

***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  
CONTINUE DES AFFAIRES (CANADA) LTEE

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

**SECOND SUPPLEMENT TO THE FIRST REPORT OF THE INFORMATION  
OFFICER**

**ALVAREZ & MARSAL CANADA INC.**

**MAY 30, 2022**

## **TABLE OF CONTENTS**

<b>1.0</b>	<b>INTRODUCTION .....</b>	<b>1</b>
<b>2.0</b>	<b>TERMS OF REFERENCE AND DISCLAIMER .....</b>	<b>2</b>
<b>3.0</b>	<b>PURPOSE OF THIS SECOND SUPPLEMENT.....</b>	<b>3</b>
<b>4.0</b>	<b>ORDERS FOR WHICH RECOGNITION IS BEING SOUGHT.....</b>	<b>3</b>
<b>5.0</b>	<b>RECOMMENDATION .....</b>	<b>7</b>

## **APPENDICES**

Appendix “A” – First Report of the Information Officer (without appendices)

## 1.0 INTRODUCTION

- 1.1 This report is a supplement (the “**Second Supplement**”) to the First Report dated May 10, 2022 (the “**First Report**”) of Alvarez & Marsal Canada Inc., in its capacity as Information Officer in respect of the recognition proceedings under Part IV of the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36 (the “**CCAA**”, and these proceedings the “**CCAA Recognition Proceedings**”) of Sungard Availability Services (Canada) Ltd./Sungard, Services de Continuite des Affaires (Canada) Ltee (“**Sungard AS Canada**” or the “**Foreign Representative**”), and 11 affiliated companies (each a “**Debtor**” and collectively, the “**Debtors**”,<sup>1</sup> and together with their direct and indirect non-Debtor affiliates, the “**Company**”).
- 1.2 These CCAA Recognition Proceedings have recognized certain orders granted by the United States Bankruptcy Court for the Southern District of Texas (the “**U.S. Court**”) in the voluntary reorganization proceedings of the Debtors (the “**Chapter 11 Proceedings**”, and together with the CCAA Recognition Proceedings, the “**Restructuring Proceedings**”) pursuant to Chapter 11 of the U.S. Bankruptcy Code.
- 1.3 This Second Supplement should be read in conjunction with: (i) the First Report; (ii) the Supplement to the First Report dated May 16, 2022; and (iii) the Affidavit of Michael K. Robinson, sworn on May 26, 2022 (the “**Third Robinson Affidavit**”). Capitalized terms

---

<sup>1</sup> “**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.

used and not defined in this Second Supplement have the meanings given to them in the Third Robinson Affidavit. A copy of the First Report (without appendices) is attached as Appendix “A”.

## **2.0 TERMS OF REFERENCE AND DISCLAIMER**

- 2.1 In preparing this Second Supplement, the Information Officer has relied solely on information and documents provided by the Foreign Representative, its Canadian and U.S. legal counsel, the other Debtors, and their U.S.-based restructuring advisor, FTI Consulting, Inc. (“**FTI**”) (collectively, the “**Information**”).
- 2.2 The Information Officer has reviewed the Information for reasonableness, internal consistency and use in the context in which it was provided. However, the 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 Information Officer expresses no opinion or other form of assurance contemplated under CASs in respect of the Information.
- 2.3 Some of the information referred to in this Second Supplement consists of forecasts and projections. An examination or review of the financial forecasts and projections, as outlined in the Handbook, has not been performed.
- 2.4 Future-oriented financial information referred to in this Second Supplement 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.

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

### **3.0 PURPOSE OF THIS SECOND SUPPLEMENT**

3.1 The purpose of this Second Supplement is to provide the Court with further information on the following orders that the Foreign Representative is seeking to have recognized and given effect in Canada by this Court pursuant to the CCAA:

- (a) *Order (I) Authorizing and Approving the Rejection of Certain Unexpired Leases of Non-Residential Real Property and (II) Granting Related Relief* (the “**Rejection Order**”), should it be granted by the U.S. Court at a hearing scheduled for May 31, 2022; and
- (b) *Order Approving Procedures for De Minimis Asset Sales* (the “**De Minimis Asset Sales Order**”), which was entered by the U.S. Court without a hearing on May 23, 2022.

### **4.0 ORDERS FOR WHICH RECOGNITION IS BEING SOUGHT**

#### Rejection Order

4.1 As discussed in the First Report, pursuant to the Rejection Order, the Debtors are seeking to reject certain unexpired leases of non-residential real property (the “**Rejected Leases**”) and to abandon certain personal property (the “**Personal Property**”) that remains on the premises of the Rejected Leases. The Rejection Motion is scheduled to be heard by the

U.S. Court on May 31, 2022, and if the Rejection Order is granted, the Foreign Representative intends to seek its recognition in Canada at a motion scheduled before the Court on June 2, 2022.

- 4.2 The Debtors believe that rejecting the Rejected Leases and abandoning the Personal Property will maximize the value of their estates by eliminating unnecessary costs. The Information Officer understands that rejecting the Rejected Leases would reduce the Company's annual rent by approximately \$1.8 million, and abandoning the Personal Property will save additional removal and storage costs.
- 4.3 If the Rejection Order is granted, the only Canadian lease that would be rejected pursuant thereto is with respect to the properties at 7405 Trans Canada, Suite 200, Saint-Laurent and 3950 de la Cote-Vertu Boulevard, Suite 100, City of Montreal (collectively, the "**Montreal Lease**"). If the Rejection Order is granted, the lease will be rejected effective as of May 31, 2022.
- 4.4 The Information Officer understands that the Debtors provided the landlord of the Montreal Lease (the "**Montreal Landlord**") with notice of the Rejection Motion on May 6, 2022. Objections in respect of the Rejection Motion must be filed before the May 31, 2022 hearing before the U.S. Court. As of the date of this Second Supplement, the Information Officer is not aware of any objection having been filed with the U.S. Court by the Montreal Landlord. The Information Officer understands that the Montreal Landlord does not intend to oppose the motion before the U.S. Court.

- 4.5 Should the Montreal Landlord wish to file a proof of claim in relation to the Montreal Lease, it must comply with the terms of the Bar Date Order, which was recognized by this Court on May 16, 2022.

De Minimis Asset Sales Order

- 4.6 The Debtors filed a motion in respect of the De Minimis Asset Sales Order with the U.S. Court on April 22, 2022. As discussed in the First Report, the Information Officer understands that the Maricopa County Treasurer had filed an objection to the proposed De Minimis Asset Sales Order. In addition, the Information Officer understands that the official committee of unsecured creditors appointed in the Chapter 11 Proceedings (the “**Committee**”), as well as the U.S. Trustee, had also provided comments in respect of the proposed De Minimis Asset Sales Order.
- 4.7 At the time of the First Report, it was anticipated that the De Minimis Asset Sales Order may be entered by the U.S. Court as part of a hearing in respect of several other orders that took place on May 11, 2022 (the “**May 11 Hearing**”). However, the Information Officer understands that at the time of the May 11 Hearing, the Debtors were continuing to work to resolve the objections and comments raised by the Maricopa County Treasurer, the Committee, and the U.S. Trustee. As such, the Debtors did not seek the entry of the De Minimis Asset Sales Order at that time.
- 4.8 The Debtors and the interested parties have since addressed the comments and objections raised, and the De Minimis Asset Sales Order was granted by the U.S. Court on May 23, 2022 in the form attached to the Certificate of No Objection filed by the Debtors on May 16, 2022.

4.9 The De Minimis Asset Sales Order sets out two different procedures through which the Debtors can sell De Minimis Assets outside the ordinary course of business without further order of the U.S. Court. The value thresholds for the two procedures are (a) less than or equal to \$350,000, and (b) greater than \$350,000 and less than or equal to \$1 million. Certain parties (the “**Sale Notice Parties**”) must receive notice of De Minimis Asset sales, and any parties in interest may object to a proposed De Minimis Asset Sale. The Sale Notice Parties include counsel to the Information Officer.

4.10 The chart below summarizes the key updates that were made to the sale procedures set out in the De Minimis Asset Sales Order in order to address the comments and objections:

Updates to De Minimis Asset Sales Procedures	
De Minimis Asset sales under \$350,000	<ul style="list-style-type: none"> <li>• The amount of notice required to be provided by the Debtors to the Sale Notice Parties has been increased from five to seven calendar days in advance of closing a sale.</li> <li>• Certain parties were added as Sale Notice Parties.</li> <li>• If any party in interest formally objects to a De Minimis Asset sale, the sale may not be completed without resolution of the objection or further order by the U.S. Court.</li> </ul>
De Minimis Asset sales between \$350,000 and \$1million	<ul style="list-style-type: none"> <li>• Notice in the form attached to the De Minimis Asset Sales Order is required to be provided by the Debtors to the Sale Notice Parties. Notice is now also required to be filed with the U.S. Court ten calendar days in advance of closing a sale.</li> <li>• Any Sale Notice Party or party in interest may now object to a sale without the need for formal objection.</li> <li>• If no objections are received within the later of (a) ten calendar days after the service of a Sale Notice or (b) five calendar days after the service of an Amended Sale Notice (if applicable), the Debtors are authorized to consummate the sale immediately.</li> </ul>
Transaction value of the De Minimis Assets outside the ordinary course of business is greater than \$5million	<ul style="list-style-type: none"> <li>• Debtors must seek approval of any sale from the U.S. Court.</li> </ul>



- 4.11 The De Minimis Asset Sales Order also provides for additional consultation with, or disclosure to, the U.S. Trustee and/or the Committee.
- 4.12 As it relates to the assets of Sungard AS Canada in Canada, the Debtors' authority to take all actions necessary to effect the relief granted under the De Minimis Asset Sales Order is subject to recognition of such order by the Court.
- 4.13 The Information Officer agrees with the Foreign Representative that the recognition of the procedures set out in the De Minimis Asset Sales Order will provide certainty to sales participants, protect the interests of the Debtors' stakeholders, and will allow the Debtors to obtain the highest price at the best terms available.


## **5.0 RECOMMENDATION**

- 5.1 The Information Officer understands that the Rejection Order, if granted, and the De Minimis Asset Sales Order are necessary for the protection of Sungard AS Canada's property and the interests of its stakeholders, and that absent these orders the Debtors' reorganization efforts would be impaired.
- 5.2 The Information Officer and its legal counsel have reviewed both of the orders and believe that the recognition of the orders by the Court is reasonable and appropriate in the circumstances. Based on the foregoing, the Information Officer respectfully recommends that this Court grant the relief requested by the Foreign Representative.

All of which is respectfully submitted to the Court this 30<sup>th</sup> day of May, 2022.

**ALVAREZ & MARSAL CANADA INC.**

**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

## **Appendix “A”**

### **First Report of the Information Officer (without appendices)**

**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

**FIRST REPORT OF THE INFORMATION OFFICER**

**ALVAREZ & MARSAL CANADA INC.**

**MAY 10, 2022**

## TABLE OF CONTENTS

<b>1.0</b>	<b>INTRODUCTION.....</b>	<b>1</b>
<b>2.0</b>	<b>TERMS OF REFERENCE AND DISCLAIMER .....</b>	<b>3</b>
<b>3.0</b>	<b>PURPOSE OF THIS REPORT .....</b>	<b>3</b>
<b>4.0</b>	<b>ORDERS FOR WHICH RECOGNITION IS BEING SOUGHT .....</b>	<b>4</b>
<b>5.0</b>	<b>BIDDING PROCEDURES ORDER.....</b>	<b>9</b>
<b>6.0</b>	<b>LEASE REJECTION MOTION .....</b>	<b>12</b>
<b>7.0</b>	<b>ACTIVITIES OF THE INFORMATION OFFICER .....</b>	<b>14</b>
<b>8.0</b>	<b>RECOMMENDATIONS.....</b>	<b>15</b>

## APPENDICES

Appendix “A” – Pre-Filing Report of the Proposed Information Officer (without appendices)

Appendix “B” – Lease Rejection Motion

## 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**” or the “**Foreign Representative**”), and 11 affiliated companies (each a “**Debtor**” and collectively, the “**Debtors**”,<sup>1</sup> and together with their direct and indirect non-Debtor affiliates, the “**Company**”), commenced voluntary reorganization proceedings (the “**Chapter 11 Proceedings**”) pursuant to Chapter 11 of the U.S. Bankruptcy Code with the United States Bankruptcy Court for the Southern District of Texas (the “**U.S. Court**”).
- 1.2 Also on April 11, 2022, Sungard AS Canada brought an application before the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) and obtained certain interim relief pursuant to the *Companies’ Creditors Arrangement Act* (the “**CCAA**”, and these proceedings the “**CCAA Recognition Proceedings**”, and together with the Chapter 11 Proceedings, the “**Restructuring Proceedings**”).<sup>2</sup>
- 1.3 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

---

<sup>1</sup> “**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.

<sup>2</sup> As part of the initial application, 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 Availability Services LP which have guaranteed certain lease obligations of Sungard AS Canada but have no assets in Canada, other than certain registered intellectual property rights.

foreign representative in the Chapter 11 Proceedings (the “**U.S. Foreign Representative Order**”).

1.4 On April 14, 2022, this Court made two orders (the “**Initial Recognition Order**” and the “**Supplemental Order**”) that, among other things: (a) recognized the Chapter 11 Proceedings as a “foreign main proceeding” under the CCAA; (b) recognized Sungard AS Canada as the “foreign representative” of the Debtors; (c) stayed all proceedings against Sungard AS Canada and the Guarantor Debtors (as defined in the Supplemental Order); (d) appointed Alvarez & Marsal Canada Inc. (“**A&M Canada**”) as the information officer (the “**Information Officer**”) in respect of the CCAA Recognition Proceedings; (e) recognized and gave effect in Canada to certain of the First Day Orders; and (f) granted the Administration Charge and the DIP Agents’ Charges (each as defined in the Supplemental Order).

1.5 A&M Canada, in its capacity as Proposed Information Officer, filed with this Court a report dated April 13, 2022 (the “**Pre-Filing Report**”) to provide this Court with, among other things, background information with respect to the Debtors and the Chapter 11 Proceedings. A copy of the Pre-Filing Report, without appendices, is attached hereto as **Appendix “A”** and is available on the Information Officer’s case website at: [www.alvarezandmarsal.com/SungardASCanada](http://www.alvarezandmarsal.com/SungardASCanada) (the “**Case Website**”).<sup>3</sup>

---

<sup>3</sup> Copies of documents filed in the Chapter 11 Proceedings can be found on the case website maintained by Kroll at: <https://cases.ra.kroll.com/sungardAS/>

## **2.0 TERMS OF REFERENCE AND DISCLAIMER**

2.1 In preparing this First Report, the Information Officer 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**”).

2.2 The Information Officer has reviewed the Information for reasonableness, internal consistency and use in the context in which it was provided. However, the 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 Information Officer expresses no opinion or other form of assurance contemplated under CASs in respect of the Information.

2.3 This First Report should be read in conjunction with the Affidavit of Michael K. Robinson, sworn on May 2, 2022 (the “**Second Robinson Affidavit**”). Capitalized terms that are used in the First Report but not otherwise defined herein have the meanings ascribed to them in the Second Robinson Affidavit.

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

## **3.0 PURPOSE OF THIS REPORT**

3.1 The purpose of this First Report is to provide this Court with information regarding the following:



- (a) the orders that the Foreign Representative is seeking to have recognized and given effect in Canada by this Court pursuant to the CCAA, for which a hearing has been scheduled on May 13, 2022, comprised of the Final DIP Order, Final Cash Management Order, Bidding Procedures Order, Bar Date Order and De Minimis Asset Sales Order, in each case if granted by the U.S. Court;
- (b) information regarding the Lease Rejection Motion and the proposed Lease Rejection Order (each as defined and described below). The Lease Rejection Motion is scheduled to be heard by the U.S. Court on May 31, 2022, and accordingly, the Foreign Representative is not yet seeking recognition of the Lease Rejection Order by this Court; and
- (c) a summary of the activities of the Information Officer since the date of its appointment.

#### **4.0 ORDERS FOR WHICH RECOGNITION IS BEING SOUGHT**

- 4.1 A hearing has been scheduled before the U.S. Court on May 11, 2022, at which the Debtors intend to seek certain of the orders described in this First Report other than the De Minimis Asset Sales Order, which is expected to be entered without a hearing if the objections and informal comments described below are resolved.<sup>4</sup> If such orders are granted by the U.S. Court, the Foreign Representative will seek recognition of the orders by this Court, and a hearing before this Court has been scheduled on May 13, 2022 for this purpose. To the extent any orders are not yet entered by the U.S. Court as of the May 13, 2022 hearing, the

---

<sup>4</sup> If no resolution is reached, a hearing will be set on a date to be determined by the U.S. Court.

Information Officer understands the Foreign Representative intends to seek direction from this Court with respect to whether a further hearing will be required.

4.2 Each of the proposed orders for which recognition of this Court is being sought is defined and further described in the Second Robinson Affidavit and copies are attached as schedules thereto, with the exception of the proposed Final DIP Order. The Information Officer understands that the proposed Final DIP Order remains subject to discussion with the official committee of unsecured creditors appointed in the Chapter 11 Proceedings (the “**Committee**”) and will be provided to the Court in advance of the Foreign Representative’s motion. To the extent that there are any changes to the proposed orders, including as a result of ongoing stakeholder discussions, an update will be provided prior to the hearing by the Foreign Representative or the Information Officer.

4.3 The Bidding Procedures Order is described in Section 5.0, and the remainder of the orders are summarized as follows:

Final DIP Order

4.4 Relief regarding the DIP Facilities is being sought by the Debtors in two stages through: (a) the Interim DIP Order, which provided the Debtors with access to emergency funding, was granted by the U.S. Court on April 12, 2022 and recognized by this Court on April 14, 2022; and (b) the Final DIP Order, which if granted by the U.S. Court will approve additional funding to the Debtors and protections for the applicable lenders on a final basis, to be heard by the U.S. Court on May 11, 2022.

4.5 A summary of the DIP Facilities (comprised of the ABL DIP Facility and the Term Loan DIP Facility), including their impact on Sungard AS Canada, the Information Officer’s

assessment of their reasonableness and the basis on which the Information Officer recommended that this Court recognize the Interim DIP Order were provided in the Pre-Filing Report.

- 4.6 The Final DIP Order, if granted, will: (a) authorize the Debtors to roll-up the remaining pre-petition balance of the Revolving Credit Agreement and (b) approve the Term Loan DIP Roll-Up Obligations.
- 4.7 As described in the Pre-Filing Report, the ABL DIP Facility is a \$50.0 million senior secured revolving credit facility and the Term Loan DIP Facility is a \$285.0 million senior secured term loan facility, consisting of up to \$95.3 million of new money loans and a roll-up of up to \$190.6 million of obligations under prepetition term loans.
- 4.8 The Debtors, including Sungard AS Canada, continue to require access to the DIP Facilities, including the additional amounts to be advanced following entry of the Final DIP Order. The Final DIP Order, if granted, will approve the relief previously granted by the U.S. Court, on a final basis.
- 4.9 The Information Officer understands that the Maricopa County Treasurer and certain Texas taxing authorities have filed objections to the proposed Final DIP Order. Each of these objections addresses the priority of tax liens under the Final DIP Order. The Information Officer understands that the Debtors are working with the objecting parties on proposed language to ensure that the objecting parties' tax liens are not primed by the liens and charges granted in the Final DIP Order to the extent that such liens had priority over the pre-filing secured debt under the terms of the relevant Prepetition 1L Term Loan documents or the Prepetition ABL documents.

- 4.10 The Information Officer also understands that the Debtors extended the Committee's objection deadline with respect to the proposed Final DIP Order to May 10, 2022 at 10 a.m. Central Time.
- 4.11 The version of the Final DIP Order that the Information Officer has reviewed is substantially similar to the Interim DIP Order, with adjustments necessary to address the relief described herein.
- 4.12 The Information Officer recommends recognition of the Final DIP Order, if granted by the U.S. Court, for the reasons set out in Section 7.6 of the Pre-Filing Report.

#### Final Cash Management Order

- 4.13 The Final Cash Management Order approves the relief previously granted by the U.S. Court, on a final basis, which, among other things, authorizes the Debtors to continue to operate their cash management system, including maintaining existing bank accounts, and to continue to perform intercompany funding through the Cash Management System. The Information Officer understands that a revised form of order, incorporating comments from the Committee, is expected to be filed in advance of the May 11, 2022 hearing.

#### Bar Date Order

- 4.14 The Bar Date Order is described in the Second Robinson Affidavit and is attached thereto as Exhibit "C". The Bar Date Order sets out the categories of claimants holding a claim against any of the Debtors that must file a Proof of Claim, along with the applicable deadlines for each category, as set out below. Key dates and terms, if granted, include the following:

- (a) Proofs of Claim must be submitted on or before June 15, 2022 (the “**General Bar Date**”);
- (b) governmental agencies and authorities must file Proofs of Claim on or before October 10, 2022 (the “**Governmental Bar Date**”);
- (c) entities with claims arising from a lease or contract rejection must file a Proof of Claim on the later of: (i) the General Bar Date or the Governmental Bar Date, as applicable; and (ii) the date that is 30 days following entry of an order approving the rejection;
- (d) to ensure that Canadian domiciled creditors have notice of the Bar Date Order, notice of the Bar Date Order will be published in *The Globe & Mail (National Edition)*. Under the Bar Date Order the Debtors are required to send a notice of the Claims Bar Date to all known creditors, including creditors of Sungard AS Canada; and
- (e) the Information Officer will post notice of the General Bar Date and Governmental Bar Date, as well as the Bar Date Package materials, to its Case Website.

#### De Minimis Asset Sales Order

- 4.15 The De Minimis Asset Sales Order authorizes the Debtors to, among other things: (i) sell certain assets or collections of assets with an aggregate sale value equal to or less than \$1 million, free and clear of all liens, claims, interests and encumbrances, without need for further court approval; and (ii) pay the reasonable fees and expenses of agents, brokers, auctioneers and liquidators in connection with De Minimis Asset Sales.

- 4.16 The De Minimis Asset Sales Order establishes prescribed procedures that require the Debtors to provide advance notice to certain Sale Notice Parties which include the Debtors' key stakeholders. As it relates to assets located in Canada, counsel to the Information Officer is a Sale Notice Party and would be provided with the prescribed advance notice.
- 4.17 The Information Officer understands that the Maricopa County Treasurer has objected to the proposed De Minimis Asset Sales Order seeking additional notice with respect to any assets located in Maricopa County. The Information Officer also understands that the Committee has provided minor comments on the proposed order. Although not currently scheduled to be heard by the U.S. Court as part of the May 11, 2022 hearing, the Information Officer understands that the Debtors expect the U.S. Court may enter the De Minimis Asset Sales Order without a hearing on or around May 11, 2022, if the Debtors and the objecting parties are able to agree on a revised form of order.

## **5.0 BIDDING PROCEDURES ORDER**

- 5.1 As described in the Pre-Filing Report, during the months leading up to the Filing Date, the Debtors engaged with an ad hoc group of secured term loan lenders (the “**Required Consenting Stakeholders**”), as well as other key stakeholders, with respect to the terms of a potential Chapter 11 restructuring. Those discussions ultimately culminated in a restructuring support agreement (the “**RSA**”) which forms the basis for the Restructuring Proceedings.
- 5.2 The terms of the RSA include a sale process (the “**Sale Process**”) that contemplates two potential restructuring scenarios: (a) the “Equitization Scenario”, which would be implemented via a credit bid transaction with the Required Consenting Stakeholders; or (b)

the “Sale Scenario” which would be one or multiple third-party transaction(s) resulting from the Sale Process.

- 5.3 The Sale Process is being conducted by two investment banks: Houlihan Lokey Capital, Inc. (“**Houlihan**”) and DH Capital, LLC.

#### Bidding Procedures

- 5.4 As part of the Sale Process, the Debtors have developed bidding procedures designed to maximize the value of the Debtors’ assets and business through a competitive sale process (the “**Bidding Procedures**”).
- 5.5 The Bidding Procedures Order, if granted by the U.S. Court, would, among other things: (a) approve the Bidding Procedures and the associated dates and deadlines; (b) schedule an auction and approve the form and manner of notice thereof; (c) approve the procedures regarding the assumption and assignment of executory contracts and leases; (d) schedule a sale hearing and approve the form and manner of notice thereof; and (e) approve that any sale of the Debtors’ assets would be free and clear of liens, claims, interests and encumbrances.
- 5.6 The Bidding Procedures Order is described in the Second Robinson Affidavit. The timeline and key processes contemplated by the Bidding Procedures are summarized as follows:

Bidding Procedures Order – Key Dates	
June 27, 2022	<ul style="list-style-type: none"> <li>• Deadline for the Required Consenting Stakeholders to set the “<b>Reserve Price</b>” in connection with their credit bid <ul style="list-style-type: none"> <li>○ The Reserve Price means a purchase price to be determined by the Required Consenting Stakeholders in consultation with the Debtors (a) for each group of the Debtors’ assets and, alternatively, (b) for the assets comprising the Debtors’ business as a whole</li> </ul> </li> <li>• Pursuant to the Bidding Procedures, the Consenting Stakeholders will not submit a bid in excess of the Reserve Price (the “<b>Credit Bid Cap</b>”)</li> <li>• The intention of this structure is to create a robust and competitive process to maximize the value of the Company’s business and assets</li> </ul>
July 7, 2022 at 12:00 p.m. Central Time	<ul style="list-style-type: none"> <li>• Final Bid Deadline</li> </ul>
July 11, 2022 at 10:00 a.m. Eastern Time	<ul style="list-style-type: none"> <li>• If required, the Auction would be held at the offices of Akin Gump Strauss Hauer &amp; Feld LLP in New York, or at such other time and location as designated by the Debtors, in consultation with the Consultation Parties including via remote video or in person.</li> </ul>
July 14, 2022	<ul style="list-style-type: none"> <li>• Proposed hearing in the U.S. Court to approve the proposed Sale Transaction(s), subject to the availability of the U.S. Court</li> </ul>

5.7 If entered by the U.S. Court, the Foreign Representative will seek recognition by this Court of the Bidding Procedures Order. The Information Officer considered the following in assessing the reasonableness of the Bidding Procedures Order:

- (a) in the Information Officer’s view, the Sale Process and the Bidding Procedures are commercially reasonable, consistent with procedures approved by this Court in other insolvency proceedings, and intended to maximize value through a competitive sale process while also mitigating against downside risk for stakeholders by providing certainty of the implementation of a going-concern transaction pursuant to the contemplated Equitization Scenario should the Sale Process not produce a superior result;



- (b) the Bid Deadline provides sufficient time to ensure potential bidders are able to perform diligence and prepare and submit Qualified Bids (as defined in the Bidding Procedures Order);
- (c) the Sale Process provides for the inclusion of all, substantially all or one or more subsets of assets of Sungard AS Canada to form part of the sale transaction(s); and
- (d) the Information Officer does not believe the creditors of Sungard Canada AS would be materially prejudiced by the Bidding Procedures.

5.8 Based on the foregoing, the Information Officer believes that the Bidding Procedures Order is fair and reasonable and recommends that this Court recognize the Bidding Procedures Order.

## **6.0 LEASE REJECTION MOTION**

6.1 On May 6, 2022, the Debtors filed a motion (the “**Lease Rejection Motion**”) in the Chapter 11 Proceedings seeking an order (the “**Lease Rejection Order**”) authorizing the Debtors to reject certain unexpired leases of non-residential real property (the “**Rejected Leases**”) and granting related relief, including permitting the Debtors to abandon certain personal property located on the premises associated with the Rejected Leases. A copy of the Lease Rejection Motion, including the proposed order, is attached hereto as **Appendix “B”**.

6.2 A hearing has been scheduled for May 31, 2022 for the U.S. Court to hear the Lease Rejection Motion. The Information Officer understands that if the proposed order is granted by the U.S. Court, the Foreign Representative intends to seek recognition of the Lease Rejection Order by this Court.

- 6.3 The Debtors are seeking the rejection of three leases at this time, including one Canadian lease, each with a Rejection Effective Date of May 31, 2022. As described in the Lease Rejection Motion, the Rejected Leases have been determined by the Debtors, in consultation with their advisors, to be burdensome, to provide no economic value to the Debtors' estates and to be unnecessary to the Debtors' restructuring efforts. Certain details regarding the Rejected Leases are included in Schedule 1 attached to the Lease Rejection Order.
- 6.4 The single Canadian lease which the Debtors are seeking to reject at this time is in respect of the workplace recovery facilities located at 7405 Trans Canada Highway, Suite 200 Saint-Laurent, Province of Quebec and 3950 de la Cote-Vertu Boulevard, Suite 100 City of Montreal (the "**Canadian Rejected Lease**").
- 6.5 The Information Officer understands that the landlord for the Canadian Rejected Lease, QAB #1 Investments Limited, was provided with formal notice of the Lease Rejection Motion on May 6, 2022. Although the notice period provided to the landlord for the Canadian Rejected Lease was slightly less than the required notice that would be provided in a plenary CCAA proceeding, the Information Officer understands that there is no statutory notice period in Chapter 11 proceedings. In addition, the Canadian landlord is being treated in the same manner as the Debtors' U.S.-based landlords whose leases are being rejected. The Information Officer also understands that all landlords whose leases are being rejected by the Lease Rejection Order are also being treated identically with respect to the abandonment of personal property.

## 7.0 ACTIVITIES OF THE INFORMATION OFFICER

7.1 The activities of the Information Officer since being appointed have included:

- (a) establishing the Case Website ([www.alvarezandmarsal.com/SungardASCanada](http://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. In addition, there is a link on the Information Officer's website to the Debtors' restructuring website maintained by Kroll that includes copies of the U.S. Court materials and orders, petitions, notices and other materials;
- (b) coordinating publication of notice of the Chapter 11 Proceedings and CCAA Recognition Proceedings in *The Globe & Mail (National Edition)* newspaper, on April 20 and April 27, 2022;
- (c) monitoring the Kroll website for activity in the Chapter 11 Proceedings;
- (d) responding to stakeholder inquiries regarding the Restructuring Proceedings;
- (e) discussions with the Debtors' Canadian legal counsel and advisors, including FTI and Houlihan, regarding matters relevant to the Restructuring Proceedings and Sale Process;
- (f) reviewing and commenting on the Debtors' draft motions and orders in the Chapter 11 Proceedings; and
- (g) preparing this First Report and reviewing draft materials of the Foreign Representative in connection with the CCAA Recognition Proceedings.

## **8.0 RECOMMENDATIONS**

- 8.1 The Information Officer understands that the orders for which recognition is being sought in Canada, comprised of the Final DIP Order, Final Cash Management Order, Bidding Procedures Order, Bar Date Order and De Minimis Asset Sales Order (in each case, if granted by the U.S. Court) are necessary to the Debtors' continued business operations and to advance the Restructuring Proceedings, and that absent these orders the Debtors' reorganization efforts would be impaired.
- 8.2 The Information Officer and its legal counsel have reviewed each of the orders and believe that the recognition of the orders is reasonable and appropriate in the circumstances. Based on the foregoing, the Information Officer respectfully recommends that this Court grant the relief requested by the Foreign Representative.
- 8.3 The Information Officer will provide its recommendation in respect of the Lease Rejection Order if and when the Foreign Representative seeks recognition of such order by this Court.

All of which is respectfully submitted to this Court this 10<sup>th</sup> day of May, 2022.

**ALVAREZ & MARSAL CANADA INC.**

**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

**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

**FIRST REPORT OF THE  
INFORMATION OFFICER**

**BENNETT JONES LLP**

One First Canadian Place  
Suite 3400, P.O. Box 130  
Toronto, Ontario  
M5X 1A4

**Sean Zweig** (LSO# 57307I)

Tel: (416) 777-6254

Email: [zweigs@bennettjones.com](mailto:zweigs@bennettjones.com)

**Jesse Mighton** (LSO# 62291J)

Tel: (416) 777-6255

Email: [mightonj@bennettjones.com](mailto:mightonj@bennettjones.com)

**Thomas Gray** (LSO# 82473H)

Tel: (416) 777-7924

Email: [grayt@bennettjones.com](mailto:grayt@bennettjones.com)

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

**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

**SECOND SUPPLEMENT TO THE FIRST  
REPORT OF THE INFORMATION OFFICER**

**BENNETT JONES LLP**

One First Canadian Place  
Suite 3400, P.O. Box 130  
Toronto, Ontario  
M5X 1A4

**Sean Zweig** (LSO# 57307I)

Tel: (416) 777-6254

Email: [zweigs@bennettjones.com](mailto:zweigs@bennettjones.com)

**Jesse Mighton** (LSO# 62291J)

Tel: (416) 777-6255

Email: [mightonj@bennettjones.com](mailto:mightonj@bennettjones.com)

**Thomas Gray** (LSO# 82473H)

Tel: (416) 777-7924

Email: [grayt@bennettjones.com](mailto:grayt@bennettjones.com)

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