

Court File No. 31-2822575  
Estate File No. 31-2822575

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
[IN BANKRUPTCY AND INSOLVENCY]  
COMMERCIAL LIST**

**IN THE MATTER OF THE BANKRUPTCY OF  
CHISEL AI INC.  
OF THE CITY OF TORONTO IN THE PROVINCE OF ONTARIO**

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**MOTION RECORD OF MNP LTD.  
(Returnable August 11, 2022 at 2:00pm via “ZOOM”)**

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August 2, 2022

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**ONTARIO  
SUPERIOR COURT OF JUSTICE  
[IN BANKRUPTCY AND INSOLVENCY]  
COMMERCIAL LIST**

**IN THE MATTER OF THE BANKRUPTCY OF  
CHISEL AI INC.  
OF THE CITY OF TORONTO IN THE PROVINCE OF ONTARIO**

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# TAB 1

Court File No. 31-2822575  
Estate File No. 31-2822575

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
[IN BANKRUPTCY AND INSOLVENCY]  
COMMERCIAL LIST**

**IN THE MATTER OF THE BANKRUPTCY OF  
CHISEL AI INC.  
OF THE CITY OF TORONTO IN THE PROVINCE OF ONTARIO**

**NOTICE OF MOTION  
(returnable August 11, 2022 @ 2:00pm via “Zoom”)**

MNP Ltd., solely in its capacity as licensed insolvency trustee (the “**Trustee**”) of the bankruptcy estate of Chisel AI Inc. (“**Chisel**”), and not in its personal or corporate capacities, will make a motion to a Judge presiding over the Commercial List on August 11<sup>th</sup>, 2022 at 2:00pm, or as soon after that time as the motion can be heard, which motion shall be heard virtually by “Zoom” videoconference and may be attended online by accessing the direct videoconference link to be posted by the Court at the following URL: <https://ontariocourts.caselines.com/Case/Details?caseKey=544fa80e546d4d3f9a76df64b7867f72>. A direct link will be circulated by email to those members of the Service List with known email addresses prior to the hearing.

**PROPOSED METHOD OF HEARING:** The motion is to be heard orally.

**THE MOTION IS FOR:**

1. an order, substantially in the form attached hereto as Schedule “A” (the “**Approval and Vesting Order**”), *inter alia*:
  - (a) abridging the time for service and filing of this notice of motion and the motion record or, in the alternative, dispensing with same;

- (b) approving the agreement of purchase and sale dated July 25<sup>th</sup>, 2022 (the “**Purchase Agreement**”) made between the Trustee, as vendor, and Planck Resolution Ltd., as purchaser, (the “**Purchaser**”): and, authorizing the Trustee to execute the same and complete the transaction contemplated thereby (the “**Transaction**”); and
  - (c) vesting in the Purchaser, on completion of the Transaction, all of the Trustee’s and Chisel’s rights, title and interests in and to the Purchased Assets free and clear of all encumbrances;
2. an order, substantially in the form attached hereto as Schedule “B” (the “**Discharge Order**”), *inter alia*:
- (a) approving the first report of the Trustee dated August 2, 2022 (the “**First Report**”), as well as the activities of the Trustee detailed therein, and the confidential appendices thereto, filed separately with the Court (the “**Confidential Appendices**”);
  - (b) approving the fees and disbursements of the Receiver and its legal counsel, Loopstra Nixon LLP (“**Loopstra Nixon**”), for the period ending July 31, 2022; and
3. such further and other relief as counsel may advise and this Honourable Court may permit.

**THE GROUNDS FOR THE MOTION ARE:**

**BACKGROUND**

- 4. On April 18, 2022, Chisel made an assignment in bankruptcy and MNP Ltd. was appointed to act as Trustee of Chisel’s bankruptcy estate.
- 5. On April 21, 2022, MNP Ltd. also became the private receiver (the “**Receiver**”) by virtue of being appointed by Silicon Valley Bank (“**SVB**”) pursuant to a Loan and Security Agreement (“**LSA**”) dated February 12, 2020, granted by Chisel in favor of SVB. SVB’s security was validated by the Trustee’s independent counsel and the Receiver transferred an amount sufficient to satisfy SVB’s claim in full.

6. The First Meeting of Creditors was held on May 9, 2022. At the Meeting, the creditors resolved to affirm the Trustee's appointment and to appoint one Inspector.

## **SALES PROCESS**

7. Aside from accounts, Chisel's principal asset was its intellectual property (the "**IP**").
8. Prior to the Date of Bankruptcy, Chisel had entered into exploratory discussions with potential purchasers in respect of acquiring the IP. After not receiving any definitive offers and wishing to conserve its remaining cash, Chisel filed an assignment in bankruptcy.
9. After the Date of Bankruptcy, the Trustee continued to field calls from interested purchasers. The Trustee recognized that it has insufficient funds to satisfy the costs of the estate administration (including preservation of IP); the contractors necessary to process certain SRED tax claims; and, a marketing and sales process – which would include contracting with former employers.
10. The Trustee determined that, in order to conduct a Sale Process, it would be required to incentivize former employees in order to commit to participating in any sale process through a profit-sharing agreement.
11. The Trustee entered into an incentives agreement with key members of Chisel's former information technology team and developed a conventional insolvency sales process (the "**Sale Process**"), all of which was approved by the Inspector.
12. In summary, the Sale Process:
  - (a) commenced on June 1, 2022, with a bid deadline of June 30, 2022;
  - (b) included direct contact with potential purchaser and general publication of the opportunity;
  - (c) teaser letters, NDAs and a digital dataroom;
  - (d) demonstrations by, and interviews, the contracted former employees; and

- (e) a “as is, where is” sale of the IP.

### **APPROVAL OF THE PURCHASE AGREEMENT**

13. The Trustee received two qualified bids prior to the bid deadline.
14. As detailed in the First Report and the Confidential Appendices, the Trustee is of the view that the Purchase Agreement is the superior offer. It is on standard terms for sales in insolvency matters, including that it is conditional on an approval and vesting order.
15. The Trustee recommends the Purchase Agreement be approved and the purchased asset be vested in the Purchaser for the following reasons:
  - (a) the Sales Process was consistent with the practice in Canadian insolvency proceedings and was transparent and fair;
  - (b) through Chisel’s prior marketing efforts and conducting the Sale Process the IP has been adequately exposed to the market;
  - (c) the Contracted IP Employees have played an integral role in the development and implementation of the Sale Process. The estate does not have the financial or human resources to continue marketing the IP;
  - (d) the Purchase Agreement is fair and commercially reasonable in the circumstances; and
  - (e) the Inspector has approved the Trustee entering into the Purchase Agreement.

### **SEALING OF CONFIDENTIAL APPENDICES**

16. The Trustee is filing certain Confidential Appendices with the Court which included sensitive business information, including the unredacted copy of the Purchase Agreement and a summary for the offers.
17. The Trustee recommends, and will request, that such Confidential Appendices be sealed in the Court file pending completion of the Transaction or further order of the Court.



## **APPROVAL OF FIRST REPORT AND ACTIVITIES**

18. The Trustee has undertaken those activities which are further detailed in the First Report.
19. The First Report fairly and accurately reflects the circumstances of the bankruptcy estate of Chisel, the activities performed by the Trustee since appointment, administration of the Sale Process and the negotiation and execution of the Purchase Agreement.

## **APPROVAL OF FEES AND DISBURSEMENTS**

20. The Trustee's fees and the fees of its legal counsel, as set out in the Report, are fair and reasonable.

## **DISTRIBUTION**

21. aside from the proceeds of Transaction, the Trustee does not anticipate collecting any further funds;
22. as set out in the Report, the sales proceeds shall be distributed in accordance with the priorities set out in the *Bankruptcy and Insolvency Act*;

## **OTHER GROUNDS**

23. the Trustee recommends the approval of the Transaction and the Sales Process;
24. the other grounds set out in the Report;
25. the Consolidated Practice Direction Concerning the Commercial List and the inherent equitable jurisdiction of the Court;
26. rules 1.04, 2.03, 3.02, 16.08 and 37 of the *Rules of Civil Procedure*, R.R.O. 1990, Reg. 194;
27. section 100 of the *Courts of Justice Act*, R.S.O. 1990, c. C-43;
28. sections 30, 34, and 41 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3;
29. the *Bankruptcy and Insolvency General Rules*, C.R.C., c. 368;

30. such further and other grounds as counsel may advise and this Honourable Court may permit.

**THE FOLLOWING DOCUMENTARY EVIDENCE** will be used at the hearing of the Motion:

1. the First Report and the appendices thereto, as well as the Confidential Appendices; and
2. such further and other documentary evidence as counsel may advise and this Court permits.

DATE: August 2, 2022

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**IN THE MATTER OF THE BANKRUPTCY OF CHISEL AI INC. OF THE CITY OF  
TORONTO IN THE PROVINCE OF ONTARIO**

Court File No. 31-2822575  
Estate File No. 31-2822575

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
[IN BANKRUPTCY & INSOVLENCY]  
(COMMERCIAL LIST)**

**Proceedings commenced at Toronto**

**NOTICE OF MOTION  
(returnable August 11, 2022)**

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**TAB A**

Court File No. 31-2822575  
Estate File No. 31-2822575

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
[IN BANKRUPTCY AND INSOLVENCY]  
COMMERCIAL LIST**

THE HONOURABLE	)	TUESDAY, THE 11 <sup>th</sup>
	)	
JUSTICE OSBORNE	)	DAY OF AUGUST, 2022

**IN THE MATTER OF THE BANKRUPTCY OF  
CHISEL AI INC.  
OF THE CITY OF TORONTO IN THE PROVINCE OF ONTARIO**

**APPROVAL AND VESTING ORDER**

**THIS MOTION**, made by MNP Ltd., solely in its capacity as licensed insolvency trustee of the bankruptcy estate of Chisel AI Inc. (the “**Bankrupt**”), and not in its personal or corporate capacities (the “**Trustee**”), for an order approving the sale transaction (the “**Transaction**”) contemplated by an asset purchase agreement (the “**Sale Agreement**”) between the Trustee, and Planck Resolution Ltd., as purchaser, (the “**Purchaser**”), date July 25, 2022 appended to the Report of the Trustee dated August 2, 2022 (the “**Report**”), and vesting in the Purchaser all of the Trustee’s and Bankrupt’s right, title and interest in and to the Purchased Assets as defined in the Sale Agreement, was heard this day at 330 University Avenue, Toronto, Ontario.

**ON READING** the Report and the appendices and confidential appendices thereto, the Report and the confidential appendices thereto (the “**Confidential Appendices**”); and, on hearing the submissions of counsel for the Trustee, no one appearing for any other person on the service list, although properly served as appears from the affidavits of Amanda Adamo sworn August 2, 2022, filed:

1. **THIS COURT ORDERS** that the time for service and filing of the Report, and the motion record in respect of this motion is hereby abridged and validated so that this motion is properly returnable today and dispenses with further service thereof.
2. **THIS COURT ORDERS AND DECLARES** that the Transaction is hereby approved, and the execution of the Sale Agreement by the Trustee is hereby authorized and approved, with such minor amendments as the Trustee may deem necessary. The Trustee is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of the Purchased Assets to the Purchaser.
3. **THIS COURT ORDERS AND DECLARES** that upon the delivery of a Trustee's certificate to the Purchaser substantially in the form attached as Schedule A hereto (the "**Trustee's Certificate**"), all of the Trustee's and Bankrupt's right, title and interest in and to the Purchased Assets described in the Sale Agreement shall vest absolutely in the Purchaser, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "**Claims**") including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by this Honourable Court; (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system; and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.
4. **THIS COURT ORDERS** that for the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Assets shall stand in the place and stead of the Purchased Assets, and that from and after the delivery of the Trustee's Certificate all Claims and Encumbrances shall attach to the net proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

5. **THIS COURT ORDERS AND DIRECTS** the Trustee to file with the Court a copy of the Trustee's Certificate, forthwith after delivery thereof.

6. **THIS COURT ORDERS** that, notwithstanding:

- (a) the pendency of these proceedings;
- (b) any claims against the Bankrupt and any order issued pursuant to any such bankruptcy applications; and
- (c) any further orders made in respect of the Bankrupt;

shall not be void or voidable by creditors of the Bankrupt, nor shall it constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

7. **THIS COURT ORDERS** all other individuals, firms, corporations, governmental bodies or agencies, or other entities receiving notice of this Order shall forthwith, upon the request of the Trustee, release to the Trustee any and all login information, passwords, passcodes or other information necessary to access, manage, edit and amend, pay for or otherwise administer any networking account or hosting service or social media account, whether cloud-based or on physical servers, previously used by the Bankrupt in order to access the Purchased Assets to effectuate the Transaction.

8. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Trustee and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Trustee, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Trustee and its agents in carrying out the terms of this Order.

9. **THIS COURT ORDERS** that the Confidential Appendices is hereby sealed pending completion of the Transaction or further order of this Court.

10. **THIS COURT ORDERS** that this order is effective from today's date and is enforceable without the need for entry and filing.

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**Schedule A – Form of Trustee’s Certificate**

Court File No.: 31-2822575

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
[IN BANKRUPTCY AND INSOLVENCY]  
COMMERCIAL LIST**

**IN THE MATTER OF THE BANKRUPTCY OF  
BRAMALEA INC.  
OF THE CITY OF TORONTO IN THE PROVINCE OF ONTARIO**

**TRUSTEE’S CERTIFICATE**

**RECITALS**

A. Pursuant to the assignment in bankruptcy filed by Chisel AI Inc. (the “**Bankrupt**”) on April 18, 2022, MNP Ltd. was appointed a trustee (the “**Trustee**”) of the bankruptcy estate of the Bankrupt, which appointment was subsequently confirmed by vote at the first meeting of creditors.

B. Pursuant to an Order of the Court dated August 11, 2022 (the “**Approval & Vesting Order**”), the Court approved the agreement of purchase and sale made as of July 25, 2022 (the “**Sale Agreement**”) between the Trustee and Planck Resolution Ltd. (the “**Purchaser**”) and provided for the vesting in the Purchaser of all of the Trustee’s and the Bankrupt’s right, title and interest in and to the Purchased Assets (*as defined in the Sale Agreement*), which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Trustee to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the Purchase Price for the Purchased Assets; (ii) that the conditions to Closing as set out in the Sale Agreement have been satisfied or waived by the Trustee and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Trustee.

C. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Sale Agreement.

THE TRUSTEE CERTIFIES the following:

1. the Purchaser has paid and the Trustee has received the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Sale Agreement;
2. the conditions to Closing as set out in the Sale Agreement have been satisfied or waived by the Trustee and the Purchaser; and
3. the Transaction has been completed to the satisfaction of the Trustee.
4. This Certificate was delivered by the Trustee at \_\_\_\_\_ [TIME] on \_\_\_\_\_ [DATE].

**MNP Ltd., solely in its capacity as Trustee  
of the Estate of Chisel AI Inc., a Bankrupt,  
and not in its personal or corporate capacities**

Per: \_\_\_\_\_

Name:

Title:

**IN THE MATTER OF THE BANKRUPTCY OF CHISEL AI INC. OF THE CITY OF  
TORONTO IN THE PROVINCE OF ONTARIO**

Court File No. 31-2822575  
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***ONTARIO***  
**SUPERIOR COURT OF JUSTICE**  
**[IN BANKRUPTCY & INSOVLENCY]**  
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**Proceedings commenced at Toronto**

**APPROVAL AND VESTING ORDER**  
**(returnable August 11, 2022)**

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**TAB B**

Court File No. 31-2822575  
Estate File No. 31-2822575

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
[IN BANKRUPTCY AND INSOLVENCY]  
COMMERCIAL LIST**

THE HONOURABLE	)	WEDNESDAY, THE 11 <sup>th</sup>
	)	
JUSTICE OSBORNE	)	DAY OF AUGUST, 2022

**IN THE MATTER OF THE BANKRUPTCY OF  
CHISEL AI INC.  
OF THE CITY OF TORONTO IN THE PROVINCE OF ONTARIO**

**ADMINISTRATIVE ORDER**

THIS MOTION, made by MNP Ltd., solely in its capacity as licensed insolvency trustee (“**Trustee**”) of the bankruptcy estate of Chisel AI Inc., and not in its personal or corporate capacities (the “**Debtor**”) for an order, *inter alia*:

1. approving the activities of the Trustee as set out in the first report of the Trustee dated August 2<sup>nd</sup>, 2022 (the “**First Report**”); and
2. THIS COURT ORDERS that the activities of the Trustee set out in the First Report and the appendices and confidential appendices thereto, including the Trustee’s interim statement of receipt and disbursements, are hereby approved.

ON READING the First Report, including the appendices and confidential appendices thereto, the affidavits of the Trustee and its counsel as to fees appended to the First Report (the “**Fee Affidavits**”), and on hearing the submissions of counsel for the Trustee, no one else appearing although served as evidenced by the Affidavit of Amanda Adamo sworn August 2<sup>nd</sup>, 2022, filed;

1. THIS COURT ORDERS that the time for service of the Report and the motion record in respect of this motion is hereby abridged and validated so that the motion is properly returnable today, and that further service thereof is hereby dispensed with.
  2. THIS COURT ORDERS that the activities of the Trustee, including the statement of receipts and disbursements, as set out in the First Report, are hereby approved.
  3. THIS COURT ORDERS that the fees and disbursements of the Trustee and its counsel, each as defined in the Report and as set out in the First Report and the Fee Affidavits, are hereby approved.
  4. THIS COURT ORDERS that this order is effective from today's date and is enforceable without the need for entry and filing.
-

**IN THE MATTER OF THE BANKRUPTCY OF CHISEL AI INC. OF THE CITY OF  
TORONTO IN THE PROVINCE OF ONTARIO****ONTARIO  
SUPERIOR COURT OF JUSTICE  
(Commercial List)****Proceedings commenced at TORONTO****ADMINISTRATIVE ORDER  
(returnable August 11, 2022)****LOOPSTRA NIXON LLP**  
135 Queens Plate Drive – Suite 600  
Toronto, ON M9W 6V7**R. Graham Phoenix (LSO #52650N)**  
Tel: (416) 748-4776  
Fax: (416) 746-8319  
Email: [gphoenix@loonix.com](mailto:gphoenix@loonix.com)**Sarah White (LSO #82985M)**  
Tel: (416) 748-6545  
Fax: (416) 746-8319  
Email: [swhite@loonix.com](mailto:swhite@loonix.com)*Lawyers for the Trustee, MNP Ltd.*

# TAB 2



Court File No. 31-2822575

*ONTARIO*  
SUPERIOR COURT OF JUSTICE  
(IN BANKRUPTCY AND INSOLVENCY)

IN THE MATTER OF THE BANKRUPTCY OF  
CHISEL AI INC.  
OF THE CITY OF TORONTO  
IN THE PROVINCE OF ONTARIO

FIRST REPORT TO THE COURT  
SUBMITTED BY MNP LTD.

AUGUST 2, 2022

**INTRODUCTION**

1. On April 18, 2022, Chisel AI Inc. (“**Chisel**” or the “**Company**”) made an assignment in bankruptcy, which was accepted by the Office of the Superintendent of Bankruptcy on April 19, 2022 (“**Date of Bankruptcy**”). MNP Ltd. (the “**Trustee**”) was appointed to act as Licensed Insolvency Trustee of Chisel’s bankruptcy estate, subject to affirmation by the creditors at the First Meeting of Creditors.
2. On April 20, 2022, the Notice of Bankruptcy and First Meeting of Creditors (the “**Notice**”), a list of the creditors and a proof of claim form, along with a proxy were sent to all known creditors of Chisel. Pursuant to subsection 102(4) of the *Bankruptcy and Insolvency Act* (“**BIA**”), a Notice of Bankruptcy was published in the April 21, 2022, edition of the *Toronto Sun* newspaper. A copy of the Notice and Statement of Affairs (“**SOA**”) are attached as **Appendix “A”**.

3. The First Meeting of Creditors (the “**Meeting**”) was held on May 9, 2022 and was presided over by Sheldon Title of MNP Ltd. At the Meeting, the creditors resolved to affirm the Trustee’s appointment and to appoint one Inspector. A copy of the minutes of the Meeting are attached as **Appendix “B”**.
4. On April 21, 2022, MNP became a private receiver (the “**Receiver**”) by virtue of being appointed by Silicon Valley Bank (“**SVB**”) pursuant to a Loan and Security Agreement (“**LSA**”) dated February 12, 2020, granted by Chisel in favor of SVB. Prior to accepting the appointments as Receiver and Trustee, MNP obtained an independent legal opinion from Loopstra Nixon LLP (“**LN**”), its independent counsel, wherein it opined that subject to normal assumptions and qualifications, the LSA granted by the Company to SVB is valid and enforceable as of April 8, 2022, the date of its opinion.
5. The various public documents related to Chisel and its bankruptcy proceedings are posted at Trustee’s case website at: <https://mnpdebt.ca/en/corporate/corporate-engagements/chisel-ai-inc.>

## **RESTRICTIONS**

6. In preparing this Report and making the comments herein, the Trustee has been provided with, and has relied upon, certain unaudited, draft and/or internal financial information, the Company’s books and records, discussions with employees and management of the Company and information from other third-party sources (collectively, the “**Information**”). Except as described in this Report, the Trustee has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with Generally Accepted Assurance Standards of the Chartered Professional Accountants of Canada.

## **PURPOSE OF THIS REPORT**

7. The purpose of this Report is to provide the Court with:
  - (i) information related to Chisel, its assets and liabilities;

- (ii) summarize the results of the sale process (the “**Sale Process**”) carried out by the Trustee, with Inspector approval, for the sale of the Company’s intellectual property (the “**IP**”);
- (iii) summarize an agreement of purchase and sale dated July 25, 2022 (the “**Purchase Agreement**”) executed by Planck Resolution Ltd. (“**Planck**”) as purchaser (the “**Purchaser**”) pursuant to which Planck will acquire the IP; and
- (iv) support the request that this Court issue an order, *inter alia*:
  - a. approving the steps taken by the Trustee in connection with the Sale Process;
  - b. approving and authorizing the Trustee to enter into the Purchase Agreement and authorizing the Trustee to complete the transaction for the purchase and sale of the IP as contemplated therein (the “**Transaction**”);
  - c. vesting title in the IP to the Purchaser free and clear of all claims and encumbrances upon closing of the Transaction;
  - d. approving the Trustee’s activities to date, including the Trustee’s Interim Statement of Receipts and Disbursements (“**R&D**”);
  - e. approving the fees and disbursements of the Trustee and LN;
  - f. approving the sealing of confidential appendices to the First Report; and
  - g. such other relief as the Court deems just.

## BACKGROUND INFORMATION

8. Chisel is an Ontario corporation that carried on business out of leased premises in Toronto, Ontario. Chisel provided a platform to commercial insurance carriers and brokers to increase their business by automating mundane underwriting and brokering processes.
9. Leading up to the filing, the Company was seeking investment financing to strategically grow its business and had identified investors and signed a term sheet. When the lead investor experienced several delays in closing their round, and in order to mitigate Chisel's risk, Chisel engaged in conversations with several potential strategic acquirors. After exploring these possibilities and with no confirmation of its ability to close on the financing and no definitive offers for acquisition, Chisel decided to cease operations to conserve cash, and thereafter, filed an assignment in bankruptcy.

## ASSETS

10. The Company's assets, their estimated realizable value according to the SOA and the recoveries to date, are as follows:

<b>Description</b>	<b>Estimated Realizable Value (\$)</b>	<b>Amount Recovered (\$)</b>
Cash in Bank	706,086	705,741
Funds Held in Escrow	43,336	43,388
Accounts Receivable	94,067	79,621
Shares in Subsidiary	1	0
Canada Revenue Agency – 2022 refund	1	0
Intellectual property	1	0
<b>Total</b>	<b>843,492</b>	<b>828,750</b>

## ACCOUNTS RECEIVABLE

11. The accounts receivable was comprised of the following:

<b>Source</b>	<b>Estimated Realizable Value (\$)</b>	<b>Amount Recovered (\$)</b>
Canada Revenue Agency – Harmonized Sales Tax refund	27,082	27,234
Amazon Web Services (“AWS”)	20,826	0
Jason McDermott	39,774	37,431
Ontario Ministry of Finance – Employer Health Tax refund (“EHT”)	1,385	0
SWPP Technation	5,000	14,956
<b>Total</b>	<b>94,067</b>	<b>79,621</b>

12. The Trustee does not anticipate further recoveries from the accounts receivable for the following reasons:

- (i) Based on Chisel’s records, AWS has a claim for set off;
- (ii) Jason McDermott deducted from his payment certain Chisel related expenses that were incurred by him personally after the date of bankruptcy<sup>1</sup>; and
- (iii) Chisel’s 2021 EHT refund subsequently was applied against Chisel’s obligation for 2022 EHT.

## PROPERTY CLAIM FILED BY RON GLOZMAN

13. Ron Glozman (“**Glozman**”) is a former employee and co-founder of the Company and entered into a Revised Separation Agreement (the “**Separation Agreement**”) with the

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<sup>1</sup> The expenses relate to the preservation of the IP. The Trustee attempted, without success, to have the vendors invoice it directly rather than billing Jason McDermott directly as they had in the past.

Company, dated August 8, 2021. Under the terms of the Separation Agreement, a portion of the monies payable to Glozman were to be paid as a lump sum, with the balance payable in equal monthly installments over a twelve-month period ending August 1, 2022 (the “**Installment Payments**”). Moreover, the funds required to fund the Installment Payments were paid to The Laurel Hill Advisory Group Company (the “**Escrow Agent**”), as escrow agent, and to be held in trust for Glozman. The Escrow Agent and the Company entered into an escrow agreement, dated August 31, 2021. On the Date of Bankruptcy, the Escrow Agent held \$43,333.36 plus interest (the “**Escrow Funds**”). On April 27, 2022, the Escrow Agent wired an amount of \$43,388 to the Trustee.

14. On May 9, 2022, Glozman filed a Proof of Claim (Property) seeking to reclaim the Escrow Funds.
15. At the May 11, 2022, Inspector’s meeting, the Inspector authorized the Trustee engaging LN to provide a written legal opinion on the validity of the trust in respect of the Escrow Funds. LN issued a written opinion that subject to certain assumptions and qualifications:
  - (i) the Escrow Funds constituted a legal trust in favour of Ron Glozman that survived the bankruptcy of Chisel AI Inc.;
  - (ii) the Escrow Funds were not an asset of the bankruptcy estate; and
  - (iii) the Escrow Funds were properly claimable by Glozman under s. 81(1) of the BIA.
16. The Trustee, with the permission of the Inspector, released the Escrow Funds to Glozman.

## **INTELLECTUAL PROPERTY**

17. Prior to the Date of Bankruptcy, Chisel had exploratory discussions with parties that may have had interest in acquiring its IP. After the Date of Bankruptcy, the Receiver/Trustee was approached by a number of these and other interested parties.
18. As set out in detail below, the Trustee, with the assistance of certain of Chisel’s former employees developed and conducted the Sale Process to realize on the value of the IP.

**CRA -2022 REFUND**

19. In carrying on its operations and developing its IP, Chisel was engaged in research and development that entitled it to apply for and obtain Scientific Research and Experimental Development (“**SRED**”) tax incentives. Chisel applied for and received an amount of \$1,134,330 on account of its December 31, 2021 year end.
20. Chisel used the services of Stonecracker Scientific Law LLP (“**Stonecracker**”) to assist it in submitting its SRED claim for 2021 and had access to Chisel’s former employees to formulate the claim.
21. Between January 1, 2022 and the Date of Bankruptcy, Chisel had further SRED expenditures. Preliminarily, it was estimated that Chisel may have a SRED claim of approximately \$370,000 in respect of 2022.
22. The Trustee, with Inspector permission, took the following steps to advance the estate’s ability to file a SRED claim for 2022:
  - (i) retained four former Chisel employees as independent contractors (the “**Independent Contractors**”) to assist in preparing the financial technical and financial analysis; and
  - (ii) retained Stonecracker to act as a SRED consultant, with its fees governed on a contingency fee arrangement, whereby Stonecracker is entitled the following:
    - i. 17.5% of the first \$50,000 in SRED Funds generated;
    - ii. 15% of \$50,001 to \$100,000 in SRED Funds generated;
    - iii. 12.5% of \$100,001 to \$150,000 in SRED Funds generated; plus
    - iv. 10% of %150,000 or greater in SRED funds generated.
23. The Trustee is currently consulting with Stonecracker with respect to the 2022 SRED claim and related corporate tax return (the “**2022 Tax Return**”) to be filed with CRA, which

claim will be subject to CRA's review and assessment. If the SRED claim is accepted at \$370,000, Stonecracker's fees would be approximately \$44,500 plus tax.

24. If the SRED claim is not accepted, the 2022 Tax Return would not otherwise result in Chisel having a liability to CRA on account of corporate taxes.
25. The Trustee has confirmed with CRA that Chisel is current in its obligations/remittances of payroll source deductions and HST.

## LIABILITIES

26. The claims of creditors as per the Company's sworn SOA and the claims filed as at July 31, 2022 are summarized below:

	<b>As per Statement of Affairs</b>	<b>Claims as Filed</b>
Secured	\$650,416	\$ Nil
Preferred	Nil	Nil
Ordinary Unsecured	757,449	137,832
	\$1,407,865	\$137,832

27. At this time, this Trustee has not determined the admissibility of the proofs of claim for distribution purposes, nor has it issued a Notice Requiring Person to Prove Claim under section 149 of the BIA to those creditors that have not filed a proof of claim. The availability of funds to distribute to Chisel's unsecured creditors is dependent on the closing of the Transaction and CRA's assessment of the SRED claim.

## SECURED CREDITOR CLAIMS

28. Based on the SOA, the secured creditor claims were comprised of amounts due to SVB and amounts owing to Chisel's former employees for vacation pay arrears. Each of these claims will be addressed below.



## SVB

29. Based on SVB's payout statement, as at May 18, 2022, SVB was owed US\$496,618, inclusive of interest and legal fees (the "**SVB Arrears**") and exclusive of Receiver's fees and expenses.
30. The SVB Arrears were subject to ongoing interest charges and foreign exchange risk exposure. SVB requested a distribution of funds in the Receiver's hands to satisfy the SVB Arrears.
31. On May 18, 2022, the Receiver transferred an amount to SVB to satisfy the SVB Arrears, subject to SVB entering into a reimbursement agreement with the Receiver wherein SVB agreed to repay to the Receiver all or a portion of the distribution if it is determined by the Receiver (or, as applicable, a court of competent jurisdiction) that the Distribution should not have been made for any reason.
32. The Receiver intends on applying for a comfort letter or clearance certificate from CRA after CRA assesses the 2022 Tax Return.

## VACATION PAY

33. The SOA reflected vacation pay arrears of approximately \$42,190, representing a secured claim against Chisel's assets pursuant to s. 81.3 of the BIA.
34. After the Date of Bankruptcy and in relation to the Trustee's verifying the SOA, the Trustee determined Chisel had terminated most of its employees before the Date of Bankruptcy and as part of the termination, offered a package in exchange for signing a letter to release the Company of any future claims (the "**Release**"), including any claim for unpaid vacation pay.
35. In view of the apparent discrepancy between the SOA and the Release, on May 25, 2022, the Trustee sent a letter (the "**May 25th Letter**") to each of the affected employees advising them that subject to it receiving any further information from the employees and in view of the Release, the Trustee does not consider the affected employee as having a claim under

the Wage Earner Protection Program. The Trustee did not receive any response to the May 25th Letter.

## **SALES PROCESS**

### **Development of Sale Process and Retention of Key Former Employees**

36. As noted above, prior to the Date of Bankruptcy, Chisel had entered into exploratory discussions with potential purchasers in respect of acquiring the IP. After not receiving any definitive offers and wishing to conserve its remaining cash, Chisel filed an assignment in bankruptcy.
37. After the Date of Bankruptcy, the Trustee fielded calls from many of the same parties that had previously expressed interest to Chisel in respect of the IP. The Trustee was desirous of developing a sale process involving the IP recognizing that any such process would require the involvement of certain of Chisel's former employees to demonstrate the IP to potential purchasers and assist in transferring knowledge to potential purchasers. Several of Chisel's former employees had already secured employment after the Date of Bankruptcy. The Trustee recognized that in order to conduct a sale process, it would be required to incentivize former employees in order for them to commit to participating in the sale process.
38. The remaining funds available after the SVB Arrears were paid were insufficient to satisfy payment of: (i) the Trustee's fees and expenses, including the ongoing costs of preserving the IP; (ii) the costs of the Independent Contractors related to assisting in the 2022 SRED claim; and (iii) the costs associated with carrying out a sale process, including retaining the key former Chisel employees. Accordingly, the Trustee found itself in the same position as Chisel in terms of having limited funds to engage in a sale process.
39. Given the foregoing, the Trustee met three of Chisel's former Information Technology employees (the "**Contracted IP Employees**") to explain to them that the limited cash in the estate prevented it from entering into an arrangement that offered them an hourly or guaranteed pay for their services. Accordingly, the Trustee entered into negotiations with the Contracted IP Employees to have them participate in the Sale Process on a contingency

pay arrangement, culminating in the Contracted IP Employees agreeing to share in the following combined compensation structure:

- (i) The first \$60,000 arising from the sale (before taxes) received by the estate; plus
- (ii) If the purchase price (before taxes) for the IP is:
  - i. less than or equal to \$500,000, the Contracted IP Employees shall be paid 40% of the purchase price (before taxes) in excess of the \$60,000 referenced in (i); or
  - ii. greater than \$500,000, the Contracted IP Employees shall be paid 50% of the purchase price (before taxes) in excess of the \$60,000 referenced in (i).

The pay structure was approved by the estate Inspector and required the Contracted IP Employees to commit to a term not greater than 45 days from the date on which they first supply services to the Trustee. The pay arrangement was structured to incentivize the Contracted IP Employees to maximize recoveries from the IP and to retain them for the duration of the Sale Process.

40. After arriving at arrangements with the Contracted IP Employees, the Trustee developed, and with Inspector approval, commenced the Sale Process on June 1, 2022. The Sales Process is enclosed as **Appendix “C”** and summarized below:

- (a) the Trustee prepared a letter to interested parties (the “**Teaser Letter**”) describing the opportunity, outlining the Sale Process, and inviting recipients of the Teaser Letter to express their interest pursuant to the terms of the Sale Process;
- (b) the Trustee prepared a non-disclosure and confidentiality agreement (an “**NDA**”) for execution by interested potential purchasers;
- (c) the Trustee obtained from Chisel, through its counsel, the due diligence materials that had previously been utilized by Chisel in its efforts to market the IP, and with the assistance of the Contracted IP Employees created and added materials based on the frequently asked questions they received from interested parties. The Trustee

established a secure, electronic data room (the “**Data Room**”), which was maintained and administered by the Trustee throughout the Sale Process;

- (d) the Trustee prepared a list of seventeen (17) potential interested parties (each a “**Potential Bidder**”), largely comprised of the parties that had previously entered into discussions with Chisel;
- (e) the Trustee sent the Teaser Letter and NDA to all Potential Bidders and to any other parties who responded to the II Notice (as defined below) or otherwise approached the Trustee and were deemed to be qualified Potential Bidders;
- (f) Published notice of the opportunity in Insolvency Insider weekly newsletter between June 13, 2022 and June 27, 2022 (the “**II Notice**”)
- (g) the Trustee provided all Potential Bidders who had executed the NDA with access to the Data Room, together with the opportunity to have access to the Contracted IP Employees for conducting one (1) interview prior to June 28, 2022; and
- (h) Between June 23 and 27, 2022, the Trustee sent a reminder to Potential Bidders of the June 30, 2022, bid deadline (the “**Offer Due Date**”) and contacted the Potential Bidders to see if they have any additional queries.

41. The Sale Process provided that if one or more qualified bids (“**Qualified Bid**”) are received, the Trustee may choose to:

- (i) accept one Qualified Bid (the “**Successful Offer**” and, the offer making the Successful Offer being the “**Successful Offeror**”) and take such steps as are necessary to finalize and complete a definitive agreement (the “**Final APA**” with the Successful Offeror;
- (ii) accept multiple complimentary offers; or
- (iii) continue negotiations with a selected number of offerors with a view to finalizing one or more Final APAs with one or more selected offerors.

## Results of Sale Process

42. The Trustee received two Qualified Bids prior to the Offer Due Date. A redacted summary of these Qualified Bids is set out below and an unredacted summary of the Qualified Bids (which includes the Purchase Price and Deposit) is attached hereto as **Confidential Appendix “A”**:

Offeror	Planck Resolution Ltd.		Offer #2
Purchased Assets	<ol style="list-style-type: none"> <li>1. All product designs and documentation contained in the Company Confluence Wiki and JIRA, and in any other Vendor document management system such as Google Drive</li> <li>2. All source code for building and deploying the document processing pipeline and the Policy Check and Submission Intake applications, including all python modules, build, package and deploy scripts, terraform configuration management scripts, notebooks for model training, and data quality scripts</li> <li>3. All trained model artefacts, including MLFlow serialized artefacts, pre-trained models by Chisel AI and lookup tables or datasets used at inference time</li> <li>4. All training datasets;</li> <li>5. All insurance ontologies</li> <li>6. Hubspot, CRM content (backup and dump of the latest snapshot) and pipeline information</li> <li>7. Marketing trademarks, brand and marketing collateral, including the brand’s registered web domains</li> <li>8. Additionally, all code repositories, scripts, documentation, manuals and tolls used to operate, train and</li> </ol>		<ol style="list-style-type: none"> <li>1. All code and related documentation representing the product known as Chisel.ai Policy check for commercial insurance brokers and,</li> <li>2. All code and related Documentation representing the product known as Chisel.ai Submission intake and triage solution and,</li> <li>3. Chisel.ai data extraction solution.</li> </ol>

	retrain system and training sets annotated documents 9. Books and records	
Closing	First business day after the date that is ten (10) days after the date on which the conditions (see below) have been satisfied or waived or such other date as agreed	Same as Planck
Mutual conditions	Approval and Vesting Order, in a form and substance acceptable to the Purchaser and Vendor, acting reasonably, having been issued by the Court	Same as Planck
Other conditions	Standard for this type of transaction	Same as Planck
As is, where is basis	The Purchased Assets shall not be sold by the Vendor to any person or entity other than the Purchaser pursuant to the Agreement and following confirmation by the Purchaser of receipt of the Purchased Assets the Vendor shall immediately destroy any and all copies	Not express limitation concerning sale of assets to other parties

43. A redacted version (redacted only with respect to the Purchase Price and deposit amount) and unredacted version of the Purchase Agreement are attached hereto as **Appendix “D”** and **Confidential Appendix “B”**, respectively.

### Recommendation

44. The Trustee recommends the Purchase Agreement be approved for the following reasons:

- i) through Chisel’s prior marketing efforts and conducting the Sale Process the IP has been adequately exposed to the market;

- ii) the Contracted IP Employees have played an integral role in the development and implementation of the Sale Process. The estate does not have the financial or human resources to continue marketing the IP;
- iii) the Purchase Agreement is fair and commercially reasonable in the circumstances; and
- iv) the Inspector has approved the Trustee entering into the Purchase Agreement.

### **VESTING ORDER**

45. The Purchase Agreement is conditional on the issuance of an order approving the Transaction and a vesting order vesting title in and to the IP in and to the Purchaser upon the closing of the Transaction.
46. A search of the Ontario *Personal Property Security Act* registry with a file currency of April 7, 2022, reveals a single registration in favour of SVB. As noted above, the Receiver paid the SVB arrears, and accordingly, SVB has no remaining claim to the IP.
47. Based on the information above, Chisel is current in its obligations to CRA.
48. Given the foregoing, the Trustee recommends the Court grant the Vesting Order.

### **SEALING OF CONFIDENTIAL INFORMATION**

49. The Trustee is of the view that the Purchase Agreement, together with the summary of offers received, included in the Confidential Appendices should be filed with the Court on a confidential basis and sealed until the completion of the Transaction. The Trustee does not believe that any party will be prejudiced if the information is sealed at this time. Accordingly, the Trustee believes the proposed sealing order is appropriate.
50. The Trustee has filed unredacted versions of Purchase Agreement with the Court as a Confidential Appendix to provide the Court with the benefit of the information to allow the Court to determine whether it should approve the Purchase Agreement.

51. The Trustee is of the view that its approach aligns with the purpose of the Sale Process and the interests promoted thereby, is fair and reasonable in the circumstances, and will achieve the desired benefit without unduly impairing the openness of the Court's process.

#### **STATEMENT OF RECEIPTS AND DISBURSEMENTS**

52. The Trustee has prepared the R&D showing all receipts and disbursements from the Date of Appointment through to July 31, 2022. A copy of the R&D, which includes the Receiver's receipts and disbursements, is attached as **Appendix "E"**.

#### **TRUSTEE FEES AND EXPENSES**

53. The Trustee has issued one (1) invoice covering its fees and disbursements for the period from April 7, 2022 to June 30, 2022, totaling \$130,000, exclusive of disbursements and HST. These fees include the limited fees related to the receivership prior to the SVB Arrears being paid. Attached as **Appendix "F"** is the affidavit of Sheldon Title sworn August 2, 2022 describing the aforementioned fees of the Trustee.

#### **LEGAL FEES AND EXPENSES**

54. LN has issued Statements of Account in respect of services rendered to the Trustee for the period from April 7, 2022 through July 31, 2022 (the "**Billing Period**"). During the Billing Period, the total fees and disbursements billed were \$28,357.50 and \$119.96 with applicable taxes of \$3,702.07 for an aggregate amount of \$32,179.53. Attached as **Appendix "G"** is the affidavit of Sarah White sworn August 2, 2022 describing the aforementioned fees and disbursements of LN.

55. It is the Trustee's opinion that the fees and disbursements of LN as described in the affidavit of Sarah White are fair and reasonable and justified in the circumstances, and accurately reflect the work done on behalf of the Trustee by LN.

#### **REMAINING MATTERS**

56. Subject to the Court granting the relief sought herein, the Trustee has the following matters to attend to before completing the administration of the estate:



- (i) closing the Transaction;
- (ii) filing the 2022 Tax Return and waiting for its assessment by CRA;
- (iii) issuing Notice Requiring Person to Prove Claim under s.149 of the BIA, if necessary;
- (iv) reviewing and determining the admissibility of the claims filed, if necessary; and
- (v) proceed to its discharge.

## CONCLUSION

57. Based on the foregoing, the Proposal Trustee respectfully recommends that the Court make an order granting the relief detailed in paragraph 7.

All of which is respectfully submitted on this 2<sup>nd</sup> day of August 2022.

**MNP Ltd.**

In its capacity as Trustee of the Estate of  
Chisel AI Inc. a bankrupt

Per:



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Sheldon Title, Senior Vice-President

**TAB A**

# APPENDIX "A"

District of: Ontario  
Division No. 09 - Toronto  
Court No. 31-2822575  
Estate No. 31-2822575

\_FORM 68\_  
Notice of Bankruptcy, First Meeting of Creditors  
(Subsection 102(1) of the Act)

Original  Amended


In the Matter of the Bankruptcy of  
Chisel AI Inc.  
of the City of Toronto  
in the Province of Ontario

Take notice that:

1. Chisel AI Inc. filed (or was deemed to have filed) an assignment (or a bankruptcy order was made against Chisel AI Inc.) on the 19th day of April 2022 and the undersigned, MNP Ltd., was appointed as trustee of the estate of the bankrupt by the official receiver (or the Court); subject to affirmation by the creditors of the trustee's appointment or substitution of another trustee by the creditors.
2. The first meeting of creditors of the bankrupt will be held on the 9th day of May 2022 at 11:00 AM at Tel: 1-877-252-9279; Conference ID: 763 237 458 #.
3. To be entitled to vote at the meeting, a creditor must file with the trustee, before the meeting, a proof of claim and, where necessary, a proxy.
4. Enclosed with this notice are a proof of claim form, proxy form and list of creditors with claims amounting to \$25 or more showing the amounts of their claims.
5. Creditors must prove their claims against the estate of the bankrupt to share in any distribution of the proceeds realized from the estate.

Dated at the City of Toronto in the Province of Ontario, this 19th day of April 2022.

MNP Ltd. - Licensed Insolvency Trustee

  
300 - 111 Richmond Street West  
Toronto ON M5H 2G4  
Phone: (416) 596-1711 Fax: (416) 323-5242

District of:  
 Division No. -  
 Court No.  
 Estate No.

Original  Amended

-- Form 78 --  
 Statement of Affairs (Business Bankruptcy) made by an entity  
 (Subsection 49(2) and Paragraph 158(d) of the Act / Subsections 50(2) and 62(1) of the Act)  
 In the Matter of the Bankruptcy of  
 Chisel AI Inc.  
 of the City of Toronto  
 in the Province of Ontario

To the bankrupt:  
 You are required to carefully and accurately complete this form and the applicable attachments showing the state of your affairs on the date of the bankruptcy, on the 18th day of April 2022. When completed, this form and the applicable attachments will constitute the Statement of Affairs and must be verified by oath or solemn declaration.

LIABILITIES (as stated and estimated by the officer)	ASSETS (as stated and estimated by the officer)
1. Unsecured creditors as per list "A" ..... 757,448.76	1. Inventory ..... 0.00
Balance of secured claims as per list "B" ..... 0.00	2. Trade fixtures, etc. .... 0.00
Total unsecured creditors ..... 757,448.76	3. Accounts receivable and other receivables, as per list "E"
2. Secured creditors as per list "B" ..... 650,416.37	Good ..... 94,066.92
3. Preferred creditors as per list "C" ..... 0.00	Doubtful ..... 0.00
4. Contingent, trust claims or other liabilities as per list "D"	Bad ..... 0.00
estimated to be reclaimable for ..... 0.00	Estimated to produce ..... 94,066.92
Total liabilities ..... 1,407,865.13	4. Bills of exchange, promissory note, etc., as per list "F" ... 0.00
Surplus ..... NIL	5. Deposits in financial institutions ..... 706,086.23
	6. Cash ..... 0.00
	7. Livestock ..... 0.00
	8. Machinery, equipment and plant ..... 0.00
	9. Real property or immovable as per list "G" ..... 0.00
	10. Furniture ..... 0.00
	11. RRSPs, RRIFs, life insurance, etc. .... 0.00
	12. Securities (shares, bonds, debentures, etc.) ..... 1.00
	13. Interests under wills ..... 0.00
	14. Vehicles ..... 0.00
	15. Other property, as per list "H" ..... 43,336.36
	If bankrupt is a corporation, add:
	Amount of subscribed capital ..... 0.00
	Amount paid on capital ..... 0.00
	Balance subscribed and unpaid ..... 0.00
	Estimated to produce ..... 0.00
	Total assets ..... 843,490.51
	Deficiency ..... 564,374.62


I, Jason McDermott, of the City of Toronto in the Province of Ontario, do swear (or solemnly declare) that this statement and the attached lists are to the best of my knowledge, a full, true and complete statement of the affairs of the Corporation on the 18th day of April 2022 and fully disclose all property of every description that is in my possession or that may devolve on me in accordance with the Act.

SWORN (or SOLEMNLY DECLARED)  
 before me at the City of Toronto in the Province of Ontario, on this 18th day of April 2022.



Deborah Hornbostel, Commissioner of Oaths  
 For the Province of Ontario  
 MNP Ltd.  
 Expires February 5, 2025

Deborah Gina Liza Hornbostel, a Commissioner, etc.  
 Province of Ontario, for MNP Ltd.  
 Expires February 5, 2025



Jason McDermott



District of:  
 Division No. -  
 Court No.  
 Estate No.

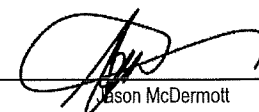
FORM 78 -- Continued

In the Matter of the Bankruptcy of  
 Chisel AI Inc.  
 of the City of Toronto  
 in the Province of Ontario  
 List "A"  
 Unsecured Creditors  
 Chisel AI Inc.

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
1	Ali Moatadelro	93 Catalpa Cres. Vaughan ON L6A 0R7	207.05	0.00	207.05
2	Alida Dhama	5 Shane Court Stouffville ON L4A 5A7	1,634.60	0.00	1,634.60
3	Amazon Web Services Canada, Inc. 813937960740	120 Bremner Blvd, 26th Floor Toronto ON M5J 0A8	112,507.06	0.00	112,507.06
4	Anastasiia Nesterenko	21 Iceboat Terrace Toronto ON M5V 4A5	1,216.17	0.00	1,216.17
5	Antonio Camacho Lobeto	1150 rue Island Montreal QC H3K 2N1	21.07	0.00	21.07
6	Colin Toal	484 Delaware Ave Toronto ON M6H 2T9	8,670.66	0.00	8,670.66
7	Federal Economic Development Agency for Southern Ontario 4924220200812	101-139 Northfield Drive West Waterloo ON N2L 5A6	399,000.00	0.00	399,000.00
8	George Hanna	15 Fort York Blvd, Unit 1515 Toronto ON M5V 3Y4	3,202.53	0.00	3,202.53
9	Helene Barette	300 Balliol St., Suite 809, Toronto ON M4S 3G6	2,730.48	0.00	2,730.48
10	Hua Fei Yu	811-33 Bay Street Toronto ON M5J 2Z3	2,233.52	0.00	2,233.52
11	Jason McDermott	91 South Road Duntroon ON L0M 1H0	15,208.79	0.00	15,208.79
12	Jordan Williams	7200 Tamar Rd Mississauga ON L5N 1Y8	1,064.95	0.00	1,064.95
13	Lee Eames	359 Davenport Road, Unit 1 Toronto ON L4A 5A7	1,499.75	0.00	1,499.75
14	Omid Yousufi	403 - 318 King Street East Toronto ON M5A 0C1	1,770.26	0.00	1,770.26
15	Osler, Hoskin & Harcourt LLP 233890	1 First Canadian Place, P.O.Box 50 Toronto ON M5X 1B8	137,832.25	0.00	137,832.25
16	Pearl Chiu	20 Wiltshire Drive Markham ON L6C 2N2	7,986.26	0.00	7,986.26
17	Peter Sam Raj	304-345 St Clair Ave W Toronto ON M5P 1N3	3,495.35	0.00	3,495.35
18	Qian (Philip) Chen	1808 85 Queens Wharf Road Toronto ON M5V 0J9	272.82	0.00	272.82
19	Raadhaa Maharaj	12 Sudbury Street, Unit 806 Toronto ON M6J 3W7	1,406.95	0.00	1,406.95
20	Rashmi Gupta	4 Eastgate Circle, Whitby ON L1M 2N3	3,185.71	0.00	3,185.71
21	Respect Group CHIS20220321	8 - 540 21st Ave SW Calgary AB T2S 0H1	772.92	0.00	772.92

18-Apr-2022

Date



Jason McDermott

District of:  
 Division No. -  
 Court No.  
 Estate No.

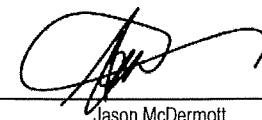
FORM 78 -- Continued

In the Matter of the Bankruptcy of  
 Chisel AI Inc.  
 of the City of Toronto  
 in the Province of Ontario  
 List "A"  
 Unsecured Creditors  
 Chisel AI Inc.

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
22	Ron Glozman	31 Eastdale Avenue Toronto ON M4C 4Z8	43,333.36	0.00	43,333.36
23	Rupinder Mago	7125 Lowville Heights Mississauga ON L5N 8E6	3,816.87	0.00	3,816.87
24	Sanjay Singh	141 John Garland Boulevard Toronto ON M9V 4H7	2,976.85	0.00	2,976.85
25	Xiaochu (Vince) Chen	77 Maitland Place, Suite 1721, Toronto ON M4Y 2V6	1,402.53	0.00	1,402.53
<b>Total:</b>			<b>757,448.76</b>	<b>0.00</b>	<b>757,448.76</b>

18-Apr-2022

Date



Jason McDermott

District of:  
 Division No. -  
 Court No.  
 Estate No.

FORM 78 -- Continued

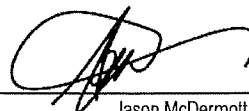
In the Matter of the Bankruptcy of  
 Chisel AI Inc.  
 of the City of Toronto  
 in the Province of Ontario  
 List "B"  
 Secured Creditors

Chisel AI Inc.

No.	Name of creditor	Address	Amount of claim	Particulars of security	When given	Estimated value of security	Estimated surplus from security	Balance of claim
1	Alli Moatadelro	93 Catalpa Cres. Vaughan ON L6A 0R7	2,000.00	Cash on Hand - Savings - 36 47110 - Canadian Savings Bank Account		2,000.00		
2	Alli Niaki	1312, 10 De Boers Dr North York ON M3J 0L6	560.27	Cash on Hand - Savings - 36 47110 - Canadian Savings Bank Account		560.27		
3	Alida Dhama	5 Shane Court Stouffville ON L4A 5A7	2,000.00	Cash on Hand - Savings - 36 47110 - Canadian Savings Bank Account		2,000.00		
4	Anastasias Nesterenko	21 Iceboat Terrace Toronto ON M5V 4A5	2,000.00	Cash on Hand - Savings - 36 47110 - Canadian Savings Bank Account		2,000.00		
5	Andrew Bondarenko	544 South Crest Drive Kelowna BC V1W 4W8	1,616.57	Cash on Hand - Savings - 36 47110 - Canadian Savings Bank Account		1,616.57		
6	Antonio Camacho Lobeto	1150 rue Island Montreal QC H3K 2N1	2,000.00	Cash on Hand - Savings - 36 47110 - Canadian Savings Bank Account		2,000.00		
7	Colin Toal	484 Delaware Ave Toronto ON M6H 2T9	2,000.00	Cash on Hand - Savings - 36 47110 - Canadian Savings Bank Account		2,000.00		
8	Dave Mariano	1901-19 Sudbury St. Toronto ON M6J 3W6	1,324.18	Cash on Hand - Savings - 36 47110 - Canadian Savings Bank Account		1,324.18		
9	George Hanna	15 Fort York Blvd, Unit 1515 Toronto ON M5V 3Y4	2,000.00	Cash on Hand - Savings - 36 47110 - Canadian Savings Bank Account		2,000.00		
10	Helene Barette	300 Balliol St., Suite 809, Toronto ON M4S 3G6	2,000.00	Cash on Hand - Savings - 36 47110 - Canadian Savings Bank Account		2,000.00		
11	Hua Fei Yu	811-33 Bay Street Toronto ON M5J 2Z3	2,000.00	Cash on Hand - Savings - 36 47110 - Canadian Savings Bank Account		2,000.00		
12	Jordan Williams	7200 Tamar Rd Mississauga ON L5N 1Y8	2,000.00	Cash on Hand - Savings - 36 47110 - Canadian Savings Bank Account		2,000.00		

18-Apr-2022

Date



Jason McDermott



District of:  
 Division No. -  
 Court No.  
 Estate No.

FORM 78 -- Continued


In the Matter of the Bankruptcy of  
 Chisel AI Inc.  
 of the City of Toronto  
 in the Province of Ontario  
 List "B"  
 Secured Creditors

Chisel AI Inc.

No.	Name of creditor	Address	Amount of claim	Particulars of security	When given	Estimated value of security	Estimated surplus from security	Balance of claim
13	Lee Eames	359 Davenport Road, Unit 1 Toronto ON L4A 5A7	2,000.00	Cash on Hand - Savings - 36 47110 - Canadian Savings Bank Account		2,000.00		
14	Omid Yousufi	403 - 318 King Street East Toronto ON M5A 0C1	2,000.00	Cash on Hand - Savings - 36 47110 - Canadian Savings Bank Account		2,000.00		
15	Pearl Chiu	20 Wiltshire Drive Markham ON L6C 2N2	2,000.00	Cash on Hand - Savings - 36 47110 - Canadian Savings Bank Account		2,000.00		
16	Peter Sam Raj	304-345 St Clair Ave W Toronto ON M5P 1N3	2,000.00	Cash on Hand - Savings - 36 47110 - Canadian Savings Bank Account		2,000.00		
17	Qian (Philip) Chen	1808 85 Queens Wharf Road Toronto ON M5V 0J9	2,000.00	Cash on Hand - Savings - 36 47110 - Canadian Savings Bank Account		2,000.00		
18	Raadhaa Maharaj	12 Sudbury Street, Unit 806 Toronto ON M6J 3W7	2,000.00	Cash on Hand - Savings - 36 47110 - Canadian Savings Bank Account		2,000.00		
19	Rashmi Gupta	4 Eastgate Circle, Whitby ON L1M 2N3	2,000.00	Cash on Hand - Savings - 36 47110 - Canadian Savings Bank Account		2,000.00		
20	Rupinder Mago	7125 Lowville Heights Mississauga ON L5N 8E6	2,000.00	Cash on Hand - Savings - 36 47110 - Canadian Savings Bank Account		2,000.00		
21	Sanjay Singh	141 John Garland Boulevard Toronto ON M9V 4H7	2,000.00	Cash on Hand - Savings - 36 47110 - Canadian Savings Bank Account		2,000.00		

18-Apr-2022

Date



Jason McDermott

District of:  
 Division No. -  
 Court No.  
 Estate No.

FORM 78 -- Continued

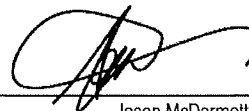
In the Matter of the Bankruptcy of  
 Chisel AI Inc.  
 of the City of Toronto  
 in the Province of Ontario  
 List "B"  
 Secured Creditors

Chisel AI Inc.

No.	Name of creditor	Address	Amount of claim	Particulars of security	When given	Estimated value of security	Estimated surplus from security	Balance of claim
22	Silicon Valley Bank Secured Bank loan	One University Avenue, 3rd Floor Toronto ON M5J 2P1	608,226.66	Cash on Hand - Chequing - 36 43611 - Canadian Chequing Bank Account  Debts Due - Business - Jason McDermott  Debts Due - Business - Amazon Web Services  Cash on Hand - Cash in Bank - USD Acct - 03 15419 - Canadian Chequing Bank Account - USD  Debts Due - Business - SWPP Technation  Debts Due - Business - Ministry of Finance - EHT Refund  Cash on Hand - Cash in Bank - USD Acct - 03 16318 - Canadian Savings Bank Account - USD  Cash on Hand - Chequing - 85 29612 - Canadian Chequing Bank Account  Cash on Hand - Savings - 36 47110 - Canadian Savings Bank Account	12-Feb-2020  12-Feb-2020  12-Feb-2020  12-Feb-2020  12-Feb-2020  12-Feb-2020  12-Feb-2020  12-Feb-2020  12-Feb-2020	52,537.54  39,774.13  20,825.51  12,187.43  5,000.00  1,385.35  5.13  0.00  476,511.57	           122,654.85	
23	Steven McOrmond	18 Brownlow Avenue, Unit 1104 Toronto ON M4S 2K8	688.69	Cash on Hand - Savings - 36 47110 - Canadian Savings Bank Account		688.69		
24	Xiaochu (Vince) Chen	77 Maitland Place, Suite 1721, Toronto ON M4Y 2V6	2,000.00	Cash on Hand - Savings - 36 47110 - Canadian Savings Bank Account		2,000.00		
<b>Total:</b>			<b>650,416.37</b>			<b>650,416.37</b>	<b>122,654.85</b>	<b>0.00</b>

18-Apr-2022

Date



Jason McDermott

District of:  
Division No. -  
Court No.  
Estate No.

FORM 78 -- Continued

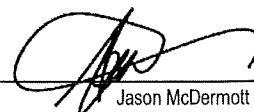
In the Matter of the Bankruptcy of  
Chisel AI Inc.  
of the City of Toronto  
in the Province of Ontario  
List "C"  
Preferred Creditors for Wages, Rent, etc.

Chisel AI Inc.

No.	Name of creditor	Address and occupation	Nature of claim	Period during which claim accrued	Amount of claim	Amount payable in full	Difference ranking for dividend
Total:					0.00	0.00	0.00

18-Apr-2022

Date



Jason McDermott

District of: -  
 Division No. -  
 Court No.  
 Estate No.

FORM 78 -- Continued

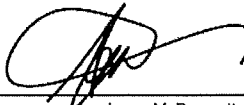
In the Matter of the Bankruptcy of  
 Chisel AI Inc.  
 of the City of Toronto  
 in the Province of Ontario  
 List "D"  
 Contingent or Other Liabilities

Chisel AI Inc.

No.	Name of creditor or claimant	Address and occupation	Amount of liability or claim	Amount expected to rank for dividend	Date when liability incurred	Nature of liability
Total:			0.00	0.00		

18-Apr-2022

Date



Jason McDermott

District of:  
 Division No. -  
 Court No.  
 Estate No.

FORM 78 -- Continued

In the Matter of the Bankruptcy of  
 Chisel AI Inc.  
 of the City of Toronto  
 in the Province of Ontario  
 List "E"  
 Debts Due to the Bankrupt  
 Chisel AI Inc.

No.	Name of debtor	Address and occupation	Nature of debt	Amount of debt (good, doubtful, bad)	Folio of ledgers or other book where particulars to be found	When contracted	Estimated to produce	Particulars of any securities held for debt
1	Amazon Web Services	120 Bremner Blvd. 26th floor Toronto ON M5J 0A8	Refund	20,825.51 0.00 0.00		11-Apr-2022	20,825.51	Unsecured
2	CRA - HST Refund	4695 Shawinigan-Sud Blvd Shawinigan-Sud QC G9P 5H9	A/R	27,081.93 0.00 0.00		11-Apr-2022	27,081.93	Unsecured
3	Jason McDermott	91 South Road Duntroon ON L0M 1H0	A/R	39,774.13 0.00 0.00		11-Apr-2022	39,774.13	Unsecured
4	Ministry of Finance - EHT Refund	33 King St W, 6th Flr Oshawa ON L1H 8H5	EHT Refund	1,385.35 0.00 0.00		11-Apr-2022	1,385.35	Unsecured
5	SWPP Technation	140 Promenade du Portage, Phase IV Gatineau QC	Wage Subsidy Grant	5,000.00 0.00 0.00		11-Apr-2022	5,000.00	Unsecured
Total:				94,066.92 0.00 0.00			94,066.92	

18-Apr-2022

Date



Jason McDermott

District of:  
 Division No. -  
 Court No.  
 Estate No.

FORM 78 -- Continued

In the Matter of the Bankruptcy of  
 Chisel AI Inc.  
 of the City of Toronto  
 in the Province of Ontario  
 List "F"

Bills of Exchange, Promissory Notes, Lien Notes, Chattel  
 Mortgages, etc., Available as Assets

Chisel AI Inc.

No.	Name of all promissory, acceptors, endorsers, mortgagors, and guarantors	Address	Occupation	Amount of bill or note, etc.	Date when due	Estimated to produce	Particulars of any property held as security for payment of bill or note, etc.
Total:				0.00		0.00	

18-Apr-2022

Date



Jason McDermott

District of:  
 Division No. -  
 Court No.  
 Estate No.

FORM 78 -- Continued

In the Matter of the Bankruptcy of  
 Chisel AI Inc.  
 of the City of Toronto  
 in the Province of Ontario  
 List "G"  
 Real Property or Immovables Owned by Bankrupt  
 Chisel AI Inc.

Description of property	Nature of bankrupt interest	In whose name does title stand	Total value	Particulars of mortgages, hypothecs, or other encumbrances (name, address, amount)	Equity or surplus
Total:			0.00		0.00

18-Apr-2022

Date



Jason McDermott

District of:  
 Division No. -  
 Court No.  
 Estate No.

FORM 78 -- Concluded

In the Matter of the Bankruptcy of  
 Chisel AI Inc.  
 of the City of Toronto  
 in the Province of Ontario  
 List "H"  
 Property

Chisel AI Inc.


## FULL STATEMENT OF PROPERTY

Nature of property	Location	Details of property	Original cost	Estimated to produce
(a) Stock-in-trade			0.00	0.00
(b) Trade fixtures, etc.			0.00	0.00
(c) Cash in financial institutions	Canadian Savings Bank Account 100 University Avenue Toronto ON M5J 1V6	36 47110	641,356.13	641,356.13
	Canadian Chequing Bank Account 100 University Avenue Toronto ON M5J 1V6	36 43611	52,537.54	52,537.54
	Canadian Chequing Bank Account 100 University Avenue Toronto ON M5J 1V6	85 29612	0.00	0.00
	Canadian Savings Bank Account - USD 100 University Avenue Toronto ON M5J 1V6	03 16318	5.13	5.13
	Canadian Chequing Bank Account - USD 100 University Avenue Toronto ON M5J 1V6	03 15419	12,187.43	12,187.43
(d) Cash on hand			0.00	0.00
(e) Livestock			0.00	0.00
(f) Machinery, equipment and plant			0.00	0.00
(g) Furniture			0.00	0.00
(h) Life insurance policies, RRSPs, etc.			0.00	0.00
(i) Securities		Shares	0.00	1.00
(j) Interests under wills, etc.			0.00	0.00
(k) Vehicles			0.00	0.00
(l) Taxes		Subsequent - 2022	1.00	1.00
(m) Other		Equipment	0.00	1.00
		Software IP	0.00	1.00
		Monies held in escrow (re: Ron Glozman Settlement Agreement)	0.00	43,333.36
			<b>Total:</b>	<b>749,423.59</b>

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18-Apr-2022

Date


  
 Jason McDermott



Court No.

File No.

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In the Matter of the Bankruptcy of  
Chisel AI Inc.  
of the City of Toronto  
in the Province of Ontario

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Form 78 (Bill C-12)  
Statement of affairs (Business bankruptcy)

---

MNP Ltd. - Licensed Insolvency Trustee  
300 - 111 Richmond Street West  
Toronto ON M5H 2G4  
Phone: (416) 596-1711 Fax: (416) 323-5242

**TAB B**

# APPENDIX "B"

District of ONTARIO  
 Division 9 - Toronto  
 Court No. 31-2822575  
 Estate No. 31-2822575

**In the Matter of the Bankruptcy of  
 CHISEL AI INC.  
 of the City of Toronto, in the Province of Ontario  
 (Ordinary Administration)**

**Minutes of the First Meeting of Creditors ("FMOC")**

**Date of Meeting:** May 9, 2022

**Time:** 11 am

**Location:** Virtual (Microsoft Teams) via telephone conference only

**Chairperson:** Sheldon Title, MNP Ltd.

**Attendance:**

The Chairperson introduced the following attendees:

Jason McDermott, Chisel AI Inc.  
 Sheldon Title, MNP Ltd.  
 Akhil Kapoor, MNP Ltd.  
 Fatemah Khalfan, MNP Ltd.  
 Ralf Peichl, Osler, Hoskin and Harcourt LLP ("OHH")  
 Ron Glzman, Former employee  
 Colin Toal, Former employee  
 George Hanna, Former employee  
 Peter Sam Raj, Former employee  
 Rashmi Gupta, Former employee  
 Raadhaa Maharaj, Former employee

**Quorum:** The Chairperson examined the proofs of claim filed. One creditor was present, either in person or proxy, so there was a quorum. Prior to the meeting, OHH had delivered a proof of claim and proxy in the Trustee's favour. The Chairperson asked whether OHH wished to amend the proxy in Mr. Peichl's favour given he was attending the FMOC. The FMOC was recessed to provide Mr. Peichl the opportunity to revise the proxy, with the FMOC resuming at 11:15 a.m.

The chairperson advised the FMOC that OHH's proof of claim was the only claim registered, and accordingly, was the only creditor with standing to vote at the FMOC. The chairperson asked whether Mr. Peichl had any objection to those creditors that had not filed a proof of claim observing the FMOC. Mr. Peichl had no objection.

**Call to Order:** The chairperson determined that the meeting was legally constituted and called the FMOC to order.

**The Chairperson tabled the following documents:**

- Assignment
- Certificate of Appointment
- Statement of Affairs
- Affidavit of mailing (for FMOC)
- Newspaper advertisement (for FMOC)

**The Chairperson advised the following:**

Pursuant to the authority of the Bankruptcy and Insolvency Act (“**BIA**”), any question or dispute arising at the FMOC would be decided by the chairperson, and that any creditor may appeal the decision of the chairperson to court.

The purpose of the FMOC was to consider the affairs of the bankrupt, to affirm the appointment of the trustee or substitute another in place thereof, to appoint inspectors, and for creditors to provide such directions to the trustee as they may see fit with reference to the administration of the estate.

Report to Creditors by Trustee

The Chairperson delivered the Preliminary Report and copies were made available to all in attendance via the Trustee’s website.

Questions

Ron Glozman asked the Trustee to explain how funds realized on the IP would be distributed. The Trustee reviewed the scheme of distribution set out in the BIA. Ron Glozman asked where equity claimants rank. The Trustee advised that a creditor is not entitled to a dividend in respect of an equity claim until all claims that are not equity claims have been satisfied. There were no further questions at this time.

**Appointment of the Trustee**

The Trustee was appointed at filing by the Official Receiver to administer this estate. Per the BIA s.115, the trustee's appointment is affirmed by a majority vote on an ordinary resolution, where one dollar equals one vote.

Voting restrictions:

Before taking a vote, the chairperson noted some of the restrictions which apply to voting. Per BIA s.109(6), a creditor who did not deal with the bankrupt at arm's length for the year before the bankruptcy, cannot have his vote count if it determines the outcome. The following parties are not allowed to vote for the Trustee's appointment nor for an inspector's appointment

(except with permission of the court): officers, directors and employees of a bankrupt corporation or a wholly owned subsidiary corporation, per BIA s. 113(3)(b) and (c).

Mr. Peichl, as proxyholder for OHH, moved to affirm appointment of trustee. The motion carried.

### **Appointment of Inspectors**

The Trustee briefly reviewed the Inspector duties, which include:

1. Supervising the administration where the trustee needs inspector approval.
2. Attending inspector meeting (in person or by phone)
3. Examining the accounts and establish bank balances
4. Approving interim draws in respect of the Trustee's fees.
5. Approving the final receipts and disbursements ("**SRD**").

Pursuant to section 116 of the BIA, up to five (5) Inspector may be appointed. The chairperson asked if anyone was interested in acting as an Inspector.

The chairperson was asked if the documents related to the bankruptcy are made public and available if parties chose not to be Inspectors. The chairperson advised that many of the documents, including the SRD and minutes of the FMOC and Inspectors meeting form part of the public record. There are, however, cases where documents may become subject to sealing orders, privileged or otherwise do not form part of the public record.

After discussion, Mr. Peichl, as proxyholder for OHH, made a motion to nominate/appoint himself as the sole Inspector. The motion carried unanimously:

### **Directions to Trustee**

The chairperson asked if there were any further issues that the creditors wanted addressed? No motions were made.

### **Adjournment**

Motion to adjourn carried unanimously. FMOC adjourned at 11:44 AM.



Chairperson

May 9, 2022

Date

**TAB C**

# APPENDIX "C"



## Sale Process

### Recitals

1. On April 19, 2022 (“**Date of Bankruptcy**”), Chisel AI Inc. (“**Chisel AI**” or the “**Company**”) filed an assignment in bankruptcy and MNP Ltd. (“**MNP**”) was appointed as the Trustee (the “**Trustee**”) of the bankrupt estate, subject to affirmation of the Company’s which appointment was affirmed at the first meeting of creditors held on May 9, 2022.
2. Upon the bankruptcy, all of Chisel AI’s assets, undertakings and properties vested in the Trustee, for the benefit of the bankrupt estate.
3. The Trustee, with the permission of the inspector of the bankrupt estate (the “**Inspector**”), is authorized to sell or otherwise dispose of for such price or other consideration as the inspectors may approve all or any part of the property of the Company, including Chisel AI’s intellectual property (“**IP**”). The Trustee, with the approval of the Inspector, has developed the within sale process and procedures (the “**Sale Process**”) to be employed with respect to the sale of the IP.
4. The Sale Process shall exclusively govern the process for soliciting and selecting bids for the sale of the IP (the “**Transaction**”).
5. Unless otherwise indicated herein, any event that occurs on a day that is not a Business Day shall be deemed to occur on the next Business Day (a “**Business Day**” is any day, other than a Saturday or Sunday, on which banks are ordinarily open for business in Toronto, Ontario).

### Role of the Trustee

6. The Sale Process will be administered by the Trustee. The roles and responsibilities of the Trustee are described in further detail throughout this Sale Process; however, the Trustee’s role does not include carrying on the Company’s business. The Trustee has not and will not be operating the Company’s business during the Sale Process.

### Commencement of the Sale Process

7. The Sale Process shall commence on June 1, 2022 (the “**Commencement Date**”).
8. Within two (2) business days of the Commencement Date, the Trustee shall i) contact parties identified by the Trustee (the “**Prospective Participants**”) who may be interested in purchasing the IP and ii) provide those parties with a copy of a non-disclosure and confidentiality agreement with the Trustee (an “**NDA**”). The Trustee will make reasonable efforts to canvass the interest of all Prospective Participants.
9. Within five business (5) days of the Commencement Date, or as soon thereafter as is practical, if the Trustee deems it advisable and cost-effective, the Trustee (a) shall publish

a notice advertising the opportunity in Insolvency Insider or other publications as the Trustee may deem appropriate or advisable, and (b) may also post the opportunity on its website.

10. The Trustee will gather and review all due diligence materials that it determines to be relevant, to be provided to Prospective Participants and shall establish a secure, electronic data room (the “**Data Room**”), which will be maintained and administered by the Trustee throughout the Sale Process.

### **Due Diligence**

11. Any Prospective Participants who advise the Trustee of their interest in participating in the Sale Process shall execute the NDA in a form satisfactory to the Trustee.
12. Commencing on the Commencement Date (and after each respective Prospective Participant has executed the NDA), the Trustee shall make available to the Prospective Participant the following:
  - a) access to the Data Room, to be maintained by the Trustee, which shall contain information pertaining to the IP; and
  - b) access to certain former employees of the Company for conducting one (1) interview prior to June 28, 2022. Such request shall be made two business days in advance to allow sufficient time for scheduling the interview. The former employees will also be available upon request to respond to any written or verbal queries which the Prospective Participants may have while conducting their due diligence.

Notwithstanding the foregoing, neither the Trustee, nor any of its representatives will be obligated to furnish any information relating to the Company to any person, including to parties who the Trustee reasonably believes are not likely to be serious offerors. The Trustee makes no representation or warranty, express or implied, as to the information provided through this due diligence process or otherwise.

### **“As Is, Where Is”**

13. This Transaction will be on an “as is, where is” basis without representations or warranties or conditions of any kind, nature, or description by the Trustee or any of its respective directors, officers, partners, employees, agents, advisors or estates, except to the extent as may be set forth in a Final APA (as defined herein) and, if necessary, as approved by the Ontario Superior Court of Justice, Commercial List (the “**Court**”). By submitting a bid, each Prospective Participant shall be deemed to acknowledge and represent that it has had an opportunity to conduct any and all due diligence regarding the IP prior to making its bid, that it has relied solely upon its own independent review, investigation and/or inspection of any documents and the IP in making its bid, and that it did not rely upon any written or oral statements, representations, warranties, conditions or guarantees, whether express, implied, statutory or otherwise, regarding the IP or the completeness of any

information provided in connection therewith, except as expressly stated in this Sale Process or as set forth in a Final APA and, if necessary, as approved by the Court.

### **Bid Deadline**

14. All offers must be submitted in writing to and received by the Trustee at 111 Richmond Street West, Suite 300, Toronto, ON, M5H 2G4, attention: Sheldon Title, or electronically to sheldon.title@mnp.ca by no later than 5:00pm (Toronto time) on June 30, 2022 (the “**Bid Deadline**”).

### **Qualified Bids**

15. An offer will only be considered in this Sale Process, in which case it shall be considered a “**Qualified Bid**”, if it is submitted before the Bid Deadline and if it meets the following minimum criteria:
- a) it must be submitted in writing, substantially in the form of the draft purchase agreement (the “**Draft Agreement**”) available in the Data Room, with any changes to the offer blacklined against the Draft Agreement.
  - b) it must be irrevocable later of: (i) five (5) Business Days after the Bid Deadline and (ii) the date on which the Court approves the acceptance of the Successful Offer (as defined herein), if necessary;
  - c) it must be accompanied by a deposit in the form of a certified cheque or bank draft (or in the form of confirmed wire transfer in the case of offers submitted electronically) payable to “MNP Ltd., in trust” which is equal to at least fifteen (15%) percent of the total purchase price payable under the offer;
  - d) it must include an acknowledgement that the purchaser has relied solely on its own independent review and investigation and that it has not relied on any representation by the Company, the Trustee or their respective agents, employees or advisers;
  - e) it must not contain any condition or contingency relating to due diligence or financing or any other material conditions precedent to the offeror’s obligation to complete the Transaction; and any other condition to closing, except the usual limited conditions to a transaction in an insolvency proceeding; and
  - f) it must include written evidence, satisfactory to the Trustee, that the offeror has the financial means to complete the proposed acquisition,

provided however that the Trustee may, exercising its reasonable discretion, waive compliance with one or more of the foregoing Qualified Bid requirements and deem any non-compliant offer to be a Qualified Bid.

### **Reservation of rights**

16. The Trustee may: (a) determine which Qualified Bid, if any, is the highest or otherwise best offer; (b) notwithstanding anything contained herein, reject any bid that is (i) inadequate or insufficient as determined by the Trustee or (ii) not in conformity with the requirements of

this Sale Process or any order of the Court; and, (c) may modify the Sale Process and/or impose amended or additional terms and conditions on the sale of the IP at any time.

17. This Sale Process does not, and shall not be interpreted to, create any contractual or other legal relationship between the Trustee and any other party, other than as specifically set forth in any definitive agreement(s) that may be executed.
18. The Trustee shall have the right to adopt such rules, not inconsistent with the Sale Process described herein, that, in its reasonable discretion, will promote the goals of the Sale Process.

#### **Post-Offer Procedure**

19. If one or more Qualified Bids are received, the Trustee may choose to:
  - a) accept one Qualified Bid (the "**Successful Offer**"; and, the offeror making the Successful Offer being the "**Successful Offeror**") and take such steps as are necessary to finalize and complete a definitive agreement (the "**Final APA**") with the Successful Offeror;
  - b) accept multiple complimentary offers, in accordance with the terms of Section 22 hereof;or,
  - c) continue negotiations with a selected number of offerors (collectively, "**Selected Offerors**") with a view to finalizing one or more Final APAs with one or more Selected Offerors.
20. The Trustee shall be under no obligation to accept the highest or best (or any) offer and any selection of a Successful Offer shall be entirely in the discretion of Trustee, in consultation with the Inspector. For greater certainty, the Trustee shall be permitted to decline acceptance of all offers.
21. No party shall be allowed any break, termination or similar fee. For greater certainty, Prospective Parties shall be responsible for their own costs relating to any transaction (including but not limited to such parties' legal and other professional fees).

#### **Multiple Offers may be Accepted**

22. Notwithstanding anything to the contrary herein, it is open to the Trustee to recommend, to accept multiple Successful Offers, where the terms and conditions of such offers do not conflict with one another and it is possible to complete the transactions contemplated by each such offer in accordance with the terms and conditions hereof. In such case, the terms and conditions of this Sale Process shall be interpreted to apply to such offers and transactions *mutatis mutandis*.

### **Other Terms**

23. All deposits received (except such deposit forming part of a Successful Offer) shall be held by the Trustee "in trust". All deposits submitted by Prospective Participants who did not submit a Successful Offer shall be returned, without interest, as soon as practicable following the date on which any such offers are rejected hereunder. The deposit forming part of a Successful Offer shall be dealt with in accordance with applicable Final APA.
24. If a Successful Offeror breaches its obligations under the terms of its offer, its Deposit shall be forfeited to the Trustee as liquidated damages and not as a penalty.
25. Notwithstanding anything else contain herein, if it becomes evident to the Trustee that no Qualified Bid will be received or for other valid reason, the Trustee may terminate the Sale Process.
26. If requested by a Successful Offeror, or otherwise deemed appropriate by the Trustee, the Trustee shall apply to the Court (the "**Approval Motion**") for an order approving the subject Successful Offer, authorizing the Trustee to undertake such actions as may be necessary or appropriate to give effect to the Successful Offer and vesting Chisel AI's interests in the applicable assets in the Successful Offeror substantially in accordance with the terms of the Court's model Approval and Vesting Order.
27. If an application to Court is required pursuant to Section 26 hereof, the Trustee will schedule the Approval Motion on the earliest reasonably possible date following the determination of the Successful Offer.
28. The Trustee shall be permitted to extend the dates in the Sale Process, if necessary.

### **Limitation of Liability**

29. The Trustee shall not have any liability whatsoever to any person or party, including without limitation to any Prospective Participant including the bidder who submits a Qualified Bid or any creditor or other stakeholder, for any act or omission related to this Sale Process. By submitting a bid, each Prospective Participant shall be deemed to have agreed that it has no claim against the Trustee for any reason, matter or thing whatsoever.

**TAB D**

# APPENDIX "D"

## ASSET PURCHASE AGREEMENT

This Agreement made this 25<sup>th</sup> day of July, 2022.

### BETWEEN:

**Planck Resolution Ltd.**

**(the "Purchaser")**

- and -

**MNP LTD.**, solely in its capacity as licensed insolvency trustee of  
the bankruptcy estate of Chisel AI Inc., and not in its personal or  
corporate capacities

**(the "Vendor" or the "Trustee")**

### WHEREAS:

- A. On April 19, 2022, Chisel AI Inc. ("**Chisel AI**" or the "**Company**") filed an assignment in bankruptcy and MNP Ltd. was appointed as trustee of the Company's bankruptcy estate (the "**Estate**"), which appointment was affirmed at the first meeting of creditors held on May 9, 2022.
- B. Upon the bankruptcy, all of Chisel AI's assets, undertakings and properties vested in the Trustee, for the benefit of the Estate.
- C. The Trustee, having obtained the authorization of the inspector of the Estate (the "**Inspector**"), is authorized to sell or otherwise dispose of, for such price or other consideration as the Inspector may approve, all or any part of the property of the Company, including Chisel AI's intellectual property.
- D. In consultation with the Inspector and legal counsel, the Trustee developed a sale process for the purpose of marketing Chisel AI's intellectual property for sale (the "**Sale Process**"), which Sale Process includes various terms and conditions, including calls for offers by no later than 5:00pm (Toronto time) on June 30, 2022 (the "**Bid Deadline**").
- E. The Purchaser has received a copy of the Sale Process and acknowledges and agrees that it submits this agreement as part of its offer, in accordance with the terms of the Sale Process.
- F. The Purchaser hereby offers and agrees to purchase and assume the Purchased Assets (*as defined herein*) from the Trustee upon the terms and conditions set forth hereinafter and the offer shall remain irrevocably open for acceptance until the later of (i) five (5) business days after the Bid Deadline and (ii) the date on which the Court approves either this Agreement or the Winning Bid (as defined herein).



**NOW THEREFORE**, in consideration of the mutual covenants and agreements contained in this Agreement, and for other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged by the parties) the parties hereto agree as follows:

**ARTICLE 1**  
**INTERPRETATION**

**1.1 Definitions**

In addition to those terms defined in the Recitals hereto or elsewhere herein, in this Agreement, the following terms shall have the meanings set out below unless the context requires otherwise:

"**Agreement**" means this asset purchase agreement, including all written amendments and written restatements thereto from time to time;

"**Applicable Law**" means, with respect to any Person, property, transaction, event or other matter, all applicable laws, statutes, regulations, rules, by-laws, ordinances, protocols, regulatory policies, codes, guidelines, official directives, orders, rulings, judgments and decrees of any Governmental Authority;

"**Approval and Vesting Order**" has the meaning given in Section 4.4;

"**Article**" or "**Section**" mean the specified Article, or Section to this Agreement and the expressions "hereof", "herein", "hereto", "hereunder", "hereby" and similar expressions refer to this Agreement and not to any particular Section or other portion of this Agreement;

"**BIA**" means the *Bankruptcy and Insolvency Act* (Canada), R.S.C., 1985, c.B-3;

"**Books and Records**" means all of the books and records relating to the Purchased Assets, including but not limited to any licences registrations or authorizations, records of all registrations, applications, legal or administrative proceedings, and all other documents, plans, files, records, correspondence, and other data and information, financial or otherwise, including all data, information and databases stored on computer-related or other electronic media, excluding any of the foregoing as applicable to any Excluded Asset;

"**Business Day**" means a day on which banks are open for business in the City of Toronto, but does not include a Saturday, Sunday or statutory holiday recognized in the Province of Ontario;

"**Claims**" means any and all claims, demands, complaints, actions, applications, suits, causes of action, orders, or other similar processes, and "**Claim**" means any one of them;

"**Closing**" means the completion of the purchase and sale of the Purchased Assets in accordance with the provisions of this Agreement;

"**Closing Date**" means subject to the terms hereof, the first Business Day after the date that is ten (10) days after the date on which the conditions set forth in Article 4 have been satisfied or waived by the appropriate Party or such other date as may be agreed;

"Closing Time" has the meaning given in Section 3.1;

"Court" means the Ontario Superior Court of Justice (Commercial List);

"Encumbrances" means any security interests (whether contractual, statutory, or otherwise), mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, leases, title retention agreements, reservations of ownership, demands, executions, levies, charges, options or other rights to acquire any interest in any assets, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise, including the Administration Charge, and all contracts to create any of the foregoing, or encumbrances of any kind or character whatsoever;

"Excluded Assets" means

- (a) all assets, property and undertakings of the Company *other than* the Purchased Assets; and
- (b) any part of the Purchased Assets the Purchaser elects to exclude pursuant to Section 2.6 hereof;

"Governmental Authorities" means governments, regulatory authorities, governmental departments, agencies, commissions, bureaus, officials, ministers, Crown corporations, courts, bodies, boards, tribunals or dispute settlement panels or other law or regulation-making organizations or entities: (a) having or purporting to have jurisdiction on behalf of any nation, province, territory, state or other geographic or political subdivision thereof; or (b) exercising, or entitled or purporting to exercise any administrative, executive, judicial, legislative, policy, regulatory or taxing authority or power, and "Governmental Authority" means any one of them;

"HST" means all of the harmonized sales tax imposed under Part IX of the *Excise Tax Act* (Canada);

"Parties" means the Vendor and the Purchaser collectively, and "Party" means any one of them;

"Person" is to be broadly interpreted and includes an individual, a corporation, a partnership, a trust, an unincorporated organization, the government of a country or any political subdivision thereof, or any agency or department of any such government, and the executors, administrators or other legal representatives of an individual in such capacity;

"Vendor" has the meaning given in the recitals above;

"Purchase Price" has the meaning given in Section 2.2;

"Purchased Assets" means collectively, all of Chisel AI's and all of the Vendor's rights, title and interest to the following assets:

- (a) such intellectual property identified and enumerated in Schedule "A" hereto, together with all of Chisel AI's and the Vendor's title and interest in and to the same (the "Intellectual Property"); and

(b) all Books & Records,

and expressly excluding the Excluded Assets.

"**Purchaser's Lawyers**" means Yigal Arnon & Co.;

"**Taxes**" means all taxes, charges, fees, levies, imposts and other assessments, including all income, sales, use, goods and services, harmonized, value added, capital, capital gains, alternative, net worth, transfer, profits, withholding, payroll, employer health, excise, franchise, real property and personal property taxes, and any other taxes, customs duties, fees, assessments or similar charges in the nature of a tax, including, Canada Pension Plan and provincial pension plan contributions, employment insurance payments and workers compensation premiums, together with any instalments with respect thereto, and any interest, fines and penalties, imposed by any Governmental Authority, and whether disputed or not;

"**Trustee's Certificate**" has the meaning given in Section 4.4(b); and

"**Vendor's Lawyers**" means Loopstra Nixon LLP.

## 1.2 Extended Meanings

Words importing the singular include the plural and vice versa and words importing gender include all genders. The term "including" means "including, without limitation," and such terms as "includes" have similar meanings.

## 1.3 Schedules

The following Schedules shall form an integral part of this Agreement:

**Schedule "A" Intellectual Property**

## ARTICLE 2 PURCHASE AND SALE

### 2.1 Purchase and Sale of Purchased Assets

At the Closing Time, subject to the terms and conditions of this Agreement, the Vendor shall sell and the Purchaser shall purchase the Purchased Assets.

### 2.2 Purchase Price

Pursuant to the terms and subject to the conditions set forth in this Agreement, in consideration of the sale of the Purchased Assets, the purchase price payable by the Purchaser to the Vendor is the sum of [REDACTED] (the "**Purchase Price**").

### 2.3 Deposit

- (1) Contemporaneously with the execution and delivery of this Agreement by the Purchaser and in accordance with the terms of the Sales Process, the Purchaser has paid a deposit payable to the order of the Trustee, in trust, in the amount of [REDACTED] equal to 15% of the Purchase Price (the "Deposit").
- (2) The Deposit shall be held, pending Closing, by the Trustee in a non-interest-bearing account with a bank.
- (3) If the Closing does not occur by reason of the uncured default of the Purchaser, the full amount of the Deposit (plus accrued interest, if any), less any applicable withholding Tax, shall become the property of the Vendor, on behalf of the Estate, as liquidated damages and not as a penalty. The Vendor's recourse against the Purchaser in such circumstances include the right of the Vendor to retain the Deposit and to seek recovery of an additional amount for any actual damages of the Vendor, provided however that the recovery for such additional damages is not to exceed the value of damages actually incurred as a result of such failure to close.
- (4) If the Closing does not occur for any reason other than the default of the Purchaser, the full amount of the Deposit, less any accrued interest and/or any applicable withholding Tax, shall be returned by the Vendor to the Purchaser and the Purchaser shall have no further recourse against the Vendor.

### 2.4 Satisfaction of Purchase Price

The Purchaser shall satisfy the Purchase Price at the Closing Date as follows:

- (a) by the application of the amount of the Deposit, to be credited against the Purchase Price; and
- (b) by payment to the Trustee by wire transfer of the balance of the Purchase Price to an account specified in writing by the Trustee.

### 2.5 Allocation of Purchase Price

The Purchase Price shall be allocated 100% to the Intellectual Property.

### 2.6 Excluded Assets

Save and except as otherwise expressly set out herein, the Purchaser may, at its option, exclude any of the Purchased Assets from the transaction contemplated hereby at any time prior to Closing by delivering to the Vendor written notice of the same, whereupon such asset(s)

shall be deemed to form part of the Excluded Assets, provided, however, that there shall be no reduction in the Purchase Price as a result of such exclusion.

## **2.7 Sales and Transfer Taxes; HST**

- (a) The Purchase Price shall be exclusive of any and all applicable Taxes.
- (b) The Purchaser shall be responsible for the payment on Closing of any Taxes that are required to be paid or remitted in connection with the consummation of the transactions contemplated in this Agreement, which amount shall be collected and remitted by the Vendor.
- (c) The Purchaser shall execute and deliver on Closing an indemnity in respect of any liability for Taxes arising out of this Agreement and the transactions contemplated hereby.

## **ARTICLE 3** **CLOSING ARRANGEMENTS**

### **3.1 Closing**

Closing shall take place at 11:00 a.m. (the "**Closing Time**") on the Closing Date at the offices of the Vendor's Lawyers, or such other time and location as the Parties may agree upon in writing (including by way of electronic exchange of documents).

### **3.2 Tender**

Any tender of documents or money under this Agreement may be made upon the Parties or their respective counsel and money may be tendered by official bank draft drawn upon a Canadian chartered bank, by negotiable cheque payable in Canadian funds and certified by a Canadian chartered bank or trust company, or by wire transfer of immediately available funds to the account specified by that Party.

### **3.3 Vendor's Closing Deliveries**

At the Closing, the Vendor shall deliver to the Purchaser the following, each in form and substance satisfactory to the Parties, acting reasonably:

- (a) a copy of the Approval and Vesting Order and the Trustee's Certificate contemplated thereby;
- (b) a bring down certificate dated as of the Closing Date, confirming that all of the representations and warranties of the Vendor contained in this Agreement are true and correct as of the Closing Date, with the same effect as though made on and as of the Closing Date;
- (c) a general conveyance with respect to the Purchased Assets; and

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- (d) such further and other documentation as is referred to in this Agreement or as the Purchaser or the Purchaser's Lawyers may reasonably require to complete the transactions provided for in this Agreement.

### **3.4 Purchaser's Closing Deliveries**

At the Closing, the Purchaser shall deliver to the Vendor the following, each in form and substance satisfactory to the Parties, acting reasonably:

- (a) all payments in respect of the amounts referred to in Article 2 hereof;
- (b) the indemnity contemplated by Section 2.7(c) hereof;
- (c) a bring down certificate dated as of the Closing Date, confirming that all of the representations and warranties of the Purchaser contained in this Agreement are true and correct as of the Closing Date, with the same effect as though made on and as of the Closing Date; and
- (d) such further and other documentation as is referred to in this Agreement or as the Vendor or the Vendor's Lawyers may reasonably require to complete the transactions provided for in this Agreement.

### **3.5 Delivery of the Trustee's Certificate**

When the conditions set out in Article 4 below have been satisfied or waived, the Vendor will deliver an executed copy of the Trustee's Certificate (as defined in Section 4.4(b)) to the Purchaser. Upon such delivery, the Closing will be deemed to have occurred. The Trustee will file a copy of the Trustee's Certificate with the Court and provide evidence of such filing to the Purchaser.

## **ARTICLE 4**

### **SALES PROCESS AND CONDITIONS PRECEDENT**

- 4.1** The Purchaser acknowledges and agrees that this Agreement constitutes an offer to acquire the Purchased Assets made pursuant to the Sale Process. The Purchaser further acknowledges that, under the Sale, its offer is in contemplation of determining whether a superior offer can be obtained for the Purchased Assets.
- 4.2** In the event that one or more Persons submits a qualified offer on or before the Offer Deadline, the Vendor shall evaluate the offer and select a winning offer as required by the Sale Process (the Person submitting such bid being the "**Successful Offeror**"). Upon the selection of the Successful Offeror, there shall be a binding agreement of purchase and sale between the Successful Offeror and the Vendor. The Purchaser acknowledges and agrees that if this Agreement is accepted, it shall constitute such a binding agreement of purchase and sale. If requested by the Purchaser, the Vendor shall forthwith bring a motion following the selection of the Successful Offeror for an order approving the agreement reached with

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the Successful Offeror and to vest the Purchased Assets in the Successful Offeror and, if granted, shall proceed with closing the transaction contemplated hereby forthwith.

4.3 Notwithstanding anything contained herein to the contrary, in the event that the Purchaser is not the Successful Offeror, then upon the Vendor advising the Purchaser of the same in writing, this Agreement shall terminate and the Purchaser shall be entitled only to the return of the Deposit (as soon as is practicable) and neither Party hereto shall have any further liability or obligation, except as expressly provided for in this Agreement.

4.4 **Mutual Condition re: Approval and Vesting Order**

- (a) This Agreement is conditional on the Court granting an Approval and Vesting Order approving this Agreement and the transaction contemplated hereby and vesting, upon the delivery of the Trustee's Certificate, all right, title and interest of the Vendor in and to the Purchased Assets in the Purchaser, free and clear of all Claims and Encumbrances pursuant to the terms and conditions of this Agreement, (the "**Approval and Vesting Order**").
- (b) The Approval and Vesting Order shall be in form and substance acceptable to the Purchaser and the Vendor, acting reasonably, substantially in the form of the model order approved by the "Ontario Commercial List Users Committee", modified to reflect the sale by the Vendor as Trustee, which shall contemplate the delivery of a certificate by the Vendor to evidence completion of the transactions contemplated by this Agreement (the "**Trustee's Certificate**").
- (c) As soon as practicable after the execution hereof by all Parties, the Vendor shall make a motion to the Court to recommend and request that the Court issue the Approval and Vesting Order.
- (d) The obligations of the Vendor and the Purchaser hereunder are subject to the satisfaction of, or the express written waiver of the Parties, at or prior to the Closing Time, the mutual condition that the Approval and Vesting Order shall have been granted by the Court in form and substance acceptable to the Purchaser and the Vendor, acting reasonably, and that neither the Vendor nor Purchaser shall have been served with any notice of appeal with respect to the Approval and Vesting Order, or any notice of any application, motion or proceedings seeking to set aside or vary the Approval and Vesting Order or to enjoin, restrict or prohibit the transaction contemplated hereby.

#### 4.5 Conditions Precedent of the Purchaser

The Purchaser shall not be obliged to complete the transactions contemplated by this Agreement unless, at or before the Closing Time, each of the following conditions has been satisfied, it being understood that the following conditions are included for the exclusive benefit of the Purchaser and may be waived, in whole or in part, in writing, by the Purchaser at any time:

- (a) *Representations and Warranties.* The representations and warranties of the Vendor in Section 5.1 shall be true and correct at the Closing Time; and.
- (b) *Vendor's Compliance.* The Vendor shall have performed and complied with all of the terms and conditions in this Agreement on its part to be performed or complied with at or before the Closing Time and shall have executed and delivered to the Purchaser at the Closing Time all the deliveries contemplated in Section 3.3 or elsewhere in this Agreement.

#### 4.6 Conditions Precedent of the Vendor

The Vendor shall not be obliged to complete the transactions contemplated by this Agreement unless, at or before the Closing Time, each of the following conditions has been satisfied, it being understood that the following conditions are included for the exclusive benefit of the Vendor, and may be waived, in whole or in part, in writing by the Vendor at any time:

- (a) *Representations and Warranties.* The representations and warranties of the Purchaser in Section 5.2 shall be true and correct at the Closing Time; and
- (b) *Purchaser's Compliance.* The Purchaser shall have performed and complied with all of the terms and conditions in this Agreement on its part to be to be performed by or complied with at or before the Closing Time and shall have executed and delivered to the Vendor at the Closing Time all the deliveries contemplated in Section 3.4 or elsewhere in this Agreement.

#### 4.7 Non-Satisfaction of Conditions

If any condition precedent set out in Section 4.5 or 4.6 is not satisfied or performed prior to the time specified therefor, the Party for whose benefit the condition precedent is inserted may:

- (a) waive compliance with the condition, in whole or in part, in its sole discretion by written notice to the other Party (but may not claim for any matter waived) and without prejudice to any of its rights of termination in the event of non-fulfilment of any other condition in whole or in part; or
- (b) elect on written notice to the other Party to terminate this Agreement, in which event each Party shall be released from all obligations under this Agreement, provided that the Deposit shall be dealt with in accordance with the terms of Article 2.3 hereof.



#### 4.8 Mutual Condition not Fulfilled

If the condition in Section 4.4 shall not have been fulfilled prior to September 15, 2022 or such later date agreed upon by the Parties, then the Vendor or the Purchaser, in such Party's sole discretion, may terminate this Agreement by notice to the other Party, in which event each Party shall be released from all obligations under this Agreement, provided that the Deposit shall be dealt with in accordance with the terms of Article 2.3 hereof.

### ARTICLE 5 REPRESENTATIONS AND WARRANTIES

#### 5.1 Representations and Warranties of the Vendor

As a material inducement to the Purchaser entering into this Agreement and completing the transactions contemplated by this Agreement and acknowledging that the Purchaser is entering into this Agreement in reliance upon the representations and warranties of the Vendor set out in this Section 5.1, the Vendor hereby represent and warrant to the Purchaser as follows:

- (a) *Authority.* The Vendor is a licensed insolvency trustee and, with the authorization of the Inspector, has sufficient power, authority and right to enter into this Agreement (and all other agreements and instruments to be executed by them as contemplated by this Agreement); to carry out their obligations under this Agreement and such other agreements and instruments; and, to complete the transaction contemplated hereunder, subject to the granting of the Approval and Vesting Order;
- (b) *HST.* The Vendor is a registrant under Part IX of the *Excise Tax Act* (Canada), and its Business Number is 782852693; and
- (c) *Residency.* The Vendor is not a non-resident within the meaning of section 116 of the *Income Tax Act* (Canada).

#### 5.2 Representations and Warranties of the Purchaser

As a material inducement to the Vendor entering into this Agreement and completing the transactions contemplated by this Agreement and acknowledging that the Vendor are entering into this Agreement in reliance upon the representations and warranties of the Purchaser set out in this Section 5.2, the Purchaser hereby represents and warrants to the Vendor as follows:

- (a) *Incorporation of the Purchaser.* The Purchaser is a corporation duly incorporated under the laws of the jurisdiction of its incorporation and is duly organized, validly subsisting and in good standing under such laws;
- (b) *Due Authorization.* The Purchaser has all necessary corporate power, authority and capacity to enter into this Agreement and all other agreements and instruments to be executed by it as contemplated by this Agreement and to carry out its obligations under this Agreement and such other agreements and instruments;

- (c) *Enforceability of Obligations.* Subject to the granting of the Approval and Vesting Order, this Agreement constitutes a valid and binding obligation of the Purchaser, enforceable against the Purchaser, in accordance with its terms;
- (d) *Approvals and Consents.* Except as otherwise provided herein, no authorization, consent or approval of or filing by Purchaser with or notice to any Governmental Authority or other Person is required in connection with the execution, delivery or performance of this Agreement by the Purchaser or the purchase of any of the Purchased Assets hereunder;
- (e) *Business Number.* The Purchaser does not have a business number with Canada Revenue Agency; and
- (f) *Residency.* The Purchaser is a non-resident within the meaning of section 116 of the *Income Tax Act* (Canada).

### 5.3 Survival of Representations and Warranties

- (a) The representations and warranties of the Vendor contained in Section 5.1 or any other agreement, certificate or instrument delivered pursuant to this Agreement shall survive for six (6) months following Closing.
- (b) The representations and warranties of the Purchaser contained in Section 5.2 or any other agreement, certificate or instrument delivered pursuant to this Agreement shall survive for six (6) months following Closing.

### 5.4 Acquisition of Assets on "As Is, Where Is" Basis

The Purchaser acknowledges and agrees that the Vendor is selling and the Purchaser is purchasing the Purchased Assets on an "*as is, where is*" and "*without recourse*" basis as the Purchased Assets shall exist on the Closing Date, subject to the terms of the Approval and Vesting Order, including, without limitation, whatever defects, conditions, impediments, hazardous materials or deficiencies exist at Closing, whether patent or latent. The Purchaser further acknowledges and agrees that it has entered into this Agreement on the basis that the Vendor does not guarantee title to the Purchased Assets and that the Purchaser has conducted such inspections of the condition of and title to the Purchased Assets as it deemed appropriate and has satisfied itself with regard to these matters. No representation, warranty or condition is expressed or can be implied as to title, encumbrances, description, fitness for purpose, merchantability, condition, quantity or quality or in respect of any other matter or thing whatsoever concerning the Purchased Assets. Without limiting the generality of the foregoing, any and all conditions, warranties or representations, expressed or implied, pursuant to the *Sale of Goods Act* (Ontario) or similar legislation in any jurisdiction, do not apply hereto and have been waived by the Purchaser. The Purchaser further acknowledges that all written and oral information obtained by the Purchaser from the Vendor or any of its directors, officers, employees, professional consultants, advisors or representatives with respect to the Purchased Assets or otherwise relating to the transactions contemplated in this Agreement has been obtained for the convenience of the Purchaser only and is not warranted to be accurate or complete.

For avoidance of doubt, the Purchased Assets shall not be sold by Vendor to any person or entity other than the Purchaser pursuant to this Agreement and following Closing and confirmation by Purchaser of receipt of Non-Cloud Based IP (*as defined below*) the Vendor shall immediately destroy any and all copies thereof.

## 5.5 Delivery of Certain Purchased Assets

*(i) Cloud-Based IP.* Without limiting the terms of Section 5.4 hereof, the Vendor agrees to deliver, on closing any Intellectual Property maintained on a Cloud-based hosting service (including but not limited to AWS (including all sub-services such as S3, Neptune Graph DB, etc.), Atlassian services (including all sub services such as BitBucket, Jira, Confluence, etc.), Microsoft SharePoint cloud (and any other document sharing service, excluding employees email service or other private information), HubSpot, 1&1 (IONOS) and/or other website/WordPress hosting service, domain registrants services, any social media and other official web profiles of the company, collectively the “**Hosting Services**”) by:

- (a) by way of delivery of the Chisel AI login details (e.g., account passwords, usernames, etc.) to the Purchaser on Closing; and
- (b) provided that:
  - i. the Purchaser expressly acknowledges and agrees that the Vendor may not have access to the foregoing login details for all Hosting Services and that the Vendor’s only obligation is to use its reasonable commercial efforts to deliver the same on Closing; and,
  - ii. it is acknowledged and agreed that Trustee/Chisel AI will be responsible for payment of such Cloud based services (“**Hosting Costs**”) to the Closing Date, and Planck shall be responsible for Hosting Costs from and after the Closing Date.

And the parties hereto agree to post-closing adjustment for the Hosting Costs, to credit the Vendor or Purchaser, as applicable, in respect of the same and any amount owing by one party to the other shall be paid withing five (5) business days of such adjustment.

The parties hereto to agree to work in good faith together, prior to and following Closing, to limit or eliminate the Hosting Costs, to promptly account for any adjustment above and to facilitate the transition of such services to the Purchaser from and after Closing.

The Purchaser undertakes and agrees to work with the Vendor prior to Closing, and in any event immediately following Closing, to update all Hosting Services (effective as at Closing where possible) to be billed to and paid by the Purchaser. The Purchaser shall, immediately following Closing, take such steps as it deems appropriate to change Hosting Services passwords and security protocols.

On Closing, the Purchaser shall execute an indemnity agreement, indemnifying and holding the Vendor harmless from and against all liabilities in respect of, related to, arising out of or connected to the Hosting Services with respect to the period following Closing.

*(ii) Non-Cloud Based IP.* Without limiting the terms of Section 5.5 hereof, the Purchaser shall deliver any Intellectual Property not maintained on a Cloud-based hosting service (the “**Non-Cloud Based IP**”) by uploading the same to a secured FTP site on Closing. The Purchaser shall have three (3) Business Days following Closing to download and confirm that the Non-Cloud Based IP was uploaded to FTP site in its entirety. If the Purchaser does not raise any concerns about the completeness of the Non-Cloud Based IP within three (3) Business Days, the Purchaser shall be deemed to confirm that same is received in its entirety. In the event the Purchaser identifies concerns, in writing to the Trustee specifically identifying the missing elements of the Non-Cloud Based IP, the Trustee shall work with the Purchaser in good faith to resolve such concerns. And, thereafter, in the event the parties cannot agree that the Non-Cloud Based IP has been delivered in its entirety, the parties will use best efforts to resolve any such dispute and in the event they cannot, will submit to the jurisdiction of the Ontario Superior Court of Justice (Commercial List).

**ARTICLE 6**  
**INTERIM PERIOD**

**6.1 Risk of Loss**

The Purchased Assets shall remain at the risk of the Vendor, to the extent of its interest, until the Closing and after Closing, the Purchased Assets shall be at the risk of the Purchaser, provided that, notwithstanding the foregoing, the Non-Cloud Based IP shall remain at the risk of the Vendor until after the same is confirmed delivered in accordance with Section 5.5(ii) above.

**ARTICLE 7**  
**EMPLOYEES**

[intentionally deleted]

**ARTICLE 8**  
**TERMINATION**

**8.1 Termination by the Parties**

This Agreement may be terminated:

- (a) upon the mutual written agreement of the Vendor and the Purchaser; and
- (b) pursuant to Section 4.8 by either Party.

## **8.2 Remedies for Breach of Agreement**

If this Agreement is terminated as a result of any breach of a representation or warranty, or failure to satisfy a covenant or obligation of a Party, subject to Section 2.3 or as otherwise set out herein, the terminating Party's right to pursue all legal remedies with respect to such breach shall survive such termination. For greater certainty, if any order of the Court is made which directly or indirectly results in the termination of this Agreement, then no Party shall have any remedy, legal or otherwise, against the other Party or its property.

## **ARTICLE 9** **POST-CLOSING MATTERS**

### **9.1 Books and Records**

[intentionally deleted]

## **ARTICLE 10** **GENERAL CONTRACT PROVISIONS**

### **10.1 Headings and Sections**

The division of this Agreement into Articles and Sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

### **10.2 Currency**

Except as otherwise expressly provided in this Agreement, all dollar amounts referred to in this Agreement are stated in Canadian dollars.

### **10.3 Statute References**

Any reference in this Agreement to any statute or any section thereof shall, unless otherwise expressly stated, be deemed to be a reference to such statute or section as amended, restated or re-enacted from time to time.

### **10.4 Time Periods**

Unless otherwise specified, time periods within or following which any payment is to be made or act is to be done shall be calculated by excluding the day on which the period commences and including the day on which the period ends and by extending the period to the next Business Day following if the last day of the period is not a Business Day.

### **10.5 Consent**

Whenever a provision of this Agreement requires an approval or consent and such approval or consent is not delivered within the applicable time limit, then, unless otherwise specified, the Party

whose consent or approval is required shall be conclusively deemed to have withheld its approval or consent.

#### **10.6 No Strict Construction**

The language used in this Agreement is the language chosen by the Parties to express their mutual intent, and no rule of strict construction shall be applied against any Party, including, without limitation, the doctrine of *contra proferentum*.

#### **10.7 Entire Agreement**

This Agreement and the agreements and other documents required to be delivered pursuant to this Agreement, constitute the entire agreement between the Parties and sets out all the covenants, promises, warranties, representations, conditions, understandings and agreements between the Parties relating to the subject matter of this Agreement and supersede all prior agreements, understandings, negotiations and discussions, whether oral or written. There are no covenants, promises, warranties, representations, conditions, understandings or other agreements, oral or written, express, implied or collateral between the Parties in connection with the subject matter of this Agreement except as specifically set forth in this Agreement.

#### **10.8 Expenses**

Each Party shall pay their respective legal, accounting, and other professional advisory fees, costs and expenses incurred in connection with the transactions contemplated in this Agreement, and the preparation, execution and delivery of this Agreement and all documents and instruments executed pursuant to this Agreement.

#### **10.9 Announcements**

Except as required by Applicable Law, all public announcements concerning the transactions provided for in this Agreement or contemplated by this Agreement shall be jointly approved in advance as to form, substance and timing by the Parties after consultation.

#### **10.10 Notices**

Any notice, consent or approval required or permitted to be given in connection with this Agreement shall be in writing and shall be sufficiently given if delivered (whether in person, by courier service or other personal method of delivery), or if transmitted by electronic email:

- (a) in the case of notice to the Vendor at

MNP Ltd.  
111 Richmond Street West – Suite 300  
Toronto, ON M5H 2G4

Attention: Sheldon Title  
Email: [sheldon.title@mnp.ca](mailto:sheldon.title@mnp.ca)

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with a copy to:

Loopstra Nixon LLP  
120 Adelaide Street West – Suite 1901  
Toronto, ON M5H 1T1

Attention: Graham Phoenix  
Email: [gphoenix@loonix.com](mailto:gphoenix@loonix.com)

(b) in the case of a notice to the Purchaser at:

**Planck Resolution Ltd.**

Attention: **Elad Tsur**  
Email: [elad.tsur@planckdata.com](mailto:elad.tsur@planckdata.com)

with copies to:  
**Yigal Arnon & Co.**

Attention: **Eliran Furman, Adv.**

Email: [eliranf@arnon.co.il](mailto:eliranf@arnon.co.il)

**DLA Piper (Canada) LLP**

1 First Canadian Place, Suite 6000  
Toronto, ON  
M5X1E2

Attention : Edmond Lamek  
[edmond.lamek@dlapiper.com](mailto:edmond.lamek@dlapiper.com)

Any notice delivered or transmitted to a Party as provided above shall be deemed to have been given and received on the day it is delivered or transmitted, provided that it is delivered or transmitted on a Business Day prior to 5:00 p.m. local time in the place of delivery or receipt. However, if the notice is delivered or transmitted after 5:00 p.m. local time or if such day is not a Business Day then the notice shall be deemed to have been given and received on the next Business Day.

Any Party may, from time to time, change its address by giving notice to the other Party in accordance with the provisions of this Section.

**10.11 Successors and Assigns**

This Agreement shall enure to the benefit of and be binding upon the Parties and their respective successors. Neither Party may assign or transfer, whether absolutely, by way of security or

otherwise, all or any part of its respective rights or obligations under this Agreement without the prior written consent of the other Party.

#### **10.12 Third Party Beneficiaries**

Unless where provided to the contrary by the specific terms hereof, this Agreement shall not confer any rights or remedies upon any Person other than the Parties and their respective successors and permitted assigns.

#### **10.13 Time of the Essence**

Time shall be of the essence in respect of the obligations of the Parties arising prior to Closing under this Agreement.

#### **10.14 Amendment**

No amendment, supplement, modification or waiver or termination of this Agreement and, unless otherwise specified, no consent or approval by any Party, shall be binding unless executed in writing by the Party to be bound thereby.

#### **10.15 Further Assurances**

The Parties shall, with reasonable diligence, do all such things and provide all such reasonable assurances as may be required to consummate the transactions contemplated by this Agreement, and each Party shall provide such further documents or instruments required by any other Party as may be reasonably necessary or desirable to effect the purpose of this Agreement and carry out its provisions, whether before or after the Closing Date, provided that the reasonable costs and expenses of any actions taken after the Closing Date at the request of a Party shall be the responsibility of the requesting Party.

#### **10.16 Severability**

Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to that jurisdiction, be ineffective to the extent of such prohibition or unenforceability and shall be severed from the balance of this Agreement, all without affecting the remaining provisions of this Agreement or affecting the validity or enforceability of such provision in any other jurisdiction.

#### **10.17 Governing Law**

This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein and each of the Parties irrevocably attorns to the non-exclusive jurisdiction of the Courts of the Province of Ontario. The Parties consent to the jurisdiction and venue of the Court for the resolution of any disputes under this Agreement.



**10.18 Independent Legal Representation or Advice**

The Parties acknowledge and agree that they have had an opportunity to consult with, and have consulted with, such independent legal advisors as they deem appropriate in a connection with the negotiation and execution hereof.

**10.19 Non-Merger**

The representations, warranties and covenants of each Party contained in this Agreement (other than Article 5) will not merge on and will survive the Closing and will continue in full force and effect, notwithstanding the Closing or any investigation or knowledge acquired by or on behalf of the other Party.

**10.20 Execution and Delivery**

This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which taken together shall be deemed to constitute one and the same instrument. Counterparts may be executed and delivered either in original or faxed form or by electronic delivery in portable document format (PDF) and the parties adopt any signatures received by a receiving fax machine as original signatures of the Parties.

*[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK. EXECUTIONS ON SEPARATE PAGE.]*

IN WITNESS OF WHICH the Parties have executed this Agreement with effect as of the date first above written.

Planck Resolution Ltd.



Per: \_\_\_\_\_

Name: Elad Tsur

Title: CEO

Per: \_\_\_\_\_

Name: Amir Harel

Title: CFO

Per: \_\_\_\_\_

Name: Amir Cohen

Title: CTO

MNP LTD., solely in its capacity as licensed insolvency trustee of the bankruptcy estate of Chisel AI Inc., and not in its personal or corporate capacities

Per: \_\_\_\_\_

Name: SHELDON TITEL

Title: LICENSED INSOLVENCY TRUSTEE

*I have the authority to bind the corporation.*

## SCHEDULE "A" INTELLECTUAL PROPERTY

Any and all right, title and interest in and to the Company's intellectual property, including but no limited to:

1. All product designs and documentation contained in the Company Confluence Wiki and JIRA, and in any other Vendor document management system such as Google Drive.
2. All source code for building and deploying the document processing pipeline and the Policy Check and Submission Intake applications, including all python modules, build, package and deploy scripts, terraform configuration management scripts, notebooks for model training, and data quality scripts.
3. All trained model artefacts, including MLFlow serialized artefacts, pre-trained models by Chisel AI and lookup tables or datasets used at inference time.
4. All training datasets, consisting of domain documents, page images, text, and annotations and graph databases.
5. All insurance ontologies.
6. Hubspot, CRM content (backup and dump of the latest snapshot) and pipeline information.
7. Marketing trademarks, brand and marketing collateral, including the brand's registered web domains (including but not limited to Chisel AI).

Additionally, all code repositories, scripts, documentation, manuals and tools used to operate, train and retrain the system and training sets annotated documents.

# TAB E

# APPENDIX "E"

**In the Matter of Chisel AI Inc.**  
**Statement of Receipts and Disbursements**  
**As at July 31, 2022**

**Receipts**

	<u>Receivership</u>	<u>Bankruptcy</u>
	\$	\$
Funds on deposit - CIBC	705,741.16	
Amex Refund		37,431.00
Funds held in escrow		43,388.00
Transfer from bankruptcy estate		938.46
Technation subsidy	14,955.84	
HST Refund (pre-receivership)	27,233.69	
Interest earned	281.85	21.24
<b>Total Receipts</b>	<u>748,212.54</u>	<u>81,778.70</u>

**Disbursements**

External accounting services (SRED/final taxes)	1,970.00	
Office of the Superintendent of Bankruptcy - filing fee	72.82	156.06
Publish notice - first meeting of creditors		676.90
Redirection of Chisel AI mail	228.08	
Consultant's fees	2,700.00	
HST Paid	344.78	88.00
Software fee/miscellaneous	584.87	
Bank charges		17.50
Transfer to bankruptcy estate	938.46	
<b>Total Disbursements</b>	6,839.01	938.46

**Excess of Receipts over disbursements, before distribution**

**Less:**

Distribution to SVB	639,198.15	
Release of funds to Ron Glozman (funds held in escrow)		43,388.00
<b>Excess of receipts over disbursements</b>	<u>102,175.38</u>	<u>37,452.24</u>

**TAB F**

# APPENDIX "F"



Court File No. 31-2822575

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(IN BANKRUPTCY AND INSOLVENCY)**

**IN THE MATTER OF THE BANKRUPTCY OF  
CHISEL AI INC.  
OF THE CITY OF TORONTO  
IN THE PROVINCE OF ONTARIO**

**AFFIDAVIT OF SHELDON TITLE  
(Sworn August 2, 2022)**

I, Sheldon Title, of the City of Richmond Hill, in the Province of Ontario,

**MAKE OATH AND SAY AS FOLLOWS:**

1. I am a Senior Vice President and a Licensed Insolvency Trustee with MNP Ltd., the Licensed Insolvency Trustee (the “Trustee”) of Chisel AI Inc. (“Chisel”) and as such have knowledge of the matters deposed to herein, except where such knowledge is stated to be based on information and belief, in which case I state the source of the information and verily believe such information to be true.
2. On April 19, 2022, Chisel filed an assignment in bankruptcy wherein MNP Ltd. was appointed as Trustee.
3. The Trustee has prepared an invoice in connection with its appointment as Trustee detailing its services rendered and disbursements incurred for the period April 7, 2022 to June 30, 2022 totaling \$130,000, exclusive of disbursements and HST. Attached hereto and marked as Exhibit “A” to this my Affidavit is the account.

- 4. The average hourly rate in respect of the account is \$385.76.
  
- 5. I hereby confirm that the information detailed herein and attached accurately reflects the services provided by the Trustee in these proceedings and the fees and disbursements claimed by it.
  
- 6. This affidavit is sworn in support of a motion to, *inter alia*, approve the costs of administration, and taxation of the Trustee's accounts and for no other or improper purpose.

SWORN before me via videoconference )  
 from the City of Richmond Hill, in the )  
 Regional Municipality of York to the Town )  
 of Erin, in Wellington County )  
 this 2nd day of August 2022 )



A Commissioner, etc.

Matthew Eric Lem, a Commissioner, etc.,  
 Province of Ontario, for MNP Ltd. and MNP LLP.  
 Expires February 21, 2023.

  
 \_\_\_\_\_  
 SHELDON TITLE


Attached is Exhibit "A"

Referred to in the

AFFIDAVIT OF SHELDON TITLE

Sworn before me via videoconference

This 2nd day of August, 2022



---

Commissioner for taking Affidavits, etc.

**Invoice**

Invoice Number : 10500208

Client Number : 0953307

Invoice Date : Jul 7 2022

Invoice Terms : Due Upon Receipt

JASON MCDERMOTT  
 CHISEL AI INC.  
 100 King Street West, Ste 5600  
 Toronto, ON M5X 1C9

**For Professional Services Rendered :**

For professional services rendered in our capacity as Trustee of the Estate of  
 Chisel AI Inc. for the period up to June 30, 2022 (details time descriptions  
 attached). 138,343.50

Less: Voluntary Discount -8,343.50

Sub Total : 130,000.00

Harmonized Sales Tax : 16,900.00

**Total (CAD) :** 146,900.00

HST Registration Number : 103697215 RT 0001

**Invoices are due and payable upon receipt.**

Thank you for your business. We  
 sincerely appreciate your trust in us.

Licensed Insolvency Trustees  
 111 RICHMOND STREET WEST, SUITE 300;  
 TORONTO ON; M5H 2G4  
 P: (416) 596-1711 F: (416) 596-7894 www.MNPDebt.ca

## Detailed Time Charges up to June 30, 2022

Date	Description	Units	Notes
07-Apr-2022	Sheldon Title	.70	call with Bomhof; email to McDermott the spreadsheets to be completed; email to Phoenix the security documents and request opinion
08-Apr-2022	Akhil Kapoor	1.80	1) Detailed discussion with Fatemah re the file, assets, liabilities, WEPP, SOA preparation, private receivership appointment and advising her on preparing the documents in Ascend.2) Reviewing all the documents and getting an understanding of the file and next steps incl. FMO, WEPP among others
08-Apr-2022	Fatemah Khalfan	3.00	Draft SOA prepared and revised several times; sent to S. Title; reviewed emails received from J. McDermott; Teams discussion with A. Kapoor.
08-Apr-2022	Sheldon Title	3.30	emails to Chiu/McDermott on status, email and call with Phoenix on security opinion, calls with McDermott, Chiu on various items relating to bankruptcy, call with McDermott on US accounts, review/revise statement of affairs, review of vacation pay calcs; email to Chiu/McDermott on directors not having a secured claim/wepp entitlement, call with Bomhof, review of financial statements and compare to info, email to Chiu with questions, engagement letter, receipt of bank statements/other info, review of escrow agreement/separation agreement and call with Phoenix on same; email to Carroll,
11-Apr-2022	Fatemah Khalfan	1.40	Revised SOA and sent to S. Title; printed all documents for signup and sent to S. Title; placed engagement letter on letterhead with S. Title's signature and sent back to S. Title. Teams call with A. Kapoor on WEPP, vacation pay etc.
14-Apr-2022	Fatemah Khalfan	.60	Emails exchanged with S. Title and P. Chiu re changes to be made to SOA; revised SOA and sent to P. Chiu for review.
18-Apr-2022	Akhil Kapoor	1.00	1) Discussion with S. Title re bankruptcy signing, overall view of the file, documents checklist to be prepared in order to obtain them from the company among others 2) Discussion with Fatemah re EIS preparation, key issues to be addressed, retainer received or not, timing of private appointment among others 3) Glancing through bankruptcy documents and checklist
18-Apr-2022	Deborah Hornbostel	.30	Attend swearing of SOA, execute and submit SOA to Fatemah for processing
18-Apr-2022	Fatemah Khalfan	1.20	Revised signup documents as per email received from P. Chiu; sent out documents to S. Title, J. McDermott and P. Chiu; received signed copies back; Teams call with S. Title; Teams call with A. Kapoor; compiled all documents together for e-filing; e-filed and received temporary OSB confirmation; saved to client folder and sent to S. Title, A. Kapoor and D. Hornbostel; updated Checklist and sent to A. Kapoor.
18-Apr-2022	Sheldon Title	1.30	emails to/from McDermott/Chiu, update email to SVB team; coordinate signing of docs; attend signing of bankruptcy docs, post meeting review of EIS, etc., call with Kapoor
19-Apr-2022	Akhil Kapoor	4.30	1) Detailed discussion with S. Title re key tasks to be performed today as bankruptcy application was approved by OSB re receivership appointment, CIBC freeze account, letters to various parties to inform about bankruptcy and to require them to send refund to us incl. Amazon, MOF, Student wage subsidy program, others, s. 245 report, software, creation of website, obtaining B&R access, banking records, Amex card to be cancelled, redirection of mail among others 2) Visiting CIBC bank to discuss and hand over documents to direct the bank to freeze the bank accounts 3) Preparation of first draft of 245 report and sharing with S. Title for review 4) Glancing through information shared by Pearl (to be continued)
19-Apr-2022	Akhil Kapoor	.50	Detailed discussion with Pearl re all the issues re B&R records, accounting firm involved, connecting with them, banking, insurance and lease records, Amex card details, SWPP Technation details, employee details, brief discussion about other software among other matters
19-Apr-2022	Fatemah Khalfan	3.60	Received Certificate of Appointment and transferred file to Ascend Estates; Teams meeting with A. Kapoor on outstanding tasks; Teams meeting with A. Kapoor and S. Title on outstanding tasks/items checklist; finalized letter to CIBC to freeze bank accounts; faxed letter to CIBC 3rd Party demands team; called CIBC branch and left message for Branch manager; faxed letter to CIBC branch manager; called and left voice message for K. Figaszewska at CRA; Zoom meeting with A. Kapoor, P. Chiu and J. McDermott; created webpage and posted Certificate to it; sent draft Form 66 and 68 to S. Title for review; finalized Letter of Attestation and CDIC form and sent to M. Mastrangelo at TD bank to have new account opened; finalized newspaper ad with S. Title and sent to B. Campisi at Toronto Sun; received mock-up back and sent to S. Title for approval.
19-Apr-2022	Sheldon Title	.70	meeting with Khalfan; call with Phoenix
19-Apr-2022	Sheldon Title	.70	call with Plunkett on receivership launch
20-Apr-2022	Akhil Kapoor	1.00	1) Limited review of information received from Pearl (shared folder and email)- to be continued2) Communications re bank account access and freezing of account by the bank3) Glancing through signed EIS, revised receivership report among others
20-Apr-2022	Fatemah Khalfan	6.70	Emails and phone calls exchanged with T. Oxley at CIBC re freezing of accounts; emails exchanged with S. Title and A. Kapoor on this; email sent to P. Chiu asking about online access to the accounts; finalized Notice of Receiver, creditor lists, amended EIS, and faxed to OSB and sent copy of confirmation to S. Title and A. Kapoor, arranged for printing and mailing of creditor packages and Form 66, efiled Form 68 and Form 66; prepared Affidavit of Mailing and sent to M. Lem for signing; drafted WEPP letter and sent to S. Title; started on draft POCs for WEPP claims; downloaded employee information sent by P. Chiu; edited newspaper ad and sent final approval to B. Campisi at Toronto Sun; email received from M. Mastrangelo re bank account and sent email back to her asking for her to make it an urgent request; email received from K. Figaszewska re documents to be sent to Shawinigan for agent to be assigned; assembled documents and faxed to Shawinigan; received confirmation and update sent to S. Title and A. Kapoor; created new categories on webpage through Sitecore and posted relevant documents

20-Apr-2022	Sheldon Title	.50	email exchange with Hazel Perfinian of Laurel Hill on escrow funds; creation of task planning spreadsheet; sign amended EIS; review/revise WEPP letter
20-Apr-2022	Sheldon Title	1.10	review of s.245 report; forward revised report to Fatemah, emails with Fatemah on CIBC freezing the account; update email to Frank O'Brien and SVB team; prepare email to Tanya @ CIBC on issue/confusion over freezing the accounts at CIBC
21-Apr-2022	Akhil Kapoor	5.50	1) Multiple discussion between S. Title and CIBC re bank account activities, transfer of funds among others 2) Discussion with Fatemah re WEPP, commencing preparation of worksheets, vacation pay entitlement, under receivership or bankruptcy among others 3) Reviewing expense sheet for Amex, evaluating each of the expenses paid through the card, understanding rational for cancellation vs continue among others 4) Call with CPA Connect to understand their role, what they handled for the company, next steps, assistance required from them and obtaining access to XERO among others 5) Glancing through XERO accounting software to understand its applications 6) Discussion re receivership appointment and receipt of certificate from OSB 7) Updating our planning checklist with tasks done and in progress
21-Apr-2022	Fatemah Khalfan	4.50	WEPP POCs forms drafted; sent to A. Kapoor for review; received back with amendments to be made; revised and sent to A. Kapoor and received confirmation email back; revised Affidavit of Mailing and sent to M. Lem for signing; received back and saved to client folder; requested tear sheet from B. Campisi at Toronto Sun; Teams meeting with A. Kapoor and CCPA; Teams meeting with A. Kapoor re: outstanding items; updated outstanding items checklist; Teams call with S. Title; received email from M. Mastreangelo at TD Bank with new bank account details; set up new bank account in Ascend for bankruptcy file; email to M. Lem that we need the account to be set up with wire transfer access; email to L. Periosis re: setting up Chisel bank account for wire privileges and how to we deal with such a request moving forward; reply received from TD Bank; forwarded to S. Title and M. Lem.
21-Apr-2022	Sheldon Title	.10	exchange of calls with Bornhof
21-Apr-2022	Sheldon Title	.80	email to/from Tanya Oxley to request account activity, email to Pearl Chiu/McDermott to request account activity, email from Amy Olah of CIBC re: request for security docs, call with Plunkett on same (8 minutes)
22-Apr-2022	Akhil Kapoor	3.50	1) Multiple discussion with Pearl re pending items - employees required for SRED and IP, employee incl. termination pay, vacation pay, equipment details, access to multiple applications, redirection of mail, various contact information among others. 2) Discussion with S. Title and Fatemah re our planning checklist (all items and activities to be completed) and Amex expense (to be continued or not, to give notices to vendors among others) 3) Discussion with Jason and S. Title re software sale process, D&O insurance, benefits among others 4) Discussion with Fatemah re letters to be prepared and other steps 5) Reviewing access across applications (to be continued) 6) Discussion re bank account activity
22-Apr-2022	Fatemah Khalfan	1.50	Teams meeting with S. Title and A. Kapoor on Planning Checklist; email sent to H. Perfinian at Laurel Hill re: wire transfer details for the Bankruptcy trust account; received email from M. Mastrangelo re: new trust account for the Receivership; email sent to S. Title with wire transfer details for this account.
22-Apr-2022	Fatemah Khalfan	.80	Two draft letters prepared, to vendors, for discontinuation and continuation of services; sent to A. Kapoor for review.
22-Apr-2022	Sheldon Title	2.00	email to Nardari of CIBC to respond to his email of 4/21; email from Henry Louis, email to Kapoor and Plunkett; email to McDermott to authorize cancellation of credit card and seek return of refund; email McDermott to schedule call; planning call with Kapoor and Khalfan on WEPP, Amex acct/expenses, other; further emails with CIBC on instructing the wire, etc., further emails with McDermott on the Amex card; call with McDermott/Kapoor on sale process, etc.
23-Apr-2022	Akhil Kapoor	.50	1) Discussion with S. Title re causes of financial difficulties at Chisel and related matters 2) Obtaining access to Bamboo and glancing through it, realising that the information available is only available for 3 employees
25-Apr-2022	Akhil Kapoor	2.00	1) Discussion with Fatemah re the letters to be prepared, discussing the letters prepared for services, contact information among others 2) Emailing former employees to understand their availability for a call to discuss SRED/IP related matters 3) Email comm with Pearl re contact informations, addresses, requirement of former employees for SRED/IP matters among others 4) Discussion with a former employees for access to Code/IP registries 5) Understanding changes made by S. Title in the draft letters 5) Going through Jason's email on Prospective Buyers and planning next steps 6) Understanding the going through Bamboo application and its relevance. 7) Communication with the bank re balance transfer
25-Apr-2022	Fatemah Khalfan	2.70	Teams meeting with A. Kapoor on draft letters for vendors; revised and prepared a different one for Insight; sent all 3 to S. Title for review; received emails from S. Singh to register for vendors; registered; received edited letters back from S. Title and made changes to all the vendors; went online to try and find email address/mailing addresses.
25-Apr-2022	Sheldon Title	.40	review of letters to suppliers and markup same, follow up email to Jason @ CIBC on his sending funds
26-Apr-2022	Akhil Kapoor	2.00	1) Email communication with Pearl re clarification on services to be continued and discontinued, bank account to be continued and discontinued, SRED employee details, SWPP Grant approval of \$15k, Pearl's availability to prepare SRED claim among others 2) Sending emails to 6 employees and setting up calls with 3 employees 3) Call with one employee to check her availability and role for SRED claim 4) Email comm with Jason re Amex card closure and remittance of refund by Amex to Jason 5) Emails with S. Title and Jason re interested parties in Chisel business (to be continued)
26-Apr-2022	Akhil Kapoor	.50	Reviewing XERO to find out SRED claim amount, consultant charges, timing along with the tax return for 2021
26-Apr-2022	Akhil Kapoor	.30	Discussion with S. Title re updating him about status, also discussed with Fatemah to prepare the WEPP claim sheet based on revised vacation entitlement

26-Apr-2022	Akhil Kapoor	2.50	1) Call with S. Title and a former employee to discuss his availability for SRED and IP sale, also understanding his concerns on the confidentiality clause and other matters 2) Update from S. Title re his call with the other former employee 3) Email communication with Pearl re bank account, communications with S. providers and asking her a few unpaid vacation queries (to be continued) 4) Discussion with Fatemah re communications with the various parties, updated status among others. Also, discussed and advised about unpaid vacation time and information to be obtained from Bamboo software 5) Email comm with S. Title re status of SRED claim, employee onboard, task and term letter, next steps among others
26-Apr-2022	Fatemah Khalfan	2.00	Logged into TD online banking to check bank account for CIBC wire; it was received; took screen shot and sent update to S. Title and A. Kapoor; email sent to H. Perfinian of Laurel Hill if she had sent wire transfer to us for the escrow funds; prepared cheque requisition for the OSB registration fee and sent to S. Title for review; logged into Xero and searched for Invoices for all the vendors; saved to client folder; created documents with details for vendor of contact information.
26-Apr-2022	Sheldon Title	1.50	email to PP ; email to/from PP (Gerin from Finalta re: SRED); call with Colin Toal and Kapoor on Colin's potential ongoing involvement in assisting in SRED; call with George H on potential involvement in assisting with IP and SRED
26-Apr-2022	Sheldon Title	.70	email approval of requisition on OSB fee; email to Nardari of CIBC to confirm receipt of funds; email to Kyle Plunkett on status of funds received
27-Apr-2022	Akhil Kapoor	3.00	1) Reviewing vacation pay sheet and noting down queries for the call 2) Call with Pearl re SRED claim, vacation pay, former employee rehiring plan, consultant update, SWPP update among others 3) Call with another former employee to discuss his involvement for SRED claim and IP sale 4) Reviewing the revised vacation pay sheet, discussion with Fatemah , revising the sheet to reflect WEPPA payment, secured and unsecured claim and sharing the updated version with S. Title along with comments 5) Call and emails with the SRED consultant to align him with our requirements 6) Discussion with Fatemah re updates on communications with various suppliers and other matters
27-Apr-2022	Fatemah Khalfan	5.00	Finalized draft letters to vendors, both for terminating services and keeping them; investigated into email addresses, logging in where possible, emails sent out; email sent to H. Perfinian inquiring about status of wire transfer; received email from S. Title to invest escrow funds received; email sent to M. Sattler at TD Bank on this; phone call with R. Peichl from Osler re POC; received POC from him and sent to S. Title for review; phone call with R. Glozman; sent update email to S. Title; draft Asset letters prepared and sent to S. Title for review
27-Apr-2022	Sheldon Title	2.00	call with Peter Raj and Kapoor; call with Maxine-Jean Gerin on potential sale of 2022 sred and lengthy email to Kapoor on discussions with employees on SRED and IP sale; email from/to Hazel of Laurel Hill, email to Khalfan to investigate opening segregated account/term deposit for escrow funds; email to Phoenix documents and request opinion on validity of escrow fund trust; email to Glozman re: request for proof of claim (property) and to answer his voice mail left for Khalfan
27-Apr-2022	Sheldon Title	.40	email to Plunkett re: SWPP subsidy; emails with Khalfan, CIBC and McDermott ; final review of letters to Vendors
28-Apr-2022	Akhil Kapoor	3.50	1) Multiple emails and calls with Fatemah re status of queries, communications with various service providers, issues relating to payment, timing, mode of payment among others 2) Email comm with Benefits company re their services, termination and requesting for statement of final benefits, glancing through benefits statement, discussion with Pearl relating to it 3) Multiple emails and communications with S. Title re WEPP, vacation pay, SRED claim, consultant, T4 status among others 4) Preparation of draft task and term letter (re SRED) and sharing with S. Title for review, discussion with him to revise it and making it more comprehensive 5) Email comm with Connect CPA and the SRED consultant
28-Apr-2022	Fatemah Khalfan	4.30	Draft Preliminary Report prepared; reviewed emails received from vendors in response to my emails to them; sent some to A. Kapoor; logged into AWS and changed information and update sent to A. Kapoor; email sent to M. Mastrangelo inquiring about information for a trust account with interest rates; follow up emails sent to vendors as well as engaged in online chat; email sent to R. Peichl on Osler's POC.
28-Apr-2022	Sheldon Title	1.00	email to PP re: interest; email to McDermott on NDAS; review of term/task letter, review of Stonecracker agreement, emails to Kapoor on t4s, term task, Finalta request, email to/from Finalta on its request for info
28-Apr-2022	Sheldon Title	.40	review of revised vacation pay calcs, email from/to Plunkett on vacation pay, payout, emails to Kapoor
29-Apr-2022	Akhil Kapoor	1.30	1) Revising the Task and Term letter based on guidance received from S. Title and sharing with him for comments 2) Discussion with Fatemah re Amazon's invoices and understanding their timing 3) Email comm with S. Title re data requirement of a prospective investor of SRED claim and going through the list of items required
29-Apr-2022	Akhil Kapoor	2.50	1) Discussion with S. Title, Graham re changes in Task and Term letter 2) Discussion with Pearl re time budget for each of the former employees for SRED claim 3) Sharing SRED consultant agreement with MNP Lead, N. Tiku and brief discussion with her (to be continued) 4) Call with Fatemah to discuss status of communications with each of the service providers 5) Discussion with Pearl re AWS charges going forward 6) Discussion with Connect CP re next steps and status
29-Apr-2022	Akhil Kapoor	2.00	1) Preparing all Task and Term letters, putting in the hourly rates for the 4 employees and sharing with S. Title for comments 2) Discussion with Fatemah re updates on Prel. report, Atlassian application, letters to be sent for refunds among others 3) Discussion re EHT refund, employee hiring date sheet received from Connect CPA among others 4) Finalisation of T&T letters, final review and sharing them with the 4 employees
29-Apr-2022	Fatemah Khalfan	.80	Creation of file in Ascend Interview and transfer to Ascend Estate; recorded receipt of wire transfer from CIBC for bank accounts; sent cheque requisition through Ascend for S. Title to sign for OSB registration fee.

29-Apr-2022	Fatemah Khalfan	2.30	Teams meeting with A. Kapoor on status update for vendors and escrow agreement document; emails and phone calls exchanged with vendors on termination of services and also continuation of services; follow up email to M. Mastrangelo at TD re bank account
29-Apr-2022	Sheldon Title	.40	mark up of term and task letter, email to Kapoor to run term/task letter by Phoenix; email exchange with Phoenix
29-Apr-2022	Sheldon Title	.30	email to Plunkett on status of receivership
30-Apr-2022	Sheldon Title	.30	email with PP, email with McDermott on our involvement with PP
02-May-2022	Akhil Kapoor	2.00	1) Discussion with Fatemah and S. Title re status of service providers, demand letters, detailed checklist of items, SRED claim, IP Sale Process among others 2) Email comm with Jason re cancelling certain services 3) Discussion with Fatemah re Connect CPA payment, Bamboo among others 4) Discussion with Connect CPA team for Wage Point, T4 and certain other matters 5) Follow up with Pearl re Task and Term letters
02-May-2022	Akhil Kapoor	3.00	1) Discussion with Fatemah re prel. report 2) adding certain sections in prel. report (to be continued) 3) Discussion re WEPP progress 4) Sharing bank statements for Jan-Mar with Connect CPA and discussion with them to prepare Financial Statements for the period ended the date of bankruptcy
02-May-2022	Fatemah Khalfan	3.00	Teams meeting with S. Title and A. Kapoor on outstanding items; checklist sent to A. Kapoor; follow up emails sent to vendors; logged in to check on services and payments; updated A. Kapoor and vendor payment spreadsheet; wire requisition prepared for ConnectCPA and sent to S. Title; received back; emails exchanged with L. Periosis at TD Bank re: sending wires from Chisel bank account and also clarifying wire information for ConnectCPA; email sent to M. Lem to give me wire access to this bank account.
02-May-2022	Sheldon Title	1.60	call with Phoenix on terms of separation agreement/trust, discussion/consideration of sale process + team meeting to discuss Amex accounts, WEPP, other
02-May-2022	Sheldon Title	.20	call to/from Evan of CRA (compliance officer); follow up with Jason @ CIBC on post-bankruptcy receipts
03-May-2022	Akhil Kapoor	3.00	1) Continuing work on Prel. report and updating sections- assets and liabilities, creditor groups, realisations among others (to be continued) 2) Email comm with former employees re status of offer acceptance among others 3) Email comm with Connect CPA team re preparation of financial statements, requirements among others
03-May-2022	Fatemah Khalfan	.30	Emails exchanged with R. Peichl at Osler re: being appointed Inspector of the Estate; sent to S. Title.
03-May-2022	Fatemah Khalfan	.30	Wire transfer authorized (Connect CPA) and sent to M. Lem; received M. Lem's authorization back and saved to client folder.
03-May-2022	Matthew Lem	.10	wire authorization
04-May-2022	Akhil Kapoor	2.20	1) Multiple calls with former employees re negotiating their T&T letters and deciding to share revised letters 2) Discussion with Fatemah re update on letters and communications 3) Discussion with SRED consultant re updating her on developments 4) Discussion re where is IP stored and how to take possession of it 5) Providing status update to S. Title on all the former employees who are required for SRED work
04-May-2022	Fatemah Khalfan	.30	Emails exchanged with A. Kapoor on the storage of the IP/code; email sent to Atlassian to inquire about this.
04-May-2022	Sheldon Title	.60	attendance at call with George H; call with Phoenix related to opinion on escrow/separation agreement
05-May-2022	Akhil Kapoor	4.00	1) Discussion re Escrow funds and its recording in Ascend 2) Discussion re WEPP preparation under receivership vs bankruptcy and deciding to wait for CRA response on deemed trust 3) Glancing through S. Title's comments on Prel. report 4) Call with Colin (former employee) re his concerns relating to pay rate, term of the contract, flexibility on terminating contract, IP storage, potential sale among other things 5) Amending the T&T letters and sharing with the 3 former employees (Colin, Peter and George) 6) Discussion re Adobe, Bamboo, Insight among others re their login/payment details 7) Discussion re cancellation of certain services and update with Jason 8) Reviewing the April statements (required by Connect CPA) 9) Discussion with Tom (Connect CPA) re access to Wage point and reports 10) Following up with Pearl re T&T letter and if she has any concerns
05-May-2022	Fatemah Khalfan	1.50	Teams meeting with A. Kapoor on outstanding items and follow-up; emails exchanged with P. Chiu, S. Singh and A. Kapoor; logged in online to some vendors; emails sent out to a couple of vendors; emails exchanged with S. Title on WEPP and recording on Escrow funds to Ascend.
05-May-2022	Sheldon Title	1.70	work on preliminary report + email exchanged with interested parties+ email with FedDev rep; call with agent for Ron Gozman on his proof of claim (property) and request for escrow agreement and request to permit Ron to attend creditors meeting notwithstanding he has no claim
06-May-2022	Akhil Kapoor	2.40	1) Email comm with former employees re George and Peter re Task and Term letters 2) Discussion with Fatemah re status of communications with service providers and major bottlenecks 3) Discussion re redirection of mail through Canada Post 4) Discussion with Pearl re Insight and Bamboo payment mechanism, copying data from AWS, cancellation of certain services, Atlassian services and invoices, Pearl's T&T letter among other things 5) Update on bank balances in each of the accounts 6) Discussion with S. Title re SWPP technation subsidy 7) Discussion with Adam (Connect CPA) re T4 filing and requesting him to share T4 summary, also sharing bank statements for April with him 8) Discussion re update on Federal Eco's involvement in the FMOC
06-May-2022	Akhil Kapoor	1.90	Reviewing bank statements and Amex card statements (few Amex statements pending) for the last 12 months for preference review. Noting down queries re certain payments and discussing them with Pearl.
06-May-2022	Fatemah Khalfan	1.60	Reviewed emails received from P. Chiu; followed up with vendors, logged into online accounts; attempted to re-direct mail through Canada Post; Teams call with A.Kapoor; call with a former employee about her claim and the process; messages exchanged with S. Title on attendance for the creditor meeting
06-May-2022	Sheldon Title	.70	email to CIBC and email to arrange call with PP; reach out to interested parties; email to Puneet at FedDev; email exchange with Kapoor on preparation of t4s



07-May-2022	Akhil Kapoor	3.00	1) Revising and adding few sections in the preliminary report based on S. Title comments re asset details, refund details, table updations among others and sharing with S. Title for review. 2) Discussion with S. Title re zoom and Dialogue and concluding that they need to be directed to reverse charges wrongly charged to the credit card (Amex) 3) Discussion with Pearl re her concerns - pay rate, no of hours and end date and updating S. Title about them
08-May-2022	Akhil Kapoor	1.60	1) Discussion re finalisation of the report and making necessary changes re vacation pay carve out in release letter, WEPP update, second Partner comments, 2) Preparation of SRED Claim budget and sharing with S. Title (assuming a recovery of 200k) 3) Discussion re pre authorised charges on the card which needs to be reversed. 4) Discussion with Pearl and advising Connect CPA to share the draft statements before filing them, also asking for the T4 summary
08-May-2022	Matthew Lem	.70	Review draft preliminary report
08-May-2022	Sheldon Title	.40	revisions to report after receiving Matt's comments; emails with McDermott on Amex card;
09-May-2022	Akhil Kapoor	.80	Attending the first meeting of creditors
09-May-2022	Akhil Kapoor	3.00	1) Discussion re revisions in preliminary report - WEPP, vacation pay and release letter, POC received among others 2) Discussion with Connect CPA team re T4, T4 queries, status of financial statements, HST, CT returns, Amex statements among others 3) Discussion with Jason re timing of finalisation of draft financial statements 4) Email comm with Fatemah and Pearl re ongoing services, charges, cancellation among others 5) Minor changes in minutes of the meeting (FMOC), discussion with S. Title re funds in the estate, detrending the availability of further funds in the estate (refunds, grants etc.) in order to commence SRED or IP Sale process work among others 6) Reviewing the query received from S. Canada re an employee's ROE and advising Fatemah to investigate it with Pearl, 7) Discussion with the SRED consultant and the former employees re the timing of start of SRED work 8) Discussion re release letter and how to resolve the o/s vacation pay issue 9) Discussion with S. Title re the requirements for Sale Process primarily the data room, patterns and an agreement with an insurance company 10) Email comm with Jason re the sale process aspects and updating him about the Connect CPA status.
09-May-2022	Fatemah Khalfan	2.30	Outlook Invite sent to creditor; POC received from S. Title for R. Glzman; entered to Ascend and then removed; created folder for FMOC and moved required documents into there; email sent to G. Sabatino, E. Mauro and K. Dos Santos asking them to check for anything received for this file and to also keep an eye out for any incoming mail or faxes for FMOC; emails exchanged with R. Peichl re being an Inspector for the Estate; attended FMOC; emails sent to P. Chiu re: log in details and other information needed for vendors; emails sent off to a couple of vendors; emails sent to S. Title and A. Kapoor; received Trustee's Preliminary Report from S. Title and posted to Sitecore; received minutes for formatting; formatted and sent to S. Title for signing.
09-May-2022	Sheldon Title	2.00	prepare for FMOC; receipt of Glzman claim, prepare minutes, call from Evan at CRA; attendance at FMOC + finalization of minutes
10-May-2022	Akhil Kapoor	3.20	1) Discussion with S. Title re release letter and vacation pay issue and how to resolve them 2) Discussion with Connect CPA re employee access to Wage Point to download their T4s 3) Reviewing the documents required by Finalta and arranging them (to the extent possible) re financials, tax returns, SRED details for past years among others 4) Discussion with a former employee re update on SRED and their involvement 5) Following up with the SRED consultant for information on previous SRED claim 6) Reviewing Amex transactions from Xero software 7) Discussion with S. Title re possibility of running a sale process and related challenges and solutions, discussion re SRED claim and Finalta requirement among others 8) Discussion with Fatemah re certain suppliers - Bamboo, Zoom, Regus and discussing respective issues (to be continued)
10-May-2022	Fatemah Khalfan	1.20	Efiled FMOC minutes and Trustee's Prelim report (with N. Habib). Emails exchanged with vendors on updating our Billing information and preferences.
10-May-2022	Sheldon Title	1.60	calls with two interested parties (23 mins and 16 mins), emails with McDermott on release, emails to Kapoor on Finalta and on release, email to Phoenix on release; call with Bomhof re: release, data room; email to Peichl (Inspector) to coordinate mtg/set agenda
10-May-2022	Sheldon Title	.30	email to/from Hartmann of SBV re: status of receivership and time lines
11-May-2022	Akhil Kapoor	1.20	1) Email to Pearl and Jason re requirements from a prospective purchaser to purchase SRED claim which includes business plan, financial information among others. Further email exchange with Jason re extent of assistance required 2) Drafting the NDA and sharing with S. Title for review
11-May-2022	Akhil Kapoor	1.20	1) Discussion with Bamboo and Pearl re issues in Bamboo account 2) Discussion with S. Title re his discussion with the inspector re separation agreement, sale process, SRED claim among others 3) Updating Pearl about the timelines for T&T letter, requesting her for an update on release letters among others 4) Discussion with Fatemah re continued issues with a few service providers incl. Regus, Zoom etc. 5) Discussion with Kevin (consultant) re SRED claim work and timing of payment of his fees 6) Glancing through the investor deck received from Jason and the data room (access provided by Torys)- to be continued
11-May-2022	Fatemah Khalfan	.90	Phone call with Regus; email to Regus; updates sent to S. Title and A. Kapoor; email received from Zoom and sent to S. Title and A. Kapoor; emails exchanged with S. Title re posting Escrow funds in Ascend and did so.
11-May-2022	Sheldon Title	2.20	exchange of emails with Bomhof, email to PP; Inspector meeting, call with Kamila on release of refund and comfort letter; call with Jordon Parker of Hilco Stream, email with Jason McDermott; prepare minutes of meeting; email to PP *2
11-May-2022	Sheldon Title	.20	follow up update email to Marshall Hawks *2

12-May-2022	Akhil Kapoor	2.10	1) Discussion with S. Title re commencing work on SRED claim, update on IP Sale Process 2) Reviewing the release letters, updating the vacation pay sheet and noting down individuals who had signed the release letter and who did not sign (2 employees). Updating, S. Title about them. 3) Email comm with the 4 employees and SRED Consultant re updating them that we will commence SRED Claim work momentarily. Also revising Pearl's T&T letter and sharing with her 4) Email comm with the 3 former employees requesting for time to discuss the IP Sale proposal 5) Reviewing the revised NDA shared by S. Title 6) Discussion re Atlassian charge on Amex and understanding the reason behind it. Also, identifying other parties with this issue 7) Discussion with Fatemah re status of AWS, Bamboo, Insight, Zoom and Atlassian and to set up a call tomorrow 8) Email comm with one former employee and scheduling a call for Friday
12-May-2022	Fatemah Khalfan	.40	Discussion with A. Kapoor on status of some of the vendors; AWS charged AMEX card; email sent to BambooHR; revised/edited WIP per S. Title's email.
12-May-2022	Sheldon Title	1.00	call with PP; mark up NDA and return to Kapoor; revisit SRED term/task budget and email to Kapoor on proposed methodology going forward to complete SRED work, subject to Inspector approval
12-May-2022	Sheldon Title	.20	further exchanges with SVB team; email to Plunkett
13-May-2022	Akhil Kapoor	.80	1) Discussion with Fatemah re Bamboo, Insight, Regus, Atlassian, Zoom and AWS and determining next course of action to sort out the issues re billing, continuation of services or termination of contract 2) Communicating with the three former employees and setting up a call to discuss the IP Sale Process
13-May-2022	Akhil Kapoor	1.00	1) Call with Colin, Peter and George to discuss the IP Sale process 2) Discussion with S. Title re next steps for next week 3) Follow up with Pearl for T&T letter
13-May-2022	Fatemah Khalfan	1.00	Emails exchanged with vendors on continuing services and login details; Teams call with A. Kapoor.
13-May-2022	Sheldon Title	.90	call with Colin, Peter, George and Akhil on proposal related to working on sale process on an only success-fee basis, email exchange with McDermott on further Amex charges;
13-May-2022	Sheldon Title	.30	call with Jocelyn Hartmann and Laura Samarze of SVB on status; call with K. Plunkett on possibility of reimbursement agreement
16-May-2022	Akhil Kapoor	1.00	1) Discussion with S. Title re commencing work on SRED Claim and updating him about no response received from one former employee and following up with them 2) Discussion with Fatemah re Bamboo, Zoom, Atlassian, Insight, AWS and progress made so far 3) Investigating AWS charges and checking if pro rated invoices can be made available 4) Confirmations from a couple of service providers re reversal of charges on Amex card 5) Discussion with Connect CPA re HST return and considering a creditor invoices to check if they were paid (and if we can claim ITC)- to review and discuss further
16-May-2022	Akhil Kapoor	.20	Discussion with S. Title re Colin's proposed terms for IP Sale Process (to be continued)
16-May-2022	Fatemah Khalfan	.90	Sent some follow up emails to vendors; forwarded a couple of responses received to S. Title and A. Kapoor; Teams meeting with A. Kapoor to touch base on where we stand with the vendors.
16-May-2022	Sheldon Title	1.60	call with PP with overview of contemplated sale process and understanding of its interest and follow up email; call with Phoenix on reimbursement agreement, draft reimbursement agreement and forward same to Phoenix for markup, email from IP team on counter offer on terms of retention for IP sale, email to Inspector on counter offer; email with PP and arrange preliminary call
17-May-2022	Akhil Kapoor	3.70	1) Preparation of Chisel employee letters and sharing with S. Title for review 2) Discussions re "Offer Letter" signed by employees and requesting Jason/Pearl for details 3) Discussion with S. Title re Colin's offer and S. Title's proposed call with the inspector, Insight charge on Amex and advising Fatemah about drafting a response to Insight, preparation of WEPP for 2 former employees, the two employees who did not sign Release but discussing that we further need to investigate if they were paid just like other employees 4) Discussion with Connect CPA re filing HST return, glancing through the workings and requesting them to share workings followed by review of back up workings. Finalised the return (refund of ~\$1,400) after review and discussion with the team and obtained S. Title's approval to file the return 5) Reviewing Bamboo to verify if Offer letters were available there based on Jason's email but did not find anything 6) Discussion with SRED Consultant that we can commence work now on the claim but waiting for Pearl's response, also discussed with him about expected time involvement of the other 3 former employees 7) Discussion with Fatemah re prorating charges of a few service vendors
17-May-2022	Fatemah Khalfan	.80	Teams Call with S. Title on Insight and my attempts to get login details from P. Chiu; update emails sent to S. Title and A. Kapoor; emails exchanged with P. Eerdmans at Insight about providing me with the login details and reversing recent charges made to the AMEX card. Email sent to S, Singh re changing my access for the Atlassian accounts.
17-May-2022	Sheldon Title	1.60	call with Inspector (IP + SRED) and minutes of meeting; email to Inspector the minutes for signing; emails to/from Plunkett/Phoenix on reimbursement agreement; email to Chiu; email to Inspector to arrange meeting, email to Khalfan on Amex (Insight) activity; email exchange with Toal; consideration of draft letter to employees and email to Kapoor to ask for April 4th offer letter; email exchanges with Jason Nardari re: CIBC receiving HST refund; review of changes to reimbursement agreement and further emails with Plunkett; email to/from Kapoor on HST return

18-May-2022	Akhil Kapoor	1.50	1) Discussion with Pearl re terms in T&T letter, payment mechanism, timelines among others. Also, requesting her to share Offer Letters 2) Email comm re Connect CPA and SRED Consultant to commence SRED Claim work 3) Email exchange with George re requesting Offer Letter 4) Emails with Adam from Connect CPA re HST return filing and other matters 5) Update from S. Title re his meeting with inspectors on Colin's offer on IP Sale 6) Discussion with Fatemah re Atlassian and Insight 7) Multiple emails with Pearl re her T&T letter, signing of the letter, direct deposit information, update on Release Letter for her and Colin and requesting for Offer Letters (corresponding to the Release Letters) again
18-May-2022	Fatemah Khalfan	.30	DocuSign document prepared for P. Chiu and sent to her
18-May-2022	Fatemah Khalfan	1.30	Emails received from S. Title about wire to be sent to SVB; phone call made to sent to M. Mastrangelo about exchange rate; left voice message; phone call to L. Periosis about best exchange rate that TD can offer us; sent email to her and update to S. Title and M. Lem; emails exchanged with L. Periosis, S. Title and M. Lem and eventually booked exchange rate; wire requisition prepared and sent to S. Title and M. Lem; received signed back; authorized wire and sent to M. Lem; received authorization back; saved all to client folder; phone call from S. Snell at TD to confirm that we had initiated the wire to SVB.
18-May-2022	Matthew Lem	.10	wire authorization
18-May-2022	Sheldon Title	1.20	call with McDermott re: sale process; email to Inspector the minutes; internal email re: receipt of HST funds; email to McDermott on vendor relations/charges; review of draft opinion on Glzman funds and email to Phoenix to finalize opinion
19-May-2022	Akhil Kapoor	1.70	1) Reviewing Offer/Notice Letter of one of the former employees and advising S. Title about the terms especially the clauses related to notice pay 2) Coordinating with the former employees, Connect CPA and Stonecracker for the SRED claim, setting expectations and also reminding them about the budget 3) Enquiring with Pearl re other Offer Letters 4) Saving information related to the Chisel's data room and other information available online with Torsy 5) Discussion with S. Title re Colin's offer and our counter offer and related matters on IP Sale Process
19-May-2022	Fatemah Khalfan	.30	Reviewed emails exchanged between A. Kapoor and A. Keller re: T4s.
19-May-2022	Sheldon Title	2.60	call with PP, receipt of opinion on escrowed funds and email to Inspector with recommendation, email to Colin, Peter and George, email to SVB, email to Jeff Rosekat; prepare Inspector's resolution and forward to Inspector; email to PP; email to Phoenix on release of escrow funds; email from Singh re: Amex card; development of counter proposal to be presented for consideration by email to Inspector; email to Inspector and response thereto; email to former employees the proposed counter offer; mail to/from Toal
20-May-2022	Akhil Kapoor	2.00	1) Discussion with S. Title re prospects of a sales process, update on inspector meetings and email communications with the three former employees 2) Starting making arrangements for the VDR incl. data arrangements from legal counsel of Chisel, NDA, DR terms of use among other documents 3) Advising the former employees about our budget to complete SRED Claim work 4) Discussion re letters to be sent to employees re vacation pay issues among others 5) Emails received from Connect CPA re their queries and commencing work on them (to be continued) 6) Discussion re next steps on SP and developing a strategy
20-May-2022	Noah Habib	2.00	creating data room
20-May-2022	Sheldon Title	.50	email to Toal on response to his questions to our counter proposal; response to Toal email; email to PP * 2; call with (PP) re interest
24-May-2022	Akhil Kapoor	1.90	1) Update on agreement with the three former employees to commence the Sale Process 2) Preparation of employee letters to inform them about WEPP ineligibility due to signing of release letter and sharing with S. Title for review 3) Receipt of comments from S. Title, revising the letter, ensuring that T4 to be attached are available and advising Noah to start preparation for mailing of letter and T4s 4) Discussion with Fatemah re preparation of HST return for the month of April up to the date of bankruptcy 5) Email communication with Connect CPA team re SRED Claim update, XERO subscription and view only access to be continued, HST return to be prepared by MNP among others
24-May-2022	Noah Habib	2.40	drafting letters, organizing T4 slips for each employee
24-May-2022	Sheldon Title	.30	revisions to employee letter and forward same back to Kapoor
25-May-2022	Akhil Kapoor	1.60	1) Discussion with S. Title re agreement with the former employees and preparation of the Task and Term Letter by S. Title 2) Email communication with Colin re enquiring about payments made to him at the time of termination, SRED Claim progress among others and updating S. Title about Colin's and Pearl's WEPP eligibility in the current situation. 3) Taking steps to open Firmex VDR and advising Noah to incorporate information in the VDR in specific folders (to be continued) 4) Finalisation of employee letters and mailed out with Noah's help
25-May-2022	Fatemah Khalfan	.40	Discussion with N. Habib on employee letters and T4s to be mailed out; formatted and reviewed
25-May-2022	Fatemah Khalfan	.40	Emails exchanged with A. Kapoor about creating a Firmex data room; emails exchanged with H. Ursaki on this; received and accepted invite to join data room.
25-May-2022	Heather Ursaki	.10	Created data room
25-May-2022	Noah Habib	4.60	drafting,labelling,organizing, and mailing letters and T4 to employees with vacation pay
25-May-2022	Sheldon Title	2.60	response to Colin Toal's 5/24 email and email Inspector for approval; email to Toal; call with Phoenix and develop term and task letter on success fee based compensation agreement and forward to Phoenix for him to consider; review/consider Phoenix's amendments

26-May-2022	Akhil Kapoor	3.20	1) Preparation of Sale Process document and sharing with S. Title for review 2) Discussion with Fatemah re update of WEPP for Chisel employees and receipt of POC from a former employee 3) Discussion with Noah re update on sending letters to the former employees to advise them on WEPP matters 4) Receipt of SWPP subsidy and discussion with S. Title re conditions based on which funding has been received. Also, gave a heads up to the bank to expect this inflow in the bank 5) Enquiry from an interested party for IP and saving their details
26-May-2022	Fatemah Khalfan	.20	POC received from an employee; scanned and emailed to A. Kapoor; reviewed and responded to email exchange with A. Kapoor and N. Habib.
26-May-2022	Noah Habib	3.80	downloading folders for the data room and uploading into Firmex and consulting Akhil
26-May-2022	Noah Habib	2.90	finding, printing, drafting letters to all chisel employees who are not entitled to T4
26-May-2022	Sheldon Title	.10	emails relating to receipt of Technation funds, and internal emails to advise CIBC of same
27-May-2022	Akhil Kapoor	1.00	1) Discussion with S. Title re Chisel letter to employees and updating him. Also, communication re query sent to Graham to discuss WEPP 2) Discussion re moving funds to bankruptcy file, payment of certain expenses 3) Advising Noah to send T4s to employees who were not part of the earliest list when WEPP update letters were sent. 4) Following up with Stonecracker to obtain SRED Claim status 5) Update on receipt of signed letters from the three former employees for IP Sale Process 6) Update on Sale Process document with S. Title
27-May-2022	Fatemah Khalfan	.50	Prepared cheque requisition for OSB filing fee, and wire requisition to wire funds to R. Glozman; email exchanged with R. Glozman to obtain more details about sending him a wire.
27-May-2022	Fatemah Khalfan	.40	Prepared transfer voucher in order to transfer funds from this account to bankruptcy trust account; emails exchanged with S. Title on transferring more funds to bankruptcy trust account so that we can pay for Post Media Invoice.
27-May-2022	Noah Habib	1.00	making individual letters for non vacation pay employees
27-May-2022	Sheldon Title	.70	call from Gozman, discussion with Phoenix, email to Gozman asking for acknowledgement that lump sum payment represents full satisfaction of claim, work on sale process; follow up with former employees for signing of term/task agreement
28-May-2022	Sheldon Title	.30	exchange of emails with Phoenix on the two employees not signing release but receiving benefit
29-May-2022	Sheldon Title	.70	continued work on the sale process, NDA and forward same to Phoenix for review
30-May-2022	Akhil Kapoor	2.60	1) Discussion with S. Title and Noah re preparation of prospective purchaser list 2) Email communications re SRED claim status and access required for Atlassian by the three former employees 3) Emails with Connect CPA re status of XERO subscription, their compensation for the month of June among other details 4) Glancing through changes made in Sale Process document and NDA by legal counsel 5) Discussion re commencing Sale Process (SP) from tomorrow 6) Confirmation from bank re receipt of funds re SWPP subsidy 7) Reviewing the information uploaded in the data room as we prepare to launch the SP. Advising Noah to rearrange the folders in the VDR prior to providing access to the prospective purchasers
30-May-2022	Fatemah Khalfan	1.50	Revised transfer requisition and sent to S. Title along with two cheque requisitions and a wire requisition; received all signed back; transferred funds from Receivership account to bankruptcy trust account and put through the two cheque requisitions for e-signing; authorized wire and sent to M. Lem for his authorization.
30-May-2022	Matthew Lem	.10	wire authorization
30-May-2022	Noah Habib	3.10	Chisel sale process creating interested parties list
30-May-2022	Sheldon Title	1.00	review of Phoenix's changes to NDA, email to Inspector to seek approval for sale process, preparation of Inspector resolution related to same,
31-May-2022	Akhil Kapoor	3.20	1) Discussion with S. Title and M. Lem re finalization of teaser email 2) Review of data room material (continued from yesterday) and advising certain changes 3) Reviewing the data requests from a couple of PPs and identifying the missing information (to check with former employees for missing information) 4) Discussion re finalisation of PP list and updating the list 5) Discussion with Fatemah re Atlassian access and providing read only access to the three employees 6) Discussion re Atlassian billing and change in billing information
31-May-2022	Fatemah Khalfan	.80	Printed cheques for Post Media and OSB filing fee; e-filed remittance form; arranged for mailing of both cheques.
31-May-2022	Fatemah Khalfan	.60	Teams chat with A. Kapoor on granting access to 3 Chisel employees for Atlassian (JIRA, Confluence and Bitbucket); logged onto Atlassian and added their emails to give them access; email sent out to them advising of so; looked into next billing date for Atlassian and sent email to S. Title and A. Kapoor.
31-May-2022	Matthew Lem	.30	Review and adjust teaser email wording
31-May-2022	Noah Habib	2.30	making changes to the data room
31-May-2022	Noah Habib	.70	updating the corporate list
31-May-2022	Noah Habib	1.40	analyzing data room documents to see if prospective purchasers have enough information and making recommended changes/updates
31-May-2022	Sheldon Title	.80	emails with Akhil re: supplementary info for sale process requested previously by bidders; revisions to teaser/bidder list; email to McDermott on sale process, Amex refund

01-Jun-2022	Akhil Kapoor	3.20	1) Preparing DR terms of use and uploading in the VDR 2) Sharing email with all PPs re NDA and the opportunity 3) Receipt of certain NDA, discussion with S. Title re changes proposed, finalisation of NDA among others 4) Providing VDR access to selected parties and updating the tracker with Noah's help 5) Email comm with Colin re updating them about the process, providing VDR access to the three former employees, sharing new PP queries with them, 6) Discussion with Noah re the 2 data requests received and identifying whether the information is available with us or required from the former employees. Also, prepared a response to the emails for records. 7) Discussion with Tom re revision in services and payment in June and continuation of Xero subscription for June 8) Receipt of additional queries from PPs
01-Jun-2022	Fatemah Khalfan	.20	Posting of wired funds to R. Glozman done in Ascend.
01-Jun-2022	Fatemah Khalfan	.30	Prepared cheque requisition for ConnectCP and sent to S. Title; received back and put through for e-signing; printed cheque.
01-Jun-2022	Noah Habib	.90	updating Chisel PP list and saving signed NDAs to client files
01-Jun-2022	Sheldon Title	.70	emails to Chiu and Toal to arrange calls to discuss employee release; review of changes made by PP to NDA and forward same to Phoenix with my comments for consideration; emails to various PP related to NDA
02-Jun-2022	Akhil Kapoor	3.50	1) Email communication with Colin re queries from PPs, preparing a FAQ, access to PP, NDA among others 2) Discussion with Fatemah re payment to Connect CPA, AWS services, payment to certain service providers and changing credit card information among others 3) Discussion with Noah re updating PP list, query list, saving NDA, providing data room access to certain parties as received among others 4) Providing VDR access to certain parties and discussion regarding changes in NDA. Also, sharing revised NDA with certain parties after discussion with S. Title and legal counsel 5) Enquiring about SRED Claim 6) Checking with Fatemah for Chisel HST return 7) Uploading the draft APA in the data room
02-Jun-2022	Fatemah Khalfan	.30	Had to reprint cheque for ConnectCP; scanned and saved to client folder; sent copy to A. Kapoor.
02-Jun-2022	Noah Habib	.80	updating PP List
02-Jun-2022	Noah Habib	2.30	creating new excel for all queries and inserting them, assisting in creating of firmex and adding data
02-Jun-2022	Sheldon Title	.50	review of draft APA, review of PP's changes to NDA; emails to Graham Phoenix concerning same
03-Jun-2022	Akhil Kapoor	4.00	1) Discussion with PPs re their NDA, NDA queries, VDR access among others 2) Discussion with Noah re PP queries, preparing by PP excel tab, updating PP tracker among others 3) Detailed discussion re AWS access for the three former employees, invoices for the historical period and post bankruptcy period among others. Arranging access for the former employees to enable them to review and prepare FAQ 4) Following up with the three former employees for response to queries, FAQ among others 5) Obtaining access to AWS and Atlassian (applications) for better control 6) Discussion with Connect CPA re ongoing services and their cheque payment
03-Jun-2022	Fatemah Khalfan	2.00	Logged into online accounts for services we are keeping to check on billing options and make sure that Chisel's AMEX card is not on there; added credit card details of S. Title to Atlassian; sent emails requesting Invoices; downloaded Invoices; sent update to S. Title and A. Kapoor; Teams chat with A. Kapoor on giving AWS access to 3 employees; email sent to S. Singh.
03-Jun-2022	Noah Habib	.70	updating PP lists and various tasks requested by Akhil
06-Jun-2022	Akhil Kapoor	4.80	1) Review of a marked up NDA and sharing comments with S. Title 2) Coordination with PPs for NDA, DR access, queries among others 3) Call with S. Title and Fatemah re status of service providers, their invoices, status of SWPP subsidy, PP status among others 4) Email comm with Technation Canada re subsidy received from them and to verify if there are any underlying conditions. Updating S. Title about the availability of these funds 5) Discussion with Noah re updating PP table and providing VDR access to PPs 6) Email comm with the three former employees re Amazon invoices, seeking update on PP query list and preparation of FAQ/Video demo, status of SRED claim, scheduling weekly calls among others 7) Discussion with Pearl re her time sheet and sharing with Fatemah to process payment 8) Discussion re mails received from Regus and next steps 9) Discussion re cancellation of certain services and sub-services 10) Discussion with Fatemah re codes required for HST and also opening of RT0001 and updating S. Title 11) Updating S. Title about number of NDA signed and confirming PPs that it is a unilateral agreement so MNP signatures are not required. Also discussed the aspect of Colin's termination pay and possibility of WEPP (to be continued) 12) Advising Fatemah to apply for WEPP extension
06-Jun-2022	Fatemah Khalfan	2.00	Emails and phone call with K. Figaszewska of CRA re Access codes, RT01 and RT02 accounts; faxed receivership package to CRA; logged into AWS to check on Invoices and had a Teams chat with A. Kapoor on this; forwarded Invoices to A. Kapoor; Teams meeting with S. Title and A. Kapoor regarding services; Teams chat with A. Kapoor re tax filings; Online chat with AWS regarding Billing; sent update to S. Title and A. Kapoor.
06-Jun-2022	Noah Habib	.50	updating list, filing away ndas
06-Jun-2022	Sheldon Title	.70	emails to Kapoor on PP NDA; call with Kapoor and Khalfan on PP NDA status and other issues; further emails with Kapoor from PP asking for NDA to be signed and to my advice that it is a unilateral contract
07-Jun-2022	Akhil Kapoor	3.00	1) Discussion with S. Title re another PP and sharing NDA with them 2) Following up with the former employees for FAQ/ video presentation and setting up weekly calls with them to discuss status and next steps 3) Email comm re AWS invoices, status of FAQ, SRED Claim among others 4) Queries from PP re IP, source code, architecture and assuring them that relevant data will be uploaded in the VDR 5) Discussion with Noah re updating query list upon receipt of addl. queries and sharing consolidated list with S. Title and former employees 6) Mail received from Regus and reviewing them especially EHT refund, Workplace premium and benefits, CIBC statements among others 7) Discussion re MoF letter and whether we should write to them for 2021 refund of \$1,300.
07-Jun-2022	Noah Habib	.80	updating chisel database with nda's

07-Jun-2022	Sheldon Title	.10	LinkedIn message from PP, email to/from PP and Kapoor
08-Jun-2022	Akhil Kapoor	2.30	1) Discussion re EHT return for 2022 and refund for 2021 and to follow up with accountant for it 2) Following up with consultant and team for an update on SRED Claim 3) Discussion re Work Safe BC documents received from Regus 4) Sharing NDA with a new PP and discussion re marked up NDA with a few parties 5) Detailed call with Colin and George re sale process, FAQ, video presentation, NDA status and interested parties, couple of issues, follow up with certain parties, calls to be scheduled next week among others 6) Email comm re invoice from a service provider 7) Responding to queries of PPs
08-Jun-2022	Sheldon Title	1.50	review of Graham's suggested changes to PP's NDA and email exchange with Phoenix on same; email from/to Akhil on various issues; call with George, Colin, Peter and Akhil on status/supplementing data room, etc., email to
09-Jun-2022	Akhil Kapoor	4.00	1) Communication with various PPs re their NDA, NDA changes, sharing track change version with one PP, discussion with some PPs re their queries, updating PP list with Noah's assistance among others 2) Call with Peter re PP queries, status of FAQ and Live Demos, certain contracts and issues re carried over post closing, Amazon invoicing, reaching out to certain parties, timelines for sale and closing, SRED Claim status among others 3) Discussion with Fatemah re Amazon login details, SRED Claim payments among others 4) Following up with Pearl re payments made to Pearl and Colin, data deletion activities for certain previous contracts, SRED Claim work among others 5) Sending a reminder to various parties who did not sign the NDA and receiving response from a few of them, responding to them re NDA and other queries 6) Following up with Colin re contact details of a few other parties 7) Email comm re Stonecracker re write up for SRED Claim
09-Jun-2022	Fatemah Khalfan	.40	Prepared an NDA for DocuSign and sent to A. Wiener at PP Limited; email sent to PP Limited, A. Kapoor and S. Title advising that NDA had been sent via DocuSign.
09-Jun-2022	Fatemah Khalfan	.40	Received email from P. Eerdmans at Insight in response to my email with them; Teams chat with A. Kapoor on it; replied back to Insight; logged into AWS to check for support email address that could be sent to A. Kapoor; Teams chat with A. Kapoor on this.
10-Jun-2022	Akhil Kapoor	4.50	1) Email comm with all PPs one by one to schedule calls with the former employees. Have received inputs from 4 PPs today 2) Discussion with PPs re informing them about the videos uploaded today among others 3) Discussion with a couple of new PPs re NDA access, NDA queries and coordinating with S. Title for moving forward 4) Uploading videos in VDR shared by the former employees 5) Discussion re EHT for 2022 and advising the accountant to file the return after discussion with S. Title 6) Discussion with Noah re updating PP list and providing access to VDR to certain PPs 7) Discussion re payment for certain services 8) Email comm with George re sharing meeting times offered by PPs and requesting the former employees to let me know their availability for 4-6 meetings next week
10-Jun-2022	Fatemah Khalfan	.20	Received email from PP re: signed NDA; downloaded document and saved; sent to S. Title, A. Kapoor and N. Habib.
10-Jun-2022	Noah Habib	2.40	updating email addresses to data base, updating nda's, discussions with akhil about sale process
10-Jun-2022	Sheldon Title	.70	email to/from Jason McDermott on his receiving the Amex cheque and instructions for forwarding funds, listen to demos prepared by George for inclusion in data room (15 mins); review of NDA from PP and email to Kapoor on same; email from PP on scheduling appt and to my coordinating with Akhil to sign the NDA
13-Jun-2022	Akhil Kapoor	1.00	1) Discussion with S. Title NDA from PP, NDA changes from PP and writing to Graham about it, 2) Email comm with Noah re updating PP list 3) Email comm with certain PP re responding to their queries and directing them to certain links in VDR 4) Email comm with former employees and uploading FAQ in the VDR 5) Discussion with MNP Partner re Chisel opportunity and sharing details with them
13-Jun-2022	Akhil Kapoor	3.60	1) Multiple discussions and setting up calls with 5 PPs during the week to discuss their queries 2) Attending the first call with a PP briefly along with the former employees 3) Discussion with S. Title re Amazon NDA, progress on Sale Process and other matters 4) Continuing calls with new PPs re VDR access, NDA sharing and queries among others. Also, discussion with a UK PP to set up a call 5) Discussion with Noah re PP list and updating it 6) Discussion with Stonecracker re update on SRED Claim and connecting them with Connect CPA to seek an update on 2021 T2. 7) Informing Amazon that their NDA is not acceptable and they may consider our NDA with a few mark ups 8) Discussion with S. Title re calls scheduled this week and requesting them for a couple of calls to discuss the NDA of PPs
13-Jun-2022	Fatemah Khalfan	.10	Email exchanged with A. Kapoor of request for access to Atlassian received from a purchaser.
13-Jun-2022	Noah Habib	1.70	updating nda's, adding inquiries to our document, communicating with akhil, updating email addresses,
13-Jun-2022	Sheldon Title	.20	email to Kapoor re: PP's inquiry; email to Maxime-Jean Gerin; email to Kapoor
14-Jun-2022	Akhil Kapoor	2.70	1) Reviewing 2 new NDAs and discussion with S. Title re changes proposed by them and what can be accepted 2) Couple of calls with PP and former employees re PP queries, follow up queries received from PPs 3) Finalisation of NDA, signing and giving access to new PPs 4) Discussion with Noah re updated PP list, saving NDAs, ensuring the tracking is up to date 5) Email comm with S. Title re certain updates 6) Email to legal counsel for certain PP queries
14-Jun-2022	Noah Habib	.40	updating chisel list for akhil
14-Jun-2022	Sheldon Title	.30	emails with Kapoor/Phoenix on PP's proposed changes to NDAs

15-Jun-2022	Akhil Kapoor	3.20	1) Call with Peter and George along with S. Title to seek an update on their understanding of PP's intentions after the technical calls with them, AWS update, addl. information and demos required by them, way forward among others 2) Call with a PP along with the 3 former employees to discuss their queries 3) Discussion with 3 new PPs re NDA queries, VDR access among others 4) Discussion with Connect CPA and Stonecracker re access to draft T2 for SRED Claim, confirmation of filing of EHT return among others 5) Discussed new set of queries received from a PP and advised former employee to incorporate them in the new FAQ 6) Discussion re a NDA who had sent their NDA and not accepting MNP's NDA
15-Jun-2022	Noah Habib	1.00	saving chisel documents to NDA, updating info, updating PP queries
15-Jun-2022	Sheldon Title	.70	email with PP introduced by Jason McDermott and review of their changes to NDA and forward email to Phoenix concerning same; call with George, Peter, Colin and Akhil
16-Jun-2022	Akhil Kapoor	.50	1) Discussion re SRED Claim update, additional queries and their resolution, new FAQ to be uploaded among other follow ups
17-Jun-2022	Akhil Kapoor	2.30	1) Call with a PP re their queries - financial and technical re Chisel Sale Process along with the three former employees 2) Discussion with a new PP re responding to their queries in NDA 3) Discussion with S. Title and legal counsel re NDA from a PP who are not accepting MNP's version and counsel's response to their NDA 4) Receipt of new version of FAQ and uploading it 5) Update from Stonecracker re SRED Claim update and sharing it with S. Title and Fatemah 6) Discussion with MNP partner re their client interest in Chisel IP Sale 7) Email comm with Fatemah and Jason requesting Jason to sign a form to enable MNP access to My CRA account and response from Jason
17-Jun-2022	Fatemah Khalfan	.20	Sent email to A. Kapoor with CRA Represent a Client signature page, to be sent to J. McDermott, along with comments.
17-Jun-2022	Patricia Ball	.10	May Bank Rec
17-Jun-2022	Sheldon Title	.20	emails with Phoenix on PP NDAs
17-Jun-2022	Sheldon Title	.30	email to Cheng re: assisting PP, and email Kapoor
20-Jun-2022	Akhil Kapoor	2.00	1) Discussion with Jason re requesting him to sign a document to provide us My CRA account and his query re CRA account where he has to provide us access. 2) Discussion with a PP re their NDA and enquiring about their address and other details 3) Setting up a call with a PP and our legal counsel to discuss NDA 4) Review of hours submitting my one former employee and following up to receive hours for everyone for SRED Claim 5) Discussion re status of service providers and payment dues 6) Discussion re investigating Amazon's post bankruptcy invoices and requesting them to revise the charges on account of non-activity 7) Discussion re requirement of Amazon's invoices 8) Discussion with Fatemah to prepare a letter to be sent to the bank to close accounts
20-Jun-2022	Fatemah Khalfan	1.60	Logged into services to check on status and download Invoices; Update sent to S. Title and A. Kapoor on services we are keeping; Teams messages exchanged with A. Kapoor on AWS issues; logged into AWS to send detailed message re: issue at hand with Invoices; received confirmation from AWS and sent to A. Kapoor; downloaded, saved and sent to A. Kapoor six months of statements/invoices; email to Insight to request May Invoice; Reviewed emails between S. Title and J. Nardari of CIBC re funds in Chisel's bank account; logged onto TD Banking and checked account for receipt of wired funds; sent screen shot/confirmation to S. Title and A. Kapoor; sent email to J. McDermott with instructions on accepting our CRA authorization.
20-Jun-2022	Noah Habib	.50	updating nda's and spreadsheet
20-Jun-2022	Sheldon Title	.60	follow up email to McDermott, email to/from Khalfan on Atlassian invoicing my credit card; email to Kapoor and Khalfan on term/task agreements, and email to CIBC re: transfer of funds; further exchange with Nadari on account activity and authorize transfer to our trust account
21-Jun-2022	Akhil Kapoor	.40	Email comm with 3 new PPs re their NDA, NDA changes and providing data room access to them after a few queries
21-Jun-2022	Akhil Kapoor	1.60	1) Discussion re SRED Claim activity, status and addl. requirements 2) Email comm. with a PP re their queries in APA and sharing them with S. Title with my comments 3) Discussion with Fatemah re preparing payment req. for employees who have worked for SRED Claim (for 2 former employees) 4) Discussion with S. Title and Fatemah re closure of certain bank accounts and assisting Fatemah to prepare the letter of direction for the bank 5) Discussion with legal counsel re one NDA and receiving their go ahead on the changes made 6) Discussion re updating PP sheet and query sheet
21-Jun-2022	Noah Habib	.80	carious messages from chisel/akhil - updating NDAs, updating spreadsheets with new prospective purchasers and filling out missing info for our reference
21-Jun-2022	Noah Habib	2.00	chisel term deposits, details of employees, spreadsheet, banking information
21-Jun-2022	Noah Habib	1.70	updating PP list, simplifying/working through long questions, discussing with akhil
21-Jun-2022	Sheldon Title	.30	email from Kapoor amended PP NDA and forward to Phoenix with comments; revise letter of direction to CIBC on account closings
22-Jun-2022	Akhil Kapoor	1.20	1) Discussion re closure of bank accounts which are no longer required 2) Emailing a tax query, raised by a PP to MNP tax partner after consulting with legal counsel 3) Discussion re MY CRA access and payment to former employees for SRED work 4) Discussion with SRED consultant and Fatemah re obtaining time sheet and other access from Insight (to check if that is possible to obtain) 5) Discussion with a PP who is letting go the opportunity and advising Noah to update PP sheet 6) Advising a PP to share their signed NDA after consultation with legal counsel to accept changes proposed by them

22-Jun-2022	Akhil Kapoor	1.20	1) Call with former employees to discuss current status, their perspective on prospective purchasers and their interest, live demos to be planned, their queries in APA, further updates among others 2) Email comm with a PP to respond to their APA queries after consultation with S. Title and tx partner 3) Email comm with a PP re their NDA and sharing with S. Title 4) Discussion with Fatemah re confirming cancellation of one service provider and verifying if Insight can provide required details to former employees
22-Jun-2022	Fatemah Khalfan	1.80	Cheque requisitions x 5 prepared and sent to S. Title and M. Lem; received back; put through Ascend for e-signing; emails exchanged; emails exchanged with Regus on payment on Invoices and terminating services; logged onto Regus and terminated agreement - effective as of end of July, 2022; logged onto Insight to check if I could give access to C. Toal; emails exchanged with A. Kapoor on this; email sent to BambooHR; prepared revised letter to close bank accounts and sent to J. Nardari at CIBC; email sent to P. Chiu inquiring about address; logged into CRA RepID to check on status of application and sent update to J. McDermott asking him to accept authorization.
22-Jun-2022	Noah Habib	.30	updating various nda's email addresses, and spreadsheets
22-Jun-2022	Sheldon Title	1.40	call with Phoenix on sale process related issues; call with George, Peter and Akhil related to sale process and sred; further emails with Nadari on closure of bank accounts and email to McDermott on additional US-subsiary accounts with nominal bank balances; review of changes to NDA by PP and email with Kapoor on same
23-Jun-2022	Akhil Kapoor	2.30	1) Discussion with the legal counsel for a PP re NDA changes and finalisation 2) Discussion with S. Title re call between our legal counsel and legal counsel of a PP 3) Email comm with the former employees and a PP re scheduling a live demo for them 4) Email comm with all PPs one by one to invite them for live demo and enquiring about their queries. Responding to emails from certain PPs. 5) Discussion with Fatemah re SRED Claim requirement for certain access and documents 6) Updating PP tracker sheet
23-Jun-2022	Fatemah Khalfan	.60	Printed cheques (5) and scanned and saved to client folder; arranged for mailing.
24-Jun-2022	Akhil Kapoor	1.50	1) Call with a PP re their queries 2) Responding to written queries, uploading information in the data room among others 3) Discussion with Fatemah and S. Title re certain matters 4) Reminding PPs re availability of team for live demo and queries among others
24-Jun-2022	Fatemah Khalfan	.10	Email to C. Toal requesting information of what he requires.
24-Jun-2022	Sheldon Title	.30	review/compare Amazon NDA to last draft and sign NDA, emails to Kapoor to instruct him to provide PP with access to data room
27-Jun-2022	Fatemah Khalfan	.30	Received email from BambooHR about our payment setup; saved copy of cheque mailed out last week, to client folder; emailed BambooHR.
27-Jun-2022	Sheldon Title	.10	email with McDermott
28-Jun-2022	Akhil Kapoor	1.20	Call with a PP re expediting response to their queries as they recently signed the NDA, providing them the VDR access, arranging a call with the former employees, resolving their technical and APA queries among others
28-Jun-2022	Akhil Kapoor	3.30	1) Multiple emails and calls with 5 PPs, their query resolution, APA queries, coordinating calls and response to queries among others 2) Discussion re access to Insight, Office 365 among others and checking if SRED Claim information is available there 3) Discussion with Fatemah re certain payments 4) Update call with S. Title re closing in 3 days, status with all PPs among others 5) Explaining limitation of available information in certain cases 6) Providing VDR access to certain PPs
28-Jun-2022	Fatemah Khalfan	.40	Provided S. Title with wire transfer information; phone call with S. Droulias of DLA Piper to discuss the wire transfer information
28-Jun-2022	Fatemah Khalfan	.10	Provided J. McDermott with wire transfer information.
28-Jun-2022	Noah Habib	1.10	going through data room looking for files for akhil, updating spreadsheet and saving NDAs
28-Jun-2022	Sheldon Title	.90	call with PP on its request for extension of time; email from/to Kapoor on PP's query about increasing the purchase price after successful offer submitted; call with Lamek and follow up email to Lamek on wire instructions
29-Jun-2022	Akhil Kapoor	4.20	1) Multiple calls and emails with PPs re their queries, setting up 3 calls with the former employees, uploading new data in the data room among others 2) Reminding PP re bid deadline date 3) Discussion with former employees re strategies and insights as we moving towards closing, SRED Claim pending information and how to obtain them, discussion with Fatemah re access to certain applications and providing access to a former employees to enable him to download required data 4) Discussion with SRED consultant about pending information, issues and timeline for completing the SRED claim work 5) Monitoring time spent by former employees for SRED Claim work 6) Multiple discussions with S. Title during the day re issues and concerns during the day and progressing towards closing 7) Calls with 2 PPs during the day to discuss technical and non- technical issues
29-Jun-2022	Fatemah Khalfan	.90	Teams call re sale process and getting access to employee MS Office calendars (A. Kapoor, C. Toal, P. Sam Raj and George); Teams call with A. Kapoor re Insight; sent email to C. Toal with access details; emails sent to Insight and update to A. Kapoor.
29-Jun-2022	Sheldon Title	.40	emails re: PP's queries
30-Jun-2022	Akhil Kapoor	3.00	1) Multiple emails and discussions with the prospective bidders regarding their technical queries, APA queries, queries related to choice of bidding for part of the assets among others 2) Discussion with the three former employees to seek inputs regarding queries, update on SRED Claim missing information among other incl. updating them about the bids received 3) Discussion with S. Title re regular updates, bids from PPs and brief review, resolving queries of PPs among others 4) Discussion with Fatemah re certain matters concerning bids and service providers 5) Discussion with Noah re updating PP rejections and other details in the PP checklist



30-Jun-2022	Noah Habib	.30	updating sale process info on spreadsheets
30-Jun-2022	Sheldon Title	.70	review of PP offer, emails with Phoenix on same, emails with Kapoor, email from PP on "bid" for data, email to Inspector to advise on status of estate admin; review of second offer submitted and email with Kapoor on same

**Summary of Time Charge**

Professional	Title	Average Rate per Hour	Working Hours	Total
Sheldon Title	Senior Vice-President	\$ 656.50	57.1	\$ 37,486.00
Deborah Hornbostel	Senior Vice-President	\$ 650.00	0.3	\$ 195.00
Matthew Lem	Senior Vice-President	\$ 600.00	1.3	\$ 780.00
Akhil Kapoor	Manager	\$ 444.34	162.2	\$ 72,071.80
Fatemah Khalfan	Estate Administrator	\$ 238.27	73.5	\$ 17,512.60
Noah Habib	Estate Administrator	\$ 242.01	42.4	\$ 10,261.20
Heather Ursaki	Executive Assistant	\$ 175.00	0.1	\$ 17.50
Patricia Ball	Assistant Estate Manager	\$ 194.00	0.1	\$ 19.40
Total			337	\$ 138,343.50

**TAB G**

# APPENDIX "G"

Court File No. 31-2822575  
Estate File No. 31-2822575

ONTARIO  
SUPERIOR COURT OF JUSTICE  
[IN BANKRUPTCY AND INSOLVENCY]  
COMMERCIAL LIST

IN THE MATTER OF THE BANKRUPTCY OF  
CHISEL AI INC.  
OF THE CITY OF TORONTO IN THE PROVINCE OF ONTARIO

AFFIDAVIT OF SARAH WHITE  
(Affirmed August 2, 2022)

I, **SARAH WHITE** of the City of Toronto, in the Province of Ontario, **AFFIRM AND SAY:**

1. I am a lawyer at the law firm Loopstra Nixon LLP ("**Loopstra Nixon**"), counsel to MNP Ltd. in its capacity as a licensed insolvency trustee (the "**Trustee**") of the bankruptcy estate of Chisel AI Inc. ("**Chisel**"). Accordingly, I have knowledge of matters hereinafter deposed to.
2. Attached hereto and collectively marked as **Exhibit "A"** are true copies of the Statements of Account of Loopstra Nixon in respect of services rendered to the Trustee for the period from April 7, 2022 through July 31, 2022 (the "**Billing Period**"). During the Billing Period, the total fees and disbursements billed were \$28,357.50 and \$119.96 with applicable taxes of \$3,702.07 for an aggregate amount of \$32,179.53.
3. As set out in the following table, 55.5 hours were billed by Loopstra Nixon during the Billing Period, resulting in an average hourly rate of \$510.95 (exclusive of applicable taxes):

Name of Professional	Total Hours	Hourly Rate(s) (\$)
R.G. Phoenix (2006)	31.50	635
Sarah White (2020)	23.80	350
Amanda Adamo (Law Clerk)	0.2	125

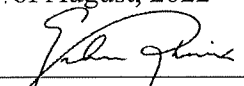
4. I confirm that the activities detailed in the Statements of Account attached hereto as Exhibit "A" accurately reflect the services provided by Loopstra Nixon; and, that the rates charged are the standard hourly rates for each such professional at the time that such charges were incurred.

5. In connection with the within accounts, Loopstra Nixon has been paid nil (\$0.00) and holds nil (\$0.00) on retainer in trust.

6. I affirm this affidavit in support of a motion for, *inter alia*, approval of the fees and disbursements of Loopstra Nixon, and for no other reason or improper purpose.

**AFFIRMED BEFORE ME** at the )  
 City of Toronto, in the )  
 Province of Ontario, this )  
 2<sup>nd</sup> day of August, 2022 )

  
 \_\_\_\_\_  
**SARAH WHITE**

  
 \_\_\_\_\_  
*A Commissioner for taking affidavits, etc.*

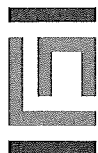
R. Graham Phoenix  
 LSO# 52650N

This is Exhibit "A" referred to in the Affidavit of Sarah White affirmed before me this 2<sup>nd</sup> day of August, 2022.



\_\_\_\_\_

A Commissioner, etc.



LOOPSTRA NIXON LLP  
BARRISTERS AND SOLICITORS

June 30, 2022

**R. Graham Phoenix**  
Direct Line: 416.748.4776  
Email: [gphoenix@loonix.com](mailto:gphoenix@loonix.com)  
RGP Professional Corporation

CONFIDENTIAL

MNP Ltd.  
111 Richmond Street West, Suite 300  
Toronto ON M5H 2G4

Matter No. 15753-0015

Attention: Sheldon Title

RE: Chisel AI Inc. and Chisel AI (US) Inc.

Please find enclosed herewith our Statement of Account for services rendered with regard to the above-noted matter to and including June 30, 2022 which we trust you will find satisfactory.

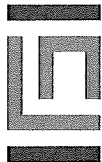
If you have any questions, please contact the undersigned.

Yours truly,

LOOPSTRA NIXON LLP  
Per:

R. Graham Phoenix  
Encl.





June 30, 2022

Invoice No. 113256

Matter No. 15753-0015

MNP Ltd.  
111 Richmond Street West, Suite 300  
Toronto ON M5H 2G4

Attention: Sheldon Title

RE: Chisel AI Inc. and Chisel AI (US) Inc.

STATEMENT OF ACCOUNT

TO OUR FEE FOR PROFESSIONAL SERVICES rendered in connection with the above-noted matter through to June 30, 2022.

OUR FEE	\$17,510.00
HST on Fees @ 13%	\$2,276.30

DISBURSEMENTS:

Total Disbursements	\$105.38
HST on Disbursements	\$13.70

<b>Total Fees, Disbursements and HST</b>	<b>\$19,905.38</b>
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The above account represents a summary of the professional services rendered to you, and this firm reserves the right to provide further particulars of our professional services rendered in the event the same is required or requested.

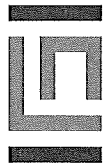
THIS IS OUR STATEMENT OF ACCOUNT HEREIN

LOOPSTRA NIXON LLP

Per:

R. Graham Phoenix  
RGP/cks

In accordance with the Solicitor's Act, interest will be charged on this account until paid, at the rate of 2.0% per annum, commencing one month after delivery, E. & O.E. \* HST No. 122610298RT0001



PRIVILEGED AND CONFIDENTIAL
Billing Detail Report to 30-Jun-2022

June 30, 2022

Invoice No. 113256

MNP Ltd.
111 Richmond Street West, Suite 300
Toronto ON M5H 2G4

Matter No. 15753-0015

Attention: Sheldon Title

RE: Chisel AI Inc. and Chisel AI (US) Inc.

FEES

Table with 4 columns: Date, Narrative, Professional, Time. Contains 15 rows of fee entries with dates from 07-Apr-2022 to 16-May-2022, descriptions of legal work, professional names (RGP, AMA, SBW), and time spent.

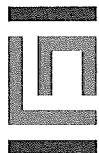


BARRISTERS AND SOLICITORS

17-May-2022	Comments on revised opinion re: Glozman trust claim. Directions to SBW re: same. Call with Trustee. Comments on revised Reimbursement Agreement.	RGP	1.10
17-May-2022	To review and include information within Trust Opinion	SBW	1.40
17-May-2022	To include ONCA cases in the Trust opinion	SBW	0.40
18-May-2022	Finalize draft opinion re: trust.	RGP	1.20
19-May-2022	Email with Trustee re: Glozman.	RGP	0.10
19-May-2022	To send trust review to Sheldon Title and convert review to PDF format.	SBW	0.20
25-May-2022	Call with S. Title re: contactor/sales process. Comment on draft agreement from S. Title.	RGP	1.60
30-May-2022	Call with S. Title re: sales process. Review and comment on Sale Process terms. Comment on NDA.	RGP	1.10
02-Jun-2022	Review trustee comments on APA. Revise and finalize template of the same.	RGP	0.60
08-Jun-2022	Call and commetns re: NDA.	RGP	0.60
17-Jun-2022	Reveiw and comment on NDA from US Prospect.	RGP	0.20
20-Jun-2022	Call with Amazon counsel. Revisions to draft NDA. Email to Trustee.	RGP	0.80
21-Jun-2022	Comment on inquiries from offeror. Comment to S. Title.	RGP	0.60
22-Jun-2022	Call with S. Title. Call with E. Lamek (counsel to offeror). Call with S. Title.	RGP	0.70
23-Jun-2022	Emails with counsel to purchaser re: The Personal Property Security Act.	RGP	0.30
OUR FEE			\$17,510.00

<u>Time Summary</u>	<u>Hours</u>
Amanda Adamo	0.20
R. Graham Phoenix	18.00
Sarah White	17.30
Total hours:	35.50

<u>DISBURSEMENTS</u> (E=HST exempt)	Amount
Bankruptcy Search	34.30
Litigation Searches	41.08
Oncorp EDD	30.00
Total Disbursements	\$105.38



LOOPSTRA NIXON LLP  
BARRISTERS AND SOLICITORS

July 31, 2022

**R. Graham Phoenix**  
Direct Line: 416.748.4776  
Email: [gphoenix@loonix.com](mailto:gphoenix@loonix.com)  
RGP Professional Corporation

CONFIDENTIAL

MNP Ltd.  
111 Richmond Street West, Suite 300  
Toronto ON M5H 2G4

Matter No. 15753-0015

Attention: Sheldon Title

RE: Chisel AI Inc. and Chisel AI (US) Inc.

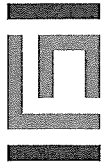
Please find enclosed herewith our Statement of Account for services rendered with regard to the above-noted matter to and including July 31, 2022 which we trust you will find satisfactory.

If you have any questions, please contact the undersigned.

Yours truly,

LOOPSTRA NIXON LLP  
Per:

R. Graham Phoenix  
Encl.



July 31, 2022

Invoice No. 114478

Matter No. 15753-0015

MNP Ltd.  
111 Richmond Street West, Suite 300  
Toronto ON M5H 2G4

Attention: Sheldon Title

RE: Chisel AI Inc. and Chisel AI (US) Inc.

STATEMENT OF ACCOUNT

TO OUR FEE FOR PROFESSIONAL SERVICES rendered in connection with the above-noted matter through to July 31, 2022.

OUR FEE	\$10,847.50
HST on Fees @ 13%	\$1,410.18

DISBURSEMENTS:

Total Disbursements	\$14.58
HST on Disbursements	\$1.90
<b>Total Fees, Disbursements and HST</b>	<u><u>\$12,274.16</u></u>

The above account represents a summary of the professional services rendered to you, and this firm reserves the right to provide further particulars of our professional services rendered in the event the same is required or requested.

THIS IS OUR STATEMENT OF ACCOUNT HEREIN

LOOPSTRA NIXON LLP

Per:

R. Graham Phoenix  
RGP/pca

In accordance with the Solicitor's Act, interest will be charged on this account until paid, at the rate of 2.0% per annum, commencing one month after delivery, E. & O.E. \* HST No. 122610298RT0001



**PRIVILEGED AND CONFIDENTIAL**  
**Billing Detail Report to 31-Jul-2022**

July 31, 2022

Invoice No. 114478

MNP Ltd.  
111 Richmond Street West, Suite 300  
Toronto ON M5H 2G4

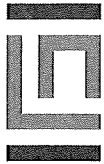
Matter No. 15753-0015

Attention: Sheldon Title

RE: Chisel AI Inc. and Chisel AI (US) Inc.

**FEES**

<u>Date</u>	<u>Narrative</u>	<u>Professional</u>	<u>Time</u>
01-Jun-2022	Emails and comments (with draft paragraphs) re: NDAs. Draft Chisel Template APA. Forward to Trustee.	RGP	1.60
05-Jul-2022	Call with Trustee re: debtor CRM and sales offers.	RGP	0.40
06-Jul-2022	Call with Trustee.	RGP	0.10
07-Jul-2022	Call with Trustee re: Planck offer. Emails with TRustee and Plank counsel	RGP	1.10
11-Jul-2022	Emails and call with Trustee re: Purchase's delivery concern. Revise APA and send email to pruchaser re: potential solutions.	RGP	1.00
12-Jul-2022	Emails with counsel to purchaser re: purchaser delivery issues. Email to Court re: date.	RGP	0.50
12-Jul-2022	To draft request form for motion re vesting order.	SBW	0.40
12-Jul-2022	To email Sheldon to ask if anyone else needs to be served.	SBW	0.10
18-Jul-2022	To send email to purchaser's lawyer to ask who should be served the AVO motion materials.	SBW	0.10
20-Jul-2022	Draft and circulate revised APA terms re: delivery. Various emails re: same.	RGP	1.40
22-Jul-2022	Revised Chisiel APA. Send to Trustee for review.	RGP	1.40
25-Jul-2022	Finalize APA for execution. Circulate.	RGP	1.30
27-Jul-2022	Call with S. Title. Directions to SBW re: drafts. Review and comment on draft motion materials.	RGP	1.10
27-Jul-2022	To email Sheldon requesting he sign the executed APA.	SBW	0.10
27-Jul-2022	To draft motion materials including the AVO, discharge order, and NOM.	SBW	3.40



# LOOPSTRA NIXON LLP

BARRISTERS AND SOLICITORS

27-Jul-2022	To email executed APA to purchaser's counsel.	SBW	0.10
28-Jul-2022	Review and comment on draft orders. Directions to SBW re: purchaser counsel and other items.	RGP	0.60
29-Jul-2022	Review and comment on report. Directions to SBW re: drafting court materials.	RGP	1.20
29-Jul-2022	To draft the notice of motion.	SBW	1.40
31-Jul-2022	Amend NOM, AVO and Admin Order. Send same to SBW and directions re: services	RGP	1.80
31-Jul-2022	To edit NOM re hearing August 11th.	SBW	0.90
OUR FEE			\$10,847.50

<u>Time Summary</u>	<u>Hours</u>
R. Graham Phoenix	13.50
Sarah White	6.50
Total hours:	20.00

<u>DISBURSEMENTS</u> (E=HST exempt)	Amount
Westlaw Searches	14.58
Total Disbursements	\$14.58

IN THE MATTER OF THE BANKRUPTCY OF CHISEL AI INC.  
OF THE CITY OF TORONTO IN THE PROVINCE OF ONTARIO

Court File No. 31-2822575  
Estate File No. 31-2822575

**ONTARIO**  
**SUPERIOR COURT OF JUSTICE**  
**[BANKRUPTCY AND INSOLVENCY]**  
**(COMMERCIAL LIST)**

Proceedings commenced at TORONTO

**AFFIDAVIT OF FEES**

**LOOPSTRA NIXON LLP**  
135 Queens Plate Drive – Suite 600  
Toronto, ON M9W 6V7

**R. Graham Phoenix (LSO No.: 52650N)**  
Tel: (416) 478 4776  
Fax: (416) 476 8319  
Email: [gphoenix@loonix.com](mailto:gphoenix@loonix.com)

**Sarah White (LSO No.: 82985M)**  
Tel: (416) 748-6545  
Email: [swhite@loonix.com](mailto:swhite@loonix.com)

*Lawyers for the Trustee, MNP Ltd.*



IN THE MATTER OF THE BANKRUPTCY  
OF CHISEL AI INC., OF THE CITY OF TORONTO, IN THE PROVINCE OF ONTARIO

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*ONTARIO*  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)  
(IN BANKRUPTCY AND INSOLVENCY)

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FIRST REPORT TO THE COURT

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**MNP LTD.**  
300-111 Richmond Street West  
Toronto, ON M5H 2G4

**Sheldon Title**  
Tel: 416-263-6945  
Email: Sheldon.title@mnp.ca

TAB 3

Revised: January 21, 2014

Court File No. 31-2822575

Estate File No. 31-2822575

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
IN BANKRUPTCY AND INSOLVENCY  
COMMERCIAL LIST**

THE HONOURABLE \_\_\_\_\_ ) ~~WEEKDAY,~~TUESDAY, THE #11<sup>th</sup>  
JUSTICE OSBORNE ) DAY OF ~~MONTH, 20YR~~AUGUST, 2022

~~BETWEEN:~~

**~~PLAINTIFF~~**

**Plaintiff**

~~-and-~~

**~~DEFENDANT~~**

**Defendant**

**IN THE MATTER OF THE BANKRUPTCY OF  
CHISEL AI INC.  
OF THE CITY OF TORONTO IN THE PROVINCE OF ONTARIO**

**APPROVAL AND VESTING ORDER**

**THIS MOTION**, made by ~~[RECEIVER'S NAME]~~MNP Ltd., solely in its capacity as ~~the~~ Court-appointed receiver (the "~~Receiver~~") licensed insolvency trustee of the ~~undertaking,~~ property ~~bankruptcy~~ estate of Chisel AI Inc. (the "~~Bankrupt~~"), and ~~assets~~ not in its personal of ~~[DEBTOR]~~ corporate capacities (the "~~Debtor~~") "~~Trustee~~", for an order approving the sale transaction (the "**Transaction**") contemplated by an asset purchase agreement ~~of purchase and sale~~ (the "**Sale Agreement**") between the ~~Receiver~~ Trustee, and ~~[NAME OF PURCHASER]~~ Planck Resolution Ltd., as purchaser, (the "~~Purchaser~~") ~~dated [DATE] and~~"),

date July 25, 2022 appended to the Report of the Receiver Trustee dated [DATE] August, 2 2022 (the "Report"), and vesting in the Purchaser ~~the Debtor's~~ all of the Trustee's and Bankrupt's right, title and interest in and to the ~~assets described~~ Purchased Assets as defined in the Sale Agreement ~~(the "Purchased Assets"),~~ was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Report and the appendices and confidential appendices thereto, the Report and the confidential appendices thereto (the "Confidential Appendices"); and, on hearing the submissions of counsel for the ~~Receiver, [NAMES OF OTHER PARTIES APPEARING],~~ Trustee, no one appearing for any other person on the service list, although properly served as appears from the ~~affidavit~~ affidavits of [NAME] Amanda Adamo sworn [DATE] August 2, 2022, filed:

1. THIS COURT ORDERS that the time for service and filing of the Report, and the motion record in respect of this motion is hereby abridged and validated so that this motion is properly returnable today and dispenses with further service thereof.

~~1.2.~~ THIS COURT ORDERS AND DECLARES that the Transaction is hereby approved, and the execution of the Sale Agreement by the Receiver Trustee is hereby authorized and approved, with such minor amendments as the Receiver Trustee may deem necessary. The Receiver Trustee is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of the Purchased Assets to the Purchaser.

~~2.3.~~ THIS COURT ORDERS AND DECLARES that upon the delivery of a Receiver's Trustee's certificate to the Purchaser substantially in the form attached as Schedule A hereto (the "Receiver's Trustee's Certificate"), all of the ~~Debtor's~~ Trustee's and Bankrupt's right, title and interest in and to the Purchased Assets described in the Sale Agreement ~~{and listed on Schedule B hereto}~~ shall vest absolutely in the Purchaser, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "Claims") including, without limiting the generality of the foregoing: (i) any encumbrances or charges

created by ~~the Order of the~~this Honourable Justice ~~[NAME]~~ dated ~~[DATE]~~; Court; (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system; and ~~(iii) those Claims listed on Schedule C hereto (all of which are collectively referred to as the "Encumbrances", which term shall not include the permitted encumbrances, easements and restrictive covenants listed on Schedule D) and~~, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.

~~3. THIS COURT ORDERS that upon the registration in the Land Registry Office for the [Registry Division of {LOCATION}] of a Transfer/Deed of Land in the form prescribed by the Land Registration Reform Act duly executed by the Receiver][Land Titles Division of {LOCATION}] of an Application for Vesting Order in the form prescribed by the Land Titles Act and/or the Land Registration Reform Act], the Land Registrar is hereby directed to enter the Purchaser as the owner of the subject real property identified in Schedule B hereto (the "Real Property") in fee simple, and is hereby directed to delete and expunge from title to the Real Property all of the Claims listed in Schedule C hereto.~~

4. **THIS COURT ORDERS** that for the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Assets shall stand in the place and stead of the Purchased Assets, and that from and after the delivery of the Receiver's Trustee's Certificate all Claims and Encumbrances shall attach to the net proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

5. **THIS COURT ORDERS AND DIRECTS** the Receiver Trustee to file with the Court a copy of the Receiver's Trustee's Certificate, forthwith after delivery thereof.

~~6. THIS COURT ORDERS that, pursuant to clause 7(3)(e) of the Canada Personal Information Protection and Electronic Documents Act, the Receiver is authorized and permitted to disclose and transfer to the Purchaser all human resources and payroll information in the Company's records pertaining to the Debtor's past and current employees, including personal~~

~~information of those employees listed on Schedule "●" to the Sale Agreement. The Purchaser shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use of such information by the Debtor.~~

~~7.6.~~ **THIS COURT ORDERS** that, notwithstanding:

- (a) the pendency of these proceedings;
- (b) any ~~applications for a bankruptcy order now or hereafter issued pursuant to~~ claims against the ~~Bankruptcy and Insolvency Act (Canada) in respect of the Debtor~~ Bankrupt and any ~~bankruptcy~~ order issued pursuant to any such bankruptcy applications; and
- (c) any ~~assignment in bankruptcy~~ further orders made in respect of the ~~Debtor~~ Bankrupt;

~~the vesting of the Purchased Assets in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Debtor and~~ shall not be void or voidable by creditors of the ~~Debtor~~ Bankrupt, nor shall it constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

~~8. THIS COURT ORDERS AND DECLARES that the Transaction is exempt from the application of the *Bulk Sales Act* (Ontario).~~

7. THIS COURT ORDERS all other individuals, firms, corporations, governmental bodies or agencies, or other entities receiving notice of this Order shall forthwith, upon the request of the Trustee, release to the Trustee any and all login information, passwords, passcodes or other information necessary to access, manage, edit and amend, pay for or otherwise administer any networking account or hosting service or social media account, whether cloud-based or on physical servers, previously used by the Bankrupt in order to access the Purchased Assets to effectuate the Transaction.

**9.8. THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the ~~Receiver~~Trustee and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the ~~Receiver~~Trustee, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the ~~Receiver~~Trustee and its agents in carrying out the terms of this Order.

**9. THIS COURT ORDERS** that the Confidential Appendices is hereby sealed pending completion of the Transaction or further order of this Court.

**10. THIS COURT ORDERS** that this order is effective from today's date and is enforceable without the need for entry and filing.

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Revised: January 21, 2014

Schedule A – Form of ~~Receiver's~~Trustee's CertificateCourt File No. \_\_\_\_\_: 31-2822575

ONTARIO  
SUPERIOR COURT OF JUSTICE  
IN BANKRUPTCY AND INSOLVENCY  
COMMERCIAL LIST

~~BETWEEN:~~~~PLAINTIFF~~

Plaintiff

~~—and—~~~~DEFENDANT~~

Defendant

~~RECEIVER'S~~  
IN THE MATTER OF THE BANKRUPTCY OF  
BRAMALEA INC.  
OF THE CITY OF TORONTO IN THE PROVINCE OF ONTARIO

TRUSTEE'S CERTIFICATE

## RECITALS

A. Pursuant to ~~an Order~~the assignment in bankruptcy filed by Chisel AI Inc. (the "Bankrupt") on April 18, 2022, MNP Ltd. was appointed a trustee (the "Trustee") of the Honourable [NAME OF JUDGE] bankruptcy estate of the Ontario Superior Court of Justice (the "Court") dated [DATE OF ORDER], [NAME OF RECEIVER] was appointed as the receiver (the "Receiver") of Bankrupt, which appointed was subsequently confirmed by vote at the undertaking, property and assets of [DEBTOR] (the "Debtor").first meeting of creditors.

B. Pursuant to an Order of the Court dated ~~[DATE]~~August 11, 2022 (the "Approval & Vesting Order"), the Court approved the agreement of purchase and sale made as of ~~[DATE OF~~



~~AGREEMENT~~ July 25, 2022 (the "~~“Sale Agreement”~~") between the ~~Receiver [Debtor] and [NAME OF PURCHASER]~~ Trustee and Planck Resolution Ltd. (the "~~“Purchaser”~~") and provided for the vesting in the Purchaser of all of the Debtor's Trustee's and the Bankrupt's right, title and interest in and to the Purchased Assets; (as defined in the Sale Agreement), which vesting is to be effective with respect to the Purchased Assets upon the delivery by the ~~Receiver~~ Trustee to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the Purchase Price for the Purchased Assets; (ii) that the conditions to Closing as set out in ~~section 1.1~~ of the Sale Agreement have been satisfied or waived by the ~~Receiver~~ Trustee and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the ~~Receiver~~ Trustee.

C. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Sale Agreement.

THE ~~RECEIVER~~ TRUSTEE CERTIFIES the following:

1. ~~The~~ the Purchaser has paid and the ~~Receiver~~ Trustee has received the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Sale Agreement;
2. ~~The~~ the conditions to Closing as set out in ~~section 1.1~~ of the Sale Agreement have been satisfied or waived by the ~~Receiver~~ Trustee and the Purchaser; and
3. ~~The~~ the Transaction has been completed to the satisfaction of the ~~Receiver~~ Trustee.
4. This Certificate was delivered by the ~~Receiver~~ Trustee at \_\_\_\_\_ [TIME] on \_\_\_\_\_ [DATE].

~~[NAME OF RECEIVER]~~ MNP Ltd., solely in its capacity as Receiver Trustee of the undertaking, property and assets Estate of [DEBTOR], Chisel AI Inc., a Bankrupt, and not in its personal capacity or corporate capacities

Per: \_\_\_\_\_

Name: \_\_\_\_\_

Title:

|

|

**Schedule B—Purchased Assets**

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~~Schedule C—Claims to be deleted and expunged from title to Real Property~~

~~Schedule D—Permitted Encumbrances, Easements and Restrictive Covenants  
related to the Real Property~~

~~(unaffected by the Vesting Order)~~

IN THE MATTER OF THE BANKRUPTCY OF CHISEL AI INC. OF THE CITY OF  
TORONTO IN THE PROVINCE OF ONTARIO

Court File No. 31-2822575  
Estate File No. 31-2822575

ONTARIO  
SUPERIOR COURT OF JUSTICE  
[IN BANKRUPTCY & INSOVLENCY]  
(COMMERCIAL LIST)

Proceedings commenced at Toronto

APPROVAL AND VESTING ORDER  
(returnable August 11, 2022)

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Lawyers for the Trustee, MNP Ltd.

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(IN BANKRUPTCY & INSOLVENCY)  
[COMMERCIAL LIST]**

Proceeding commenced at **TORONTO**

**MOTION RECORD OF MNP LTD.**  
*(returnable August 11, 2022 at 2:00pm via "ZOOM"  
videoconference)*

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