

Division No.: 01-Montréal
Court No.: 500-11-057670-198
Estate No.: 41-2595236

IN THE MATTER OF THE BANKRUPTCY OF:

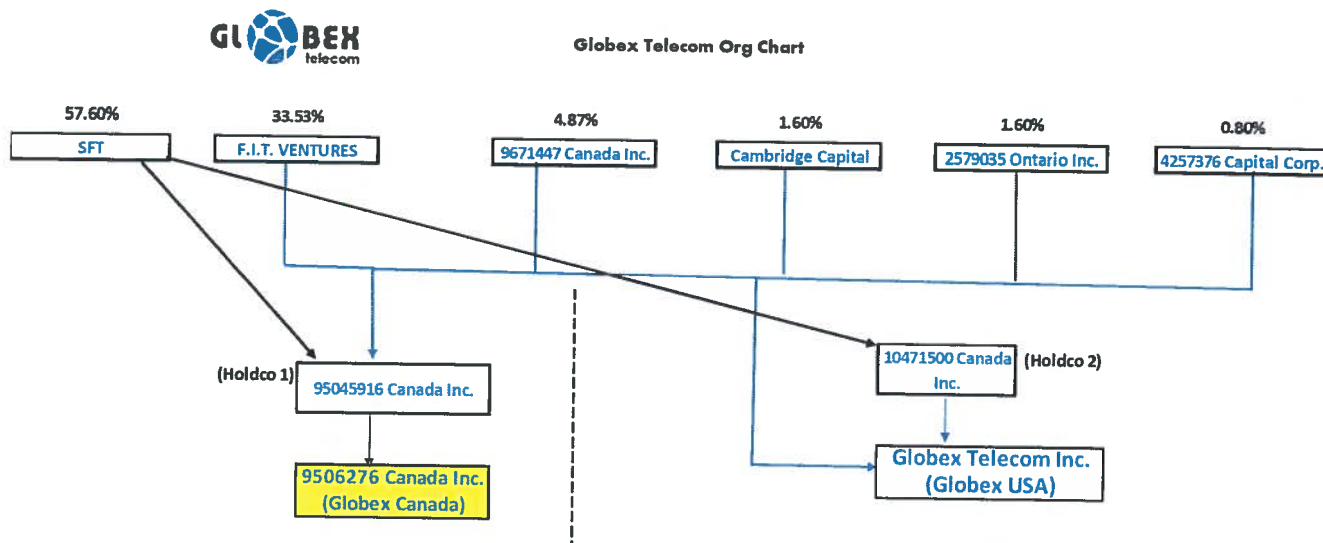
9506276 CANADA INC.
Operating under the trade name of
Globex Telecom or Globex Telecommunications

TRUSTEE'S REPORT ON HIS PRELIMINARY ADMINISTRATION

SECTION A - History

1. **9506276 CANADA INC.** (the « Debtor » or the « Company ») was created and began its activities in November 2015. The Company operated under the name of Globex Telecom. The Company provided telecommunications solutions geared to the needs of Canadian businesses. Globex Telecom provided an all-inclusive and turn-key hosted telephony service based on an OPEX model which included the hosted PBX licensing fee, airtime, lifetime support and equipment. The sole administrator of the Company is Sally Souheil, as it appeared on the Business Register of Québec (*Registre des entreprises du Québec*) prior to the bankruptcy of the Company.
2. On the 12th day of December 2019, the Debtor filed a Notice of Intention to Make a Proposal, pursuant to the *Bankruptcy and Insolvency Act* ("BIA").
3. On the 19th day of December 2019, the Debtor filed an Assignment in Bankruptcy in accordance with the provisions of the BIA.
4. The management of the Debtor indicated that the bankruptcy was a result of legal proceedings taken by the FTC (Federal Trade Commission) and the State of Ohio against 10 parties including the Debtor and a related company, namely Globex Telecom Inc. The said legal proceedings resulted in the appointment of Robb Evans & Assoc. LLC as the US Receiver of the defendants. The Trustee is not aware of any recognition proceedings that may have been initiated to date, either by the FTC, the state of Ohio or Robb Evans & Assoc. LLC.

5. We enclose an organigram chart of the companies related to the Debtor:



SECTION B - Assets

6. The Company's assets are as follows:

Description of the lots	Initial Cost (\$)	Realized to date (\$)	Notes
Leasehold Improvements	118,271	-	1
Software Development	10,452	-	1
Computer and Equipment (telephones)	115,503	-	
Accounts Receivable (Good and Realizable)	27,479	2,631	
Cash in Bank	2,700	-	
Mercedes - 4 x 4 Sqaure, 2017 (VIN: WDCYC5FF7HX284792)	1	-	2
	274,406	2,631	

Notes:

- 1- Insignificant commercial value.
- 2- Leasing contract.

7. The Trustee has initiated a call for tenders for the sale of the assets of the Debtor. It is to be noted, that there are approximately 875 phones and accessories distributed amongst the different clients of the Debtor. The said offers are to be received at the offices of the Trustee no later than 2:00 p.m. on January 20, 2020, the date whereby the said offers will be opened. The results of this opening will be communicated to the inspectors, if any named and appointed.
8. The Trustee was advised by Canadian counsel of Robb Evans & Assoc. LLC, that the US appointed Receiver, claims to have the right to access the content of the server which was used by the Company and that legal proceedings aimed at obtaining recognition of the said right will be undertaken in Québec. Considering the litigation pending in the US and the position taken by the US appointed Receiver, the Trustee removed the server and three other computers subjected to the said call for tenders and secured the same until the legal dispute is resolved. Furthermore, it should be noted that the realizable value of the assets, in this bankruptcy scenario is negligible.

SECTION C - Conservatory and protection measures

9. The management of the Company remitted the books and record of the Company to the Trustee.
 10. Date until the Records are kept: December 12, 2019
 11. The Trustee proceeded with a redirection of mail to its offices.
 12. Opening of an estate trust account at the Bank of Montreal.
 13. The Trustee requested that the Company's bank accounts be closed.
 14. The Trustee is not operating the Company.
 15. The Trustee changed the locks at the premises.
 16. An inventory of the assets was prepared.
 17. The Trustee sent collection letters to all known accounts' receivables.
 18. The Trustee is currently taking possession of the Company's books and records that may be held by third parties.
-

SECTION D - Legal proceedings

19. The Trustee issued a Notice to Suspend Proceedings to the Federal Trade Commission, the State of Ohio and to Robb Evans & Assoc. LLC.
 20. The Trustee has appointed Me Hugo Babos-Marchand of the legal office of Borden Ladner Grevais as the Canadian legal counsel. The Trustee also appointed Mr. Alex Bluebond of the firm Vinson & Elkins LLP as the American legal counsel. This was due to the judgment rendered on January 10, 2020 by the Honourable Kathleen Cardone of the *United States District Court for the Western District of Texas, El Paso Division* which requested the presence of MNP Ltd. in Court on January 16, 2020. At this court hearing, Justice Cardone furthermore requested that the Trustee be represented by legal counsel at a subsequent court hearing to be held on January 17, 2020.
-

SECTION E - Provable claims

The provable claims are as follows:

	As per the Statement of affairs (\$)	Received to date (\$)
Secured creditors	4,068,764	-
Unsecured creditors	208,429	5,273,964
Employee-creditors	94,850	-
Employee-creditors (non WEPPA claims)	105,901	-
	<u>4,477,944</u>	<u>5,273,964</u>

21. The Trustee will submit to Service Canada (« SC ») the necessary documentation to allow the employees to benefit from the Wage Earner Protection Program (« WEPP »). The Trustee will also send all the necessary documentation to the employees to finalize the said registration process

SECTION F - Secured claims

22. The secured claims charging the assets of the Debtor are as follows:

Secured creditors	Estimated claim (\$)	Nature of lien
FIT Ventures Lending Inc.	4,068,763	Universal Hypothec Note : The Trustee will review the validity of the securities held by FIT.
Location John Scotti Inc.	-	Leasing contract

SECTION G - Anticipated realization and projected dividend

23. A distribution to the unsecured creditors will depend on the realization of the assets and on the validity of FIT Venture Lendings Inc.'s claim. To date, the Trustee is unable to determine if the unsecured creditors will receive a dividend.

SECTION H - Reviewable transactions and preferential payments

24. The Trustee will review the books and records of the Debtor and report to the inspectors, if required.

SECTION I - Other subjects

25. The Trustee published the Notice of Bankruptcy in Le Journal de Montreal, on December 21, 2019.

26. The Trustee's fees for the present file are guaranteed by a third party.

MONTREAL, this 17th day of January 2020.

MNP LTD

In its capacity as trustee in the bankruptcy of
9506276 Canada Inc.

and not in its personal or corporate capacity



Sheri L. Aberback, CIRP, LIT, CFE
Senior Vice President