



NO. S-248103  
VANCOUVER REGISTRY

**IN THE SUPREME COURT OF BRITISH COLUMBIA**

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

AND

IN THE MATTER OF THE *BUSINESS CORPORATIONS ACT*, S.B.C. 2002, c. 57

AND

IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF  
FELIX PAYMENT SYSTEMS LTD.

PETITIONER

**APPLICATION RESPONSE**

**Application Response of:** The Petitioner, Felix Payment Systems Ltd. ("**Felix**")

THIS IS A RESPONSE TO the Notice of Application of Stephen Hall, SR Hall Management, BBSG Hall Investments, LLC, Ripcord Capital LLC, and Daplt NA, LLC (collectively, the "**2L Lenders**") filed February 14, 2025 (the "**Notice of Application**").

Felix estimates that the application will take 15 minutes.

**PART 1: ORDERS CONSENTED TO**

Felix consents to the granting of the orders set out in NONE of the paragraphs of Part 1 of the Notice of Application.

**PART 2: ORDERS OPPOSED TO**

Felix opposes the granting of the orders set out in paragraph 1 of Part 1 of the Notice of Application.

**PART 3: ORDERS ON WHICH NO POSITION IS TAKEN**

Felix takes no position on the granting of the orders set out in NONE of the paragraphs of Part 1 of the Notice of Application.

#### **PART 4: FACTUAL BASIS**

1. Paragraph 4 of the Notice of Application states that the 2L Lenders are seeking to validate their security so they “are in a position to include a credit bid as part of their participation in the Sales Process.” The Sales Process has concluded, the bid submitted by the 2L Lenders did not qualify as a “Qualified Bid”, and, as such, the relief sought in the Notice of Application is now unnecessary.

2. On December 9, 2024, the Court granted an order which, among other things, approved a sales and investment solicitation process (the “**SISP**”), in which the Stalking Horse Subscription Agreement, dated December 3, 2024 (the “**Stalking Horse Subscription Agreement**”), among Felix and Jake Boxer, Doug Mordy, the CA Mordy Legacy Trust, and PEL Chartered Professional Accountants Inc. (collectively, the “**Stalking Horse Bidders**”) would serve as the stalking horse bid.

Order Made After Application (Stalking Horse and SISP Approval),  
pronounced December 9, 2024 [**Sales Process Order**] at paras 3-8;

Affidavit #5 of Andrew Cole, made February 24, 2025 [**Fifth Cole Affidavit**] at para 6

3. The SISP is conducted by the Monitor. Since the Sales Process Order, Felix has worked closely with the Monitor and its advisors to implement the SISP in accordance with its terms.

4. By the Bid Deadline of 5:00 pm (Pacific Standard Time) on January 31, 2025, the Monitor had received two bids in addition to the Stalking Horse Subscription Agreement, including a bid from the 2L Lenders (the “**Dapit Bid**”).

Fifth Cole Affidavit at paras 10(f) and (g)

5. Upon review of the Dapit Bid, the Monitor identified certain deficiencies, and (in consultation with Felix and with the consent of the DIP Lender) granted the 2L Lenders an extension until February 5, 2025 to bring its bid into compliance with the SISP requirements to be a Qualified Bid (as defined in the SISP).

Fifth Cole Affidavit at para 10(m)

6. On February 5, 2025, the Monitor received additional information from the 2L Lenders in support of their bid, including a mark up of the form of the Stalking Horse Subscription

Agreement, evidence of alleged financing in the form of a redacted financing agreement backed by security in a ruby, and an increase the deposit amount by CA\$743,195.75.

Fifth Cole Affidavit at para 11 and Exhibit "A"

7. On February 8, 2025, the Monitor determined that the Dapit Bid did not meet the requirements to be a Qualified Bid, and as a result, the Stalking Horse Subscription Agreement became the Successful Bid (as defined in the SISP). Upon determination that the 2L Lenders did not submit a Qualified Bid, their involvement in the SISP came to an end. All SISP deadlines have now passed.

Fifth Cole Affidavit at para 12 and Exhibit "B"

8. Given the SISP is complete, and in particular, any involvement of the 2L Lenders' in the SISP was ended by the Monitor's determination that the Dapit Bid was not a Qualified Bid, the relief sought in the Notice of Application is unnecessary.

#### **PART 5: LEGAL BASIS**

9. Courts should not make unnecessary orders. In cases where the relief sought is found to be unnecessary, courts have dismissed the application.

*In the Estate of Sylvia Judy Nizzero, deceased, 2023 ONSC 117 at para 11*

10. The Notice of Application states that the relief is sought for the purpose of submitting a credit bid in the SISP. The need for that relief has now ended: the SISP has concluded and the Dapit Bid was not the Successful Bid.

11. To adjudicate the claims of the 2L Lenders set out in their Notice of Application would require further investigation by Felix, and a review by the Monitor of the debt and security (similar to the process completed by the Monitor for the adjudication of the Stalking Horse Bidders' debt and security). This has not occurred, and the use of estate resources to do so would be a waste and prejudicial to Felix and the Stalking Horse Bidders, who are also the DIP lender funding these proceedings.

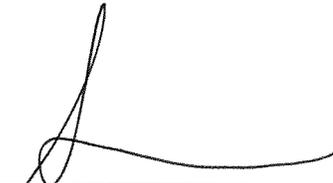
12. The relief sought in the Notice of Application is therefore unnecessary and prejudicial, and should not be granted.

MATERIAL TO BE RELIED ON

1. Order Made After Application (Stalking Horse and SISP Approval), pronounced December 9, 2024;
2. Affidavit #5 of Andrew Cole, made February 24, 2025; and
3. Such further and other materials as counsel may advise and this Court may permit.

The application respondent has filed in this proceeding a document that contains the application respondent's address for service.

DATE: February 26, 2025



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Counsel for the Petitioner  
McCarthy Tétrault LLP  
(H. Lance Williams and Ashley Bowron)