



Court File No. S-1610905

IN THE SUPREME COURT OF BRITISH COLUMBIA

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

AND

IN THE MATTER OF

**8640025 Canada Inc. dba Telephone Navigata-Westel Communication Inc.
and Telephone Data Centers Inc.
(the “Companies”)**

**FIRST REPORT TO THE COURT
SUBMITTED BY BOALE, WOOD & COMPANY LTD.
IN ITS CAPACITY AS MONITOR OF
8640025 CANADA INC. dba TELEPHONE NAVIGATA-WESTEL
COMMUNICATIONS INC. and TELEPHONE DATA CENTERS INC.**

December 19, 2016

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A. INTRODUCTION

1. This report (the “First Report”) is filed by Boale, Wood & Company Ltd. (“BWC”) in its capacity as monitor (the “Monitor”) appointed in a proceeding commenced on November 25, 2016 by 8640025 Canada Inc. dba Telephone Navigata-Westel Communication and Telephone Data Centers Inc. (the “Companies”) pursuant to the *Companies Creditors Arrangement Act*, R.S.C. 1985, c.-36, as amended (the “CCAA Proceedings”).
2. By Order pronounced November 30, 2016 (the “Initial Order”) the British Columbia Supreme Court, amongst other things:
 - a. declared that the Companies are companies to which the CCAA applies;
 - b. continued proceedings commenced by the Companies under Part III of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, cB-3, as amended (the “BIA”) by the filing of a Notice of Intention to file a Proposal on November 18, 2016 (the “NOI”);
 - c. discharged BWC from its position as Proposal Trustee;
 - d. appointed BWC as Monitor in the CCAA Proceedings;
 - e. granted a stay up to and including December 21, 2016 (the “Initial Stay Period”);
and
 - f. approved debtor in possession (“DIP”) financing (not exceeding \$350,000) in order to finance the continuation of the Companies’ business and preserve their property during the Initial Stay Period together with a related charge.
3. The Superintendent of Bankruptcy provided its acknowledgment of the CCAA Proceedings on December 6, 2016.

4. The purpose of the First Report is to provide the Court with:
- a. background information about the Companies and the CCAA Proceedings;
 - b. an update on the Monitor's activities since the date of the Initial Order;
 - c. the cash flow forecast (the "Cash Flow Statement") for the period from November 26, 2016 to March 3, 2017 as prepared by management of the Companies ("Management") and the Monitor's views thereon;
 - d. comparison of actual cash flows to projected cash flows for the three week period ending December 16, 2016;
 - e. a review of the terms of the existing and proposed DIP financing;
 - f. the Companies' plan and request for an extension of the Stay; and
 - g. the Monitor's recommendations.
5. The Monitor has set up a website at <http://www.boalewood.calls.net/?s=8640025+Canada> (the "Website"). All prescribed materials filed by the Applicant and the Monitor in the CCAA Proceedings are available to creditors and other interested parties in electronic format on the Website. The Monitor will continue to make regular updates to the Website to ensure creditors and other interested parties are kept current.

B. DISCLAIMER AND TERMS OF REFERENCE

6. Except as specified, in preparing this report the Monitor has obtained and relied upon unaudited, draft and/or internal information which Management advises has been compiled from the Companies' books and records. Where available, the Monitor has reviewed external records and documentation including post-filing banking records from

the Bank of Nova Scotia and the Bank of Montreal, creditor invoices, corporate searches and financial statements.

7. In addition to Management, the Monitor has also had discussions with various parties including:
 - a. secured creditors;
 - b. representatives of some of the larger general creditors; and
 - c. representatives of Telus and Bell Canada.
8. Except as otherwise described in this report:
 - a. the Monitor has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the information which has been provided in a manner that would wholly or partially comply with Generally Accepted Assurance Standards pursuant to the Chartered Professional Accountant Canada Handbook; and
 - b. the Monitor has not conducted an examination or review of any financial forecast and projections in a manner that would comply with the procedures described in the Chartered Professional Accountant Canada Handbook.
9. The Monitor's Report on Cash Flow Statement filed December 14, 2016 is based on assumptions regarding future events, and actual results will vary from the information presented even if the hypothetical assumptions occur, and variations may be material. Accordingly, the Monitor expresses no assurance as to whether the Cash Flow Statement will be achieved. The Monitor expresses no opinion or other form of assurance with respect to the accuracy of any financial information relied upon in preparing the Cash Flow Statement or the First Report.
10. The Monitor's review of the Cash Flow Statement consisted of inquiries, analytical procedures and discussions related to information supplied by the Companies. Since

hypothetical assumptions need not be supported, the Monitor's procedures with respect to them were limited to evaluating whether they were consistent with the purpose of those documents and the projections therein. The Monitor has not been able to review all of the supporting documents used by Management for the probable assumptions and the preparation and presentation of the projection.

11. The Cash Flow Statement and the First Report have been prepared solely for the purpose described and readers are cautioned that it may not be appropriate for other purposes.

C. BACKGROUND

12. Detailed background information in respect of the Companies, a description of their business and affairs, assets, indebtedness and the causes of their financial difficulties are set out in Affidavits #1, #2 and #3 sworn by Sandeep Panesar on behalf of the Companies and are summarized briefly in this First Report.

The TNW Group

13. The Companies are part of a Canada-wide network of related companies (the "**TNW Group**"). The companies in the TNW Group perform various functions that relate to the provision of telecommunications services throughout multiple Canadian Provinces and internationally.
14. Management of the Companies has prepared a preliminary organizational chart (the "**Organizational Chart**") that sets out the companies comprising, and the structure of, the TNW Group, which is attached as Appendix "A".
15. The Monitor has requested documentation to verify the information provided in the Organizational Chart. However, to date many of those documents have not been provided by Management or have been otherwise unavailable to the Monitor. As a result, the Monitor has not been able to independently verify the relationships between several

of the companies listed in the Organizational Chart and the information set out below is primarily based on information provided by Management to the Companies.

16. Fiducie Residence JAAM is a Quebec family trust which owns 100% of the shares of Investel Capital Corporation (“**Investel**”).
17. Investel was previously owned by Telephone Corp., a company operating under the laws of Nevada, United States. Telephone Corp. is now owned or partially-owned by Fiducie Residence JAAM, but is not otherwise involved in the TNW Group.
18. Investel is a corporation incorporated and operating under the laws of the British Virgin Islands. Management advises that Investel was incorporated under the laws of the British Virgin Islands in order to access certain international telecommunications licenses that are advantageous to the TNW Group. Investel owns 100% of the shares of the two principal operating companies in the TNW Group: 8640025 Canada Inc. and TNW Networks Corp..
19. 8640025 Canada Inc. is the principal operating company in the TNW Group.
20. 8640025 Canada Inc. owns 100% of the shares of:
 - a. Telephone Data Centers Inc., a company operating under the laws of British Columbia. Telephone Data Centers Inc. owns certain physical telecommunications assets of the TNW Group (as described below);
 - b. Navigata Communications Ltd., a company operating under the laws of Saskatchewan. Navigata Communications Ltd.’s primary assets are receivables from consumer telecommunication service contracts;
 - c. Titan Communications Inc., a company operating under the laws of British Columbia, whose primary assets are receivables from consumer telecommunication service contracts;

- d. Cloud Phone Inc., a company operating under the laws of Alberta, whose primary assets are receivables from consumer telecommunication service contracts;
 - e. Choicetel Networks Inc., a company operating under the laws of Saskatchewan, whose primary assets are receivables from consumer telecommunication service contracts; and
 - f. Coastline Broadcasting Ltd., a company operating under the laws of British Columbia, whose primary assets are receivables from consumer telecommunication service contracts.
21. TNW Networks Corp. is a related operating company in the TNW Group and is owned by Investel. TNW Networks Corp. acts as the common billing, collections agent and administrative office for all of the above-mentioned consumer telecommunications services.
22. Telephone Canada Corp. is a collections agent that assists TNW Networks Corp. with the administration for some of the consumer telecommunications services.
23. The Monitor has requested Management of the Companies to provide copies of any service agreements, assignment agreements, agency agreements, incorporating documents, and share certificates related to the companies in the TNW Group. To date, Management has not provided the Monitor with such documentation.

The Companies' Assets

24. The Companies operate a banking facility with the Bank of Nova Scotia ("BNS") in the name of 8640025 Canada Inc. The TNW Group also has a banking facility with the Bank of Montreal ("BMO") into which receivables deposits are paid. In accordance with a request from the BNS, the BMO account is swept, and deposits are transferred to the BNS facility, on a daily basis.
25. Telephone Data Centers Inc. does not operate a separate banking facility.

26. The following wholly-owned subsidiaries of 8640025 Canada Inc. hold significant receivables under consumer telecommunications service contracts:
- a. Navigata Communications Ltd.;
 - b. Titan Communications Inc.;
 - c. Cloud Phone Inc.;
 - d. Choicetel Networks Inc.; and
 - e. Coastline Broadcasting Ltd.
27. 8640025 Canada Inc. is also the assignee of contracts and receivables for the following telecommunications companies, each of which has significant receivables under consumer telecommunications service contracts:
- a. Rocket Networks Inc.; and
 - b. Yak America Inc.
28. Management has provided schedules to the Monitor which confirm that the receivables of the companies in the TNW Group are \$16,746,321.06 as of December 1, 2016. Of the total receivables, Management has advised that:
- a. \$5,081,800.00 of those receivables represent monies payable under a telecommunications service project in Honduras, which is conditional on the Companies receiving certain licenses in the future;
 - b. of the remaining \$11,000,000, approximately \$3,000,000 are less than 150 days which are considered fully collectable; and
 - c. receivables that are 150+ days should be discounted to 30% as doubtful debts.

29. The Companies also own physical telecommunications assets used by companies in the TNW Group (the “**Telecommunications Infrastructure**”).
30. A large percentage of these assets are located in leased premises, some of which are scheduled to expire in early 2017. In order to secure those assets for the benefit of the stakeholders the Monitor is of the view that these tenancies should continue on a month-to-month basis during the CCAA Proceedings.
31. All Telecommunications Infrastructure assets are owned by 8640025 Canada Inc. except for four physical data centers (and the assets located within those data centres) that are owned by Telephone Data Centers Inc., located at 200 Burrard Street, Vancouver; 515 W. Hastings Street, Vancouver; 530 8th Ave SW, Calgary; and 330 Bay Street, Toronto.
32. The most recent valuation of the Telecommunications Infrastructure available to the Monitor was prepared by Ascenda Consulting as of May 18, 2015 (the “**Infrastructure Valuation**”). The Infrastructure Valuation values the Telecommunications Infrastructure to be between \$47,000,000 and \$50,000,000 as of May 18, 2015.
33. The Infrastructure Valuation was prepared for the purpose of an insurance valuation on a replacement costs basis, was expressly qualified as a replacement costs valuation, and expressly states that it is not an estimate of the liquidated values of the assets.
34. To date, the Monitor has not carried out a detailed analysis of the receivables or commissioned an independent valuation of the Telecommunications Infrastructure assets, either as a going concern or on a liquidation basis. The Monitor has reviewed monthly aged receivables schedules for the TNW Group for the period September 2016-December 1, 2016 which indicate that (subject to timing corrections) the receivables totals are relatively stable.
35. Management advises that other assets also exist include office equipment, vehicles and inventory but the Monitor has not yet reviewed those items.

36. The Monitor has been advised that the TNW Group also owns valuable patents and other related intellectual property although to date, the value and ownership of those assets have not been verified by the Monitor.
37. Management has advised the Monitor (and publicly announced) that, since the time of filing, TNW Networks Corp. has acquired a controlling interest in RuralCom Corporation, a wireless telecommunications company. The purpose of that acquisition was to gain access to certain wireless licenses for the development of a wireless network. The Monitor has not been provided with a valuation of the assets or liabilities of RuralCom Corporation but is advised by Management that it occurred via a non-cash transaction.

The Companies' Liabilities

38. At this stage, the Monitor has not been able to independently confirm the value of the total liabilities of the Companies.
39. Management has provided the Monitor with a list of creditors for 8640025 Canada Inc., which is attached as Appendix "B".
40. Management has also provided the Monitor with a list of creditors for Telephone Data Centers Inc., a copy of which is attached as Appendix "C".
41. Management advises that the amounts recorded as due and owing to several creditors is in dispute, some of which are the subject of litigation. The primary liabilities disputed by the Companies are the amounts owed to:
- a. Telus Communications Company ("**Telus**");
 - b. Cascade Divide Enterprises;
 - c. SBA Canada ULC; and
 - d. the Canada Revenue Agency (the "**CRA**").

42. Based on the information received from Management and the Monitor's inquiries, the secured creditors of the Companies are as follows:
- a. Bank of Nova Scotia;
 - b. Bell Canada;
 - c. Bond Capital;
 - d. Bond Capital Fund V Limited Partnership;
 - e. Cascade Divide Enterprises; and
 - f. GP LLC which advises that it has taken an assignment of the Cascade Divide Enterprises security.
43. At this stage, the Monitor has not conducted a security review for the Companies and all information relating to the priority of secured creditors is based on information received from Management and the secured creditors.
44. The Monitor is advised by CRA that there is an outstanding GST assessment of approximately \$3,000,000 (including penalties and interest) which is disputed by the Companies but the Monitor does not the status of the appeals.
45. Based on information provided by Management it appears that any indebtedness to the CRA may, in part, be offset by a SRED claim in the order of \$850,000-\$1,000,000 which has been assessed for the year end 2013 and further claims for 2014 and 2015 which could result in further SRED claims totaling approximately \$500,000.
46. The Monitor understands that there are additional liabilities of TNW Networks Corp. that have not been addressed in this report.
47. The Companies are also paying fees to a corporation, Maxalex Corp., controlled by an officer of 8640025 Canada Inc for scientific resource and development services. The Monitor is of the view that such payments should not continue until such time as it is

satisfied that they represent expenses properly incurred for the ongoing operations of the Companies.

Staffing

48. As set out above, the Companies operate as part of an integrated structure in the TNW Group. These companies have common management and staff, who provide services to companies in the TNW Group.
49. Staffing requirements for the TNW Group are contracted out to an independent third-party staffing company called Information Technology and Telecommunications Canada (the “**Staffing Company**”).
50. Historically, 8640025 Canada Inc.’s, operations utilized a unionized workforce and the restructuring of the workforce significantly reduced staffing costs.
51. The TNW Group presently utilizes independent staffing, including management, of approximately 77 persons who are located in Vancouver (45), Calgary (2), Saskatchewan (5), Toronto (6), and Montreal (19).

D. ACTIVITIES OF THE MONITOR SINCE THE INITIAL ORDER

52. Since the date of the Initial Order, the Monitor has undertaken, amongst others things, the following activities:
 - a. completed its initial notice requirements pursuant to subsection 23(1)(a) of the CCAA and as provided in paragraphs 48 to 51 of the Initial Order. In particular:
 - i. delivered a notice to creditors in the prescribed form (a copy of which is attached as Appendix “D”);

- ii. posted the Initial Order on the Website along with a list of creditors owed greater than \$1,000 including their names, addresses and amounts owed, as recorded in the Companies' books and records;
 - iii. published notices of the CCAA Proceedings in the Vancouver Sun on December 7, 2016 and December 14, 2016, respectively; and
 - iv. filed, served and posted the Monitor's Report on Cash Flow Forecast Statement dated December 14, 2016;
- b. attended on Management at the Companies' head office in Vancouver on multiple occasions to review information, discuss business operations and transitional issues related to the CCAA Proceedings, address management and cash flow issues and sought information on Management's proposed restructuring plan;
- c. communicated with the Companies and Management in relation to their current and pre-filing operations;
- d. monitored the Companies' cash flow receipts and disbursements;
- e. regularly reported to the secured creditors, including the provision of weekly actual cash flow statements;
- f. communicated with the Companies' general creditors, including responding to enquiries as received;
- g. assisted Management in the preparation of the Cash Flow Statement;
- h. reviewed the terms of the DIP financing facility as described below;
- i. facilitated discussions between the Companies and Telus in an attempt to reduce post-filing service charges; and

- j. acquired information for the purposes of the First Report and its appointment pursuant to the Initial Order.

E. MONITOR'S REPORT ON INITIAL CASH FLOW

- 53. Attached as Appendix "E" to this report is a copy of the Monitor's Report Cash Flow Statement dated December 14, 2016 which was prepared pursuant to section 23(1)(b) of the CCAA.
- 54. The Report was qualified as a result of not being able to review the following supporting documents:
 - a. service agreements and/or assignment agreements between 8640025 Canada Inc. and TNW Networks Corp.; and
 - b. contracts between the Companies and the Staffing Company.
- 55. The Monitor notes that the Cash Flow Statement was prepared by Management and assumes that the suppliers to TNW Networks Corp., which are not stayed by the Proceedings, continue to provide services to TNW Group. To date, the Monitor has not been made aware of any service interruptions.
- 56. The Monitor also notes that Cash Flow Statement suggests that the Companies' ability to continue operations and meet post-filing obligations is dependent on Bond (as defined below), continuing to fund the projected cash shortfalls through DIP financing.
- 57. The Monitor and Management of the Companies have discussed the possibility of reducing the Companies' monthly operating expenses. One of the options identified is a reduction or alteration to the scope of services provided by Telus. Management has advised that expenses could be reduced by approximately \$120,000 per month if a new service agreement is reached with Telus. The Monitor and Management have

approached Telus in an attempt to negotiate a new service agreement, the details of which are outlined in correspondence to Telus attached as Appendix “F”. The Monitor is hopeful that Telus will respond to that request shortly

58. The Monitor also notes that the Cash Flow Statement includes monthly interest payments to secured creditors totaling \$170,000. Staying these interest payments during the CCAA Proceedings would significantly reduce the projected cash shortfall.

F. MONITOR’S COMPARISON OF ACTUAL CASH FLOWS WITH PROJECTED CASH FLOWS

59. The Monitor has reviewed the actual cash inflows and outflows of the Companies for the weeks ended December 2, December 9 and December 16, 2016. A detailed comparison as prepared by Management of the actual cash inflows and outflows to the projected cash inflows and outflows, including Management comments on variances, is attached as Appendix “G”.

60. The variances can be summarized as follows:

	Actual	Projected	Variance	Percent
Cash Inflows	\$1,518,232	\$1,474,541	\$43,691	+ 3%
Cash Outflows				
TNW Network Suppliers	\$788,422	\$882,072	\$ 93,650	+9%
Rent	\$122,656	\$291,500	\$168,844	+58%
Insurance	\$ 14,777	\$ 12,000	\$(2,777)	(23%)
Bank Charges	\$ 12,291	\$ 2,000	\$(10,291)	(514%)
Accounting/Professional Fees	\$131,500	\$ 63,047	\$(68,453)	(108%)
Telus/Bell	<u>\$639,406</u>	<u>\$529,106</u>	<u>\$(110,300)</u>	<u>(21%)</u>
	<u>\$1,709,052</u>	<u>\$1,779,725</u>	<u>\$ 70,673</u>	<u>+4%</u>

61. The Monitor's comments on the actual cash flows verses the projected cash flows are as follows:

- a. actual cash inflows from base and wholesale revenues were approximately 3% higher than projected, and therefore slightly higher than budgeted. The actual cash inflows for wholesale revenues are included in the cash inflows for base revenues;
- b. cash outflows vary by line item but overall, cash outflows were approximately 4% lower than projected;
- c. in reviewing the detailed comparison of cash flows, it is apparent that the week-to-week cash flows for line items vary considerably. However according to Management, the cash flows for the line items will normalize over a 4-week period;
- d. the negative variances in payments to Telus and Bell Canada are primarily due to a payment to Bell for the services for the week prior to preparation of the budget. The Companies have been able to keep payments to Telus and Bell Canada current with the exception of a few payments that were provided one or two days late;
- e. during the initial week of the CCAA Proceedings the Companies paid certain pre-filing debts of some suppliers that are continuing to provide services to the Companies during CCAA Proceedings. The Monitor has advised Management that these payments should not have been made and that the Companies should advise the suppliers that all such payments are to be held by the suppliers and treated as payments against the Companies' post-filing debts;

- f. as a result of the overall positive cash flow for the three-week period ending December 16, 2016, the Companies have received advances from the DIP financier, Bond, that were approximately \$67,000 less than projected;
- g. Investel has agreed to advance funds to contribute to payment of restructuring professional fees that were not provided for in the original cash flow projection prepared for the filing of the CCAA Proceedings. Investel has not made the first payment of \$50,000 which was scheduled to be made in the week commencing December 12, 2016;
- h. the Monitor has requested, but has not yet been provided, documentation confirming that the Staffing Company is current with its remittances for employee source deductions; and
- i. payment of the post-filing Provincial Sales Taxes are included in the Cash Flow Statement and are expected to be made when due at the end of each month.

G. DIP FINANCING

- 62. Pursuant to the Initial Order (paragraphs 36-41), a debtor in possession financing facility in an amount not to exceed \$350,000 was approved based on a commitment letter prepared by Bond Capital Fund V Limited Partnership (“Bond”), and amended following comments provided by various secured creditors and the court (the “Initial Facility”). Attached as Appendix “H” is the copy of the executed commitment letter dated November 30, 2016 (the “Commitment Letter”).
- 63. As at December 16, 2016 the sum of \$277,600 has been advanced pursuant to the Initial Facility.
- 64. Based on discussions with Management and Bond, the Monitor understands that Bond is prepared to extend the Initial Facility to an amount not to exceed \$2,000,000 (the “Extended Facility”). The Monitor understands that Bond has offered the Extended

Facility on the same terms and conditions as provided in the Commitment Letter and has sought confirmation of that from Bond and the Companies. The Monitor is also advised by Management that further security (from sources other than the Companies) for the Extended Facility has also been provided.

65. The Monitor understands that the Extended Facility was not the subject of a competitive process. However, given the terms and conditions of the Commitment Letter, the fact that Bond is a secured creditor of the Companies and the Monitor's discussions with other secured creditors, the Monitor has no reason to believe that a significantly superior facility is available elsewhere.

H. PLAN PROPOSED BY THE COMPANIES

66. Management has provided the Monitor (on December 20, 2016), for the purposes of preparing the First Report, an executive summary of the Companies' initial restructuring plan, a copy of which is attached and marked as Appendix "I".
67. The Monitor understands that the Companies will be providing further details for the purposes of the hearing on December 21, 2016

I. COMPANIES REQUEST FOR AN EXTENSION OF THE STAY PERIOD

68. The Monitor understands that the companies will be seeking a 60-day extension of the Stay Period to Monday, February 20, 2017 in order to continue operations at substantially the same scale as operated prior to filing for CCAA Proceedings, and to ultimately allow the Companies to develop and pursue their restructuring and refinancing plan.

J. COMMENTS AND RECOMMENDATIONS

69. The Monitor's preliminary view is that the Companies (and their assets) will be of substantially greater value to creditors if they continue as a going concern.

70. The Companies are requesting that the stay be extended a further 60 days to allow time to develop and pursue their restructuring and refinancing plan. The Initial Stay was for a relatively short period (21 days) and the restructuring and refinancing plan is in its preliminary stages.
71. The Monitor is of the view that the management of the Companies have been cooperative and have been and will continue to act in good faith and with due diligence. Based on the information currently available, the Monitor also believes that the relief being sought by the Companies is reasonable and that the stakeholders will not be materially prejudiced by a further extension of the stay being sought. Accordingly, the Monitor respectfully recommends that the Court grant the extension.
72. The Monitor has recommended to Management that any restructuring plan and refinancing should be completed with the assistance of an independent consultant. As a result of inquiries made by the Monitor it has recommended to Management that Ernst & Young be considered as the consultant to assist Management in the development and implementation of proposals to finance a restructuring of the Companies via a proposed plan of compromise or arrangement, which will allow for the continuation of the business as a going concern. Attached and marked as Appendix "J" are bios for the Ernst & Young representatives and a summary of their Canadian and US telecommunications restructuring experience. The preliminary advice from Ernst & Young is that they may be prepared to assume that role based on a \$25,000/month work fee together with a success fee.
73. Subject to the Companies continuing to access the Extended Facility, and the views of the secured creditors, the Monitor also recommends that the Court approve and grant relief as follows:
- a. the Extended Facility in the amount of \$2,000,000 (less previous advances) be approved on substantially similar terms to those set out in the Commitment Letter,

to rank in priority to all other charges and encumbrances against the Companies' assets, except the Administration Charge and the Consultant's Charge, if any;

- b. Bell Canada and Telus be paid by weekly payments in advance, to be made every Friday for the following week of services;
- c. Ernst & Young be appointed as a consultant to assist the Companies with their restructuring plan and proposed refinancing;
- d. the Companies be authorized to continue with existing tenancies, which are scheduled to expire, on a month-to-month basis following the expiration date;
- e. that the Monitor conduct a security review, including a review of the priorities of all the Companies' secured creditors; and
- f. that the Monitor's First Report and the activities of the Monitor as described herein be approved.

Boale, Wood & Company Ltd.

in its capacity as the Monitor of 8640025 Canada Inc. dba Telephone Navigata-Westel Communication Inc. and Telephone Data Centers Inc.

and not in its personal capacity

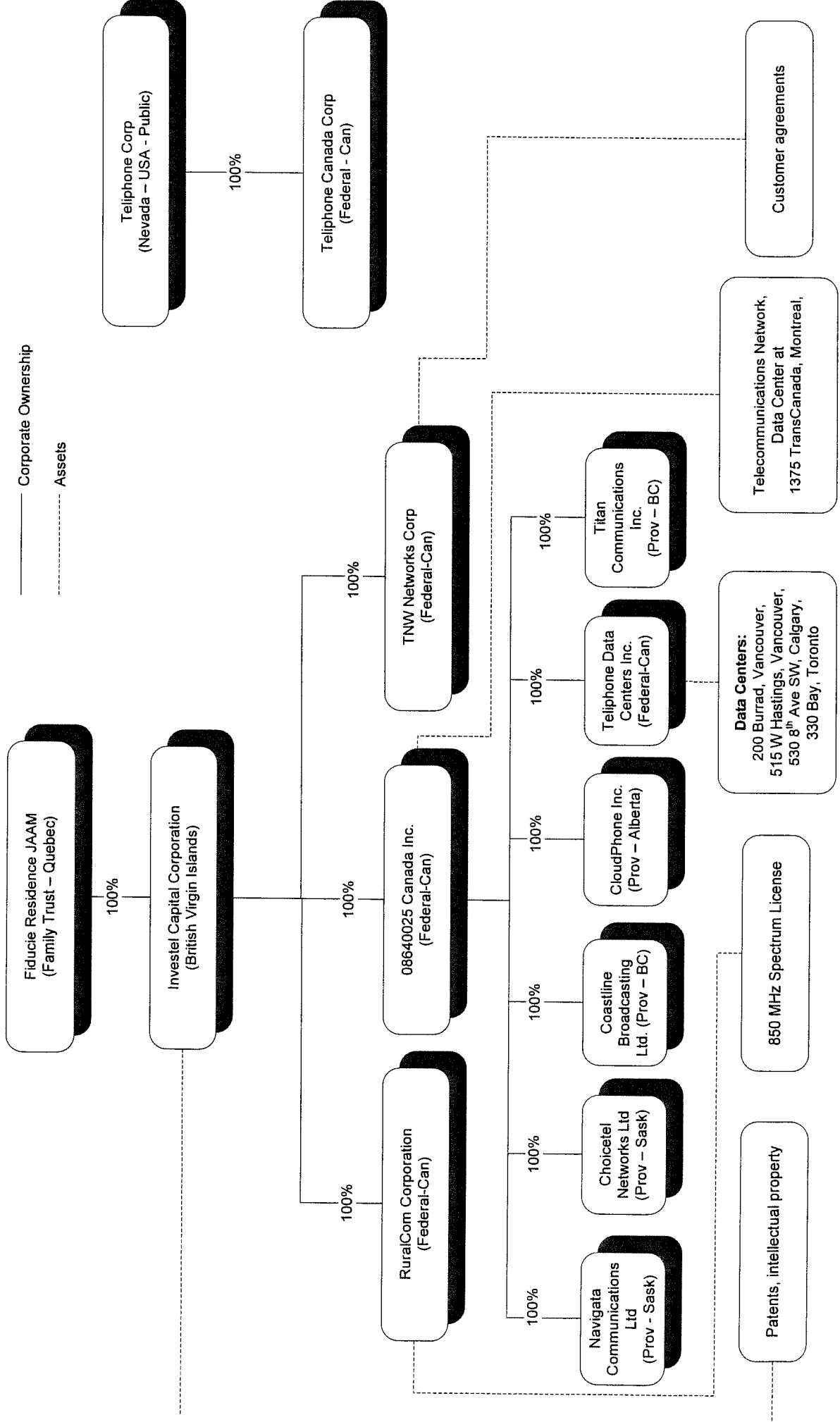
per:

John McEown



APPENDIX A

Corporate Structure



Notes to Corporate Structure:

- 1) Structure shows corporate ownership via solid lines and ownership of assets via dashed lines.
- 2) Telephone Data Centers Inc. owns 4 data centers purchased from Next Layer Inc. These include 200 Burrard and 515 West Hastings in Vancouver, 530 8th Ave SW in Calgary and 330 Bay in Toronto.
- 3) 0864 owns all other telecommunications assets including the national network, microwave network, telecommunications hub at 200 Granville, licenses, and vehicles not under lease.
- 4) All Patents and Intellectual Property are owned by Investel Capital Corporation and are used under license to various entities.
- 5) TNW Networks owns customer agreements and relationships.
- 6) 0864 did not purchase Yak America Inc. It assumed the client base from Yak America and is branded as Telephone USA to US clients.
- 7) An arm's length fair market asset evaluation report was undertaken in 2014 as part of 0864's move to IFRS accounting standard. This evaluated the telecommunications network as an integrated entity and the value was established at \$47 million. This document is available.
- 8) Fiducie Familiale MAA has no ownership or agreements with any of the corporate entities shown.

APPENDIX B

8640025 Canada Inc. dba Telephone Navigata-Westel Communication
Creditor List

Creditor	Address	City	Province	Postal Code	Country	Amount
ACL Services Ltd.	1550 Alberni St.	Vancouver	BC	V6G 1A5	Canada	109,922.25
Aird & Berlis LLP	Suite 1800, Box 754 Brookfield Place, 181 Bay St.	Toronto	ON	M5J 2T9	Canada	257,368.11
Al Stober Construction Ltd.	1700 – 1631 Dickson Avenue	Kelowna	BC	V1Y 0B5	Canada	1,570.50
Aliant Telecom	BOX 1430,BS3	Saint John	NB	E2L 4K2	Canada	403,947.31
Bank of Nova Scotia	Attn: Cheryl Conn, 650 West Georgia St. Mezzanine Level	Vancouver	BC	V6B 4P6	Canada	1,936,762.12
BC MINISTRY OF FORESTS	Front Counter BC, 441 Columbia St.	Kamloops	BC	V2C 2T3	Canada	1,529.34
Bell Aliant	5025 Creekbank Rd., Building A	Mississauga	ON	L4W 0B6	Canada	46,162.00
Bell Canada	5025 Creekbank Rd., Building A	Mississauga	ON	L4W 0B6	Canada	1,849,877.17
Bell Mobility	5025 Creekbank Rd., Building A	Mississauga	ON	L4W 0B6	Canada	321,245.50
Bennett Jones LLP (Financing Bond Capital)	1055 West Hastings St. Guinness Tower, Suite Nos. 2200 and 2300	Vancouver	BC	V6E 2E9	Canada	6,213.47
Bond Capital	1730 - 1111 West Georgia Street	Vancouver	BC	V6E 4M3	Canada	11,574,234.00
Bull, Housser & Tupper LLP	900 - 900 Howe St.	Vancouver	BC	V6Z 2M4	Canada	46,083.43
CRA - Canada Revenue Agency	9755 King George Boulevard	Surrey	BC	V3T 5E1	Canada	49,779.48
CRA - Canada Revenue Agency	9755 King George Boulevard	Surrey	BC	V3T 5E1	Canada	2,086.76
CRA - Canada Revenue Agency	875 Heron Road	Ottawa	ON	K1A 1B1	Canada	17,969.78
Caron & Partners LLP	2100 - 700 2nd St. S.W.	Calgary	AB	T2P 2W1	Canada	3,656.51
Cascade Divide Enterprises	1200 - 999 West Hastings Street	Vancouver	BC	V6C 2W2	Canada	4,000,000.00
CBC RADIO	C.P./P.O.BOX 220, STATION A	TORONTO	ON	M5W 1B2	Canada	28,576.80
CRA - Canada Revenue Agency	Attn: Bumaby Fraser Tax Services Office, Regional Intake Centre for Insolvency PO Box 9070 Stn Main, 1000, rue De La Gauchetiere Ouest, Bureau 2900 150 York St., Suite 201	Surrey	BC	V3T 5W6	Canada	1,863,000.00
De Grandpre Chait(General)	25th Floor, 700 West Georgia St.	Montreal	QC	H3B 4W5	Canada	94,296.43
Dream Office LP (formerly Dundee Realty)	25th Floor, 700 West Georgia St.	Toronto	ON	M5H 3S5	Canada	1,883.85
Farris (Colt Technology Services)	2900 - 550 Burrard St.	Vancouver	BC	V7Y 1B3	Canada	8,330.79
Farris (Harbour Centre Complex Limited)	20 Toronto St., Suite 700	Vancouver	BC	V7Y 1B3	Canada	8,502.50
Fasken Martineau DuMoulin LLP	203-1211 Summit Dr.	Toronto	ON	V6C 0A3	Canada	12,620.93
First Insurance Funding of Canada	#310 - 530 8th Ave. SW	Kamloops	BC	M5C 2B8	Canada	31,102.93
Forward Law (Tier 5)	Ste 2000, 555 West Hastings St.	Calgary	AB	V2C 5R9	Canada	14,722.55
GWL REALTY ADVISORS Inc. ITF	Lockbox 910820, 200 Front St. West, Suite 2600	Vancouver	BC	T2P 3S8	Canada	149,256.10
Harbour Centre	1100 - 480 University Avenue	Toronto	ON	V6B 4N6	Canada	63,267.31
Hewlett-Packard Financial Svcs Canada Co.	PO Box 910182	Toronto	ON	M5V 3L2	Canada	75,000.01
Hunter McCorquodale	201-1557 West Broadway	Toronto	ON	M5G 1V2	Canada	4,005.00
Level 3 Communications		Denver	Colorado	80291-0182	USA	292,769.66
Low Tide Properties Ltd (Formerly Pac Asset Mgmt)		Vancouver	BC	V6J 1W6	Canada	3,150.00

8640025 Canada Inc. dba Telephone Navigata-Westel Communication
Creditor List

Creditor	Address	City	Province	Postal Code	Country	Amount
Michel Gauthier	1102 boulevard Moody, bureau 205	Terrebonne	QC	J6W 3K9	Canada	6,641.48
Minister of Finance - Property Tax	Ministry of Finance, Surveyor of Taxes PO Box 9446 Stn Prov Govt	Victoria	BC	V8W 9V6	Canada	29,528.32
Ministry of Finance - PST - British Columbia Station Provincial Government	PO Box 9445	Victoria	BC	V8W 9V5	Canada	655,861.00
NorthWESTEL	301 Lambert Street	Whitehorse	YT	Y1A 4Y4	Canada	113,451.00
Peterson Commercial Property Management Inc. ITF (formerly Wicklow)	Suite 1701, 1166 Alberni St.	Vancouver	BC	V6E 3Z3	Canada	4,980.57
Poliquin Avocats	1851, rue Sherbrooke E, Suite 702	Montreal	QC	H2K 4L5	Canada	12,030.83
RhiCom Networks	158 Victoria St.	Kamloops	BC	V2C 1Z7	Canada	55,376.67
SBA Canada Inc.	Attn: Peter Reardon c/o McMillan LLP, 1055 W. Georgia St. Suite 1500	Vancouver	BC	V6E 4N7	Canada	2,760,000.00
TeliaSonera International Carrier	4966 Paysphere Circle	Chicago	Illinois	60674	USA	14,278.89
Telus Communications Company (disputed)	Attn: John Sandrelli c/o Dentons LLP, 250 Howe St.	Vancouver	BC	V6C 3R8	Canada	9,245,178.52
Telus Communications Company (disputed)	Attn: John Sandrelli c/o Dentons LLP, 250 Howe St.	Vancouver	BC	V6C 3R8	Canada	USD 530,297.33
Warren Brown	605 Tercel crt	Mill Bay	BC	V0R 2P4	Canada	1,470.00
WGP 241 Holdings Ltd	304 - 546 Leon Ave.	Kelowna	BC	V1Y 6J6	Canada	1,470.00

APPENDIX C

Telephone Data Centers Inc.
Creditor List

Creditor	Address	City	Province	Postal Code	Country	Amount
Tier 5 Systems Ltd.	c/o Gehlen Dabbs Lawyers, 1201-1030 W Georgia Street	Vancouver	BC	V6E 2Y3	Canada	\$ 898,255.67

APPENDIX D



LICENCED INSOLVENCY TRUSTEE

1140 – 800 W Pender Street
Vancouver, BC V6C 2V6
Tel 604 605 3335
Fax 604 605 3359
www.boalewood.ca

December 5, 2016

Court File No. S-1610905

NOTICE TO CREDITORS

In the Supreme Court of British Columbia
In the Matter of the *Companies' Creditors Arrangement Act*, R.S.C. 1985, C-36,
as amended
And in the Matter of 8640025 Canada Inc. (dba Telephone Navigata-Westel
Communication) and Telephone Data Centers Inc.
(the 'Companies')

NOTICE IS HEREBY GIVEN, that on November 25 and 30, 2016 the Companies sought, and obtained from the Supreme Court of British Columbia, an order (the "**Initial Order**") under the *Companies' Creditors Arrangement Act* ("**CCAA**"). Pursuant to the Initial Order Boale, Wood & Company Ltd. has been appointed as monitor (the "**Monitor**") of the Companies. This Initial Order is a continuation of a Notice of Intention to make a Proposal filed by 8640025 Canada Inc. on November 18, 2016.

The Initial Order provides for, amongst other things, a stay of proceedings until December 21, 2016 (the "**Stay Period**"). The Stay Period may be extended by the Court from time to time. The Companies are continuing to operate in the ordinary course pursuant to provisions of the Initial Order.

A copy of the Initial Order and other public information concerning these proceedings can be found on the Monitor's website at www.boalewood.ca/2016/11/28/8640025-canada-inc/ or may be obtained by contacting the Monitor.

The Initial Order prohibits the Companies from making payments of amounts owing as at November 18, 2016, other than under certain conditions as set-out in the Initial Order.

Pursuant to the Initial Order, all persons having oral or written agreements with the Companies or statutory or regulatory mandates for the supply of goods and/or services, are hereby restrained until further Order of the Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Companies, provided that the normal prices or charges for all such goods or services received after the date of this Initial Order are paid by the Companies in accordance with normal payment practices of the Companies or such other practices as may be agreed upon by the supplier or service provider and the Companies and the Monitor, or as may be ordered by the Court.



Page 2

During the Stay Period, all parties are prohibited from commencing or continuing legal or enforcement actions against the Companies and all rights and remedies of any party against or in respect of the Companies or their assets are stayed and suspended except with the written consent of the Companies and the Monitor, or the leave of the Court.

To date, no claims procedure has been approved by the Court and the creditors are therefore not required to file a proof of claim at this time.

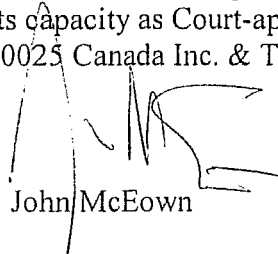
If you have any questions regarding the foregoing or require further information, please consult the Monitor's website at www.boalewood.ca/2016/11/28/8640025-canada-inc/. Should you wish to speak to a representative of the Monitor, please contact John McEown or Kevin Owens at: (+1) 604-605-3335 or by email at kowens@boalewood.ca.

Yours very truly,

Boale, Wood & Company Ltd.

In its capacity as Court-appointed Monitor of
8640025 Canada Inc. & Telephone Data Centers Inc.

Per: John McEown

A handwritten signature in black ink, appearing to be "John McEown", is written over the printed name and extends upwards into the text area.

APPENDIX E

Court File No. S-1610905

IN THE SUPREME COURT OF BRITISH COLUMBIA
IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
R.S.C. 1985, c. C – 36 as amended

AND

IN THE MATTER OF

8640025 Canada Inc. and Telephone Data Centers Inc.
(the "Companies")

MONITOR'S REPORT ON CASH FLOW STATEMENT
Pursuant to paragraph 23(1)(b) of the CCA
December 13, 2016.

1. The Companies have prepared, and provided to the Monitor for review and filing, an amended projected cash flow forecast (the "**Cash Flow Statement**") for the period November 26, 2016 to March 31, 2016 (the "**Period**"), which is attached hereto as Appendix A. The Cash Flow Statement is an update of the weekly cash flow for 8640025 Canada Inc. which was attached as Exhibit "A" to the affidavit #3 sworn by Sandeep Panesar on November 28, 2016.
2. The Cash Flow Statement has been prepared by Management for purposes of the above noted *Companies' Creditors Arrangement Act* proceeding, using the probable and hypothetical assumptions set out in the attached Notes in Support of the Cash Flow Statement.
3. The Monitor's review of the Cash Flow Statement consisted of inquiries, analytical procedures and discussions related to information supplied to us by the insolvent person. Since hypothetical assumptions need not be supported, our procedures with respect to them were limited to evaluating whether they were consistent with the purpose of the projection. We have not been able to review all of the supporting documents used by

Management for the probable assumptions and the preparation and presentation of the projection. In particular, we have not reviewed the supporting documents as described in Notes 4, 7 & 8.

4. Based on our review as described herein, nothing has come to our attention that causes us to believe that, in all material respects:
 - a. the Hypothetical Assumptions are not consistent with the purpose of the Cash Flow Statement;
 - b. as at the date of this report, the Probable Assumptions developed by management of the Companies are not suitably supported and consistent with the plan of the Respondents or do not provide a reasonable basis for the Cash Flow Statement, given the Hypothetical Assumptions; or
 - c. the Cash Flow Statement does not reflect the Probable and Hypothetical Assumptions.
5. Since the Cash Flow Statement is based on Assumptions regarding future events, actual results will vary from the information presented even if the Hypothetical Assumptions occur, and variations may be material. Accordingly, we express no assurance as to whether the Cash Flow Statement will be achieved. We express no opinion or other form of assurance with respect to the accuracy of any financial information presented in this report, or relied upon by us in preparing this report.
6. The Cash Flow Statement has been prepared solely for the purpose described in Note 1 and readers are cautioned that it may not be appropriate for other purposes.

Dated at Vancouver, British Columbia this 13th day of December, 2016.

Boale, Wood and Company
in its capacity as Monitor of
8640025 Canada Inc. and Telephone Data Centers Inc.

Per:  John McEown, CPA, CA, CIRP

**8640025 Canada Inc. (the “Company”)
Notes in Support of the Cash Flow Statement
for the period November 26, 2016 to March 31, 2017**

Purpose

1. The purpose of the Cash Flow Statement is to comply with the provisions of the *Companies’ Creditors Arrangement Act* (“CCAA”). The Cash Flow Statement has been prepared by management of 8640025 Canada Inc. (“Management”). The Cash Flow Statement has been prepared based on probable assumptions detailed below. Actual results will likely vary from the projections and such variations maybe material.

General

2. The Monitor has reviewed the un-audited Cash Flow Statement for the period November 26, 2016 to March 31, 2016 as provided by Management (Exhibit “A”). The Monitor has not audited, or otherwise attempted to verify the accuracy or completeness of the information supplied.
3. 8640025 Canada Inc. (“864”) is one of the largest independent facilities-based Competitive Local Exchange Carriers in Canada. 864 provides voice, data, Internet broadband, IT support, Cloud computing, and IPTV service across Canada. Telephone Data Centers Inc. operates as a data centre and colocation service provider.
4. According to Management, the Company’s operations are managed through a related company, TNW Network Corp. (“TNW”) pursuant to a service/assignment agreement which to date has not been provided to the Monitor. TNW also manages the operations Telephone Data Centers Inc. and several other subsidiary companies of 8640025 Canada Inc. including Titan Communications Inc., Choicetel Networks Ltd. Cloud-Phone and Coastline Broadcasting Ltd. (the “Subsidiaries”)

Inflows

5. Cash inflows represent revenues received (plus applicable taxes) for all customers of TNW, 864 and the Subsidiaries and are based on historical levels adjusted for known changes to operations.

Outflows

6. Cash outflows represent post-CCAA expenses (plus applicable taxes) of the Companies, the Subsidiaries and are based on historical levels adjusted for known changes to operations with the exception of the cash outflows for TNW miscellaneous supplier/other expenses and Carrier Suppliers that are referred below.

TNW Miscellaneous Supplier/Other Expenses and Carrier Suppliers

7. According to Management TNW's miscellaneous supplier/other expenses and carrier suppliers are being paid in the ordinary course of business of TNW on terms arranged by TNW and its suppliers. The Cash Flow Statement assumes that the TNW suppliers continue to provide services.

Staffing Company

8. According to Management, all staffing is contracted out to an unrelated staffing company. At the date of this report although requested, the Monitor has not received or reviewed the terms of the contract with the staffing company nor has the Monitor confirmed if payroll source deductions have been remitted to Canada Revenue Agency for staff provided to TNW.

Secured Creditors

9. Secured creditors including, Bank of Nova Scotia, Bell Canada, Bond Capital and Cascade Divide Enterprises are being paid interest only monthly in arrears.

SBA Canada Inc.

10. The Cash Flow Statement assumes that the Company can continue to occupy the SBA towers even though the Cash Flow Statement has no provision for payments to SBA Canada Inc. due to a legal dispute between the parties relating to the ownership of the towers.

Restructuring Fees

11. The restructuring professional fees, including the costs of the Companies' counsel, the Monitor and the Monitor's counsel, will be covered in part by an initial payment of \$50,000 and subsequent weekly payments of \$15,000 to be made by Investel Capital Corporation which Management advises owns all of the issued shares in 8640025 Canada Inc..

Debtor In Possession Financing ("DIP")

12. The Cash Flow Statement assumes that the approved DIP financing (\$350,000) is provided to December 21, 2016 and further DIP financing (to a total of \$2,000,000) as described at paragraph 45 of Affidavit #1 of Sandeep Panesar is approved.

Telephone Data Centers Inc.

13. Based on the Monitor's review of the bank accounts and Management's advice, Telephone Data Centers Inc. does not operate a separate bank account and utilizes the same banking facilities as 864.

Telus/Bell Canada

14. The payments to Telus and Bell Canada (comprising Bell Canada, Bell Mobility, Bell Alliant and Northwestel) are based on historical levels adjusted for known changes to operations but do not include late penalty charges.

APPENDIX A

8640025 Canada Inc.
Statement of Projected Cash Flow
November 26, 2016 to March 31, 2017

	Dec 02 16	Dec 09 16	Dec 16 16	Dec 23 16	Dec 30 16	Jan 06 17	Jan 13 17	Jan 20 17	Jan 27 17	Feb 03 17	Feb 10 17	Feb 17 17	Feb 24 17	Mar 03 17	Mar 10 17	Mar 17 17	Mar 24 17	Mar 31 17	Total
Projected Cash Inflows																			
Base Revenue (Inc GST & PST etc)...	541,600	500,500	409,500	546,000	819,000	350,000	350,500	409,500	546,000	619,000	500,500	409,500	546,000	819,000	500,500	409,500	546,000	819,000	9,641,600
Wholesale Business (Net of Cost)		11,471	11,471	11,471	11,471	11,471	11,471	11,471	11,471	11,471	11,471	11,471	11,471	11,471	11,471	11,471	11,471	11,471	195,000
Cash Inflow	541,600	511,971	420,971	557,471	830,471	361,471	361,971	420,971	557,471	630,471	511,971	420,971	557,471	830,471	511,971	420,971	557,471	830,471	9,836,600
Projected Cash Outflows																			
TNW Networks Corp-Supplier Cost	230,320	-	258,222	-	258,222	-	318,222	-	258,222	-	258,222	-	258,222	-	258,222	-	258,222	-	2,376,098
Staffing Company-HR Cost	50,000	82,353	82,353	82,353	82,353	82,353	82,353	82,353	82,353	82,353	82,353	82,353	82,353	82,353	82,353	82,353	82,353	82,353	1,450,000
Misc Supplier/Other Expenses		89,412	89,412	89,412	89,412	89,412	89,412	89,412	89,412	89,412	89,412	89,412	89,412	89,412	89,412	89,412	89,412	89,412	1,520,000
Carrier Suppliers		291,500	-	-	-	291,500	-	-	-	291,500	-	-	-	291,500	-	-	-	-	1,166,000
Rent	12,000	-	-	-	-	12,000	-	-	-	12,000	-	-	-	12,000	-	-	-	-	48,000
Insurance	-	-	-	-	42,500	-	-	-	-	97,500	-	-	-	97,500	-	-	-	-	335,000
GST, PST Payable	2,000	-	-	-	10,000	-	-	-	-	10,000	-	-	-	10,000	-	-	-	-	42,000
Bank Charges	1,400	1,647	-	3,294	1,647	1,647	1,647	1,647	1,647	1,647	1,647	1,647	1,647	1,647	1,647	1,647	1,647	1,647	29,400
Accounting Fees	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	360,000
Professional Fees	139,300	45,700	98,000	98,000	98,000	98,000	98,000	98,000	98,000	98,000	98,000	98,000	98,000	98,000	98,000	98,000	98,000	98,000	1,753,000
Telus	100,000	30,588	70,588	70,588	70,588	70,588	70,588	70,588	70,588	70,588	70,588	70,588	70,588	70,588	70,588	70,588	70,588	70,588	1,260,000
Bell Canada	4,000	4,706	4,706	4,706	4,706	4,706	4,706	4,706	4,706	4,706	4,706	4,706	4,706	4,706	4,706	4,706	4,706	4,706	84,000
Bell Mobility	2,000	2,353	2,353	2,353	2,353	2,353	2,353	2,353	2,353	2,353	2,353	2,353	2,353	2,353	2,353	2,353	2,353	2,353	42,000
Bell Alliant	7,400	8,706	8,706	8,706	8,706	8,706	8,706	8,706	8,706	8,706	8,706	8,706	8,706	8,706	8,706	8,706	8,706	8,706	155,400
Northwestel	-	-	-	-	238,000	-	-	-	-	170,000	-	-	-	170,000	-	-	-	-	748,000
Interest Expense (Bond, Scotia and Cuscaide)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Cash Inflow (Outflow)	568,420	576,965	634,340	379,412	926,487	681,265	715,987	377,765	635,987	958,765	635,987	377,765	635,987	958,765	635,987	377,765	635,987	655,265	11,368,898
Dip Financing																			
Shareholder Injection	187,600	78,431	78,431	-	-	156,863	313,725	-	392,157	78,431	78,431	-	-	156,863	78,431	-	-	-	1,520,933
Bank Account Opening Balance	26,560	187,340	200,777	115,839	308,898	227,882	79,950	54,659	112,865	49,349	128,212	97,627	155,832	92,316	135,885	105,300	163,505	99,989	26,560
Bank Account Closing Balance	187,340	200,777	115,839	308,898	227,882	79,950	54,659	112,865	49,349	128,212	97,627	155,832	92,316	135,885	105,300	163,505	99,989	26,560	290,195

APPENDIX F



1210-200 Granville St, Vancouver BC V6C 1S4

DELIVERED BY EMAIL

July 13, 2016

Attn.: Mr. Gary Budd
Credit Strategy Manager
Telus Communications Company
3777 Kingsway
Burnaby BC V5H 3Z7

RE: Telephone Navigata-Westel Communication Inc. ("TNW") proposed changes to network

Dear Gary,

As you may be aware, TNW is in the process of changing its network configuration in order to reduce operating costs. The plan is that over the next couple of months, we would replace parts of our SONET network with Ethernet (TDM-over-IP).

Attached you will find a list of circuits affected. The result will be the reduction in SONET circuits by \$141,000 per month to be replaced by \$30,000 in Ethernet for a net savings of \$111,000 per month. This process is in line with your July 12 2016 letter to TNW regarding revenue-neutral or decreased billing by TELUS to TNW.

To be clear, this would involve an in order for Ethernet at each site and then an out order once the transfer to Ethernet is complete.

As such we are asking for your authorization to proceed with this process and we will provide you with further details over the next couple of days. We are also undertaking an intense overall review of the network and may come back to you with other cost improvements.

Sincerely,

A handwritten signature in black ink, appearing to read "Lawry Trevor-Deutsch".

Lawry Trevor-Deutsch
SVP Corporate Affairs

Cc Benoit Laliberté

TNW SONET Circuit Decommissioning

TYPE	Circuit	Account	Value	Location
TRANSPORT OC-12	55MHAX320554000BCTC000	0227554569	\$4,911.18	TNW KAMLOOPS TO TELUS CO KELOWNA
TRANSPORT OC-12	55MHAX320570000BCTC000	0227554569	\$4,911.08	TNW VICTORIA TO TELUS CO VICTORIA YATES
TRANSPORT OC-12	55MHAX236020000ABGT000	0215022413	\$3,927.75	TNW CALGARY TO TELUS CO CALGARY MAIN
TRANSPORT OC-3	55MGAX328459000BCTC000	0227554569	\$5,207.83	TELUS CO VANCOUVER MUTUAL TO TELUS CO ALPINE
TRANSPORT OC-3	55MGAX320572000BCTC000	0227554569	\$2,485.47	TNW NANAIMO TO TELUS CO NANAIMO FITZWILLIAM
TRANSPORT OC-3	55MGAX324880000BCTC000	0227554569	\$1,710.00	TELUS CO VANCOUVER MUTUAL TO TELUS CO NORTH VAN
TRANSPORT OC-3	55MGAX325901000BCTC000	0227554569	\$1,610.83	TELUS CO VANCOUVER MUTUAL TO TELUS CO REGENT
TRANSPORT OC-3	55MGAX325902000BCTC000	0227554569	\$1,610.83	TELUS CO VANCOUVER MUTUAL TO TELUS CO CYPRESS
TRANSPORT OC-3	55MGAX313974000BCTC000	0227554569	\$1,610.83	TELUS CO VANCOUVER MUTUAL TO TELUS CO TRINITY
TRANSPORT OC-3	55MGAX325970000BCTC000	0227554569	\$1,000.00	TELUS CO VANCOUVER MUTUAL TO TELUS CO RICHMOND
TRANSPORT OC-48	55MJCX329137000BCTC000	0227554569	\$18,435.79	TNW PRINCE RUPERT TO TNW PRINCE GEORGE
TRANSPORT OC-48	55MJCX329099000BCTC000	0227554569	\$13,964.45	TNW VANDERHOOF TO SMITHERS
TRANSPORT OC-48	55MJCX329101000BCTC000	0227554569	\$13,108.80	TNW SMITHERS TO TNW TERRACE
TRANSPORT OC-48	55MJCX329103000BCTC000	0227554569	\$12,383.99	TNW TERRACE TO KITIMAT
TRANSPORT OC-48	55MJCX329134000BCTC000	0227554569	\$9,444.90	TNW KITIMAT TO TNW PRINCE GEORGE
TRANSPORT OC-48	55MJCX315195000BCTC000	0227554569	\$9,000.00	TNW VANCOUVER GRANVILLE TO TNW KAMLOOPS
TRANSPORT OC-48	55MJCX329064000BCTC000	0227554569	\$8,872.29	TNW PRINCE GEORGE TO TNW VANDERHOF
TRANSPORT OC-48	55MJCX315183000BCTC000	0227554569	\$7,100.00	TNW VANCOUVER GRANVILLE TO TNW PRINCE GEORGE
TRANSPORT OC-48	55MJCX316993000BCTC000	0227554569	\$7,000.00	TNW VANCOUVER GRANVILLE TO TNW NANAIMO

TRANSPORT OC-48	55MJCX315188000BCTC000	0227554569	\$6,750.00	TNW VICTORIA TO TNW NANAIMO
TRANSPORT OC-48	55MJCX316816000BCTC000	0227554569	\$6,100.00	TNW VANCOUVER GRANVILLE TO TELUS CO VANCOUVER MUTUAL

The following circuits to be increased to 10GigEthernet NNI – Network-To-Network Interconnection

NNI TELUS - TNW	1324986	0000105904	\$965.00	TELUS GIGE NNI TRUNK AT VGS
NNI TELUS - TNW	1324987	0000105904	\$50.00	TELUS GIGE NNI TRUNK AT VGS

8640025 Canada Inc.
Statement of Projected Cash Flow
November 26, 2016 to December 16, 2016

Base Revenue (Inc GST & PST etc)...

Management notes on significant variances

Cash receipts vary week to week but normalize over 4 week period

TNW Networks Corp- Supplier Cost
Staffing Company -HR Cost
Misc Supplier & Other Expenses
Carriers Supplier

Partial payroll payment made week ending Dec 16., balance to be paid Dec 19

Actual professional fees higher to date but should be in line with budget going fwd

Bell Paid by Bond under DIP financing for week prior to Nov 26

Net Cash Inflow (Outflow)

Less DIP funding required due to lower than budgeted cash shortfall

Shareholder injection not made

Bank Account Opening Balance

Bank Account Closing Balance

APPENDIX H

SUMMARY OF TERMS FOR SENIOR SECURED SUPER-PRIORITY INTERIM LENDING CREDIT FACILITY (the "Interim Lending Facility Agreement")

DATE: November 30, 2016

TO: 8640025 Canada Inc. and Telephone Data Centres Inc. (together, the "Borrower")

FROM: Bond Capital Fund V Limited Partnership (the "Interim Lender")

WHEREAS the Interim Lender has agreed to make a credit facility available to the Borrower pursuant to its court-ordered authority to borrow on the terms and conditions set out in this Interim Lending Facility Agreement.

NOW THEREFORE, in consideration of the respective covenants and agreements herein contained and for other good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged by each of the Borrower and the Interim Lender), the Borrower and Interim Lender hereby covenant and agree as follow:

Borrower: The Borrower

Lender: The Interim Lender

CCAA Case: *Companies' Creditors Arrangement Act* ("CCAA") proceedings commenced in Supreme Court of British Columbia (the "Court"), Vancouver, Registrar Action Number S160905 (the "CCAA Proceedings").

Purpose: Credit facility for interim lending, as authorized in the CCAA Proceedings.

Maximum Availability: Subject to the Court in the CCAA Proceedings granting an order (the "Initial Order"), among other things, approving and authorizing the Borrower to enter into this Interim Lending Facility Agreement, and subject to satisfaction of the Conditions Precedent (as herein defined), a non-revolving demand credit facility will be available to the Borrower to a maximum amount of \$350,000 (the "Interim Lending Facility").

Security: Security for repayment of the Interim Lending Facility will be (i) a fully perfected \$350,000.00 (plus all interest, Costs (as hereinafter defined), fees and expenses as provided herein) court-ordered super-priority first-ranking charge against all of the assets of the Borrower including, without limitation, in priority to any and all claims of liens, in a form satisfactory to the Interim Lender (the "Interim Lender's Charge"); (ii) a general security agreement providing a first ranking charge on all present and after-acquired personal property of the Borrower which shall be perfected under the provisions of the *Personal Property Security Act* in British Columbia by registration of a financing statement in respect of the security interest created by the general security agreement in British Columbia and under the provisions of the *Civil Code of Quebec* in Quebec by registration of a movable hypothec in respect of the security interest created by the general security agreement; and (iii) such other security as the Interim Lender and its solicitors may deem necessary (collectively, the "Security"). Notwithstanding the foregoing, the Interim Lender hereby agrees that the Security shall rank behind the Administration Charge (as such term is

defined in the initial order in the CCAA Proceedings to be made November 30, 2016 (the "**Initial Order**"), provided such Administration Charge is limited to a maximum of \$50,000.00, and any security interests of financial institutions with respect to the funds or other investments they hold on deposit for the Borrower that rank in priority to the Administration Charge pursuant to the terms of the Initial Order.

Conditions Precedent: The making of any advance of the Interim Lending Facility is subject to

- (a) The issuance, on notice to all secured creditors of the Borrower likely to be affected, of the Initial Order, satisfactory in form and substance to the Interim Lender, which order shall include, among other things, orders (i) creating the Interim Lender's Charge, which shall be a charge on all of the assets of the Borrower ranking in priority to all other security interests, trusts, liens, charges and encumbrances statutory or otherwise, including without limitation any and all claims of liens, (other than the Administration Charge pursuant to the terms of the Initial Order), as security for the satisfaction of all obligations of the Borrower to the Interim Lender in connection with this Interim Lending Facility Agreement, (ii) approving the terms of the Interim Lending Facility, and (iii) authorizing the Borrower to borrow up to the Initial Lending Facility amount from the Interim Lender, and such order being in full force and effect, unamended, not stayed and not appealed;
- (b) the Initial Order not having been stayed, vacated or otherwise caused to be ineffective or amended, restated or modified in a way that adversely impacts the rights and interest of the Interim Lender;
- (c) the Interim Lender being provided with and the Interim Lender being satisfied with the Borrower's proposed and future cash flow projections (as the same may be amended in form and substance satisfactory to the Lender (the "**Cash Flow**");
- (d) the Borrower being in compliance with the Initial Order and any subsequent Order and the Borrower's operating results shall substantially comply with the Cash Flow; and
- (e) the Borrower furnishing all assistance and information and performing such acts as the Interim Lender reasonably requests and granting to the Interim Lender or its authorized agents, not acting unreasonably, access the Borrower's premises and to all places where assets may be located, during normal business hours, to verify accounts receivable and the general condition of the business of the Borrower.

(the "**Conditions Precedent**").

Each of the Conditions Precedent is for the sole benefit of the Interim Lender and may be waived by the Interim Lender in writing in its sole discretion.

Availability: Provided that no Event of Default has occurred and is then continuing, the Borrower may request advances under this Interim Lending Facility Agreement.

Drawdowns: Drawdowns of the Interim Lending Facility are to be advanced in tranches as requested by the Borrower and approved by the Monitor of which the sum of \$187,600.00 has been already advanced.

Termination Date: Repayment of the Interim Lending Facility is expected from refinancing of the Borrower, new equity investments, cash flow or liquidation of assets of the Borrower. Notwithstanding compliance with the covenants herein contained, and without restricting its demand nature, the maturity date of the Interim Lending Facility shall be the earliest of (the "Termination Date"):

- (i) June 30, 2017;
- (ii) 6 months from the Initial Order date;
- (iii) the date the stay of proceedings expires in the CCAA Proceedings; and
- (iv) 10 days following written notice being provided by the Borrower to the Interim Lender of an unremedied Event of Default (as defined herein).

Interest Rate: 11.90% per annum.

Calculation and Payment of Interest: Interest is calculated daily in arrears on the principal outstanding commencing on the date of first advance both before and after maturity, default and judgment.

All interest and fees payable under this Interim Lending Facility shall be computed on the basis of a 365-day year and actual days elapsed. For any 366-day year during the term of the Interim Lending Facility, the Interest Rate shall be expressed as a yearly rate per annum for purposes of the *Interest Act* (Canada) by multiplying the Interest Rate by 366 and dividing the product by 365.

Arrears of interest, and additional interest not paid when due shall bear interest at a rate which is equal to the Interest Rate plus 5% per annum, calculated and paid in the same way as interest on principal not in arrears. Any other amounts not paid when due shall bear interest at the same rate, calculated and paid in the same way as interest on principal not in arrears.

If the aggregate of charges payable as interest, additional interest, interest on arrears, or any other fees paid or payable in connection with the Loan (collectively the "Charges") at any time would constitute the application of an effective annual rate of interest in excess of that permissible under any applicable law, then the Charges shall be reduced such that the Charges paid or payable shall not exceed the maximum permissible under such law. Any excess which has been paid to a Lender will be refunded by that Lender within 10 business days following that Lender's determination of the amount to be refunded.

Repayment: All amounts outstanding under the Interim Lending Facility, including principal and interest, shall be repaid by the Borrower on the Termination Date. Subject to payment of the Borrower's obligations to the beneficiaries of the Administration Charge up to the maximum amount of \$50,000.00 (provided such payments reduce the priority of the Administration Charge over the Security), the Interim Lender shall be entitled to any proceeds received by the Borrower from the sale of any of the Borrower's assets which proceeds shall be applied by the Interim Lender against the amounts owing under the Interim Lending Facility.

Commitment Fee: The Borrower shall pay to the Interim Lender a commitment fee (the "Commitment Fee") in the amount of \$20,000.00 to be deducted from the next

advance of the Interim Lending Facility. The Commitment Fee shall be non-refundable and fully earned.

Standby Fee: The Borrower shall pay to the Interim Lender a standby fee equal to 0.5% of the undrawn portion of the Interim Lending Facility, payable monthly in arrears on the last business day (in Vancouver, BC) of each month.

Payment Option: Provided that no Event of Default has occurred and is then continuing, the Interim Lending Facility may be repaid by the Borrower at any time following subject to a repayment penalty of 5% of the Interim Lending Facility. If not repaid until the Termination Date, a repayment fee will be due and owing of 5% of the Interim Lending Facility.

**Representations,
Warranties and
Covenants:**

The Borrower represents, warrants and covenants to the Interim Lender:

- (a) Corporate Power – The Borrower has full corporate power and authority to enter into and perform its obligations provided for under this Interim Lending Facility Agreement;
- (b) Authorization – This Interim Lending Facility Agreement has been duly authorized by all necessary corporate action;
- (b) Accuracy of Information – All written information delivered by the Borrower to the Interim Lender in connection with this Interim Lending Facility Agreement is accurate in all material respects and contains no material misstatement of fact nor does it omit a material fact the omission of which would make such information misleading in light of the circumstances in which the statements contained therein were made; and to the extent that there are financial forecasts contained in such information, they have been prepared on the basis of reasonable assumptions and procedures and represent an estimate of the results forecast therein;
- (c) Default – No Event of Default has occurred and is continuing;
- (d) Defects of Title and Liens – There is no deficiency or defect in the title of the Borrower to the Borrower's assets which would have, or which would reasonably be expected to have, a Material Adverse Effect (as defined herein) on the Borrower;
- (e) Notices – The Borrower will provide the Interim Lender with prompt written notice of any adverse notice, document or other correspondence it receives from any government authority.
- (f) Sales Proceeds – The Borrower will give the Interim Lender prompt written notice of any sale by or on behalf of the Borrower of the Borrower's assets with details of the proceeds derived from such sale; and

- (g) Reporting – The Borrower shall cause the Monitor to provide weekly reporting to the Lender of the actual Cash Flow compared to its budgeted Cash Flow and shall provide such other reporting as may be reasonably required by the Interim Lender.

Events of Default:

“Material Adverse Effect” means: (a) any effect which is, or could reasonably be expected to be adverse on the (i) status or condition (financial or otherwise), properties, assets, ownership, capital, liabilities, obligations (whether absolute, accrued, conditional or otherwise), business operations or results of operations of the Borrower that, in the Interim Lender’s opinion, is material; or (ii) ability of the Borrower to perform and discharge its obligations under this Interim Lending Facility Agreement or any document executed by the Borrower in relation to this Interim Lending Facility Agreement which, in the Interim Lender’s opinion, is material; or (b) any event that would constitute an Event of Default or any event which, with the giving of notice or lapse of time of otherwise, could constitute an Event of Default.

Each of the following events constitutes an **“Event of Default”** under this Interim Lending Facility Agreement whether any such Event of Default shall be voluntary or involuntary or be affected by operation of law or pursuant to or in compliance with any judgment, decree or order of any court or any order, rule or regulation of any government authority:

- (a) Payment. The Borrower fails to make any payment of fees, interest or principal when due and payable hereunder.
- (b) Breach or Default of Borrower. The Borrower commits a material breach of, or defaults in the due and prompt performance or observations of any of its covenants, conditions or obligations pursuant to this Interim Lending Facility Agreement or any other document executed by the Borrower in relation to this Interim Lending Facility Agreement, and such breach is not remedied within 10 days after the Borrower has received written notice from the Interim Lender thereof.
- (c) Change of Monitor. There is a change in the party appointed by the Court in the CCAA Proceedings as monitor of the Borrower without the prior written consent of the Interim Lender.
- (d) Breach of Orders. The Borrower is in violation of, or non-compliance with, any order issued under the CCAA Proceedings.
- (e) Orders. There is an amendment to or variation of the Initial Order not consented to by the Interim Lender, acting reasonably.
- (f) Proceedings. Except as permitted by the Initial Order, any proceeding is taken or commenced by any creditor against the Borrower or its assets.
- (g) Failure to Pay. The Borrower fails to pay any claims ranking in priority to the Interim Lender’s Charge as and when such claims come due.
- (h) Jeopardy. The Interim Lender in good faith and on commercially reasonable grounds believes that the prospect of payment or performance of any of the Borrower’s obligations hereunder or under the Security is impaired.
- (i) Administration Charge. The Administration Charge exceeds \$50,000.00, without the prior written consent of the Interim Lender.

- (j) Reporting. The Borrower fails to provide the reporting specified herein.
- (k) Capital Expenditures, etc. The Borrower makes capital expenditures, acquisitions or incurs any debt outside of Court approved cash flows, not consented to by the Interim Lender.
- (l) Priority. The Borrower seeks or supports the granting of any Order which provides for a security interest in any assets of the Borrower ranking in priority to that in favour of the Interim Lender other than the Administrative Charge.

Indemnity:

In addition to any liability of the Borrower to the Interim Lender hereunder, the Borrower shall indemnify and hold harmless the Interim Lender, and its directors, officers, employees, agents, and its successors and assigns (each, an "**Indemnified Person**"), against any and all losses, costs, expenses, claims, liabilities or alleged liabilities arising out of:

- (a) any default by the Borrower under this Interim Lending Facility Agreement or under any Security;
- (b) any representation or warranty made under this Interim Lending Facility Agreement or under any Security being incorrect; and
- (c) the failure of the Borrower to observe or fulfill any obligation not specifically referred to above.

provided that this section shall not apply to losses, costs, expenses, claims, liabilities or alleged liabilities that arise by reason of the gross negligence or wilful misconduct of the Indemnified Person claiming indemnity hereunder. The provisions of this section shall survive repayment of the Interim Lending Facility.

Legal and Other Costs: Whether or not the Interim Lending Facility is made, the Borrower will reimburse the Interim Lender for all reasonable costs incurred by the Interim Lender, directly or indirectly, including without limitation, the time spent by the Interim Lender's personnel, at a rate based on the Interim Lender's normal hourly rate which is \$300/hour for analyst work and \$450/hour for senior bank work, the expenses of the Interim Lender's personnel, including reasonable travel expenses, and all reasonable legal fees and disbursements actually incurred by the Interim Lender in respect of the Interim Lending Facility (including preparation of this Interim Lending Facility Agreement), the enforcement and preservation of the Interim Lender's rights and remedies under this Interim Lending Facility Agreement and the Security and preparation of any valuation of the assets of the Borrower (collectively, the "**Costs**"). The Interim Lender shall be entitled to deduct the Costs from any advance of the Interim Lending Facility.

Clarity:

This Interim Lending Facility is in addition to and separate from all current loan facilities in place between the Interim Lender and either of the Borrower and others.

Governing Law:

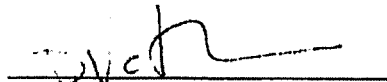
This Interim Lending Facility Agreement is governed by and interpreted in accordance with the laws of the Province of British Columbia and the federal

laws of Canada applicable therein, and the Borrower hereby irrevocably attorns to the jurisdiction of the courts of the Province of British Columbia.

Currency: All sums of money referred to in this Interim Lending Facility Agreement are expressed in lawful money of Canada.

Counterpart Execution: This Interim Lending Facility Agreement and all other documents related hereto or arising here from may be executed in any number of counterparts (including by facsimile transmission or other electronic means) and by different parties in separate counterparts, each of which when so executed will be deemed to be an original and all of which taken together will constitute one and the same instrument.

BOND CAPITAL FUND V LIMITED
PARTNERSHIP by the authorized signatory of
BOND CAPITAL GP INC. being the general
partner of Bond Capital Fund V Limited Partnership:



Name: Davis Vaitkunas
Title: President

I have authority to bind the corporation

ACCEPTED as of the 30th day of November, 2016

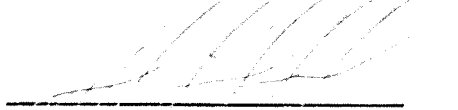
8640025 CANADA INC.



Name:
Title:

I have authority to bind the corporation

TELEPHONE DATA CENTRES INC.



Name:
Title:

I have authority to bind the corporation



Reorganization Plan for Q1 2017

TNW Networks

8640025 Canada Inc.

Telephone Data Centers Inc.

Situation Analysis

Revenue Enhancement Plan

Cost Reduction Plan

Launch of New Technologies

Executive Summary

Prepared by Management

Version Draft 1.0

December 17, 2016

CONFIDENTIAL

Executive Summary

This report was developed as a preliminary go forward plan for the restructuring of 8640025 Canada Inc. and its wholly owned subsidiary, Telephone Data Centers Inc. with the support of a related company, TNW Networks Corp. Collectively these are referred to as "TNW". TNW is a Vancouver-based independent, facilities-based Competitive Local Exchange Carrier (CLEC). Established in 1957 as BC Rail Telecom, a division of BC rail, the company has undergone a number of owners and technical transformations in its 58 year history.

TNW Management has established a strategic direction for TNW in 2017 which is the result of an in depth analysis of all aspects of the business as well as lessons learned from the 4 years of operations after the acquisition of the assets of Navigata Communications 2009 Inc. in December 2012. Building on the company's core strengths, the go forward strategy will focus on four key areas:

- 1) Redefinition of Core Business and Offerings as;
 - a. Connectivity (fixed and wireless)
 - b. Cloud Services
 - c. Social Media and Content
- 2) Undertaking of Corporate Restructuring with the goal of;
 - a. Streamlining the corporate structure
 - b. Launching Series A, B and C funding
- 3) Create conditions for Revenue Enhancement through;
 - a. Organic growth
 - b. Launch of new technologies
 - c. Industry consolidation
- 4) Continuing Emphasis on Reduction in Overhead and Operating Costs

The redefinition of core business and offerings is both a reaction to the current telecommunications environment and a pro-active realignment based on what Management sees as the future of the industry. Management believes that the current paradigm for Internet connectivity is rapidly changing so that connectivity itself is becoming a fungible commodity which enables value added services. As such TNW has developed and will implement technology which is described in detail, that will enable flexible on demand bandwidth thereby become a differentiated offering. This is coupled with the acquisition by Investel Capital Corporation, TNW's parent company, of a Canadian wireless operator will allow TNW to fully launch its proprietary iPCS, Smartphone-over-IP technology in North America and shortly thereafter, internationally. For the international offerings, TNW was require to become a Canadian wireless operator in order to have membership in the GSM Association and thereby allow it to register with the local regulatory and become a licensed operator in the Republic of Honduras begin iPCS service in the country (eventually expanding to nearby countries).

Cloud services will continue to be part of the core business as the company moves to fill excess capacity in its Calgary and Toronto data centers.

Finally, TNW will move strongly in the area of social media and content generation. Bolstered by its recent Canadian patent for iFramed (issued June 2016 and patent pending internationally), the company will take advantage of its core competency in connectivity and cloud to launch this social media posting gateway. Combined with a recent application add-on JuxImage which creates alternate reality content, the company expects significant adoption of this application in 2017. The iFramed portfolio of patents has been independently valued at median amount of \$1.4 billion based on its ability to generate revenue.

The corporate structure will be streamlined so that all operating entities will become wholly-owned subsidiaries of TNW Networks Corp. This will result in TNW Networks Corp holding all the tangible assets including the telecommunications network, data centers and customer/vendor agreements. Through a reverse takeover, TNW Networks Corp will then become a wholly owned subsidiary of a publicly trading company without any change of control or beneficial ownership. The new structure including TNW's new status as a wireless carrier, will create the conditions for refinancing through a planned Series A, B and C private placement offerings.

Over the next few months, TNW will continue its organic revenue enhancement plan, focussing on core high value added services (through new sales or upselling) such as:

- All On Net Services
- Ethernet over Copper (and related services)
- HPBX
- National Toll Free Services
- Long Distance Equal Access (originate/terminate)
- Co-Location
- Cloud Services

Furthermore, it will continue increasing its CLEC footprint and will undertake a process of shedding its low or no margin clients.

Finally, the company will continue to identify areas of cost reduction, with a particular emphasis on reduction of network costs by high cost TDM services and replacing with low cost Ethernet services which can provide TNW clients with the same quality of service.

Michelle Grant - Senior Vice President, Restructuring



Michelle Grant

Senior Vice President, Restructuring

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Michelle is a Senior Vice-President in EY's Transaction Advisory Services Practice specializing in corporate restructuring matters. She has over 15 years experience acting for various stakeholders including on behalf of debtors, lenders and bondholders involving formal court proceedings in Canada, the United Kingdom and the United States and informal consulting assignments related to debt and operational restructuring. Michelle's experience spans a variety of industries, including manufacturing, mining, real estate, retail, technology, telecommunications and transportation.

Transaction-specific experience

Acted as CCAA Monitor on several mandates that included a dual-track sale and refinancing process (SISP) including Azure Dynamics Corporation (and subsidiaries) and Veris Gold Corporation (and subsidiaries).

Acted as financial advisor to Steels Industrial Products Ltd. ("Steels"). Steels was a building products company that had nine locations in British Columbia and Alberta. The company filed for protection under the CCAA in April 2012. Assisted Steels in sourcing and securing debtor-in-possession financing. Led a sales process which culminated in a sale of the business as a going-concern to a U.S. based competitor.

Acted as CCAA Monitor of Teleglobe, eventually assisting in the negotiation of a sale to U.S. based private equity firms. Proceeds from the sale totalled US\$155 million. In our role we also supervised the sale of redundant assets and assisted with the negotiation of a \$100 million debtor-in-possession facility.

Acted as CCAA Monitor of MicroForum, a publicly listed technology company. MicroForum sold most of its operations during the restructuring and successfully implemented a CCAA Plan.

Acted as CCAA Monitor of Look Communications Inc. ("Look"), a fixed wireless broadband distributor in Canada that offered a full spectrum of communication services. Look successfully implemented a CCAA Plan.

Education, memberships and awards

Michelle is a Licensed Insolvency Trustee and a Chartered Insolvency and Restructuring Professional.

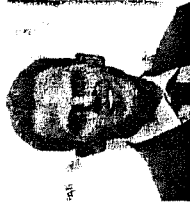
Michelle is a member of the Canada Association of Insolvency and Restructuring Professionals (CAIRP), member of the Turnaround Management Association (Pacific Northwest Chapter), member of the Risk Management Association (Vancouver Chapter) and member of the Insolvency Institute of Canada (IIC)

Winner, Mining and metals and cross-border deal of the year - 10th Annual M&A Advisor Turnaround Awards (2015).

Winner, Association of Women and Finance, Rising Star Award (2016).

Winner, Business in Vancouver Top 40 under 40 Award (2016).

Mike Bell - Vice President, Restructuring



Mike Bell

Vice President, Restructuring

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Mike is a Vice President in EY's Transaction Advisory Services Practice specializing in corporate restructuring matters and mid-market transactions. In this role, Mike has had significant transaction experience including mergers & acquisitions, divestitures, re-financings, recapitalizations and debt and equity arrangements. Mike has acted in numerous formal insolvency proceedings in Canada, the United States and informal consulting assignments related to debt and operational restructuring. Mike's experience spans a variety of industries, including real estate, manufacturing, agriculture, construction, retail and oil and gas.

Transaction-specific experience

Mike has led initiatives resulting in the sale of assets or restructuring liabilities in total amounts exceeding \$1.5 billion; respecting real estate projects in British Columbia. These projects include SEFC Properties Ltd. (formerly the Vancouver Olympic Village), Blackburn Developments Ltd., Channel Ridge Properties Ltd., Marine Drive Properties Ltd., Squamish Ocean Point Limited Partnership, Bison Properties Ltd. (the Oak Bay Beach Hotel in Victoria, B.C.) and P218 Enterprises (SOPA Square in Kelowna, British Columbia).

Mike acted as Court Appointed Monitor (with enhanced powers) in the CCAA proceedings of a tank truck manufacturer with manufacturing and service operations in Saskatchewan, Alberta, British Columbia and Quebec. The engagement involved a material restructuring of operations and the renegotiation of the company's collective agreement with its unionized workforces. Developed and managed a sales process for the assets of the company which and concluded in a transaction with Ironbridge Equity Partners, a leading Canadian private equity firm.

Mike acted as Court Appointed Receiver of Canada's second largest hog producer with 450 employees and producing approximately 1 million hogs annually. Assumed control of Big Sky's operations and developed and managed a sales process for the assets of the company which and concluded in a transaction with a subsidiary of Olymel LP, one of Canada's leading meat packers. The assignment includes the going concern divestiture of the an orderly wind-down of operations in the United States pursuant to Chapter 15 of the US Bankruptcy Code.

Mike acted as the Court Appointed Receiver of Tirecraft Group Inc., a national tire retailer and distributor headquartered in Sherwood Park, Alberta. Managed the sale of approximately 40 tire retail centres and the liquidation of warehouse inventory in four distribution centres across Canada.

Education and memberships

Mike is a Chartered Professional Accountant (British Columbia) (CA, CPA) and member of the Canadian Institute of Chartered Professional Accountants.

Mike is a member of the Turnaround Management Association.

Mike is a licensed Trustee in Bankruptcy and a Chartered Insolvency and Restructuring Professional and a member of the Canada Association of Insolvency and Restructuring Professionals (CAIRP).