect of the Prepetition ABL Lenders’ cash collateral, which was a condition of the ABL DIP Facility (as defined below).
- 3.13 The Debtors, including Sungard AS Canada, are parties to various intercreditor agreements governing, among other things, the distributions of payments and the treatment of collateral between the lenders in connection with the above agreements.
- 3.14 In addition to the obligations described above, Sungard AS Canada, the Prepetition ABL Agent, the Prepetition 1L Agent, and the Prepetition 2L Agent entered into an amended and restated blocked account agreement with the Bank of Montreal in respect of the two bank accounts maintained in Canada by Sungard AS Canada.

3.15 The Proposed Information Officer requested that its legal counsel, Bennett Jones LLP, review the security granted by Sungard AS Canada to the Prepetition ABL Agent, the Prepetition 1L Agent and the Prepetition 2L Agent (collectively, the “**Agents**”). Bennett Jones LLP has completed its review and provided a verbal opinion to the Proposed Information Officer, which, subject to certain customary assumptions and qualifications, provides that: (a) the applicable security documents constitute legal, binding and enforceable obligations of Sungard AS Canada in favour of the Agents, as applicable; (b) each of the applicable security documents creates in favour of the applicable Agent a valid security interest in the personal property of Sungard AS Canada in the Province of Ontario under the laws of the Province of Ontario; and (c) each of the applicable security documents has been registered in all public offices provided for under Ontario and Alberta law where such registration is necessary to preserve, protect and perfect the security interests created by such security document in the applicable personal property.⁴ Written security opinions are expected to be delivered by Bennett Jones LLP in the near term.

Overview of Sungard AS Canada’s Business

3.16 Sungard AS is the ultimate parent of Sungard AS Canada, oversees the operations of the Canadian business and provides extensive direction and oversight from the United States, including from its headquarters in Wayne, Pennsylvania.

3.17 As noted above, Sungard AS Canada represents a comparatively small portion of the Company’s consolidated business (approximately 6% of consolidated revenue), with six

⁴ Bennett Jones LLP has only opined on matters of Ontario and Alberta law as it does not have offices in any other provinces where Sungard AS Canada has assets. The Proposed Information Officer is considering whether to engage local counsel for the purpose of completing a security review with respect to those jurisdictions.

leased facilities, four in Ontario and two in Quebec.⁵ Sungard AS Canada previously had operations in Alberta, but at this time, has only limited equipment remaining in Alberta and no operations.

- 3.18 As at December 31, 2021, Sungard AS Canada's total assets (excluding intercompany assets) had an unaudited book value of approximately \$32.0 million, representing approximately 5% of the Company's consolidated assets.
- 3.19 Sungard AS Canada employs approximately 35 full time employees in sales, technical operations, colocation services, recovery services, data centre operations and consulting and has one regional manager who oversees the Canadian operations.
- 3.20 Other than this local workforce, Sungard AS Canada is entirely reliant upon the Debtors' senior leadership team in the United States for all key management functions including decision making, accounting, finance, treasury, legal and other required back-office functions.
- 3.21 Pursuant to the Wages Order (defined below), the Debtors received authorization from the U.S. Court to pay certain prepetition employee amounts and expects to do so in the ordinary course, including amounts payable to employees located in Canada.

Cash Management System

- 3.22 As described in the Robinson Affidavit, Sungard AS Canada has two bank accounts maintained at Bank of Montreal, one denominated in Canadian dollars and the other in U.S. dollars (the "**Canadian Bank Accounts**"). The Canadian Bank Accounts are used in

⁵ See page 19 of the Robinson Affidavit for additional information regarding these leases.

connection with operating Sungard AS Canada's business, including for deposits of customer collections and funding payments to landlords, suppliers and employees.

3.23 The Canadian Bank Accounts are administered by the Debtors' treasury department in the United States and there are no Canadian-based signatories.

3.24 As described in the Robinson Affidavit, the Canadian Bank Accounts are subject to the security interests granted in connection with the Revolving Credit Agreement, the Prepetition 1L Term Loan Credit Agreement and the Prepetition New 2L Credit Agreement.

3.25 As at the Filing Date, the Canadian Bank Accounts held a total of approximately \$2 million.

Intercompany Transactions

3.26 A number of intercompany transactions occur between Sungard AS Canada and certain of the Debtors in the normal course of operations, including:

- (a) *Shared Services:* Sungard AS Canada relies on other entities in the Company for all of its administrative, tax, accounting, invoicing, IT, customer care, HR, legal and other functions and is party to the Intergroup Business Support Services Agreement dated January 1, 2018 (the "**Shared Services Agreement**"). Pursuant to the Shared Services Agreement, Sungard AS Canada is allocated its relative share of costs on a monthly basis as determined by a "cost plus" allocation method and makes a cash payment to a Debtor to settle its account on a monthly basis; and
- (b) *Intercompany Promissory Notes:* From time to time, Sungard AS Canada loans funds to other entities within the Company pursuant to certain interest-bearing

promissory notes. As of the Filing Date, there were four unsecured notes outstanding with a total amount owing to Sungard AS Canada of approximately \$30 million. The most recent note in the amount of approximately \$2.25 million was issued on April 1, 2022.

- 3.27 Pursuant to the Cash Management Order (defined below), the Debtors were granted the authority by the U.S. Court to continue the above arrangements and it is expected that normal course intercompany transactions will continue during the Restructuring Proceedings. The Proposed Information Officer understands that Sungard AS Canada will be making intercompany payments for postpetition intercompany charges in a manner consistent with prepetition payments, which are anticipated to be approximately \$1.2 million per month.

Unsecured Trade Creditors

- 3.28 Based on Sungard AS Canada's books and records, as at April 5, 2022, amounts payable to unsecured trade creditors are comprised of the following⁶:
- (a) approximately CAD\$470,000 payable to trade vendors;
 - (b) approximately CAD\$1.4 million owing to landlords, including unpaid April 2022 rents due April 1, 2022; and

⁶ The Proposed Information Officer's review of Sungard AS Canada's books and records remains ongoing and the Proposed Information Officer cautions that the amounts described above may change, and such change may be material.

(c) approximately CAD\$1.1 million for accrued utilities, taxes and other potential liabilities.

3.29 The Proposed Information Officer understands that: (a) amounts payable to this creditor group are intended to be stayed during the Restructuring Proceedings; and (b) because all Canadian rent obligations are due on the first of the month, rents for April 2022 represent pre-filing debts in accordance with U.S. bankruptcy laws and are not intended to be paid. The Proposed Information Officer understands that the landlords of the Sungard AS Canada leases are being treated the same as the landlords of the other Debtors in this respect. Certain of the landlords have retained insolvency counsel and have contacted counsel to the proposed Foreign Representative to discuss the foregoing. The Proposed Information Officer understands these discussions are ongoing.

4.0 CENTRE OF MAIN INTEREST

4.1 The Debtors, including Sungard AS Canada, are managed in the United States as an integrated group from a corporate, strategic and management perspective.

4.2 The Robinson Affidavit describes the Debtors' integrated business. Sungard AS Canada is dependent on certain of the Debtors located in the United States for key managerial, accounting, finance, IT and other critical functions typically performed by a corporate head office.

4.3 Sungard AS has asserted that the factors outlined in the Robinson Affidavit collectively rebut the presumption under the CCAA that Sungard AS Canada's centre of main interest is the location of its registered office, which in this case is a law firm that maintains certain

of Sungard AS Canada's corporate records. Furthermore, Sungard AS asserts that these factors indicate that the "mind and management", head office functions and senior management of the Debtors, including Sungard AS Canada, are located in the United States.

- 4.4 Based on the factors outlined in the Robinson Affidavit, the Proposed Information Officer concurs with Sungard AS's assertions that the Debtors' "centre of main interest" is in the United States – including with respect to Sungard AS Canada – and as such, it is appropriate to recognize the Chapter 11 Proceedings as a "foreign main proceeding" pursuant to the CCAA.

5.0 EVENTS LEADING TO THE RESTRUCTURING PROCEEDINGS

- 5.1 The Robinson Affidavit and the First Day Declaration describe the events leading up to the Restructuring Proceedings which are summarized below:

- (a) the Company previously undertook a chapter 11 restructuring in 2019 to implement a balance sheet restructuring transaction designed to reduce its overall leverage position. The 2019 restructuring did not however impact the Company's operations, nor did it address certain material lease obligations, which have continued to weigh heavily on the Company's financial performance and liquidity position;
- (b) these financial and operational difficulties have increased in recent years from a combination of the headwinds arising from the COVID-19 pandemic, increased competition in many of the markets the Company operates and an accelerating decline in the demand for certain legacy products and services;

- (c) to address ongoing liquidity challenges, the Company completed a number of sale-leaseback transactions of data centres in the U.S. and Canada. Notwithstanding these sales, ongoing financial pressures forced the Company to initiate a comprehensive review of its global operations and commence a comprehensive restructuring of its business;
- (d) for many of the reasons described above, as well as other unique difficulties including a significant spike in local energy costs, the Company's business in the United Kingdom required creditor protection and commenced administration proceedings under United Kingdom insolvency law on March 25, 2022;
- (e) during the weeks leading up to the Filing Date, the Company, with the assistance of its advisors, commenced discussions with an ad hoc group of term loan lenders (the "**Ad Hoc Group**") with respect to the terms of a potential chapter 11 restructuring. As part of these discussions and to support the business on an emergency basis, the Ad Hoc Group agreed to provide the Company with a prepetition bridge facility in the amount of \$7.0 million (the "**Prepetition Bridge Facility**"); and
- (f) the discussions with the Ad Hoc Group, as well as other stakeholders, ultimately culminated in a restructuring support agreement (the "**RSA**") which forms the basis for the Debtors' proposed comprehensive restructuring. The RSA provides the Company with the ability to explore a sale transaction of all, substantially all or one or more subsets of assets. This sale process will be underpinned by a "stalking horse" bid to be put forward by the Company's Term Loan DIP Lenders for

substantially all of the Debtor's assets (the "**Credit Bid**"). The Credit Bid will be subject to a reserve price (to be established during the sale process) with the intention of attracting one or more third-party bidders to submit qualified bids for the Debtors business and assets. A copy of the RSA is attached as Exhibit "C" to the Robinson Affidavit.

6.0 FIRST DAY ORDERS OF THE U.S. COURT

6.1 Sungard AS Canada is seeking recognition by this Court of certain of the First Day Orders that have been entered by the U.S. Court in the Chapter 11 Proceedings, as follows, each of which is defined and described in the Robinson Affidavit:

- (a) Foreign Representative Order (attached as Exhibit "A" to the Fernandes Affidavit);
- (b) Redaction Order (attached as Exhibit "I" to the Fernandes Affidavit);
- (c) Critical Vendors Order (attached as Exhibit "E" to the Fernandes Affidavit);
- (d) Insurance Order (attached as Exhibit "H" to the Fernandes Affidavit);
- (e) Utilities Order (attached as Exhibit "F" to the Fernandes Affidavit);
- (f) Employee Wages Order (attached as Exhibit "D" to the Fernandes Affidavit);
- (g) Taxes Order (attached as Exhibit "G" to the Fernandes Affidavit);
- (h) Equity Trading Order (attached as Exhibit "J" to the Fernandes Affidavit);
- (i) Interim Cash Management Order (attached as Exhibit "C" to the Fernandes Affidavit); and

- (j) Interim DIP Order (attached as Exhibit “B” to the Fernandes Affidavit).

These First Day Orders are, for the most part, common in Chapter 11 proceedings. Copies of the First Day Orders and other documents related to the Chapter 11 Proceedings are available at the website maintained by Kroll: <https://cases.ra.kroll.com/sungardAS/>. The First Day Orders that are proposed to be recognized are summarized below.

(a) Foreign Representative Order

- 6.2 The Foreign Representative Order authorizes Sungard AS Canada to act as the Foreign Representative on behalf of itself and the other Debtors in any judicial proceeding in a foreign country, including in these CCAA Recognition Proceedings, and grants Sungard AS Canada, in its capacity as the Foreign Representative, the power to act in any way permitted by applicable foreign law. Pursuant to the Foreign Representative Order, the U.S. Court requests the aid and assistance of this Court to recognize the Chapter 11 Proceedings as a “foreign main proceeding” and Sungard AS Canada as a “foreign representative” under the CCAA.

(b) Redaction Order

- 6.3 The Redaction Order authorizes the Debtors to redact certain confidential and/or personal information of individuals from any filings with the U.S. Court. The Proposed Information Officer understands that orders of this type are typically granted in chapter 11 proceedings to preserve the privacy of individuals and prevent the potential abuse of personal information.

(c) Critical Vendors Order

- 6.4 The Critical Vendors Order, among other things, authorizes the Debtors to make payments of certain prepetition amounts to critical third-party vendors in an amount not to exceed \$4 million.

(d) Insurance Order

- 6.5 The Insurance Order, among other things, authorizes the Debtors to continue their prepetition insurance coverage, satisfy obligations related thereto, and amend, supplement and extend their insurance policies during the Chapter 11 Proceedings.

(e) Utilities Order

- 6.6 The Utilities Order approves the proposed form of adequate assurance of postpetition payment for certain utility providers, establishes procedures for resolving any objections by utility companies related to the proposed adequate assurance and prohibits the utility companies from terminating service solely on the basis of the commencement of the Chapter 11 Proceedings.

(f) Wages Order

- 6.7 The Wages Order, among other things, authorizes the Debtors to pay certain prepetition wages, salaries, other compensation, and reimbursable employee expenses and to continue the Company's employee benefits programs in the ordinary course. The Wages Order applies equally to Canadian and U.S. employees.

(g) Taxes Order

- 6.8 The Taxes Order, among other things, authorizes the Debtors to remit and pay all sales, use, excise, income, franchise, property, and other taxes and fees accrued prior to the Filing

Date and that will become payable during the Restructuring Proceedings. Canadian taxation authorities and United States taxation authorities are treated consistently.

(h) Equity Trading Order

- 6.9 The Equity Trading Order approves certain procedures and restrictions with respect to the transfer of equity interests in the Company, including common stock and warrants, and declaring the transfer of such equity interests in violation of the procedures void. The Proposed Information Officer understands this is primarily intended to preserve tax attributes of the Debtors by avoiding a change of control.

(i) Interim Cash Management Order

- 6.10 The Interim Cash Management Order, among other things, authorizes the Debtors to continue to operate their cash management system in the normal course, including maintaining existing bank accounts, and to continue to perform intercompany funding through the Cash Management System. As discussed in the Intercompany Transaction section above, Sungard AS Canada intends to continue to cash settle postpetition intercompany charges in the ordinary course.

(j) Interim DIP Order

- 6.11 The Interim DIP Order is described below.

7.0 DIP FACILITIES

- 7.1 As described in the Robinson Affidavit, the First Day Declaration, the Hedus Declaration and Nicholls Declaration, the Debtors, including Sungard AS Canada, require financing

during the Restructuring Proceedings to provide the necessary liquidity to maintain their business as a going concern, preserve value of their assets for all stakeholders, and fund the processes and transactions contemplated by the RSA.

7.2 Accordingly, as contemplated by the RSA, the Company secured access to debtor in possession financing facilities in the aggregate amount of \$335.9 million, comprised of:

- (a) a \$50.0 million senior secured revolving credit facility (the “**ABL DIP Facility**”, and together with the Term Loan DIP Facility, the “**DIP Facilities**”) provided by PNC Bank, National Association (“**PNC**”); and
- (b) a \$285.9 million senior secured multi-draw term loan facility (the “**Term Loan DIP Facility**”) consisting of (i) up to \$95.3 million of new money loans, and (ii) subject to the issuance of a Final DIP Order (as defined in the Robinson Affidavit), a roll-up of up to \$190.6 million of obligations under the Prepetition 1L Term Loan Credit Agreement and Prepetition New 2L Term Loan Credit Agreement provided by Certain Prepetition 1L Term Loan Lenders and Prepetition 2L Term Loan Lenders (collectively, the “**Term Loan DIP Lenders**”).

7.3 The Proposed Information Officer understands that the Debtors intend to seek relief relating to the DIP Facilities (as defined below) in two phases: first, the Interim DIP Order has been entered by the U.S. Court, and has approved certain emergency funding for the Debtors; and second, a final order (the “**Final DIP Order**”), which, if entered by the U.S. Court, will approve the additional funding and certain protections for the applicable lenders, as set out above. The hearing in respect of the Final DIP Order is currently scheduled to be heard on May 11, 2022. The Proposed Information Officer understands

that the Office of the United States Trustee raised certain objections to the Interim DIP Order. After hearing those objections, the U.S. Court granted the Interim DIP Order.

7.4 Key terms of the DIP Facilities include the following:

Term Loan DIP Facility		ABL DIP Facility
Borrowers	Sungard AS III, LLC (“ Borrower ”).	(a) Borrower and its direct and indirect subsidiaries other than Sungard AS Canada (the “ Canadian Borrower ”) that, as borrowers (the “ U.S. Borrowers ”), are parties to the Revolving Credit Agreement, and (b) the Canadian Borrower. The obligations of the Canadian Borrower and U.S. Borrowers are joint and several.
Guarantors	Holdings and all other of the Borrower’s subsidiaries and affiliates who are Debtors, including Sungard AS Canada.	
DIP Lenders	Those holders of obligations under the Prepetition 1L Term Loan Credit Agreement and Prepetition New 2L Credit Agreement parties to the RSA (the “ Initial Term Loan DIP Lender ”). Participation in the new-money portion of the Term Loan DIP Facility shall be offered, on a pro rata basis to all holders of obligations under the Prepetition 1L Term Loan Credit Agreement (all such holders electing to participate, collectively, the “ Term Loan DIP Lenders ”).	PNC (in such capacity, the “ ABL DIP Lender ”).
DIP Agents	Acquiom Agency Services LLC (the “ Term Loan DIP Agent ”).	PNC, as administrative agent and collateral agent (in such capacity, the “ ABL DIP Agent ”).

	Term Loan DIP Facility	ABL DIP Facility
DIP Facilities	<p>Tranche A: up to US\$41.15 million in new money loans available upon entry of the Interim DIP Order in the Chapter 11 Proceedings (the “Interim Term Loan DIP Amount”), and up to US\$54.15 million in new money loans available upon entry of the Final DIP Order in the Chapter 11 Proceedings (the “Final Term Loan DIP Amount”);</p> <p>Tranche B: Subject to the terms and entry of the Final DIP Order in the Chapter 11 Proceedings, a roll-up of certain obligations under the Prepetition 1L Term Loan Credit Agreement on a 2:1 ratio. This means that for every \$1 of new money advanced, the lender shall be entitled to roll up \$2 of obligations under the Prepetition 1L Term Loan Credit Agreement.</p> <p>Tranche C: Subject to the terms and entry of the Final DIP Order in the Chapter 11 Proceedings, a roll-up of certain obligations under the Prepetition New 2L Credit Agreement on terms similar to those under Tranche B.</p>	<p>A US\$50.0 million senior secured revolving credit facility pursuant to which:</p> <p>(a) upon entry of the Interim DIP Order, the first proceeds of the ABL Priority Collateral shall be deemed to reduce the Prepetition ABL Obligations (including letters of credit) and will be converted, on a dollar for dollar basis, into new postpetition loans or commitments. Additionally, the Debtors will reduce the outstanding Prepetition ABL Obligations by US\$13.5 million;</p> <p>(b) solely to the extent that any Prepetition ABL Obligations remain outstanding at the time the Final DIP Order is entered, such Prepetition ABL Obligations shall be automatically converted into postpetition loans or commitments.</p>
Maturity	120 calendar days after the Petition Date subject to no more than two extensions of thirty (30) days each, subject to the completion of certain conditions as described in the First Declaration.	The earlier of (i) the Stated Maturity Date, being the ‘Maturity Date’ as defined in the Term Loan DIP Facility; (ii) the date that is thirty (30) calendar days after the Petition Date, if the Final DIP Order has not been entered by the U.S. Court on or before such date; (iii) the effective date of any chapter 11 plan for the reorganization of any Debtor; (iv) the consummation of any sale or other disposition of all or substantially all of the assets of the Debtors; and (v) the date of the acceleration of the ABL DIP Loans and the termination of the ABL DIP Commitments.
Interest Rate	<p>Tranche A: L+9.50% payable monthly in cash; provided that, on any monthly interest payment date, the Borrower may elect to pay up to 8.50% of such interest in kind.</p> <p>Tranche B: L+7.50% payable monthly in cash; provided that, on any monthly interest payment date, the Borrower may elect to pay up to 6.50% of such interest in kind.</p> <p>Tranche C: L+6.75% payable monthly in cash; provided that, on any monthly interest payment date, the Borrower may elect to pay up to 5.75% of such interest in kind.</p>	All ABL DIP Loans and ABL DIP Obligations accrue interest at an interest rate per annum equal to the sum of three percent (3.00%) per annum plus the Alternate Base Rate, subject to the provisions of the Revolving Credit Agreement with respect to the Default Rate upon the postpetition occurrence and continuance of an Event of Default.
Budget	Subject to compliance with the approved DIP Budget	

Term Loan DIP Facility		ABL DIP Facility	
Chapter 11 Milestones	The Milestones stipulated in the RSA apply to the DIP Facilities		

7.5 The Interim DIP Order entered by the U.S. Court provides for the following priorities as between the Debtors' secured creditors in respect of the different classes of collateral provided as security by the Debtors in connection with the DIP:

Term Loan Priority Collateral		ABL Priority Collateral		Canadian Collateral
Summary Collateral Description	Substantially all assets granted to the Prepetition ABL Agent or the agents for the prepetition term loans other than the ABL Priority Collateral	Substantially all assets, including certain accounts, rights to receive payments, intangibles, cash, inventory, and books and records		All assets and property of Sungard AS Canada located in Canada
Prepetition Priorities	1st. Prepetition ABL Agent's Prepetition Liens (as to ABL Priority Collateral) 2nd. Prepetition Term Loan Permitted Liens 3rd. Prepetition 1L Term Loan Liens 4th. Second Lien Term Loan	1st. Prepetition 1L Term Loan Liens (as to Term Loan Priority Collateral) 2nd. Prepetition 2L Term Loan Liens (as to Term Loan Priority Collateral) 3rd. Prepetition ABL Permitted Liens 4th. Prepetition ABL Liens		
Proposed Postpetition Priorities	1st. Carve-Out (US Professional Fees) 2nd. Prepetition Term Loan Permitted Liens 3rd. Term Loan DIP Liens 4th. Prepetition 1L Term Loan Adequate Protection Liens 5th. Prepetition 1L Term Loan Liens 6th. Prepetition 2L Term Loan Adequate Protection Liens 7th. Prepetition 2L Term Loan Liens 8th. ABL DIP Liens 9th. Prepetition ABL Adequate Protection Liens 10th. Prepetition ABL Liens	1st. Carve-Out (US Professional Fees) 2nd. Prepetition ABL Permitted Liens 3rd. ABL DIP Liens 4th. Prepetition ABL Adequate Protection Liens 5th. Prepetition ABL Liens 6th. Term Loan DIP Liens 7th. Prepetition 1L Term Loan Adequate Protection Liens 8th. Prepetition 1L Term Note Liens 9th. Prepetition 2L Term Loan Adequate Protection Liens 10th. Prepetition 2L Term Loan Liens		1st. Administration Charge 2nd. Carve-Out 3rd. ABL DIP Agent's Charge and Term DIP Agent's Charge

7.6 The Proposed Information Officer is of the view that each of the DIP Facilities and the proposed recognition of the Interim DIP Order is reasonable. The Proposed Information Officer considered the following to assess the reasonableness of the DIP Facilities:

- (a) Sungard AS Canada is a borrower or guarantor under the Revolving Credit Agreement, Prepetition 1L Term Loan Facility and Prepetition New 2L Credit Facility, and as such would be liable to the respective lender parties in the event of any enforcement of those facilities;
- (b) the DIP Facilities contemplated therein are required for the Debtors to implement the processes and transactions contemplated in and required by the RSA;
- (c) the amounts to be advanced by the DIP Facilities are as contemplated in a 13-week budget prepared by the Debtors' and their advisors and are in amounts sufficient to ensure the uninterrupted operation of the Debtors during the pendency of restructuring proceedings;
- (d) if the Debtors, including Sungard AS Canada, are unable to access additional liquidity, the operations of Sungard AS Canada would be discontinued in the near term as Sungard AS Canada does not have the corporate infrastructure required to operate on a standalone basis nor sufficient liquidity beyond the immediate short term;
- (e) given the nature of the Company's business, any service disruption or state of affairs that threatens a service disruption would be detrimental to the Company's reputation and could have a significant negative impact on enterprise value;

- (f) with respect to the ‘creeping roll-up’ provisions of the ABL DIP Facility approved pursuant to the Interim DIP Order, and relating to the repayment of certain emergency bridge facilities provided by PNC in the period immediately preceding the commencement of the Chapter 11 Proceedings, the Proposed Information Officer understands that this was required as a condition of the ABL DIP Facility by the ABL DIP Agent;
- (g) with respect to the roll-up provisions of the DIP Facilities, the Proposed Information Officer understands that these components are subject to approval pursuant to a Final DIP Order to be sought before the U.S. Court, where any affected parties will have an opportunity to raise concerns. In the event that the roll-up provisions are not approved or amended in the Final DIP Order, the DIP Facilities contain provisions to unwind the roll-up aspects of the ABL DIP Facility approved pursuant to the Interim DIP Order. The Proposed Information Officer understands that a hearing in respect of the Final DIP Order has been scheduled for May 11, 2022 before the U.S. Court; and
- (h) while the Proposed Information Officer is cognizant that such ‘roll-up’ provisions are not generally permitted under the CCAA, in the context of foreign recognition proceedings under Part IV of the CCAA, Canadian courts have recognized and approved DIP arrangements featuring ‘roll-up’ terms where doing so promotes the overall success of coordinated cross-border restructuring proceedings. As stated, the liquidity provided under the DIP Facilities is essential to ensure the uninterrupted operation of the Debtors during its restructuring.

7.7 Amounts outstanding under the DIP Facilities are proposed to be secured against the same assets of Sungard AS Canada that were secured by the secured prepetition facilities, by charges in favour of the ABL DIP Agent (the “**ABL DIP Agent’s Charge**”) and the Term Loan DIP Agent (the “**Term Loan DIP Agent’s Charge**”, and together with the ABL DIP Agent Charge the “**DIP Agents’ Charges**”), having the priorities set out in the above table. The Proposed Information Officer views the proposed DIP Agents’ Charges as reasonable in the circumstances, and consistent with typical practice in restructuring proceedings of this nature.

8.0 ADMINISTRATION CHARGE

8.1 In addition to the DIP Agents’ Charges, through the Supplemental Order the Debtors are seeking to establish the Administration Charge, in the maximum amount of CAD\$500,000, securing the professional fees of Canadian counsel to the Foreign Representative, the Information Officer and legal counsel to the Information Officer, Bennett Jones LLP.

8.2 The Administration Charge is a customary protection provided to professionals assisting with insolvency proceedings. The Proposed Information Officer has reviewed the quantum of the proposed Administration Charge in this case and believes it is reasonable and appropriate in the circumstances.

9.0 PROPOSED INITIAL ACTIVITIES OF THE INFORMATION OFFICER

9.1 The draft Supplemental Order proposes that following its appointment, the initial activities of the Information Officer will include:

- (a) establishing a website at www.alvarezandmarsal.com/SungardASCanada to make available copies of the Orders granted in the CCAA Recognition Proceedings as well as other relevant motion materials, reports and information;
- (b) coordinating publication of notice of the Chapter 11 Proceedings and CCAA Recognition Proceedings in *The Globe & Mail (National Edition)* newspaper, commencing within five business days from the date of the Initial Recognition Order, once a week for two consecutive weeks;
- (c) responding to creditor inquiries regarding the Restructuring Proceedings;
- (d) providing such assistance to the Foreign Representative in the performance of its duties as the Foreign Representative may reasonably request;
- (e) providing the Court with periodic reports on the status of the Restructuring Proceedings, which reports may include information relating to the property and the business of the Debtors or such other matters as may be relevant to these proceedings; and
- (f) engaging independent legal counsel in respect of the exercise of its powers and the performance of its obligations.

10.0 A&M CANADA'S QUALIFICATIONS TO ACT

10.1 A&M Canada was engaged by Sungard AS Canada effective March 29, 2022, for the purpose of preparing for the CCAA Recognition Proceedings. As such, the Proposed

Information Officer is familiar with the business and operations of Sungard AS Canada, and the key issues and stakeholders in the proposed CCAA Recognition Proceedings.

- 10.2 A&M Canada is a trustee within the meaning of subsection 2(1) of the *Bankruptcy and Insolvency Act* (Canada), has significant experience in connection with proceedings under the CCAA, including but not limited to acting as information officer in the CCAA recognition proceedings of Knotel Canada, Brooks Brothers Canada, Pier 1 Imports, Jack Cooper Ventures, Payless Shoes, Modular Space, LightSquared, Durabla Canada, TLC Vision and Chemtura Canada.
- 10.3 A&M Canada is related to Alvarez & Marsal Holdings, LLC. Alvarez & Marsal Holdings, LLC is an independent international professional services firm, providing, among other things, bankruptcy, insolvency and restructuring services. The senior A&M Canada professional personnel with carriage of this matter include experienced insolvency and restructuring practitioners who are Chartered Professional Accountants, Chartered Insolvency and Restructuring Professionals and Licensed Insolvency Trustees, and whom have acted in cross-border restructurings and CCAA matters of a similar nature in Canada.
- 10.4 The Proposed Information Officer has retained Bennett Jones LLP to act as its independent legal counsel.
- 10.5 A&M Canada has consented to act as Information Officer should this Court approve the requested Supplemental Order. A copy of the consent is attached hereto as **Appendix “D”**.

11.0 RECOMMENDATIONS

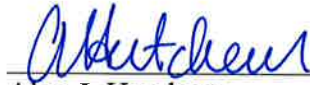
- 11.1 The Proposed Information Officer has reviewed, together with its legal counsel, the terms of the Initial Recognition Order and the Supplemental Order, and believes that the relief sought by Sungard AS Canada, as set out in the form of orders submitted to the Court for approval, is fair and reasonable in the circumstances, having regard to the current status of Sungard AS Canada and the other Debtors. The Proposed Information Officer believes that the terms of the Supplemental Order relating to its role as Information Officer are fair and reasonable, and consistent with the terms of appointments of information officers in other recognition proceedings under the CCAA.
- 11.2 Based on the foregoing, the Proposed Information Officer respectfully recommends that this Court grant the relief requested by Sungard AS Canada in the Initial Recognition Order and Supplemental Order.

All of which is respectfully submitted to the Court this 13th day of April, 2022.

ALVAREZ & MARSAL CANADA INC.

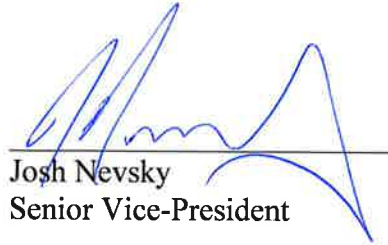
**Proposed Information Officer of Sungard Availability Services (Canada) Ltd./Sungard,
Services de Continuite des Affaires (Canada) Ltee, and not in its personal or corporate
capacity**

Per:



Alan J. Hutchens
Senior Vice-President

Per:



Josh Nevsky
Senior Vice-President

Appendix “A”

Interim Order (Foreign Main Proceeding) granted on April 11, 2022

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

THE HONOURABLE MADAM

)

MONDAY, THE 11th

JUSTICE CONWAY

)

DAY OF APRIL, 2022

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

AND IN THE MATTER OF SUNGARD AVAILABILITY SERVICES
(CANADA) LTD./SUNGARD, SERVICES DE CONTINUITE DES
AFFAIRES (CANADA) LTEE

APPLICATION OF SUNGARD AVAILABILITY SERVICES (CANADA)
LTD./SUNGARD, SERVICES DE CONTINUITE DES AFFAIRES
(CANADA) LTEE UNDER SECTION 46 OF THE *COMPANIES'
CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS
AMENDED

**INTERIM ORDER
(FOREIGN MAIN PROCEEDING)**

THIS APPLICATION, made by Sungard Availability Services (Canada) Ltd./Sungard, Services de Continuite des Affaires (Canada) Ltee (the "**Canadian Debtor**") in its capacity as the proposed foreign representative (the "**Proposed Foreign Representative**") of itself and the other Debtors (as defined in the affidavit of Michael K. Robinson sworn April 11, 2022 (the "**Robinson Affidavit**") in respect of the proceedings commenced on April 11, 2022, in the United States Bankruptcy Court for the Southern District of Texas (the "**Foreign Proceeding**") for an Order substantially in the form enclosed in the Application Record, was heard by judicial videoconference via Zoom at Toronto, Ontario due to the COVID-19 crisis.

ON READING the Notice of Application, Robinson Affidavit, filed, and the affidavit of Stephanie Fernandes sworn April 11, 2022, filed,

AND UPON HEARING the submissions of counsel for the Proposed Foreign Representative, and counsel for Alvarez & Marsal Canada Inc., in its capacity as the proposed information officer (the “**Proposed Information Officer**”), and counsel appearing on the participant information form, and no one else appearing although duly served as appears from the affidavit of service of Jeremy Bornstein sworn April 11, 2022, filed:

SERVICE

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

STAY OF PROCEEDINGS

2. THIS COURT ORDERS that from the date hereof until and unless otherwise ordered by the Court (the “**Stay Period**”) no proceeding or enforcement process in any court or tribunal in Canada (each, a “**Proceeding**” and, collectively, “**Proceedings**”) including, without limitation, a Proceeding taken or that might be taken against the Canadian Debtor or the lease guarantors identified on Schedule “A” hereto (collectively, the “**Guarantor Debtors**”) under the *Bankruptcy and Insolvency Act*, R.S.C., 1985, c. B-3, as amended, or the *Winding-up and Restructuring Act*, R.S.C., 1985, c. W-11, as amended, shall be commenced or continued against or in respect of the Canadian Debtor or the Guarantor Debtors or affecting their business in Canada (the “**Business**”) or their current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate in Canada, including all proceeds thereof (the “**Property**”), except with leave of this Court, and any and all Proceedings currently under way against or in respect of any of the Canadian Debtor or the Guarantor Debtors or affecting the Business or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

3. THIS COURT ORDERS that during the Stay Period, all rights and remedies of any individual, firm, corporation, agency, governmental or quasi-governmental body, or any other entities (all of the foregoing, collectively being “**Persons**” and each being a “**Person**”) against, in respect of, or affecting the Canadian Debtor or the Guarantor Debtors, or affecting the Business or the Property, are hereby stayed and suspended except with leave of this Court, provided that nothing in this Order shall (i) prevent the assertion of or the exercise of rights and remedies in the Foreign Proceedings, (ii) empower any of the Canadian Debtor or the Guarantor Debtors to carry on any business in Canada which that Canadian Debtor or Guarantor Debtor is not lawfully entitled to carry on, or (iii) affect such investigations or Proceedings by a regulatory body as are permitted by section 11.1 of the *Companies' Creditors Arrangement Act*, R.S.C., 1985, c. C-36, as amended (the “**CCAA**”).

NO INTERFERENCE WITH RIGHTS

4. THIS COURT ORDERS that, during the Stay Period, no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate, or cease to perform any right, renewal right, contract, agreement, lease, licence, or permit in favour of or held by the Canadian Debtor in Canada, except with leave of this Court.

ADDITIONAL PROTECTIONS

5. THIS COURT ORDERS that, during the Stay Period, all Persons having oral or written agreements with the Canadian Debtor or statutory or regulatory mandates for the supply of goods and/or services in Canada, including, without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility, or other services provided in respect of the Property or Business of the Canadian Debtor, are hereby restrained until further Order of this Court from discontinuing, altering,

interfering with, or terminating the supply of such goods or services as may be required by the Canadian Debtor, and that the Canadian Debtor shall be entitled to the continued use in Canada of its, among other things, current premises, bank accounts, telephone numbers, facsimile numbers, internet addresses, and domain names.

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

6. THIS COURT ORDERS that, during the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA, no Proceeding may be commenced or continued against any of the former, current, or future directors or officers of the Canadian Debtor with respect to any claim against the directors or officers that arose before the date hereof and that relates to any obligations of the Canadian Debtor whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers for the payment or performance of such obligations.

NO SALE OF PROPERTY

7. THIS COURT ORDERS that the Canadian Debtor is prohibited from selling or otherwise disposing of, outside the ordinary course of its business, any of its Property in Canada that relates to the Business and from selling or otherwise disposing of any of its other Property in Canada, provided, however, that nothing herein shall prevent the Canadian Debtor from seeking approval in the Foreign Proceeding or from this Court to sell or otherwise dispose of the Property.

SERVICE OF COURT MATERIALS

8. THIS COURT ORDERS that the E-Service Protocol of the Commercial List (the “**Protocol**”) is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List Website at <https://www.ontariocourts.ca/scj/practice/practice-directions/toronto/eservice->

[commercial](#) shall be valid and effective service. Subject to Rule 17.05, this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission.

9. THIS COURT ORDERS that the Canadian Debtor, the Proposed Foreign Representative and its counsel are at liberty to serve or distribute this Order, the Recognition Order, any other materials and Orders as may be reasonably required in these proceedings, including any notices, or other correspondence, by forwarding true copies thereof by electronic message to the Canadian Debtor's creditors or other interested parties and their advisors. For greater certainty, any such distribution or service shall be deemed to be in satisfaction of a legal or juridical obligation, and notice requirements within the meaning of clause 3(c) of the Electronic Commerce Protection Regulations, Reg. 81000-2-175 (SOR/DORS).

10. THIS COURT ORDERS that if the service or distribution of documents in accordance with the Protocol is not practicable, the Canadian Debtor, the Proposed Foreign Representative and its counsel are at liberty to serve or distribute this Order, any other materials, and orders in these proceedings, any notices, or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery, or facsimile transmission to the Canadian Debtor's creditors or other interested parties at their respective addresses as last shown on the records of the Canadian Debtor and that any such service or distribution by courier, personal delivery, or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

GENERAL

11. THIS COURT ORDERS that any party may, from time to time, apply to this Court for such further or other relief as it may advise from time to time, including for directions in respect of the proper execution of this Order.

12. 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 Canadian Debtor, Proposed Foreign Representative and its counsel and 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 Canadian Debtor and the Proposed Foreign Representative as may be necessary or desirable to give effect to this Order or to assist the Canadian Debtor, the Proposed Foreign Representative, and its respective agents, in carrying out the terms of this Order.

13. THIS COURT ORDERS that any interested party may apply to this Court to vary or amend this Order or seek other relief on not less than seven (7) days' notice to the Canadian Debtor, the Proposed Foreign Representative, the Proposed Information Officer and their respective counsel, and to any other party or parties likely to be affected by the order sought, or upon such other notice, if any, as this Court may order

14. THIS COURT ORDERS AND DECLARES that this Order shall be effective as of 10 a.m. on the date of this Order and is not required to be entered.



The Honourable Justice Conway

Schedule "A"

Sungard AS New Holdings III, LLC
Sungard Availability Services LP

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

AND IN THE MATTER OF SUNGARD AVAILABILITY SERVICES (CANADA) LTD./SUNGARD, SERVICES DE CONTINUITE DES AFFAIRES (CANADA) LTEE

APPLICATION OF SUNGARD AVAILABILITY SERVICES (CANADA) LTD./SUNGARD, SERVICES DE CONTINUITE DES AFFAIRES (CANADA) LTEE UNDER SECTION 46 OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

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

PROCEEDING COMMENCED AT TORONTO

**INTERIM ORDER
(FOREIGN MAIN PROCEEDING)**

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Lawyers for the Proposed Foreign Representative

Appendix “B”

Declaration of Tom Hedus dated April 11, 2022

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

In re:)	Chapter 11
SUNGARD AS NEW HOLDINGS, LLC, <i>et al.</i> , ¹)	Case No. 22-90018 (DRJ)
Debtors.)	(Joint Administration Requested) (Emergency Hearing Requested)

**DECLARATION OF TOM HEDUS IN SUPPORT OF DEBTORS’
EMERGENCY MOTION FOR ENTRY OF INTERIM AND FINAL ORDERS (I)
AUTHORIZING THE DEBTORS TO OBTAIN POSTPETITION FINANCING, (II)
AUTHORIZING THE DEBTORS TO USE CASH COLLATERAL, (III) AUTHORIZING
THE DEBTORS TO REPAY CERTAIN PREPETITION SECURED INDEBTEDNESS,
(IV) GRANTING LIENS AND PROVIDING SUPERPRIORITY ADMINISTRATIVE
EXPENSE STATUS, (V) GRANTING ADEQUATE PROTECTION, (VI) MODIFYING
THE AUTOMATIC STAY, (VII) SCHEDULING A FINAL HEARING, AND (VIII)
GRANTING RELATED RELIEF**

Pursuant to 28 U.S.C. § 1746, I, Tom Hedus, hereby declare as follows under penalty of perjury that the following is true and correct to the best of my knowledge, information, and belief:

1. I am a Director in the Financial Restructuring Group at Houlihan Lokey Capital, Inc. (“Houlihan”), a financial advisory and investment banking firm which has its principal office at 245 Park Avenue, 32nd Floor, New York, New York, 10167. Houlihan was engaged in March 2022 to serve as restructuring investment banker for the above-captioned debtors and debtors in

¹ The Debtors in these chapter 11 cases (the “Chapter 11 Cases”), along with the last four digits of the Debtors’ tax identification numbers, are: InFlow LLC (9489); Sungard AS New Holdings, LLC (5907); Sungard AS New Holdings II, LLC (9169); Sungard AS New Holdings III, LLC (3503); Sungard Availability Network Solutions Inc. (1034); Sungard Availability Services (Canada) Ltd./Sungard, Services de Continuite des Affaires (Canada) Ltee (3886); Sungard Availability Services Holdings (Canada), Inc. (2679); Sungard Availability Services Holdings (Europe), Inc. (2190); Sungard Availability Services Holdings, LLC (6403); Sungard Availability Services Technology, LLC (9118); Sungard Availability Services, LP (6195); and Sungard Availability Services, Ltd. (4711). The location of the Debtors’ service address for purposes of these Chapter 11 Cases is: 565 E Swedesford Road, Suite 320, Wayne, PA 19087.

possession (collectively, the “Debtors”), which will file an application to retain Houlihan as their restructuring investment banker in these Chapter 11 Cases.

2. I submit this declaration (the “Declaration”) in support of the *Debtors’ Emergency Motion for Entry of Interim and Final Orders (I) Authorizing the Debtors to Obtain Senior Secured Postpetition Financing, (II) Authorizing the Debtors to Use Cash Collateral, (III) Authorizing the Debtors to Repay Certain Prepetition Secured Indebtedness, (IV) Granting Liens and Providing Superpriority Administrative Expense Status, (V) Granting Adequate Protection, (VI) Modifying the Automatic Stay, (VII) Scheduling a Final Hearing, and (VIII) Granting Related Relief* (the “DIP Motion”).²

3. Except where specifically noted, the statements in this Declaration are based (i) on my personal knowledge, belief, or opinion, (ii) information that I have received from the Debtors’ employees or advisors and/or employees of Houlihan working directly with me or under my supervision, direction, or control, or (iii) from the Debtors’ records maintained in the ordinary course of their business.

4. I have also reviewed and relied upon and/or considered the following: (a) the DIP Motion; (b) *Declaration of Michael K. Robinson, Chief Executive Officer and President of the Debtors, in Support of Chapter 11 Petitions and First Day Motions* (the “First Day Declaration”); and (c) *Declaration of Christopher Nicholls in Support of Debtors’ Emergency Motion for Entry of Interim and Final Orders (I) Authorizing the Debtors to Obtain Senior Secured Postpetition Financing, (II) Authorizing the Debtors to Use Cash Collateral, (III) Authorizing the Debtors to*

² Capitalized terms used but not defined herein have the meaning ascribed to them in the DIP Motion. The material terms of the DIP Facilities are set forth in detail in the DIP Motion. For the avoidance of doubt, any description of the DIP Facilities herein or in the DIP Motion is qualified in its entirety by reference to the DIP Documents (as defined in the DIP Motion).

Repay Certain Prepetition Secured Indebtedness, (IV) Granting Liens and Providing Superpriority Administrative Expense Status, (V) Granting Adequate Protection, (VI) Modifying the Automatic Stay, (VII) Scheduling a Final Hearing, and (VIII) Granting Related Relief (the “Nicholls Declaration”).

5. As a professional proposed to be retained by the Debtors, Houlihan is charging for services provided in this matter, including a fee for raising debtor in possession financing, but I am not being specifically compensated for providing this Declaration or testimony other than through payments received by Houlihan. If I were called upon to testify, I could and would testify competently to the facts set forth herein.

A. Qualifications

6. Houlihan is an internationally recognized investment banking and financial advisory firm with thirty-seven offices worldwide and approximately 2,200 employees. Houlihan provides corporate finance, financial advisory, and financial restructuring services. In 2021, Houlihan was ranked as the No. 1 M&A advisor for U.S. transactions, according to Refinitiv (formerly Thompson Reuters). Houlihan is one of the leading providers of M&A fairness opinions and has the largest worldwide financial restructuring practice of any investment bank. Houlihan annually serves more than 1,000 clients ranging from closely held companies to Global Fortune 500 corporations.

7. Houlihan’s Financial Restructuring Group, which has approximately 270 professionals, is one of the leading advisors and investment bankers to debtors, secured and unsecured creditors, acquirers, and other parties-in-interest involved in financially troubled companies based in a variety of industries and requiring complex financial restructurings, both in and outside of bankruptcy. Houlihan has been and is involved in a number of large restructuring cases in the United States and globally.

8. I am a Director in Houlihan's Financial Restructuring Group, and have spent more than 12 years at Houlihan working on a wide variety of restructuring assignments in the firm's New York and London offices. I have been involved in high profile restructuring engagements such as JCPenney, Neiman Marcus, Cirque du Soleil, Sears, Claire's Stores, Atlas Iron, Emeco Holdings, Mirabela Nickel, Ltd., Midwest Vanadium Pty, Ltd., Arcapita Bank, eircom, en+, and KCA Deutag, among others.

9. I have a Bachelor of Arts in Economics from the University of Connecticut. Prior to joining Houlihan, I was an analyst at CIT Group in the Problem Loan Management group.

B. The Debtors Require Postpetition Financing and Continued Access to Cash Collateral

10. In recent weeks, I and other Houlihan professionals have engaged in numerous discussions and meetings with the Debtors' management team and advisors regarding potential postpetition financing and access to Cash Collateral. I am generally familiar with the Debtors' current liquidity and liquidity forecast. Specifically, I understand that the DIP Facilities and continued access to Cash Collateral will provide the Debtors with the liquidity necessary to (i) continue the operation of their businesses, (ii) pay leases, (iii) maintain business relationships with vendors, suppliers, and customers, (iv) make payroll, (v) make certain capital expenditures, (vi) fund the costs of the Chapter 11 Cases (including professional fees and fees of the Office of the United States Trustee for the Southern District of Texas), and (vii) continue to satisfy other operational needs.

11. As discussed in the Nicholls Declaration, access to the DIP Facilities is urgent because the Debtors are not projected to generate sufficient operating cash flow in the ordinary course of business to operate their businesses, pay postpetition debts as they come due, pay amounts requested under the various first-day motions, or fund other administrative expenses. In addition, the Debtors require additional funding to provide Sungard Availability Services (UK)

Limited (“Sungard AS UK”) with sufficient liquidity to continue its operations during its UK administration process in order to preserve the global value of the Debtors’ enterprise, as discussed further in the First Day Declaration and the Nicholls Declaration. Therefore, absent access to the DIP Facilities, the Debtors would be without funds to, among other things, operate their businesses and service their customers, which would cause irreparable harm to the Debtors.

12. Based on my discussions and meetings with the Debtors and the Debtors’ advisors, in conjunction with my experience in restructuring and my general familiarity with the Debtors’ cash and liquidity needs, I believe that the Debtors’ estates require access to the DIP Facilities and access to Cash Collateral to continue their global operations.

C. Efforts to Obtain Postpetition Financing

13. Since our engagement, Houlihan has worked closely with the Debtors, FTI Consulting, Inc., as the Debtors’ proposed financial advisor, Akin Gump Strauss Hauer & Feld LLP, as the Debtors’ proposed legal counsel, and DH Capital, LLC (“DH”), as the Debtors’ proposed industry banker to (i) understand the size of the debtor in possession financing need, (ii) identify potential sources of this financing, and (iii) develop a process to secure such financing on the most favorable terms available under the circumstances to the Debtors.

14. The Debtors, with the assistance of Houlihan, conducted a process to determine the availability of third-party financing sources that were able to accommodate the Debtors’ financial situation. In the time available (which was limited in light of the developing emergency in the United Kingdom that is further described in the Nicholls Declaration), Houlihan contacted seven potential third-party financing counterparties, including specialty lending funds and other financial institutions with a history of participating in debtor in possession financings, and in certain instances, financial institutions with experience in providing such financing in “emergency situations,” in order to solicit financing proposals. With each of these potential third-party

financing counterparties, Houlihan (i) conducted phone calls in order to introduce them to the situation and discuss the debtor in possession financing requirements including the loan sizing, available collateral, and process considerations and (ii) invited them to execute a customary non-disclosure agreement and be provided with certain financial information regarding the Debtors and their collateral. Six of the seven parties executed a non-disclosure agreement and reviewed certain financial information, and had follow-up calls with Houlihan.

15. None of those counterparties, however, expressed interest in providing debtor in possession financing to the Debtors on a junior lien or unsecured basis, or financing that would necessitate a potentially expensive and disruptive “priming” fight with the Debtors’ existing secured lenders. In discussions with the Debtor’s largest prepetition secured creditors, it became clear that they would object to priming DIP financing with respect to the collateral securing the Prepetition 1L Term Loan and 2L Term Loan Obligations. While one potential counterparty ultimately provided a proposed term sheet for an ABL DIP facility, that proposal was deemed unactionable given (i) its comparatively high expense as compared to the ABL DIP Facility proposal from PNC Bank National Association (“PNC”) (described in further detail below), and that (ii) the counterparty indicated it would not be able to provide an actionable, committed financing proposal in advance of the filing of these cases.

16. Based on the results of this marketing process, the Debtors and Houlihan do not believe that alternative debtor in possession financing on terms superior to those contained in the DIP Facilities is presently available. With the understanding that substantially all of the Debtors’ assets are encumbered by existing liens under the prepetition secured debt, it became immediately clear that financing from a third-party source would not be feasible under the circumstances. With no viable proposal from any other potential financing source, the Debtors realized that the best and

perhaps only path forward was to negotiate financing from the Initial Term Loan DIP Lenders (defined below) and the ABL DIP Agent (defined below).

17. Negotiations between the Debtors and the Initial Term Loan DIP Lenders and their respective advisors took place over the course of two weeks and were hard-fought. The Debtors and the Initial Term Loan DIP Lenders exchanged numerous term sheets and were in continuous communication regarding the Term Loan DIP Facility and the terms thereof leading up to the Petition Date, with both sides being forced to make various concessions in order to reach a deal. The negotiations between the Debtors and the Initial Term Loan DIP Lenders ultimately resulted in the Debtors obtaining economic terms that are reasonable under the circumstances.

18. The Debtors are seeking authorization to obtain a senior secured new money delayed-draw term loan facility (the “Term Loan DIP Facility”) consisting of (A) \$41.15 million, in new money financing to be available upon entry of the interim order approving the Term Loan DIP Facility (the “Interim Amount”), and (B) an additional \$54.2 million in new money financing to be available upon entry of the Final Order (the “Final Amount” and, together with the Interim Amount, the “New Money Amount”), to be backstopped by a group of Prepetition Term Loan Lenders (the “Initial Term Loan DIP Lenders”), and ultimately provided by certain participating Prepetition Term Loan Lenders (the “Term Loan DIP Lenders”), and Acquiom Agency Services, LLC, as administrative agent and collateral agent under the DIP Term Loan Facility (in such capacities, the “Term Loan DIP Agent”), pursuant to the terms and conditions set forth in the term sheet attached as **Exhibit B** to the Interim DIP Order (the “Term Loan DIP Term Sheet”).

19. The Debtors are also seeking authorization to obtain senior secured postpetition financing on a superpriority basis under a revolving credit facility (the “ABL DIP Facility” and, together with the Term Loan DIP Facility, the “DIP Facilities”) provided by PNC (in such capacity,

the “ABL DIP Agent”), the Debtors’ prepetition revolving credit lender, pursuant to the terms and conditions of the term sheet attached as **Exhibit A** to the Interim DIP Order (the “ABL DIP Term Sheet”). Similar to the negotiations with the Initial Term Loan DIP Lenders, the Debtors and the ABL DIP Agent and its advisors engaged in significant negotiations regarding the ABL DIP Facility and the terms thereof.

20. The DIP Facilities will provide the Debtors with necessary and immediate access to liquidity and provide the Debtors with access to Cash Collateral on a consensual basis. The Debtors’ access to the proposed DIP Facilities will enable the Debtors to preserve value as a going concern by having access to necessary liquidity to continue to operate under terms that allow for the prospect of completing either an orderly sale of their assets and/or a comprehensive reorganization (as set out further in the Restructuring Support Agreement). Accordingly, the DIP Facilities are not only the best financing available under the circumstances, they are the only viable financing options that were available to the Debtors as of the Petition Date. Moreover, absent the DIP Facilities, the Debtors would not have been able to secure lender support for the Restructuring Support Agreement, which is a critical component of the Debtors’ asset monetization efforts and/or successful exit from these Chapter 11 Cases.

D. The Terms of the DIP Facilities Are Reasonable Under the Circumstances

21. **Term Loan DIP Facility Interest and Fees.** The Debtors have agreed to pay interest at the following rates for the Term Loan DIP Facility:

- Tranche A (new money portion): L+9.50% payable monthly in cash; provided that, the Debtors may elect to pay up to 8.50% of such interest in kind.
- Tranche B (rolled up Prepetition 1L Term Loan Obligations (subject to entry of the Final Order)): L+7.50% payable monthly in cash; provided that the Debtors may elect to pay up to 6.50% of such interest in kind.

- Tranche C (rolled up Prepetition 2L Term Loan Obligations (subject to entry of the Final Order)): L+6.75% payable monthly in cash; provided that the Debtors may elect to pay up to 5.75% of such interest in kind.³

22. The Debtors have also agreed, subject to Court approval, to (i) reimburse the Term Loan DIP Lenders and Term Loan DIP Agent for reasonable and documented legal fees and out-of-pocket expenses and (ii) pay certain agency, backstop, and transaction fees, and original issue discount (“OID”) to the face value of the Term Loan DIP Facility as described below:

- The Initial Term Loan DIP Lenders will be paid a backstop fee of 4.0% (in-kind) on the new-money portion of the Term Loan DIP Facility (“Tranche A”), which is earned upon the entry of the Interim Order (the “Backstop Fee”).
- Amounts advanced under Tranche A of the Term Loan DIP Facility by all Term Loan DIP Lenders will be made at an OID of 3.0% as such amounts are drawn.
- Upon the occurrence of any cash paydown (in part or in whole) of Tranche A from asset sales, the Debtors shall incur and pay a 2.5% fee on such amounts actually repaid.
- The Debtors will be charged an unused commitment fee of 1.5% per annum, payable monthly in cash on amounts undrawn on Tranche A until the Term Loan DIP Facility has been fully funded.

The interest rates and fees were negotiated on an arms-length basis by the Debtors and the Initial Term Loan DIP Lenders. Given the facts and circumstances, the resulting fees and expenses are reasonable when compared to other similar transactions.

23. **Repayment of the Prepetition Bridge Financing Obligations.** The Prepetition 1L Term Loan Obligations include \$7.0 million of principal plus accrued interest, premiums (if any), costs, fees, expenses and other obligations incurred pursuant to that certain Amendment No. 2 to Credit Agreement, dated as of April 7, 2022 (the “Bridge Financing Obligations”). Leading up to the Petition Date, the proceeds of the Bridge Financing Obligations were necessary to provide

³ The aggregate interest rate for Tranche B and Tranche C matches what was provided for under the Prepetition 1L Term Loan Credit Agreement and Prepetition New 2L Term Loan Credit Agreement.

the Debtors with the ability to fund critical payments of insurance premiums, certain critical vendor and lease payments, employee compensation, and professional fees necessary to ensure the orderly filing of these Chapter 11 Cases. The repayment of the Bridge Financing Obligations from the proceeds of the Term Loan DIP Facility was vigorously negotiated between the Debtors and the Initial Term Loan DIP Lenders that provided the incremental financing giving rise to the Bridge Financing Obligations. The Initial Term Loan DIP Lenders would have preferred to provide such funding pursuant to the Term Loan DIP Facility. But, delaying the funding was not a viable option for Debtors because of their liquidity position and the serious risks posed to their estates if such funding was not made prior to the filing of these Chapter 11 Cases. During these negotiations, the Initial Term Loan DIP Lenders made clear to the Debtors that without committing to the repayment of the Bridge Financing Obligations, the Debtors would not have access to the Term Loan DIP Facility. The interest rate on the Prepetition Bridge Facility is substantially greater than the interest rate under Tranche A of the Term Loan DIP Facility and the repayment of the Bridge Financing Obligations will stop the accrual of such interest during the pendency of these chapter 11 cases.

24. **The Term Loan Roll-Up Loans.** Subject to the terms of the Final Order, the Term Loan DIP Facility provides for a roll-up of a portion of the outstanding Prepetition 1L Term Loan Obligations and Prepetition 2L Term Loan Obligations (the “Term Loan Roll-Up Amount”). Inclusion of the Term Loan Roll-Up Amount was a topic of extensive negotiation between the Debtors and the Initial Term Loan DIP Lenders and was a necessary condition to funding Tranche A under the Term Loan DIP Facility. It was made clear to the Debtors during the negotiations with the Initial Term Loan DIP Lenders that the Debtors would not have access to either the \$7.0 million in bridge financing or the Term Loan DIP Facility if they did not commit to seek approval of the Term Loan Roll-Up Amount. If approved in connection with the Final Order, the Term Loan Roll-

Up Amount will be subject to the Challenge Period. Therefore, I understand from the Debtors' counsel that the Term Loan Roll-Up Amount will not prejudice the rights of an official committee of unsecured creditors or a party in interest, in each case with standing to challenge the validity, perfection, priority, or extent of the Prepetition Secured Parties' claims or liens.

25. Importantly, participation in the Term Loan Roll-Up Amount will be made available to all Prepetition 1L Term Loan Lenders on a pro rata basis, permitting any Prepetition 1L Term Loan Lender to participate in terms no different than those offered to the Initial Term Loan DIP Lenders (other than the Backstop Fee).

26. **Roll-Up Reduction.** The roll-up under the Term Loan DIP Facility has been structured such that the Term Loan Roll-Up Amount is subject to recharacterization to the extent that the facts and circumstances of the cases warrant such a result. In order for the Debtors to agree to seek approval of the Term Loan Roll-Up Amount, the Debtors required that the Term Loan DIP Lenders agree that if the Debtors were otherwise rendered administratively insolvent as a result of the Term Loan Roll-Up Amount, that the portion of the Term Loan Roll-Up Amount in excess of the Collateral Realization Amount⁴ would be automatically unwound without further action or Court order (the "Roll-Up Reduction Provision"). As such, the Debtors and the Term Loan DIP Lenders agreed to include a "savings clause" in the Term Loan DIP Documents. Specifically, in the event that the Term Loan DIP Obligations exceed the Collateral Realization Amount, then the Term Loan Roll-Up Amount shall be automatically reduced and recharacterized as Prepetition 2L Term Loan Obligations and then, to the extent necessary, as Prepetition 1L Term

⁴ The "Collateral Realization Amount" is the sum of (1) the cash proceeds realized by the Debtors from the closing of one or more Acceptable Sale(s) (as defined in the Restructuring Support Agreement) equal to or in excess of the Reserve Price (as defined in the Restructuring Support Agreement) and (2) the credit bid amount, if any, by the Term Loan DIP Lenders in connection with any consummated sale of Term Loan DIP Collateral to the Term Loan DIP Lenders or their designee.

Loan Obligations, until the Term Loan DIP Obligations equal the Collateral Realization Amount. The Debtors advised the Initial Term Loan DIP Lenders that they would not agree to seek approval of the Term Loan Roll-Up Amount without the inclusion of the administrative solvency feature that the Roll-Up Reduction Provision provides.

27. **Repayment of Prepetition ABL Obligations.** The ABL DIP Facility provides for the repayment of \$13.5 million of Prepetition ABL Obligations. As explained further in the Nicholls Declaration, the Debtors entered into that certain Amendment No. 5 and Waiver to Prepetition ABL Credit Agreement with the Prepetition ABL Lenders to waive certain expected defaults under the Prepetition ABL Facility in advance of Sungard AS UK filing an administration proceeding. In connection with the waiver, the Debtors agreed to restrict the use of \$13.5 million of cash collateral securing the Prepetition ABL Facility. In negotiating the terms of the ABL DIP Facility, the ABL DIP Agent communicated to the Debtors that it was not willing to provide the ABL DIP Facility without the repayment of the \$13.5 million in restricted cash. In response and in the exercise of their business judgment, the Debtors agreed to use the \$13.5 million of restricted Cash Collateral securing the Prepetition ABL Facility to repay and permanently reduce the commitments under the ABL DIP Facility. As the \$13.5 million in restricted Cash Collateral was not available for use in the Debtors' operations, the repayment and reduction in the facility size serves the purpose of reducing the amount of interest paid on the ABL DIP Facility for funds that are not accessible by the Debtors during the pendency of these cases.

28. **Creeping ABL DIP Facility Roll-Up.** The ABL DIP Facility provides for a "creeping roll-up" whereby the proceeds of the Debtors' prepetition receivables and other prepetition ABL Priority Collateral will be deemed applied in reduction of the Prepetition ABL Obligations on a dollar for dollar basis and immediately re-advanced to the Debtors under the ABL

DIP Facility (the “Creeping ABL DIP Roll-Up”) until all such obligations are deemed to have been repaid in full in cash and become obligations under the ABL DIP Facility; provided, that to the extent any amount of the Prepetition ABL Obligations remain outstanding at the time of the Final Hearing on the DIP Motion, upon entry of the Final Order (and subject to the terms thereof), such remaining Prepetition ABL Obligations will be deemed “rolled-up” into the ABL DIP Facility. The Creeping ABL DIP Roll-Up was critical in negotiations to gain the consensual use of Cash Collateral and to consensually incur postpetition debt. The terms of the ABL DIP Facility are reasonable under the circumstances and allow the Debtors to avoid costly litigation if they had had to seek use of Cash Collateral on a non-consensual basis.

E. Certain Amounts under the Term Loan DIP Facility Are Proposed to Be Used to Provide Funding to Sungard AS UK in Connection with the UK Administration, Which Funding Is Critical to the Preservation of Value for the Debtors’ Estates

29. To preserve the value of Sungard AS UK’s assets in administration, the directors of Sungard AS UK and Sungard AS New Holdings, LLC (“TopCo”) determined that it would be in the best interest of the Debtors and the Company as a whole for Sungard AS UK to continue operating its business and servicing its customers in the ordinary course while the UK administrator explores the orderly sale of assets and the potential transfer of customer contracts to other suppliers. In order to implement a trading administration to operate Sungard AS UK’s business, Sungard AS negotiated a short-term funding agreement with the Administrators (as defined below), acting on behalf of Sungard AS UK, whereby Sungard AS would provide a loan facility in an aggregate principal amount not exceeding \$7.0 million (or approximately £5,300,000 based on current exchange rates), subject to the terms and conditions of a certain funding agreement, dated March 25, 2022 (the “UK Funding Agreement”).⁵ I understand based on my

⁵ A copy of the UK Funding Agreement is attached to the DIP Motion as Exhibit 1.

discussions with the Debtors and their advisors that the terms of the UK Funding Agreement were negotiated on an arms-length basis, including as it relates to sizing.

30. I understand the DIP Budget calls for loaning up to an additional \$10.0 million to Sungard AS UK in two separate \$5.0 million draws, which will be advanced as an “upsizing” of the UK Funding Agreement. This funding is subject to the Debtors agreeing to fund the loans at the time funds are requested as well as the consent of the Required Term Loan DIP Lenders. Loans advanced under the UK Funding Agreement incur an 8.0% interest rate per annum (paid in kind on a monthly basis). Importantly, as described to me by the Debtors’ UK counsel, loans under the UK Funding Agreement have a senior claim on, among other things, proceeds from the sale of Sungard AS UK’s assets and the collection of outstanding customer receivables, subject only to a carve out for the Administrators’ expenses, which are forecasted by the Administrators to be paid in the normal course using funds provided under the UK Funding Agreement.

31. Absent this funding, Benjamin Dymant and Ian Colin Wormleighton (together, the “Administrators”) of Teneo Financial Advisory Limited have informed the Debtors that the UK Administration could not continue the operation of the Sungard AS UK business and the Administrators would have no choice but to effectuate an immediate shutdown so as to not incur further debts it likely could not repay. As discussed in greater detail in the First Day Declaration, that shutdown would jeopardize customer relationships globally, causing irreparable damage to the Debtors and would threaten the viability of their businesses worldwide.

32. Based on my discussions with and analyses prepared by the Debtors, the Debtors’ other advisors and the Administrators, I believe that (i) asset sale processes are underway for substantially all of Sungard AS UK’s assets pursuant to the UK Administration, and (ii) reasonable expectations for valuation and realizable proceeds from such sale processes exceed the amount

forecasted to be advanced under the UK Funding Agreement, which in total is forecasted to be approximately \$17.0 million, inclusive of the initial \$7.0 million funding provided prior to the filing of these cases. As a result, I further understand that there is a high likelihood that funds advanced under the UK Funding Agreement will be repaid to the Debtors in full, making the provision of funds under the Term Loan DIP Facility well worth the comparatively low risk relative to the alternative of not providing such funds.

F. The DIP Facilities Should Be Approved

33. In light of the foregoing, and based on my experience in general and my direct involvement in the marketing and negotiation of the DIP Facilities, I believe that entering into the DIP Facilities is a sound exercise of the Debtors' business judgment following a thorough process and thorough evaluation of available alternatives. The DIP Facilities are on the most favorable terms available, provide continued access to liquidity to fund the Debtors' businesses during these Chapter 11 Cases, and facilitate the Debtors' goal of continuing to seek to consummate a comprehensive restructuring transaction.

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Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing statements are true and correct to the best of my knowledge, information, and belief.

Dated: April 11, 2022

A handwritten signature in black ink, consisting of a large, stylized 'H' followed by a cursive 'edus'.

Tom Hedus
Director
Houlihan Lokey Capital, Inc.

Appendix “C”

Declaration of Christopher Nicholls dated April 11, 2022

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

In re:)	Chapter 11
)	
SUNGARD AS NEW HOLDINGS, LLC, <i>et al.</i> , ¹)	Case No. 22-90018 (DRJ)
)	
Debtors.)	(Joint Administration Requested)
)	(Emergency Hearing Requested)

**DECLARATION OF CHRISTOPHER NICHOLLS IN SUPPORT OF DEBTORS’
EMERGENCY MOTION FOR ENTRY OF INTERIM AND FINAL ORDERS (I)
AUTHORIZING THE DEBTORS TO OBTAIN POSTPETITION FINANCING, (II)
AUTHORIZING THE DEBTORS TO USE CASH COLLATERAL, (III) AUTHORIZING
THE DEBTORS TO REPAY CERTAIN PREPETITION SECURED INDEBTEDNESS,
(IV) GRANTING LIENS AND PROVIDING SUPERPRIORITY ADMINISTRATIVE
EXPENSE STATUS, (V) GRANTING ADEQUATE PROTECTION, (VI) MODIFYING
THE AUTOMATIC STAY, (VII) SCHEDULING A FINAL HEARING, AND (VIII)
GRANTING RELATED RELIEF**

Pursuant to 28 U.S.C. § 1746, I, Christopher Nicholls, hereby declare as follows under penalty of perjury that the following is true and correct to the best of my knowledge, information, and belief:

1. I am a Senior Managing Director at FTI Consulting, Inc. (“FTI”), a full-service financial advisory firm specializing in interim management, restructuring advisory, turnaround consulting, operational due diligence, and performance improvement services across a broad range of industries. I have been working with the above-captioned debtors and debtors in possession

¹ The Debtors in these chapter 11 cases (the “Chapter 11 Cases”), along with the last four digits of the Debtors’ tax identification numbers, are: InFlow LLC (9489); Sungard AS New Holdings, LLC (5907); Sungard AS New Holdings II, LLC (9169); Sungard AS New Holdings III, LLC (3503); Sungard Availability Network Solutions Inc. (1034); Sungard Availability Services (Canada) Ltd./Sungard, Services de Continuite des Affaires (Canada) Ltee (3886); Sungard Availability Services Holdings (Canada), Inc. (2679); Sungard Availability Services Holdings (Europe), Inc. (2190); Sungard Availability Services Holdings, LLC (6403); Sungard Availability Services Technology, LLC (9118); Sungard Availability Services, LP (6195); and Sungard Availability Services, Ltd. (4711). The location of the Debtors’ service address for purposes of these Chapter 11 Cases is: 565 E Swedesford Road, Suite 320, Wayne, PA 19087.

(collectively, the “Debtors”) since mid-February. Through that time, I have been closely working with management at the Debtors in connection with the Chapter 11 Cases.

2. I submit this declaration (“Declaration”) in support of the relief requested in the *Debtors’ Motion for Entry of Interim and Final Orders (I) Authorizing the Debtors to Obtain Senior Secured Postpetition Financing, (II) Authorizing the Debtors to Use Cash Collateral, (III) Authorizing the Debtors to Repay Certain Prepetition Secured Indebtedness, (IV) Granting Liens and Providing Superpriority Administrative Expense Status, (V) Granting Adequate Protection, (VI) Modifying the Automatic Stay, (VII) Scheduling a Final Hearing, and (VIII) Granting Related Relief* (the “DIP Motion”).²

3. In forming the opinions set forth herein, I have relied upon and/or considered, among other things, the following: (a) my experience in chapter 11 cases, including with respect to debtor in possession financing; (b) the DIP Motion; (c) *Declaration of Michael K. Robinson, Chief Executive Officer And President of the Debtors, in Support of Chapter 11 Petitions and First Day Motions* (the “First Day Declaration”); (d) *Declaration of Tom Hedus in Support of Motion for Entry of Interim and Final Orders (I) Authorizing the Debtors to Obtain Senior Secured Postpetition Financing, (II) Authorizing the Debtors to Use Cash Collateral, (III) Authorizing the Debtors to Repay Certain Prepetition Secured Indebtedness, (IV) Granting Liens and Providing Superpriority Administrative Expense Status, (V) Granting Adequate Protection, (VI) Modifying the Automatic Stay, (VII) Scheduling a Final Hearing, and (VIII) Granting Related Relief* (the

² Capitalized terms used but not defined herein have the meaning ascribed to them in the DIP Motion. The material terms of the DIP Facilities are set forth in detail in the DIP Motion. For the avoidance of doubt, any description of the DIP Facilities herein or in the DIP Motion is qualified in its entirety by reference to the DIP Documents (as defined in the DIP Motion).

“Hedus Declaration”); and (e) discussions with the Debtors’ management and other advisors concerning the Debtors’ business and finances.

4. As a professional proposed to be retained by the Debtors, FTI is charging for services provided in this matter, but I am not being specifically compensated for this declaration or testimony other than through payments received by FTI. If I were called upon to testify, I could and would testify competently to the facts set forth herein.

A. Qualifications

5. I am a Senior Managing Director of FTI, which is a full-service financial advisory firm specializing in interim management, restructuring advisory, turnaround consulting, operational due diligence, and performance improvement services across a broad range of industries. FTI and its senior professionals have extensive experience with respect to (i) stabilizing and improving a company’s financial position, including developing or validating forecasts, business plans, and related assessments of a business’s strategic position, (ii) monitoring and managing cash, cash flow, and supplier relationships, (iii) assessing and recommending cost reduction strategies, and (iv) designing and negotiating financial restructuring packages.

6. I personally have over 30 years of experience advising on corporate finance and restructuring transactions. Some of those engagements include representation of the debtors in company restructurings such as Frontier Communications, SFX Entertainment, Reader’s Digest, Transtar, Freedom Communications, and iQuor. I have also represented creditors in restructurings such as Intelsat, LSC Communications, Frontpoint, Windstream, Acosta, Deluxe Entertainment, Cumulus, iHeart, Avaya, Cenvéo, Cengage, Source Interlink, Broadview, Tribune Media, MediaNews and Allegiance Telecom.

7. I obtained a Bachelor of Arts in Economics from Boston University in 1986. After graduating, I began my career at Morgan Stanley and then spent 5 years at Merrill Lynch, working in the corporate bond and investment banking departments.

8. In 1997, I joined GE Capital's Media Communications Group, where I became the head of the telecom workout and risk management teams. During this time, I led restructurings totaling over \$10 billion in debt and was a principal in multiple M&A transactions.

9. I started working for FTI in 2005 and am currently a Senior Managing Director and the leader of FTI's Telecom, Media and Technology Practice in New York, as well as a senior member of FTI's Investment Bank. I specialize in balance sheet and operational restructuring, performance improvement, interim management, diligence, valuation, M&A advisory and litigation support.

B. The Debtors' Prepetition Cash Balance

10. As of April 10, 2022, the Debtors had total consolidated liquidity of approximately \$5 million of cash and cash equivalents, net of a \$13,500,000 liquidity "block" established in favor of the Debtors' ABL lender, PNC, in exchange for PNC's agreement to grant a prospective waiver for an event of default that would have been triggered under the Debtors' prepetition revolving facility upon the commencement of Sungard AS UK's administration proceeding.

11. As described in the Budget attached as **Exhibit C** to the Interim Order, the Debtors are not projected to generate sufficient operating cash flow in the ordinary course of business to operate their businesses, pay postpetition debts as they come due, pay amounts requested under the various first-day motions, or fund other administrative expenses.

12. Further, on March 24, 2022, the Debtors entered into that certain Amendment No. 5 and Waiver to Prepetition ABL Credit Agreement with the Prepetition ABL Lender to waive

certain expected defaults under the Prepetition ABL Facility in advance of Sungard Availability Services (UK) Limited (“Sungard AS UK”) filing an administration proceeding. In connection with the waiver, the Debtors agreed to restrict the use of \$13.5 million of Cash Collateral securing the Prepetition ABL Facility. In addition, the Debtors determined it was in the best interest of the estates to fund \$7.0 million of cash into the United Kingdom to enable the United Kingdom’s business to continue to have access to critical global operational resources and preserve customer relationships.

13. Without securing access to the \$41.15 million available upon entry of the Interim Order, the Debtors will be unable to operate their businesses and pay debts as they come due during the first 21 days of these Chapter 11 Cases. As such, and given their current limited liquidity, the Debtors require immediate access to postpetition financing and the use of the Prepetition Secured Parties’ Cash Collateral to operate their businesses.

C. The Debtors’ Liquidity Needs and Budget

14. Since being retained in February, FTI has assisted the Debtors in evaluating their liquidity position and potential financing needs. FTI has worked closely with the Debtors, their management, and their other advisors to evaluate the Debtors’ cash requirements for their businesses and the projected costs associated with these Chapter 11 Cases. As part of FTI’s evaluation of the Debtors’ liquidity position, FTI reviewed, analyzed, and assisted in the development of the Debtors’ 13-week and 6-month DIP cash flow forecasts. These forecasts take into account anticipated operating receipts and disbursements during the projected period and consider a number of factors, including the effect of these Chapter 11 Cases on the operations of the Debtors’ businesses, fees, and interest expenses associated with the DIP Facilities, professional

fees, and required operational payments, as well as the additional liquidity required for the Debtors to provide necessary support for Sungard AS UK during its administration process.

15. FTI has identified four primary needs of liquidity for the Debtors, as described more fully below: (i) to maintain normal operations in accordance with the approved Budget, including paying operating disbursements such as rent, payroll, insurance renewal and payment towards critical vendors; (ii) to provide a loan of up to \$10 million in necessary support for Sungard AS UK's administration process; (iii) to repay in full, in cash the Prepetition Bridge Facility; and (iv) to fund the costs associated with these Chapter 11 Cases, including applicable professional fees and fees payable to the Office of the United States Trustee for the Southern District of Texas.

D. The Debtors Need Immediate Access to the DIP Proceeds and Cash Collateral and Will Suffer Substantial Harm if They Are Unable to Access Them

16. The Debtors have a critical need to use the proceeds of the DIP Facilities and Cash Collateral to operate their businesses and preserve the going concern value of the Debtors' estates. Specifically, the DIP Facilities and Cash Collateral are needed for the Debtors to: (i) maintain normal operations in accordance with the approved Budget, including paying operating disbursements such as rent, payroll, insurance renewal and payment towards critical vendors; (ii) provide a loan of up to \$10 million in necessary support for Sungard AS UK's administration process; (iii) reduce the outstanding Prepetition ABL Obligations by \$13.5 million using Cash Collateral; (iv) repay in full, in cash the Prepetition Bridge Facility³; and (v) fund the costs associated with these Chapter 11 Cases, including applicable professional fees and fees payable to the Office of the United States Trustee for the Southern District of Texas. Absent granting the

³ As discussed in the Hedus Declaration, the Initial Term Loan DIP Lenders who funded the Prepetition Bridge Facility indicated they would have preferred to provide such funding pursuant to the Term Loan DIP Facility, but delaying the funding was not a viable option because of the Debtors' liquidity position and the serious risks posed to their estates if the funding was not made prior to the filing of these Chapter 11 Cases.

relief requested in the DIP Motion, the Debtors and their estates will be immediately and irreparably harmed, as is discussed further below.

17. The Debtors depend on the cash received from their businesses to fund operational disbursements. The Debtors plan to utilize the proceeds from the DIP Facilities and Cash Collateral to, among other things, pay general and administrative expenses, including the salaries of the members of their workforce and pay critical vendors. The Debtors are projected to use approximately \$22.7 million in receivables and related cash that is ABL Priority Collateral during the first 30 days of these Chapter 11 Cases. The DIP Facilities will strengthen the Debtors' cash position immediately, and will send a positive, and credible, message to the Debtors' workforce and commercial counterparties that the Debtors will have sufficient liquidity to maintain ordinary course operations and meet their financial commitments throughout the course of these Chapter 11 Cases. The absence of such reassurance would likely cause substantial uncertainty and unease among the Debtors' customers, causing customers to turn to competitors for replacement services, given that the Debtors' customers' critical IT functions and uninterrupted access to data are dependent on the Debtors continuing to provide services.

18. Further, as discussed in the First Day Declaration, soaring energy prices, unfavorable lease terms, and protracted pandemic conditions resulted in the filing of Sungard UK's administration proceeding under UK insolvency law on March 25, 2022. In order to preserve the value of Sungard AS UK's assets in administration and to minimize disruption and damage to the rest of the Company, Sungard AS UK requires funding from the Debtors. Indeed, maintaining Sungard AS UK's operations is of paramount importance to the value of the Debtors' estates because the Debtors require the benefit of services provided by over 400 employees who are either employed in the UK or by Sungard AS UK's Indian subsidiary and such funding will help preserve

the value of the Company's global brand and customer relationships while the Debtors proceed through chapter 11 to maximize the value of their estates for all stakeholders. The funding under the DIP Facilities will enable the Debtors to provide liquidity to Sungard AS UK while both the Debtors and Sungard AS UK proceed with their respective restructuring processes. Importantly, the Debtors project that the funding provided to Sungard AS UK (both prepetition and postpetition) will be repaid by proceeds from the ultimate monetization of Sungard AS UK's assets.

19. As described above and in greater detail in the Hedus Declaration and the First Day Declaration, without that funding, a sudden cessation of the Company's operations in the UK would potentially make it impossible to continue to operate the North American business and, at a minimum, seriously jeopardize customer confidence both in the UK and abroad. Given the Company's operation as a single global brand and the reliance of certain customers on the Company's services in multiple jurisdictions, the Company's global customer base, including its North American customers, would likely seek to replace the Debtors' services as a result. For those reasons, the Debtors require immediate access to the DIP Facilities in order to protect the value of the Debtors' entire enterprise and by extension, the interests of their stakeholders.

20. More specifically, by funding the UK administration, the Debtors will help to create the necessary runway for Sungard UK to transition customers and staff required for the operation of the North American business in an orderly manner through the sale of key elements of its business, including certain valuable properties in the UK and Ireland and avoid the potential for a devastating collapse of the Company's global customer base.

21. Taking into account all of the above considerations, I believe that the DIP Facilities will provide the Debtors with the necessary liquidity to maintain operational flexibility, protect the value of the Debtors' enterprise and are in the best interest of the Debtors and their estates.

Accordingly, based on the foregoing, I respectfully submit that the Court should approve the DIP Motion.

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Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing statements are true and correct to the best of my knowledge, information, and belief.

Executed on this 11th day of April, 2022.

By:

A handwritten signature in black ink, appearing to read 'C. Nicholls', written over a horizontal line.

Christopher Nicholls
Senior Managing Director
FTI Consulting, Inc.

Appendix “D”

Consent to Act as Information Officer

**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 SUNGARD AVAILABILITY
SERVICES (CANADA) LTD./SUNGARD, SERVICES DE
CONTINUITE DES AFFAIRES (CANADA) LTEE

APPLICATION OF SUNGARD AVAILABILITY SERVICES
(CANADA) LTD./SUNGARD, SERVICES DE CONTINUITE DES
AFFAIRES (CANADA) LTEE UNDER SECTION 46 OF THE
COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-
36, AS AMENDED

CONSENT TO ACT AS INFORMATION OFFICER

ALVAREZ & MARSAL CANADA INC. hereby consents to act as the Information
Officer in the within proceeding pursuant to the *Companies' Creditors Arrangement Act*, R.S.C.
1985, c. C-36, as amended, in accordance with the terms of an order substantially in the form
attached to the Application Record of the Applicant dated April 11, 2022.

Dated this 11th day of April, 2022.

ALVAREZ & MARSAL CANADA INC.



Per: Alan J. Hutchens
Title: Senior Vice-President

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED Court File No.:CV-22- 00679628-00CL

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF SUNGARD
AVAILABILITY SERVICES (CANADA) LTD./SUNGARD, SERVICES DE CONTINUITE DES
AFFAIRES (CANADA) LTEE**

**APPLICATION OF SUNGARD AVAILABILITY SERVICES (CANADA) LTD./SUNGARD,
SERVICES DE CONTINUITE DES AFFAIRES (CANADA) LTEE UNDER SECTION 46 OF THE
COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED**

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceeding commenced at Toronto

**PRE-FILING REPORT OF THE PROPOSED
INFORMATION OFFICER**

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Counsel for Alvarez & Marsal Canada Inc., solely in
its capacity as the Proposed Information Officer and
not in its personal or corporate capacity