

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

**IN THE MATTER OF THE NOTICES OF INTENTION TO MAKE A
PROPOSAL OF ORBCARE INC., AND PARISCRIIBE INC.,
CORPORATIONS INCORPORATED UNDER THE *CANADA BUSINESS
CORPORATIONS ACT*, AND ORBCARE US, INC. A CORPORATION
INCORPORATED UNDER THE LAWS OF THE STATE OF DELAWARE
IN THE UNITED STATES OF AMERICA**

FIFTH REPORT

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Make a Proposal of Orbcare Inc.,
Pariscrcribe Inc. and Orbcare US, Inc.**

To: Service List

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

**IN THE MATTER OF THE NOTICES OF INTENTION TO MAKE A
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**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

**Court No.: 31-2516167
Estate No.: 31-2516167**

**IN THE MATTER OF THE NOTICES OF INTENTION TO MAKE A PROPOSAL OF
ORBCARE INC. AND PARISCRIIBE INC., CORPORATIONS INCORPORATED UNDER THE
CANADA BUSINESS CORPORATIONS ACT, AND ORBCARE US, INC. , A CORPORATION
INCORPORATED UNDER THE LAWS OF THE STATE OF DELAWARE IN THE UNITED
STATES OF AMERICA**

FIFTH REPORT TO THE COURT

OCTOBER 8, 2019

I. INTRODUCTION

1. On May 28, 2019, Orbcare Inc. (“**Orbcare**”) filed a Notice of Intention to Make a Proposal (“**NOI**”) pursuant to section 50.4 of the Bankruptcy and Insolvency Act, R.S.C. 1985, c. B-3, as amended (the “**BIA**”), wherein MNP Ltd. was named as proposal trustee (the “**Proposal Trustee**”).
2. Notice of the NOI as prescribed by the BIA was sent on June 3, 2019 to all of Orbcare’s known creditors.
3. On June 22, 2019, Orbcare filed Notice of Motion and a Motion Record returnable June 25, 2019, seeking, among other things, a Court Order extending the time within which Orbcare had to file a proposal and an order authorizing Orbcare to obtain and borrow under a credit facility (the “**Credit Facility**”) from iGan Partners Inc. (the “**DIP Lender**”) on terms set out in the debtor-in-possession financing facility term sheet between Orbcare, the DIP Lender and certain guarantors dated June 11, 2019 and granting in favour of the DIP Lender a charge on Orbcare’s assets. The Proposal Trustee served its first report, dated June 24, 2019 (the “**First Report**”), in connection with that motion. A copy of the First Report, without exhibits, is attached hereto and marked as **Exhibit “A”**.

4. On June 25, 2019, the Court ordered the following:
 - a. The date for the filing of the Orbcare's proposal be extended to August 12, 2019; and
 - b. Approval of an interim financing facility with a maximum principal amount of \$1,200,000 (the "**Credit Facility**") and a charge (the "**DIP Lender's Charge**") on Orbcare's assets, property and undertaking in favour of the DIP Lender.

5. OrbCare has the following wholly owned subsidiary corporations:
 - a. Pariscribe Inc. ("**Pariscribe**"), which is incorporated pursuant to the *Canada Business Corporations Act* and which operates in the same business as OrbCare; and
 - b. OrbCare US Inc. ("**Orbcare US**", and collectively with Pariscribe and Orbcare, the "**Companies**"), which is incorporated pursuant to the Delaware *General Corporation Law* and which also operates in the same business as OrbCare, principally in the United States.

6. Pariscribe filed a NOI on July 26, 2019 under estate #31- 2539066 and Orbcare US filed a NOI on July 29, 2019 under estate #31-2539459. MNP is named as the Proposal Trustee in each of these filings. Notices of the Pariscribe NOI and Orbcare US NOI, as prescribed by the BIA, were sent on August 2, 2019 to all of Pariscribe's and Orbcare US's known creditors.

7. On July 29, 2019, the Companies filed a Notice of Motion and a Motion Record returnable July 30, 2019, seeking, among other things, an order: (i) extending the time within which the Company had to file a proposal; (ii) authorizing Orbcare US and Pariscribe to borrow under the Credit Facility; and (iii) approving the procedural consolidation of the Companies' proposal proceedings. The Proposal Trustee served its second report, dated July 29, 2019 (the "**Second Report**"), in connection with that motion. A copy of the Second Report, without exhibits, is attached hereto and marked as **Exhibit "B"**.

8. On July 30, 2019, Justice Dietrich issued an endorsement adjourning the matter to August 1, 2019.

9. On August 1, 2019 the Court issued Orders that, *inter alia*:
- a. extended the time in which the Companies may file a proposal to September 26, 2019;
 - b. approved the extension of the Credit Facility, pursuant to a revised term sheet, to Pariscribe and Orbcare US, and extended the DIP Lender's Charge such that it provides for a charge on the assets of the Companies in favour of the DIP Lender; and
 - c. consolidated the proceedings of the Companies such that a single court file number and title of proceeding shall be used (the "**Procedural Consolidation Order**").
10. On August 9, 2019, the Companies served a Notice of Motion and Motion Record returnable August 14, 2019, seeking an order, *inter alia*:
- a. approving a sale process (the "**Sale Process**") to be conducted by the Proposal Trustee;
 - b. approving a stalking horse asset purchase agreement (the "**Stalking Horse APA**") entered into by the Companies and iGan Partners Inc. ("**iGan**" or the "**Purchaser**"), as purchaser, for the purpose of constituting a stalking horse bid under the Sale Process; and
 - c. approving a break fee in favor of iGan in relation to the Stalking Horse APA (the "**Break Fee**").

The Proposal Trustee served its third report, dated August 9, 2019 (the "**Third Report**") in connection with that motion. A copy of the Third Report, without exhibits, is attached hereto and marked as **Exhibit "C"**.

11. On August 14, 2019 the Court issued an Order (the "**Sale Approval Order**") that, *inter alia*:
- a. approved the Sale Process, subject to the prior approval of the Court being obtained before the completion of any transaction(s) under the Sale Process;

- b. approved, authorized and ratified the execution, delivery, entry into, compliance with, and performance by the Companies of the Stalking Horse APA; and
- c. approved the Break Fee and the Stalking Horse APA solely for the purpose of standing as the Stalking Horse Bid in the Sale Process, provided that if iGan is successful bidder in the Sale Process, implementation of the transaction contemplated by the Stalking Horse APA (the “**Transaction**”) is subject to Court approval.

A copy of the Sale Approval Order is attached hereto and marked as **Exhibit “D”**.

- 12. On September 23, 2019, Orbcare filed a Notice of Motion and a Motion Record returnable September 25, 2019, seeking, among other things, a Court Order extending the time within which the Companies had to file a proposal. The Proposal Trustee served its fourth report, dated September 24, 2019 (the “**Fourth Report**”), in connection with that motion. A copy of the Fourth Report, without exhibits, is attached hereto and marked as **Exhibit “E”**.
- 13. On September 25, 2019, the Court issued an Order that, *inter alia*, extended the time in which the Companies may file a proposal to November 12, 2019.
- 14. Information regarding the NOI proceedings have been posted to the Proposal Trustee’s website at <https://mnpdebt.ca/en/corporate/Engagements/orbcare-inc>. Pursuant to the Procedural Consolidation Order the website used for Orbcare is also being used for Pariscribe and Orbcare US.
- 15. The primary purpose of the Companies’ proposal proceedings is to provide stability to the Companies’ business while the Companies, with the assistance of the Proposal Trustee, restructures the business and works on formulating and presenting a viable proposal to the Companies’ creditors.

II. RESTRICTIONS

- 16. In preparing this report and making the comments herein, the Proposal Trustee has been provided with, and has relied upon, certain unaudited, draft and/or internal financial information, the Giner Affidavits (as defined below), the Companies’ books and records, discussions with management of the Companies and information from other third-party

sources (collectively, the “**Information**”). Except as described in this Report, the Proposal 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.

17. The Proposal Trustee also bases its report on the Companies’ cash flow projections and underlying assumptions, and notes that its review and commentary thereon were performed in accordance with the requirements set out in the Canadian Association of Insolvency and Restructuring Professionals’ Standards of Professional Practice No. 99-5 (Trustee’s Report on Cash Flow Statement). Certain of the information referred to in this report consists of financial forecasts and/or projections. An examination or review of financial forecasts and projections and procedures, in accordance with standards set by Chartered Professional Accountants Canada, has not been performed. Future oriented financial information referred to in this report was prepared based on estimates and assumptions provided by the Companies’ management. Readers are cautioned that, since financial forecasts and/or projections are based upon assumptions about future events and conditions that are not ascertainable, actual results will vary from the projections, and such variations could be material.
18. All dollar references herein are in CDN\$ unless otherwise specified.

III. PURPOSE OF THIS REPORT

19. The purpose of this Fifth Report is, *inter alia*, to:
 - a. update the Court with respect to:
 - i. the activities of the Companies and the Proposal Trustee since the Fourth Report; and
 - ii. the results of the Sale Process;
 - b. provide the Court with the Proposal Trustee’s recommendation for an order, *inter alia*,

- i. approving the sale of substantially all the assets and undertakings of the Companies to iGan pursuant to the Stalking Horse APA; and
- ii. vesting title in and to the Purchased Assets (as such term is defined in the Stalking Horse APA) in the Purchaser or as it may direct, free and clear of any encumbrances, save and except as otherwise contemplated by the Stalking Horse APA.

IV. BACKGROUND INFORMATION

20. Orbcare is a federally incorporated company carrying on business out of its leased premises in Toronto, Ontario. Orbcare provides a range of software information technology solutions to clients in the healthcare sector in order to streamline clinic operations and patient care.
21. The affidavits of Olivier Giner sworn June 23, 2019, July 29, 2019, August 3, 2019 and September 22, 2019 (together the “**Giner Affidavits**”) detail the causes of Orbcare’s financial difficulties, which include the following:
 - a. insufficient record keeping or controls on the use or release of company funds;
 - b. financial records that were dated and incomplete;
 - c. failure to maintain adequate customer records and to diligently track customer invoicing and accounts receivable;
 - d. Orbcare’s costs of operations were too high, notably due to an unnecessarily large number of employees; and
 - e. as detailed in the Second Report, Pariscribe’s failure to meet its financial obligations under the terms of a distribution agreement governing Pariscribe’s distribution of a third-party archiving and communication software (PACS) known as NILReader.
22. Additional information in respect of the Companies, including their assets and liabilities, is set out in the Giner Affidavits. The Proposal Trustee has not repeated such details in this Report.

V. SALE PROCESS

23. As noted in the Fourth Report, the following steps were taken by the Proposal Trustee, with the assistance of the Companies, to conduct the Sale Process:

- a. On August 21, 2019, the Proposal Trustee distributed via e-mail a brief interest solicitation letter (the “**Teaser**”) to prospective purchasers. The distribution list included:
 - i. companies identified by the Orbcare as potentially having an interest in the business;
 - ii. companies known by the Proposal Trustee and its affiliated MNP Corporation Finance practice to invest in health service technology businesses; and
 - iii. selected venture capital and other investment firms;
- b. Subsequent to the e-mails sent on August 21, 2019, the Proposal Trustee sent the Teaser to additional parties, who were identified as prospective purchasers during the Sale Process. The Teaser was sent to approximately 100 parties;
- c. On August 19, 2019, the Proposal Trustee advertised the acquisition opportunity in the National Edition of the Globe and Mail Newspaper;
- d. In addition to the advertisements to be placed as per the Sale Process, on August 22, 2019, the Proposal Trustee, in consultation with Orbcare, placed an advertisement of the acquisition opportunity in Canadian Healthcare Technology Magazine’s e-mail publication. Additional e-mail notices were published in the *Insolvency Insider* e-mail publication on September 3, 9, 16, and 23, 2019. The Proposal Trustee believes that these e-mail publications led to additional interest in, and industry specific awareness of the acquisition opportunity. Copies of the advertisements in the Globe and Mail Newspaper and the Canadian Healthcare Technology Magazine are attached hereto collectively as **Exhibit “F”**;

- e. On September 3 and 11, 2019, following Labour Day, the Proposal Trustee sent a reminder email to all prospective purchasers that had not yet responded to previous e-mails or which had been identified as a prospective purchaser subsequent to August 21, 2019.
- f. A secure online data room was set up containing additional information and documents in respect of the Companies and its business and assets, including a Confidential Information Memorandum (the “**Data-Room**”). Access to the Data-Room was provided to all interested parties that signed a confidentiality and non-disclosure agreement (“**NDA**”);
- g. The Proposal Trustee, in connection with the efforts put forth to solicit interest in the Sale Process, was contacted by thirty-four (34) parties with respect to the acquisition opportunity;
- h. Of the thirty-four (34) parties that had expressed interest in the acquisition opportunity, twenty-nine (29) parties executed a NDA and were provided with access to the Data-Room. The Data-Room provided the Proposal Trustee the ability to monitor the usage and activity of the Data-Room by those who were provided with access. Of those parties that were provided with access to the Data-room, twenty-three (23) parties were noted as having actively opened and reviewed materials contained there within;
- i. Interested parties were offered meetings with Orbcare’s management and development team for the purpose of providing an opportunity for interested parties to ask questions related to Orbcare’s services and offerings;
- j. Six (6) interested parties requested for and met with management and employees of Orbcare, three (3) of which, were in-person meetings and three (3) of which, were meetings held via an internet-based online conference; and
- k. On September 26, 2019, the Proposal Trustee sent to all of the parties that had signed an NDA, with the exception of iGan, a reminder of the Bid Deadline (defined below).

24. Offers were due at 5 PM (Toronto Time) on September 27, 2019 (the “**Bid Deadline**”).

25. No offers were received by the Bid Deadline. Commentary from parties who conducted due diligence on their decision to not submit binds in the Sale Process included that in their opinion (i) the historical, current and forecasted revenue numbers for the Companies were lower than desired; (ii) the Companies' expenditures were too high in consideration of their revenue; and (iii) commercialization of the products being developed by the Companies were beyond their desired time horizons.

VI. SALE APPROVAL

26. Pursuant to the Sale Process, if no Qualified Bid is received by the Bid Deadline, the Stalking Horse APA will be the Winning Bid (as defined in the Sale Approval Order) and the Companies shall seek, as expeditiously as possible, approval of the Court to complete the Transaction. A copy of the Stalking Horse APA is attached hereto as **Exhibit "G"**.
27. The Stalking Horse APA provides for the sale of the Purchased Assets for \$1,200,000 (the "**Purchase Price**") comprised of:
- a. a credit bid equal to the amounts owing by the Companies to the Stalking Horse Bidder under the Credit Facility as of the time of the closing of the transaction contemplated by the Sale Process (the "**Credit Bid**"); and
 - b. cash consideration in an amount equal to the difference between the amount of the Credit Bid and \$1,200,000, less Assumed Liabilities (as defined in the Stalking Horse APA).
28. The Stalking Horse APA is conditional on approval by this Court and the issuance of a vesting order in favour of the Purchaser.

VII. RECOMMENDATION

29. The Proposal Trustee has considered the factors set out in Section 65.13 of the BIA and respectfully recommends that the Court make the order sought by the Company for the following reasons:
- a. the Companies and the Proposal Trustee have carried out the Sale Process in accordance with the Sale Approval Order and made reasonable and good faith

efforts to sell the assets of the Companies on a going-concern basis to persons not related to the Company;

- b. a broad marketing of the Companies was conducted by the Proposal Trustee, with assistance of the Companies, in accordance with the Sale Approval Order;
 - c. the Proposal Trustee worked closely with the Companies, who provided substantial input in the development and implementation of the Sale Process;
 - d. the contemplated transaction out of the ordinary course of business complies with the criteria set out in Section 65.13 of the BIA, including the ability of the Company to pay the employee-related amounts (see further details in paragraph 30 below);
 - e. overall, the Transaction appears to be in the best interest of all stakeholders, as it would result in repayment of the amounts outstanding on the Credit Facility, avoids a bankruptcy or receivership liquidation sale and allows the Companies to continue as a going-concern thereby maintaining employment and contractual service offerings; and
 - f. the Proposal Trustee is of the opinion, based on the results of the Sale Process, that the Transaction would result in a better realization for the benefit of Canada Revenue Agency (“CRA”) and other creditors as compared with a liquidation scenario.
30. In compliance with subsection 65.13(8) of the BIA, any amounts owing to employees of the Companies with respect to wages and/or vacation pay, to a limit of \$2,000 per employee, will be paid from the cash proceeds to be paid by the Purchaser for the Transaction, or from the Reserve (as defined below) to be held by the Proposal Trustee, which shall include a component to cover such amount, in this case for any potential remaining accrued vacation pay to a maximum of \$2,000 per employee.

VIII. VESTING ORDER

31. The APA is conditional on the issuance of an order approving the Transaction and a vesting order vesting title in and to the purchased assets of the Companies' in and to the Purchaser upon the closing of the Transaction.
32. As detailed in the Second Report and reflected in the PPSA searches attached hereto as **Exhibit "H"**, Parascibe has two registered secured creditors, Emmanuel Abraham (who was formerly a director of Parascibe) and Dejan Demitrijevic (who is currently a director of Parascibe and who was formerly a shareholder of Parascibe). Both of the secured creditors have been provided with notice of all proceedings related to the Companies. The Proposal Trustee has not yet sought an opinion on the validity and enforceability of their security. A search of the Ontario Personal Property Registry, effective October 3, 2019, shows that no additional registrations have been made as against Orbcare or Parascibe. The Proposal Trustee has not conducted independent searches to determine whether Orbcare US has secured creditors other than iGan.
33. As at the date of filing each of the Orbcare and Parascibe NOIs, the amounts estimated by the Companies to be owed to CRA for outstanding payroll source deductions were \$500,000 and \$70,000 respectively (the "**Estimated Source Deductions**"). The Estimated Source Deductions are based on the limited information available to management at the time of the NOI filings. To date, although an audit has not yet been conducted, CRA has filed proofs of claims as against Orbcare and Parascibe for unpaid source deductions in the amounts of \$208,685 and \$72,762, respectively (together, the "**CRA Source Deduction Claim**").
34. The Proposal Trustee has inquired with CRA as to the basis of the CRA Source Deduction Claim. The CRA agent assigned to the Orbcare and Parsicibe CRA business accounts informed the Proposal Trustee via a phone call on October 7, 2019 that the Company had not yet filed its information returns with respect to the period of January through April of 2019 with respect to Orbcare and no returns had been filed in 2019 with respect to

Pariscribe.¹ The CRA agent also advised that an audit of the Companies' records would be required for the CRA to provide a more accurate claim, at which time an amended claim would be filed with the Proposal Trustee.

35. In consideration of the Estimated Source Deductions, the CRA Source Deduction Claim and the discussions with CRA as per above, the Proposal Trustee is unable to determine at this time what amount is outstanding to CRA with respect to the employee source deductions.
36. Prior to the closing of the Transaction, the Proposal Trustee and the parties to the Transaction will work to calculate a reserve of funds (the "**Reserve**") to be borrowed under the Credit Facility and held in trust by the Proposal Trustee to be used to, among other things, satisfy any amounts outstanding for the professional fees of the Proposal Trustee and its counsel, the Companies' counsel, as well as amounts owing pursuant to Subsection 65.13(8) of the BIA (as described above).
37. It is noted that the cash portion of the Purchase Price payable on closing will depend on the quantum of Assumed Liabilities and the balance owing under the Credit Facility as of the closing date for the Transaction. As of the date of this Fifth Report, the balance owing on the Credit Facility is \$475,000. There is uncertainty at this time as to whether the cash to be paid on closing, after consideration of the amount owing under the Credit Facility (including the Reserve), will be sufficient to satisfy the amounts owing to the CRA for source deductions (including such amounts as would be payable pursuant to subsection 60(1.1) of the BIA).

¹ Pariscribe no longer has any employees as all employees were assumed by Orbcare. Accordingly, any amounts that will be owed by Pariscribe in relation to employee source deductions relates to a period prior to 2019. The outstanding 2019 returns in relation to Pariscribe are not expected to create any additional liability.

IX. CONCLUSIONS AND RECOMMENDATIONS

38. Based on the facts as outlined in the body of this Fifth Report, the Proposal Trustee respectfully recommends that the Court make an order granting the relief detailed in paragraph 19(b) above.

All of which is respectfully submitted this 8th day of October, 2019.

MNP Ltd.

in its capacity as Trustee under
the Notice of Intentions to Make a Proposal of
Orbcare Inc., Pariscribe Inc. and Orbcare US Inc.
Per:



Sheldon Title

Exhibit "A"

Court No.: 31-2516167
Estate No.: 31-2516167

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF
ORBCARE INC.,
OF THE CITY OF TORONTO,
IN THE PROVINCE OF ONTARIO

FIRST REPORT TO THE COURT
SUBMITTED BY MNP LTD.,
IN ITS CAPACITY AS TRUSTEE UNDER THE
NOTICE OF INTENTION TO MAKE A PROPOSAL OF
ORBCARE INC.

JUNE 24, 2019

I. INTRODUCTION

1. On May 28, 2019, Orbcare Inc. (“**Orbcare**” or the “**Company**”) filed a Notice of Intention to Make a Proposal (“**NOI**”) pursuant to section 50.4 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the “**BIA**”), wherein MNP Ltd. was named as proposal trustee (the “**Proposal Trustee**”). A copy of the NOI is attached hereto and marked as **Exhibit “A”**.
2. Notice of the NOI as prescribed by the BIA was sent on June 3, 2019 to all of Orbcare’s known creditors. A copy of such notice is attached hereto and marked **Exhibit “B”**.
3. Information regarding the NOI proceeding has been posted to the Proposal Trustee’s website at <https://mnpdebt.ca/en/corporate/Engagements/orbcare-inc>.

4. The primary purpose of this proceeding is to provide stability to Orbcare's business while Orbcare, with the assistance of the Proposal Trustee, restructures the Company and works on formulating and presenting a viable proposal to its creditors.

II. RESTRICTIONS

5. In preparing this Report and making the comments herein, the Proposal Trustee has been provided with, and has relied upon, certain unaudited, draft and/or internal financial information, the Giner Affidavit (as defined below), Orbcare's books and records, discussions with management of Orbcare and information from other third-party sources (collectively, the "**Information**"). Except as described in this Report, the Proposal 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.
6. The Proposal Trustee also bases its report on the Company's cash flow projections and underlying assumptions and notes that its review and commentary thereon were performed in accordance with the requirements set out in the Canadian Association of Insolvency and Restructuring Professionals' Standards of professional Practice No. 99-5 (Trustee's Report on Cash Flow Statement). Certain of the information referred to in this report consists of financial forecasts and/or projections. An examination or review of financial forecasts and projections and procedures, in accordance with standards set by Chartered Professional Accountants Canada, has not been performed. Future oriented financial information referred to in this report was prepared based on estimates and assumptions provided by Orbcare's management. Readers are cautioned that, since financial forecasts and/or projections are based upon assumptions about future events and conditions that are not ascertainable, actual results will vary from the projections, and such variations could be material.

III. PURPOSE OF THIS REPORT

7. The purpose of this Report is to:
 - a. Provide information to the Court with respect to the administration of Orbcare's proposal proceeding, including:
 - i. background information regarding the Company's operations and the circumstances leading to the filing of the NOI; and
 - ii. Orbcare's application seeking an order pursuant to section 50.6 of the BIA, authorizing the borrowing of interim financing and providing a charge in priority for such financing.
 - b. Provide the Court with the Proposal Trustee's recommendation for an order, *inter alia*:
 - i. approving interim financing (the "**DIP Loan**") from iGan Partners Inc. (the "**DIP Lender**") for the purpose of funding Orbcare's activities; and
 - ii. extending the time for filing a proposal to August 12, 2019.

IV. BACKGROUND INFORMATION

8. Orbcare is a federally incorporated company carrying on business out of its leased premises in Toronto, Ontario. Orbcare provides a range of software information technology solutions to clients in the healthcare sector in order to streamline clinic operations and patient care.
9. Orbcare has two wholly owned subsidiaries, Pariscribe Inc. ("**Pariscribe**") and Orbcare US, Inc. ("**Orbcare US**"), each of which operates in the same business as Orbcare.
10. The draft affidavit of Olivier Giner (the "**Giner Affidavit**"), filed separately in this proceeding, details the causes of Orbcare's financial difficulties, which include the following:
 - a. insufficient record keeping or controls on the use or release of Company funds;

- b. financial records that were dated and incomplete;
 - c. failure to maintain adequate customer records and to diligently track customer invoicing and accounts receivable; and
 - d. Orbcare's costs of operations were too high, notably due to an unnecessarily large number of employees.
11. Additional information in respect of Orbcare, including its assets and liabilities, is set out in the Giner affidavit. The Proposal Trustee has not repeated such details in this Report.
12. As also noted in the Giner Affidavit, Orbcare has retained Vizhenbooks, a service company providing bookkeeping services, to assist Orbcare in regularizing its financial statements. Orbcare has also retained MNP LLP to carry out a forensic review of Orbcare's financial records.

V. ASSETS

13. The assets of the Company consist primarily of its intellectual property (proprietary technology) and accounts receivable.

VI. CREDITORS

14. Orbcare's NOI lists creditors with claims of \$927,431.
15. A search of the Ontario *Personal Property Security Act* registry, with a file currency of May 23, 2019, and a review of the Company's records, indicate that there are no known secured creditors of the Company.
16. While Orbcare's records are incomplete, its records reflect that its largest creditor is Canada Revenue Agency for unpaid source deductions, HST and corporate taxes.

VII. CASH FLOW PROJECTIONS

17. To date, Orbcare has provided the Proposal Trustee with its full co-operation and unrestricted access to its premises, and books and records.

18. In accordance with the provisions of the BIA, the Company filed with the Official Receiver a projected cash flow statement dated June 7, 2019, which was reviewed by the Proposal Trustee for reasonableness and signed by the Proposal Trustee and the Company (the “**Cash Flow Projections**”). The Cash Flow Projections cover the period starting on June 3, 2019 and ending on September 1, 2019 (the “**Projection Period**”). A copy of the Cash Flow Projection, and related reports, is attached hereto as **Exhibit “C”**.
19. The Proposal Trustee has implemented procedures for monitoring the Company’s receipts and disbursements and has kept in close contact with Orbcare’s management to ensure that operations are continuing in the normal course of business and in accordance with the Cash Flow Projection.
20. The principal assumptions of the Cash Flow Projection are as follows:
 - a. Existing accounts receivable will be collected in approximately 60 days.
 - b. Operating expenses are assumed to be paid on a current basis.
 - c. The projections exclude any activity in Orbcare US, a 100% owned subsidiary incorporated under the laws of Delaware, but does include the activities of Pariscribe.
 - d. Other disbursements are based on management's best estimates.
 - e. Projected rent excludes payment of rent on 500 King Street West, Toronto (“**500 King**”), as this commercial lease was disclaimed on June 4, 2019. The Company assumes that the disclaimer will become final and conclusive.
 - f. The number of employees and associated payroll costs (i.e. wages, benefits, government remittances, etc.) are based on the “Actual” payroll costs prior to the NOI filing, adjusted to reflect the reduction of payroll arising from the recent termination of four (4) employees.

21. The Cash Flow Projections reflect that Orbcare is expected to require funding of approximately \$24,741 by the end of the Projection Period. The Company had \$288,220 in cash as at June 3, 2019, which means that during the Projection Period the Company is projected to have a \$312,961 decrease in its cash position.
22. Based on the Proposal Trustee’s review of the Cash Flow Projections, there are no material assumptions which seem unreasonable in Orbcare’s circumstances or are inconsistent with the purpose of the projections. Based on the Cash Flow Projections and the assumption that the DIP Loan will be available, Orbcare will have sufficient funding through to the end of the requested extension of the NOI.
23. A summary of the Company’s actual receipts and disbursements as compared to the those presented in the Cash Flow Projections up to the week ended June 16, 2019 (the “**Monitored Period**”) is as follows:

Orbcare Inc

**Projected Cash Flow Variance Analysis - Cumulative Summary
For the Period from June 3 to June 16, 2019**

	TOTAL		
	June 3, 2019 to June 16, 2019		
	(Forecast)	(Actual)	(Variance)
Receipts			
Collection of Receivables			
Orbcare	0	16,348	16,348
Pariscribe	0	11,167	11,167
Provincial Taxes	0	2,302	2,302
Funds from Loan	0	0	0
Total Receipts	0	29,817	29,817

Disbursements			
Payroll	84,177	60,654	23,523
Rent	0	0	0
SG&A	0	3,486	(3,486)
Technology	0	2,955	(2,955)
Advisors	0	1,500	(1,500)
Provincial Taxes	0	0	0
Repayment to Loan	0	0	0
Total Disbursements	84,177	68,594	15,583
Net Operating Cash Flows	(84,177)	(38,778)	45,400

24. As noted above, the Company had negative Net Operating Cash Flows of \$38,778 as compared to the projected negative Net Operating Cash Flows of \$84,177 (a positive variance of \$45,400) for the Monitored Period.

25. The positive variance is largely related to the timing differences in the following:

- a. Collection of Receivables – Receivables were collected on a shorter period of time than forecast in the Cash Flow Projections.
- b. Source Deductions – The Cash Flow Projections forecast that payroll source deductions would be paid at the same time as wages. However, the source deduction payments are made approximately 10 days after wages, and \$25,334 is scheduled to be paid on June 25, 2019.

VIII. INTERIM FINANCING

26. Prior to the NOI filing, Orbcare took steps to reduce its employee headcount, and has since taken further measures to reduce its overhead cost structure. For instance, as noted above, on June 4, 2019, Orbcare issued a Notice to Lessor to Disclaim or Resiliate a Lease by Commercial Tenant in respect of its utilizing space at 500 King.

27. Having reduced its cost base, Orbcare is focusing efforts at improving its sales and operations. Orbcare recognizes that it is going to take some time and significant expense to:
- a. restructure its operations;
 - b. grow its customer base;
 - c. repair its deficient bookkeeping;
 - d. prepare accurate and updated financial statements and tax filings;
 - e. have MNP LLP conduct its forensic review; and
 - f. develop a proposal to present to Orbcare's creditors.
28. For the foregoing reasons, Orbcare anticipates that it will require financing to fund its activities, including payment of the professional fees associated with administering the proposal proceeding and the accounting services associated with updating and reviewing Orbcare's financial records. Accordingly, Orbcare, Orbcare US and Pariscribe negotiated the terms of the DIP Loan with the DIP Lender.
29. As set out in the Giner Affidavit, the DIP Lender has agreed to provide interim financing in the maximum amount of \$1,200,000 in order to facilitate:
- a. the continued operation of Orbcare during these proceedings;
 - b. the payment of professional fees in connection with restructuring that Orbcare is responsible for as part of the proposal proceeding; and
 - c. such other amounts that the DIP Lender consents to in writing, as may be approved by the Proposal Trustee.
30. In order to preserve the value of the business, the DIP Lender has agreed to provide the DIP Loan to fund Orbcare's on-going cash flow shortfalls pursuant to an interim financing

agreement (the “**DIP Agreement**”). A summary of the DIP Agreement’s significant terms are as follows:

- a. Principal Amount: \$1,200,000 on a non-revolving basis;
- b. Term: Repayable on demand and in accordance with the terms of any court order within the BIA proceeding;
- c. Security and Priority: The DIP Loan is conditional on the DIP Lender being granted: (i) a General Security Agreement and the Court ordering a first ranking security charge in favour of the DIP Lender over all other security interests and encumbrances (the “**DIP Approval Order**”) in respect of Orbcare; and (ii) a General Security Agreement on the assets, property and undertakings of Pariscribe and Orbcare US;
- d. Interest: Shall accrue at the annual rate of 10% per annum and be payable quarterly in arrears;
- e. Drawdowns: Shall be in minimum increments of \$100,000, with a maximum of one drawdown per month;
- f. Plan Sponsor: The DIP Lender shall have a right of first refusal to provide funding necessary to complete the proposal that the Company must put forward in the BIA proceeding. The DIP Lender shall have the right to convert the amounts advanced into new capital of the Company on such terms as may acceptable to the Lender and the Company, and subject to any approvals that may be required;
- g. Expenses: Orbcare shall pay the DIP Lender a commitment fee in an amount of \$25,000, together with all costs and expenses of the DIP Lender incurred in connection with the DIP Loan, the term sheet and all security documents and/or any other documents related thereto (including the fees and expenses of its legal counsel); and
- h. Conditions: Prior to advancing any funds under or in respect of the DIP Loan, Orbcare shall have obtained the DIP Approval Order and the Lender shall be

provided with an acceptable initial 13-week cash flow for Orbcare and the guarantors under the DIP facility.

A copy of the DIP Agreement is attached hereto this Report as **Exhibit “D”**.

IX. INTERIM FINANCING RECOMMENDATION

31. The Proposal Trustee has considered the factors set out in subsection 50.6(5) of the BIA with respect to the granting of the Interim Financing Charge. The Proposal Trustee respectfully recommends that the Court make the order sought by the Company for the following reasons:
- a. Orbcare is considering its restructuring various options, which restructuring potentially will enhance the recoveries for the stakeholders;
 - b. for the reasons set out in paragraph 27, the Company is facing an imminent liquidity crisis. While it has liquidity to fund its short-term operations, it will require funding in order to: (i) sustain operations and (ii) present a viable proposal to its creditors;
 - c. under the terms of the proposed order, Orbcare will not be authorized or empowered to operate any form of draw on the DIP Loan without the written approval of the Proposal Trustee, who in deciding whether to issue its approval, shall have regard to the Cash Flow Projections, as may be revised from time to time to take into account its findings from its review of Orbcare’s financial records. Accordingly, no creditor of the Company appears to be materially prejudiced by the borrowings under the DIP Agreement, and the Interim Financing Charge, and the risks of material prejudice to certain creditors are outweighed by the potential benefits that would be derived from a successful restructuring; and
 - d. the terms of the borrowings appear to be reasonable in the circumstances and consistent with the terms of debtor in possession financing facilities in similar proceedings.

X. REQUEST FOR AN EXTENSION OF TIME FOR FILING A PROPOSAL

32. In order to allow Orbcare sufficient time to stabilize its operations by taking the measures identified in paragraph 27, including working towards filing a proposal to its creditors, Orbcare seeks a forty-five (45) day extension of the time for filing of a proposal to August 12, 2019.
33. The Proposal Trustee supports Orbcare's request for such an extension and has also considered:
- a. that Orbcare is acting in good faith and with due diligence;
 - b. that the extension should not adversely affect or prejudice creditors as Orbcare is projected to have sufficient funds to pay post-filing services and supplies in the amounts contemplated in the Cash Flow Projections; and
 - c. that creditors would not be prejudiced by an extension of time for Orbcare to file its proposal, which could result in greater recoveries than in a liquidation within a bankruptcy scenario.

XII. CONCLUSION AND RECOMMENDATION

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

All of which is respectfully submitted on this 24th day of June, 2019.

MNP Ltd.,
in its capacity as Trustee under
the Notice of Intention to Make a Proposal of
Orbcare Inc.

Per:



Sheldon Title

Court No.: 31-2516167
Estate No.: 31-2516167

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL
OF ORBCARE INC., OF THE CITY OF TORONTO, IN THE PROVINCE OF ONTARIO**

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

**FIRST REPORT TO THE COURT SUBMITTED BY MNP
LTD., IN ITS CAPACITY AS TRUSTEE UNDER THE
NOTICE OF INTENTION TO MAKE A PROPOSAL OF
ORBCARE INC.**

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

Sheldon Title
Tel: (416) 263-6945
Fax: (416) 323-5242
Email: sheldon.title@mnp.ca

Exhibit "B"

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Court No.: 31-2516167
Estate No.: 31-2516167

IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF
ORBCARE INC.,
OF THE CITY OF TORONTO,
IN THE PROVINCE OF ONTARIO

SECOND REPORT TO THE COURT

July 29, 2019

I. INTRODUCTION

1. On May 28, 2019, Orbcare Inc. (“**Orbcare**” or the “**Company**”) filed a Notice of Intention to Make a Proposal (“**NOI**”) pursuant to section 50.4 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the “**BIA**”), wherein MNP Ltd. was named as proposal trustee (the “**Proposal Trustee**”). A copy of the NOI is attached hereto and marked as **Exhibit “A”**.
2. Notice of the NOI as prescribed by the BIA was sent on June 3, 2019 to all of Orbcare’s known creditors. A copy of such notice is attached hereto and marked **Exhibit “B”**.

3. On June 22, 2019, the Company brought a motion returnable June 25, 2019, seeking, among other things, an order extending the time within which the Company had to file a proposal and an order authorizing Orbcare to obtain and borrow under a credit facility (the “**Credit Facility**”) from iGan Partners Inc. (the “**DIP Lender**”) on terms set out in the debtor-in-possession financing facility term sheet between Orbcare, the DIP Lender, Pariscribe and Orbcare US (both defined below) as guarantors, dated June 11, 2019, and granting in favour of the DIP Lender a charge on Orbcare’s assets. The Proposal Trustee delivered its first report dated June 24, 2019 (the “**First Report**”) in connection with that hearing. A copy of the First Report, without exhibits, is attached hereto and marked as **Exhibit “C”**.
4. On June 25, 2019, the Court ordered the following:
 - a. the date for the filing of the Orbcare’s proposal be extended to August 12, 2019; and
 - b. approving an interim financing facility with a maximum principal amount of \$1,200,000 (the “**DIP Loan**”) and a charge (the “**DIP Lender’s Charge**”) on the Company’s assets, property and undertaking (collectively the “**Assets**”) in favour of the DIP Lender.
5. Orbcare has the following wholly owned subsidiary corporations:
 - a. Pariscribe Inc. (“**Pariscribe**”), which is incorporated pursuant to the *Canada Business Corporations Act* and which operates in the same business as Orbcare; and
 - b. Orbcare US, Inc. (“**Orbcare US**”, and collectively with Pariscribe and Orbcare, the “**Companies**”), which is incorporated pursuant to the Delaware *General*

Corporation Law and which also operates in the same business as Orbcare, principally in the United States.

6. Pariscribe filed a NOI on July 26, 2019 under estate #31- 2539066 and Orbcare US filed a NOI on July 29, 2019 under estate #31-2539459. MNP is named as the Proposal Trustee in each of these filings. Copies of each of the NOIs for Pariscribe and Orbcare US are attached as **Exhibit “D”** and **“E”**, respectively. As each of these NOIs was only recently filed, the Proposal Trustee has not yet sent notice of the NOI to the affected creditors.
7. On July 29, 2019, the Companies filed a Notice of Motion and a Motion Record returnable July 30, 2019 (the **“July 30th Motion”**), seeking, among other things: (i) an order extending the time within which the Company has to file a proposal; (ii) an order authorizing Orbcare US and Pariscribe to borrow under the Credit Facility; and (iii) an order approving the procedural consolidation of the Companies’ proposal proceedings.
8. Information regarding the NOI proceeding has been posted to the Proposal Trustee’s website at <https://mnpdebt.ca/en/corporate/Engagements/orbcare-inc>. Provided the Court authorizes a procedural consolidation of the Companies’ estates, the website used for Orbcare will also be used for Pariscribe and Orbcare US.
9. The primary purpose of the Companies’ proposal proceedings is to provide stability to the Companies’ business while the Companies, with the assistance of the Proposal Trustee, restructure their business and work on formulating and presenting viable proposals to the Companies’ creditors.

II. RESTRICTIONS

10. In preparing this Report and making the comments herein, the Proposal Trustee has been provided with, and has relied upon, certain unaudited, draft and/or internal financial information, the Giner Affidavits (as defined below), the Companies’ books and records,

discussions with management of the Companies and information from other third-party sources (collectively, the “**Information**”). Except as described in this Report, the Proposal 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.

11. The Proposal Trustee also bases its report on the Orbcare and Pariscribe’s cash flow projections and underlying assumptions and notes that its review and commentary thereon were performed in accordance with the requirements set out in the Canadian Association of Insolvency and Restructuring Professionals’ Standards of professional Practice No. 99-5 (Trustee’s Report on Cash Flow Statement). Certain of the information referred to in this report consists of financial forecasts and/or projections. An examination or review of financial forecasts and projections and procedures, in accordance with standards set by Chartered Professional Accountants Canada, has not been performed. Future oriented financial information referred to in this report was prepared based on estimates and assumptions provided by Orbcare’s management. Readers are cautioned that, since financial forecasts and/or projections are based upon assumptions about future events and conditions that are not ascertainable, actual results will vary from the projections, and such variations could be material.

III. PURPOSE OF THIS REPORT

12. The purpose of this Report is to:
 - a. provide information to the Court with respect to the administration of the Companies’ proposal proceedings, including
 - i. the activities of Orbcare and the Proposal Trustee since the date of the First Report;

- ii. preliminary information relating to the administration of the proposal proceedings of Pariscribe and Orbcare US;
 - iii. the Companies' efforts to financially restructure the business; and
 - iv. the Companies' request for an extension of time to file a Proposal; and
- b. provide the Court with the Proposal Trustee's recommendations for an order, *inter alia*:
- i. extending the time for filing a proposal to September 26, 2019;
 - ii. approving the procedural consolidation of the Companies' NOI proceedings; and
 - iii. authorizing each of Pariscribe and Orbcare USA to borrow under the Credit Facility from the DIP Lender on the terms set out in the DIP Loan Agreement.

IV. BACKGROUND INFORMATION

13. Orbcare is a federally incorporated company carrying on business out of its leased premises in Toronto, Ontario. Orbcare provides a range of software information technology solutions to clients in the healthcare sector in order to streamline clinic operations and patient care.
14. The affidavits of Olivier Giner, dated June 23, 2019 and July 29, 2019 (the "**Giner Affidavits**") detail the causes of Orbcare's financial difficulties, which include the following:
- a. insufficient record keeping or controls on the use or release of company funds;
 - b. financial records that were dated and incomplete;

- c. failure to maintain adequate customer records and to diligently track customer invoicing and accounts receivable;
 - d. Orbcare's costs of operations were too high, notably due to an unnecessarily large number of employees; and
 - e. As detailed below, Pariscribe's failure to meet its financial obligations under the terms of a distribution agreement governing Pariscribe's distribution of a third-party archiving and communication (PACS) known as NILReader.
15. Additional information in respect of the Companies', including their assets and liabilities, is set out in the Giner Affidavits. The Proposal Trustee has not repeated such details in this Report.

V. THE COMPANIES' ACTIVITIES

Tax Obligations and Credits

16. As noted in the Giner Affidavits, Orbcare has retained Vizhenbooks, a service company providing bookkeeping services, to assist Orbcare in regularizing its financial statements. Orbcare has also retained MNP LLP to carry out a forensic review of Orbcare's financial records. While the Companies report that considerable progress has been made in updating their financial records, there remains much to be done before the Companies are in a position to reconstruct the records, where necessary, and restate the financial statements (and amend tax filings, if necessary). For instance, the Giner Affidavits suggest that the review of the Companies' books and records has now been substantially completed for all of 2018 and 2019 to date, especially from a profit and loss perspective. The Companies have not yet completed the forensic audit and/or its review of the 2017 books and records, which audit and review may reveal findings that necessitate further restatement of the financial statements.

17. The Giner Affidavits suggest that progress has been made in quantifying the obligations of Orbcare and Pariscribe to Canada Revenue Agency (“CRA”) for Harmonized Sales Tax (“HST”) liabilities, payroll source deduction obligations and corporate taxes, which quantification is subject to CRA (re)assessment and/or audit. The quantification of CRA’s claim, particularly the source deduction arrears, is integral to determining whether each of the Companies have the ability to fund a viable proposal.
18. Based on CRA’s letter dated July 18, 2019, Orbcare objected to CRA’s assessment of the 2015 T4 Summary of Remuneration Paid, with CRA indicating that Orbcare’s liability was \$11,881 greater than Orbcare reported. CRA asked Orbcare for production of its 2015 T4 slips and return, which Orbcare sent to CRA on July 25, 2019. CRA’s review of Orbcare’s 2015 payroll records is pending.
19. Based on CRA’s letter dated July 17, 2019, the 2015 and 2016 Scientific Research and Experimental Development (“SR&ED”) tax incentive program credits have yet to be established. CRA has reviewed Orbcare’s SR&ED claim and has determined that a large part of the SR&ED claim is ineligible for credit. Orbcare still has an opportunity to respond to CRA’s review and/or object to any assessment in respect of the SR&ED claims. Based on the Giner Affidavits, Orbcare does not intend on pursuing these claims as it’s of the view that the records available in support of the SR&ED claims for those years are insufficient, and the Company has dedicated abundant resources already trying to amend previous filings made by previous SR&ED consultants, which contained erroneous descriptions of the activities carried on and insufficient supporting data.

Operational Restructuring

20. Both before and after the filing of the NOIs, the Companies undertook a review of its operations with the objective of decreasing its costs. Prior to the filing of the NOI, Orbcare reduced its payroll costs by terminating four (4) employees. Since the NOI, Orbcare has

terminated a further staff member. Orbcare has also reduced its overhead costs by disclaiming its commercial lease in respect of 500 King (defined below).

21. Orbcare has also retained a software engineer on contract to better respond to its customers and service its technical support needs.
22. The Companies are making concerted efforts at attracting new customers.

Other Matters

23. As part of Management's review of the Companies' operations, it identified that Pariscribe owes either licence fee arrears or damages to Hyland Software, Inc. ("**Hyland**"), the supplier of the PACS software provided by Orbcare to its customers, which the Companies may have been installing in client locations without paying a licence fee to Hyland. Orbcare is currently unable to quantify the extent of its obligation to Hyland.
24. The Companies are not using the most recent version of the PACS software in their service offering, which has caused the Companies' customers to express concern about the functionality of the Companies' platforms. The Companies also advise that Hyland is not supplying the technical and customer support it and its customers require. As part of its operational review and restructuring, the Companies are evaluating whether Hyland's most recent version of the PACS software satisfactorily resolves these customer concerns and assess whether this software is cost effectiveness as compared to comparable software offered by Hyland's competitors. If the Companies determine that Hyland's software is satisfactory, it will enter into discussions with Hyland on a go forward arrangement. The proposal proceedings will address Pariscribe's financial obligations to Hyland relating to the issue of unpaid licence fees or damages.

Consideration of Restructuring Alternatives

25. Concurrent with their review of their financial records and exploring ways to operationally restructure the business, the Companies are also weighing options available to restructuring the businesses. As noted in the Giner Affidavits, the Companies have begun the process of considering, with the assistance of counsel and of the Proposal Trustee, whether value for creditors and the interests of stakeholders more widely (including customers, suppliers, and employees) might be preserved or enhanced by conducting a process to solicit interest in investments and/or purchases of the Companies' assets (the "SISP"). Given the ongoing efforts aimed at improving the quality of their financial information and improving the financial and operational performance of the Companies' business, the Companies are also considering the timing of commencing such a SISP. At this time, the Companies have not yet determined a particular restructuring strategy or strategies.
26. As noted in the Article III- Interim Financing section of this report, the DIP Lender has presented an Amended and Restated Term Sheet wherein, *inter alia*, the DIP Lender seeks a first ranking security charge against each of Orbcare, Orbcare US and Pariscribe and that the Companies cross-guarantee their obligations as a term of the loan. The DIP Lender has also introduced an event of default if the Companies have failed to institute a SISP (which may take the form of a stalking horse process) on terms acceptable to the DIP Lender on or before August 15, 2019.

VI. CASH FLOW PROJECTIONS

27. To date, Orbcare has provided the Proposal Trustee with its full co-operation and unrestricted access to its premises, and books and records.
28. In accordance with the provisions of the BIA, the Company filed with the Official Receiver a projected cash flow statement dated June 7, 2019, which was reviewed by the Proposal

Trustee for reasonableness and signed by the Proposal Trustee and the Company (the “**Cash Flow Projections**”). The Cash Flow Projections cover the period starting on June 3, 2019 and ending on September 1, 2019 (the “**Projection Period**”). A copy of the Cash Flow Projection, and related reports, is attached hereto as **Exhibit “F”**.

29. The Proposal Trustee has implemented procedures for monitoring the Company’s receipts and disbursements and has kept in close contact with Orbcare’s management to ensure that operations are continuing in the normal course of business and in accordance with the Cash Flow Projection.
30. The principal assumptions of the Cash Flow Projection are as follows:
 - a. existing accounts receivable will be collected in approximately 60 days;
 - b. operating expenses are assumed to be paid on a current basis;
 - c. the projections exclude any activity in Orbcare US but do include the activities of Pariscribe;
 - d. other disbursements are based on management's best estimates;
 - e. projected rent excludes payment of rent on 500 King Street West, Toronto (“**500 King**”) as this commercial lease was disclaimed on June 4, 2019. This disclaimer has become final and conclusive; and
 - f. the number of employees and associated payroll costs (i.e. wages, benefits, government remittances, etc.) are based on the “Actual” payroll costs prior to the NOI filing, adjusted to reflect the reduction of payroll arising from the recent termination of four (4) employees.
31. The Cash Flow Projections reflect that Orbcare is expected to require funding of approximately \$24,741 by the end of the Projection Period. The Company had \$288,220

in cash as at June 3, 2019, which means that during the Projection Period the Company is projected to have a \$312,961 decrease in its cash position.

32. Based on the Proposal Trustee's review of the Cash Flow Projections, there are no material assumptions which seem unreasonable in Orbcare's circumstances or are inconsistent with the purpose of the projections. Based on the Cash Flow Projections and the availability of the DIP Loan, Orbcare will have sufficient funding through to the end of the requested extension of the NOI.
33. A summary of the Company's actual receipts and disbursements as compared to the those presented in the Cash Flow Projections up to the week ended July 21, 2019 (the "**Monitored Period**") is as follows:

	TOTAL		
	June 3, 2019 to July 21, 2019		
	(Forecast)	(Actual)	(Variance)
Receipts			
Collection of Receivables			
Orbcare	58,615	47,153	(11,462)
Pariscribe	32,726	48,160	15,434
Provincial Taxes	0	5,317	5,317
Funds from Loan	0	0	0
Total Receipts	91,341	100,630	9,289
Disbursements			
Payroll	252,532	258,940	(6,407)
Rent	3,955	8,543	(4,588)
SG&A	12,374	7,383	4,991
Technology	7,900	17,850	(9,950)
Advisors	76,000	7,503	68,497
Provincial Taxes	0	0	0
Repayment to Loan	0	0	0
Total Disbursements	352,762	300,219	52,543
Net Operating Cash Flows	(261,421)	(199,589)	61,832

34. As noted above, through the Monitored Period, the Company has had aggregate negative Net Operating Cash Flows of \$199,589 as compared to the projected negative Net Operating Cash Flows of \$261,421 (a positive variance of \$61,832) for the Monitored Period.
35. The positive variance is largely related to the timing differences in the payment of professional fees.
36. Notwithstanding the concerns about the quality of the historic financial information, Orbcare's Management appears able to reasonably estimate its operational expenses. The administrative fees and expenses associated with the restructuring will largely depend on the complexities associated with the proposal proceedings and the strategies utilized by the Companies in carrying out the restructuring.
37. In support of the Companies' motion returnable July 30, 2019, the Companies, with the assistance of the Proposal Trustee, prepared an updated weekly cash flow projection for the period from July 22, 2019 to October 13, 2019 (the "**Revised Cash Flow Projections**"), a copy of which, together with the reports of management and the Proposal Trustee on said projections, are attached hereto as **Appendix "G"**. The Revised Cash Flow Projections have been prepared using the probable and hypothetical assumptions set out in the notes attached to the Revised Cash Flow Projections. The Revised Cash Flow Projections do not include Orbcare US' cash flow activity.
38. The Revised Cash Flow Projections are based on assumptions that are consistent with the assumptions used in the Cash Flow Projections, other than those that have been revised to better reflect the timing of receivables collections and taking into consideration the actual results to date. Based on our review, nothing has come to our attention that causes us to believe that, in all material respects:
 - a. the hypothetical assumptions are not consistent with the purpose of the forecast;

- b. as at the date of this Report, the probable assumptions used in developing the Revised Cash Flow Projections are not suitably supported and consistent with the plans of the Companies or do not provide a reasonable basis for the forecast, given the hypothetical assumptions; and
 - c. the Revised Cash Flow Projections do not reflect the probable and hypothetical assumptions.
39. A copy of the Revised Cash Flow Projections, together with the reports of management and the Proposal Trustee on the Revised Cash Flow Projections were filed with the Office of the Superintendent of Bankruptcy.

VII. REQUEST FOR AN EXTENSION OF TIME FOR FILING A PROPOSAL

40. In order to allow sufficient time to further stabilize their operations by taking the measures identified in paragraphs 16-26 above, the Companies seek a forty-five (45) day extension of the time for filing of a proposal to September 26, 2019.
41. The Proposal Trustee supports the Companies request for such an extension and has also considered:
- a. that the Companies are acting in good faith and with due diligence;
 - b. that the extension should not adversely affect or prejudice creditors as the Companies are projected to have sufficient funds to pay post-filing services and supplies in the amounts contemplated in the Revised Cash Flow Projections;
 - c. that creditors would not be prejudiced by an extension of time for each of Orbcare, Orbcare US and Pariscribe to file their proposals, which could result in greater recoveries than in a liquidation within a bankruptcy scenario; and

- d. as set out in the Revised Cash Flow Projections, it appears that the Companies, subject to approval of the proposed extended interim financing, will have sufficient funds available to continue operating and meet obligations through to the end of the requested extension to the stay period.

VIII. INTERIM FINANCING

42. As noted above, on June 25, 2019 the Court issued an Order approving an interim financing facility with a maximum principal amount of \$1,200,000 and approved the DIP Lender's Charge.
43. There have, as of the date of this Report, been no draws as against the DIP Loan.
44. The DIP Loan Agreement required that both Pariscribe and Orbcare US be guarantors and to grant security in favour of the DIP Lender. The DIP Loan Agreement was entered into prior to the NOI filings of both Pariscribe and Orbcare US.
45. Due to the relationship and intertwined operations of the Companies, the financing required for the ongoing operations of the Companies during these proceedings, provided by the DIP Loan, will be used for the operations of the Companies and not only Orbcare. Accordingly, the Company is seeking an Order to authorize and empower both Pariscribe and Orbcare US to borrow under the existing DIP Loan, provided that the limit of the DIP Loan shall not exceed the maximum principal amount of \$1,200,000.
46. The Proposal Trustee has considered the factors set out in subsection 50.6(5) of the BIA with respect to the proposed amended DIP terms. The Proposal Trustee respectfully recommends that the Court make the order sought by the Companies for the following reasons:
 - a. the Companies are considering their various restructuring options, which restructuring potentially will enhance the recoveries for their stakeholders;

- b. the Companies are facing an imminent liquidity crisis, and per the Revised Cash Flow Projections are projected to require funding from the DIP Loan prior to August 4, 2019. The Revised Cash Flow Projections further indicate that additional draws on the DIP Loan will be required to (i) sustain operations and (ii) present a viable proposal to the Companies' creditors;
- c. under the terms of the proposed order, the Companies will not be authorized or empowered to operate any form of draw on the DIP Loan without the written approval of the Proposal Trustee, who in deciding whether to issue its approval, shall have regard to the Revised Cash Flow Projections, as may be revised from time to time to take into account its findings from its review of the Companies' financial records. Accordingly, no creditor of the Companies appears to be materially prejudiced by the borrowings under the terms of the proposed revised DIP Loan, and the risks of material prejudice to certain creditors are outweighed by the potential benefits that would be derived from a successful restructuring;
- d. the terms of the borrowings appear to be reasonable in the circumstances and consistent with the terms of debtor in possession financing facilities in similar proceedings;
- e. notice of the July 30th motion is being given to Pariscribe's two registered secured creditors, Emmanuel Abraham (who was formerly a director of Pariscribe) and Dejan Dimitrijevic (who is currently a director of Pariscribe and was formerly a shareholder of Pariscribe). The Proposal Trustee has not yet sought from Chaitons LLP, its independent counsel, an opinion on validity and enforceability of this security; and
- f. copies of the order(s) issued in respect of the July 30th motion will be sent to all creditors of Orbcare US by the Proposal Trustee together with a notice informing

them that they can seek amendments or variations of the order(s) by way of motion to the Court.

IX. PROPOSED PROCEDURAL CONSOLIDATION

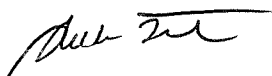
47. The Companies are seeking an order administratively consolidating Orbcare, Orbcare US and Pariscribe's NOI proceedings to avoid a multiplicity of proceedings. The Companies' operations are largely integrated with substantially all of the Companies' management, accounting, banking, and administrative functions performed at Orbcare's head office in Toronto, Ontario.
48. The Proposal Trustee recommends the administrative consolidation of the Companies' NOI proceedings.

X. CONCLUSION AND RECOMMENDATION

49. Based on the foregoing, the Proposal Trustee respectfully recommends that the Court make an order granting the relief detailed in paragraph 12(b).

All of which is respectfully submitted on this 29th day of July, 2019.

MNP Ltd.,
in its capacity as Trustee under
the Notice of Intention to Make a Proposal of
Orbcare Inc., Pariscribe Inc. and Orbcare USA Inc.
Per:



Sheldon Title
Licensed Insolvency Trustee

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL
OF ORBCARE INC., OF THE CITY OF TORONTO, IN THE PROVINCE OF ONTARIO**

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

**REPORT TO THE COURT SUBMITTED BY MNP LTD., IN
ITS CAPACITY AS PROPOSAL TRUSTEE**

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

Sheldon Title
Tel: (416) 263-6945
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Email: sheldon.title@mnp.ca

Exhibit "C"

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

**Court No.: 31-2516167
Estate No.: 31-2516167**

**IN THE MATTER OF THE NOTICES OF INTENTION TO MAKE A PROPOSAL OF
ORBCARE INC. AND PARISCRIIBE INC., CORPORATIONS INCORPORATED UNDER THE
CANADA BUSINESS CORPORATIONS ACT, AND ORBCARE US, INC., A CORPORATION
INCORPORATED UNDER THE LAWS OF THE STATE OF DELAWARE IN THE UNITED
STATES OF AMERICA**

THIRD REPORT TO THE COURT

AUGUST 9, 2019

I. INTRODUCTION

1. On May 28, 2019, Orbcare Inc. (“**Orbcare**”) filed a Notice of Intention to Make a Proposal (“**NOI**”) pursuant to section 50.4 of the Bankruptcy and Insolvency Act, R.S.C. 1985, c. B-3, as amended (the “**BIA**”), wherein MNP Ltd. was named as proposal trustee (the “**Proposal Trustee**”). A copy of the NOI is attached hereto and marked as Exhibit “A”.
2. Notice of the NOI as prescribed by the BIA was sent on June 3, 2019 to all of Orbcare’s known creditors. A copy of such notice is attached hereto and marked as **Exhibit “B”**.
3. On June 22, 2019, Orbcare served Notice of Motion and a Motion Record returnable June 25, 2019, seeking, among other things, a Court Order extending the time within which Orbcare had to file a proposal and an order authorizing Orbcare to obtain and borrow under a credit facility (the “**Credit Facility**”) from iGan Partners Inc. (the “**DIP Lender**”) on terms set out in the debtor-in-possession financing facility term sheet between Orbcare, the DIP Lender and certain guarantors dated June 11, 2019 and granting in favour of the DIP Lender a charge on Orbcare’s assets. The Proposal Trustee served its first report, dated June 24, 2019 (the “**First Report**”), in connection with that motion. A copy of the First Report, without exhibits, is attached hereto and marked as **Exhibit “C”**.

4. On June 25, 2019, the Court ordered the following:
 - a. The date for the filing of the Orbcare's proposal be extended to August 12, 2019; and
 - b. Approving an interim financing facility with a maximum principal amount of \$1,200,000 (the "**Credit Facility**") and a charge (the "**DIP Lender's Charge**") on Orbcare's assets, property and undertaking in favour of the DIP Lender;
5. Orbcare has the following wholly owned subsidiary corporations:
 - a. Pariscribe Inc. ("**Pariscribe**"), which is incorporated pursuant to the *Canada Business Corporations Act* and which operates in the same business as Orbcare; and
 - b. Orbcare US Inc. ("**Orbcare US**", and collectively with Pariscribe and Orbcare, the "**Companies**"), which is incorporated pursuant to the Delaware *General Corporation Law* and which also operates in the same business as Orbcare, principally in the United States.
6. Pariscribe filed a NOI on July 26, 2019 under estate #31- 2539066 and Orbcare US filed a NOI on July 29, 2019 under estate #31-2539459. MNP is named as the Proposal Trustee in each of these filings. Copies of each of the NOIs for Pariscribe and Orbcare US are attached hereto and marked as **Exhibit "D"** and **"E"**, respectively. Notice of the Pariscribe NOI and Orbcare US NOI, as prescribed by the BIA, were sent on August 2, 2019 to all of Pariscribe's and Orbcare US's known creditors. Copies of the Pariscribe notice and the Orbcare US notice are attached hereto and marked as **Exhibit "F"** and **"G"** respectively.
7. On July 29, 2019, the Companies served Notices of Motion and Motions Record for motions returnable July 30, 2019, seeking, among other things, orders: (i) extending the time within which the Companies had to file proposals; (ii) authorizing Orbcare to sign an Amended and Restated DIP Term Sheet; and (iii) approving the procedural consolidation of the Companies' proposal proceedings. The Proposal Trustee served its Second Report, dated July 29, 2019 (the "**Second Report**"), in connection with that motion. A copy of the Second Report, without exhibits, is attached hereto and marked as **Exhibit "H"**.

8. On July 30, 2019, Justice Dietrich issued an endorsement adjourning the matter to August 1, 2019.
9. On August 1, 2019 the Court issued Orders that, *inter alia*:
 - a. extended the time in which the Companies may file a proposal to September 26, 2019;
 - b. approved the extension of the Credit Facility, pursuant to a revised term sheet (the “**Amended and Restated DIP Term Sheet**”), to Pariscribe and Orbcare US, and extended the DIP Lender’s Charge such that it provides for a charge on the assets of the Companies in favour of the DIP Lender (the “**Credit Facility Extension Order**”); and
 - c. consolidated the proceedings of the Companies for administrative purposes such that a single court file number and title of proceeding shall be used (the “**Procedural Consolidation Order**”).
10. Information regarding the NOI proceeding has been posted to the Proposal Trustee’s website at <https://mnpdebt.ca/en/corporate/Engagements/orbcare-inc>. Pursuant to the Procedural Consolidation Order, the website used for Orbcare will also be used for Pariscribe and Orbcare US.
11. The primary purpose of the Companies’ proposal proceedings is to provide stability to the Companies’ business while the Companies, with the assistance of the Proposal Trustee, restructures the business and works on formulating and presenting a viable proposal to the Companies’ creditors.

II. RESTRICTIONS

12. In preparing this report and making the comments herein, the Proposal Trustee has been provided with, and has relied upon, certain unaudited, draft and/or internal financial information, the Giner Affidavits (as defined below), the Companies’ books and records, discussions with management of the Companies and information from other third-party sources (collectively, the “**Information**”). Except as described in this Report, the Proposal

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.

13. The Proposal Trustee also bases its report on the Companies' cash flow projections and underlying assumptions, and notes that its review and commentary thereon were performed in accordance with the requirements set out in the Canadian Association of Insolvency and Restructuring Professionals' Standards of Professional Practice No. 99-5 (Trustee's Report on Cash Flow Statement). Certain of the information referred to in this report consists of financial forecasts and/or projections. An examination or review of financial forecasts and projections and procedures, in accordance with standards set by Chartered Professional Accountants Canada, has not been performed. Future oriented financial information referred to in this report was prepared based on estimates and assumptions provided by the Companies' management. Readers are cautioned that, since financial forecasts and/or projections are based upon assumptions about future events and conditions that are not ascertainable, actual results will vary from the projections, and such variations could be material.

III. PURPOSE OF THIS REPORT

14. The purpose of this report is to provide the Court with the Proposal Trustee's recommendation for an order, *inter alia*, authorizing and directing the Proposal Trustee, in consultation with the Companies, to carry out a "stalking horse" marketing and sale process for all the assets of the Companies as described below (the "**Sale Process**"), using the Asset Purchase Agreement dated August 8, 2019 (the "**Stalking Horse APA**") between the Companies and iGan Partners Inc., in trust for a company to be incorporated (in such capacity, the "**Stalking Horse Bidder**" or the "**Purchaser**") in respect of all of the properties, assets and undertakings of the Companies to be used as the stalking horse bid.
15. All dollar references herein are in CDN\$ unless otherwise specified.

IV. BACKGROUND INFORMATION

16. Orbcare is a federally incorporated company carrying on business out of its leased premises in Toronto, Ontario. Orbcare provides a range of software information technology solutions to clients in the healthcare sector in order to streamline clinic operations and patient care.
17. The affidavits of Olivier Giner sworn June 23, 2019 and July 29, 2019 (the “**Giner Affidavits**”) detail the causes of Orbcare’s financial difficulties, which include the following:
 - a. insufficient record keeping or controls on the use or release of company funds;
 - b. financial records that were dated and incomplete;
 - c. failure to maintain adequate customer records and to diligently track customer invoicing and accounts receivable;
 - d. Orbcare’s costs of operations were too high, notably due to an unnecessarily large number of employees; and
 - e. as detailed in the Second Report, Pariscribe’s failure to meet its financial obligations under the terms of a distribution agreement governing Pariscribe’s distribution of a third-party archiving and communication software (PACS) known as NILReader.
18. Additional information in respect of the Companies, including their assets and liabilities, is set out in the Giner Affidavits. The Proposal Trustee has not repeated such details in this Report.

V. CASH FLOW PROJECTIONS

19. To date, the Companies have provided the Proposal Trustee with their full co-operation and unrestricted access to their premises, and books and records.
20. On June 7, 2019, Orbcare filed a projected cash flow statement, which was reviewed by the Proposal Trustee for reasonableness and signed by the Proposal Trustee and Orbcare (the “**Cash Flow Projections**”). A copy of the Cash Flow Projections, and related reports, were appended to the First Report.

21. In support of Orbcare's motion returnable July 30, 2019, the Companies, with the assistance of the Proposal Trustee, prepared an updated weekly cash flow projection for the period of July 22, 2019 to October 13, 2019 (the "**Revised Cash Flow Projections**"), a copy of which, together with the reports of management and the Proposal Trustee on said projections, were appended to the Second Report. The Revised Cash Flow Projections were prepared using the probable and hypothetical assumptions set out in the notes attached to the Revised Cash Flow Projections.
22. As the operations of Orbcare and Pariscribe are effectively run as a single business entity, the Revised Cash Flow Projections were prepared such that they include all amounts that would be collected by or expended from both Orbcare and Pariscribe. Accordingly, the Revised Cash Flow Projections, including the probable and hypothetical assumptions thereof, were filed in the duplicate with the Official Receiver on July 29, 2019 for the NOI filing of Pariscribe.
23. The Revised Cash Flow Projections do not include the cash flow activity of Orbcare US. Therefore, in connection with the NOI filing of Orbcare US, Orbcare US filed a projected cash flow statement, which was reviewed by the Proposal Trustee for reasonableness and signed by the Proposal Trustee and Orbcare US (the "**Orbcare US Cash Flow Projections**"). A copy of the Orbcare US Cash Flow Projections, and related reports, is attached hereto as **Exhibit "I"**.
24. The principal assumptions of the Orbcare US Cash Flow Projections include:
 - a. the forecasted collection of post-NOI sales is within 60 days from the completion of the sale and the sales are based on management's best estimate;
 - b. the number of employees and associated payroll costs are based on the 'actual' payroll costs prior to the NOI;
 - c. expenses for certain technologies, such as cloud computing, server storage and data transfer, are incurred based on the usage of such technologies. Costs in relation to the usage of these technologies are estimated by management to be incurred at similar usage rates as experienced in the month prior to the NOI filing;

- d. management has estimated the net amount of accounts receivables that are expected as collectible and the collection of such receivables are forecast over a 13-week period;
 - e. operating expenses are assumed to be paid on a current basis;
 - f. the projections exclude any activity of Orbcare and Pariscribe; and
 - g. other disbursements are based on management's best estimates.
25. Based on the Proposal Trustee's review of the Orbcare US Cash Flow Projections, there are no material assumptions which seem unreasonable in Orbcare US's circumstances or are inconsistent with the purpose of the projections. Based on the Orbcare US Cash Flow Projections, Orbcare US will have sufficient funding through to the end of the requested extension of the NOI.
26. The Proposal Trustee has implemented procedures for monitoring the Companies' receipts and disbursements and has kept in close contact with the Companies' management to ensure that operations are continuing in the normal course of business and in accordance with the Revised Cash Flow Projections and the Orbcare US Cash Flow Projections.
27. Notwithstanding the concerns about the quality of the historic financial information, the Companies' management appears able to reasonably estimate its operation expenses.

VI. CREDIT FACILITY

28. Pursuant to the Credit Facility Extension Order, the Companies were authorized to obtain and borrow under the Credit Facility from the DIP Lender on the terms of the Amended and Restated DIP Term Sheet.
29. As a condition of the Amended and Restated DIP Term Sheet, authorization of the Proposal Trustee is required prior to any drawdown of the \$1.2MM Credit Facility by the Companies.

30. The Proposal Trustee provided its first and only authorization of a drawdown of \$225,000 from the Credit Facility on August 2, 2019. Attached hereto as **Exhibit “J”** is a copy of the authorization provided to the Companies by the Proposal Trustee.
31. On August 8, 2019, the Companies requested from the DIP Lender an amount of \$225,000 in the form of a drawdown from the Credit Facility (the “**First Credit Facility Draw**”).

VII. SALE PROCESS

Stalking Horse APA

32. The Stalking Horse Bidder has submitted an offer to purchase the right, title and interest of the Companies’, if any, in and to all of the properties, assets and undertakings of the Companies (collectively, the “**Purchased Assets**”) for the sum of \$1,200,000 (the “**Purchase Price**”) comprised of:
 - a. a credit bid equal to the amounts owing by the Companies to the Stalking Horse Bidder under the Credit Facility as of the time of the closing of the transaction contemplated by the Sale Process (the “**Credit Bid**”); and
 - b. cash consideration in an amount equal to the difference between the amount of the Credit Bid and \$1,200,000, less Assumed Liabilities (as defined in the Stalking Horse APA).

A copy of the Stalking Horse APA is attached as **Exhibit “K”**.

33. The Stalking Horse APA remains subject to Court approval and the Proposal Trustee not receiving a better offer through the Sale Process as contemplated below. The Sale Process aims to preserve the ongoing business of the Companies, while seeking to identify third party bidders for amounts higher than the Purchase Price.
34. A summary of the other key terms and conditions of the Stalking Horse APA are as follows:
 - a. representations and warranties are consistent with insolvency transactions, i.e. the transaction is to be completed on an “as is, where is” basis without material representations and warranties;

- b. the only significant condition is the granting of an approval and vesting order vesting title in and to the Purchaser free and clear of all encumbrances, except any permitted encumbrances; and
- c. a break fee of \$60,000, being 5% of the Purchase Price (the “**Break Fee**”), shall be payable upon the closing of a sale and transfer, or a series of sales and transfers, of substantially all the Purchased Assets to one of more third parties other than the Stalking Horse Bidder.

Sale Process

35. The Sale Process is summarized below, and is described at Schedule “G” to the Stalking Horse APA. Capitalized terms used in this section and not otherwise defined have the meaning given to them in the Schedule “G” to the Stalking Horse APA.

Milestone	Deadline
Commencement of Sale Process	Not later than five (5) Business Days after the Sale Process Order is granted
Advertise for sale the Purchased Assets in The Globe and Mail (National Edition) and distribute a teaser document to potential interested parties	Not later than five (5) Business Days after the Sale Process Order is granted
Due Diligence	Not later than five (5) Business Days after the Sale Process Order is granted, the Proposal Trustee shall make available to prospective purchasers (collectively, the “ Prospective Purchasers ”), upon receipt of an executed confidentiality agreement from a Prospective Purchaser, access to a data room containing information reasonably required by Prospective Purchasers to consider submitting an offer for the Purchased Assets and facilitate the conduct of due diligence by the Prospective Purchasers.

Bid Deadline	September 27, 2019 at 5 PM (Toronto time)
Qualified Bids	In order for a bid to qualify as a “Qualified Bid” it must, among other things, be in terms at least as favourable to and no more burdensome than, the Stalking Horse APA and provide for a purchase price of at least \$1.2 million plus the Break Fee plus \$50,000 (i.e. \$1.31 million). The Proposal Trustee retains sole discretion to determine whether bids received are Qualified Bids.
Auction	Only if the Proposal Trustee receives one or more Qualified Bids by the Bid Deadline, the Proposal Trustee shall extend invitations by phone, fax and/or email by 10:00 a.m. (Toronto time) on the third (3 rd) Business Day after the Bid Deadline to all bidders who submitted Qualified Bids and to the Purchaser to attend an auction (the “ Auction ”). The Auction shall be held at 10:00 a.m. on the fifth (5 th) Business Day after the Bid Deadline (or such other date and time as the Proposal Trustee may in its sole discretion designate) at the offices of the Proposal Trustee.
Closing Date	Second Business Day following the date on which the Approval and Vesting Order is granted or such later date or earlier date as agreed to by the parties.
Court-specified Time Periods	Where any of the time periods specified in the Sale Process, as set out in the Schedule to the Stalking Horse APA are subject to be established by Court Order, and in the event that the Court establishes a date different than the date set out in the Stalking Horse APA, then the corresponding date established by such provisions of the agreement shall be deemed to be amended to accord with the Court established date, provided no such amendment shall be deemed to have occurred without the express written consent of the Purchaser if the effect of the such amendment is to delay the Closing Date by any period greater than 15 days or later than October 25, 2019.

- a. Conduct of the Auction: The Proposal Trustee shall conduct the Auction. At the Auction, the bidding shall begin initially with the highest Qualified Bid and subsequently continue in multiples of \$100,000, or such other amount as the Proposal Trustee determines to facilitate the Auction (the “**Incremental Amount**”). Additional consideration in excess of the amount set forth in the highest Qualified Bid must be comprised only of cash consideration. The format and procedure for the Auction shall be determined by the Proposal Trustee in its sole discretion.
- b. Winning Bid: In its sole discretion and based, *inter alia*, on the conduct of the Auction, the total financial and contractual terms of the Qualified Bids and various factors relevant to the speed and certainty of completing the sale of the Purchased Assets, the Proposal Trustee shall determine and accept the highest and/or best bid with respect to the Purchased Assets (the “**Winning Bid**”), subject to Court approval.
- c. Court Approval of the Winning Bid: The Vendors shall make a motion to the Court to obtain approval of the Winning Bid and the Approval and Vesting Order as expeditiously as possible after the Auction, but in no event longer than ten (10) Business Days following the Auction.
- d. Court Approval of Agreement if no Qualified Bid: If no Qualified Bid is received by the Bid Deadline (other than the Stalking Horse APA), the Auction will not be held. Accordingly, the Stalking Horse APA will be the Winning Bid and the Vendors shall seek, as expeditiously as possible, approval of the Court to consummate the Transaction contemplated by that agreement, but in no event longer than ten (10) Business Days following the expiry of the Bid Deadline.
- e. Return of Deposits: The deposits submitted with all Qualified Bids (except the Winning Bid), shall be held in escrow by the Proposal Trustee until five (5) Business Days after the date of the completion of the Auction and returned to those Prospective Purchasers thereafter. If the Winning Bid terminates pursuant to its terms or fails to close because of the Vendors’ breach or failure to perform under the terms of the Winning Bid, the Proposal Trustee shall return the deposit submitted with such bid to the bidder that submitted the Winning Bid (the “**Winning Bidder**”) forthwith. If

the Winning Bidder fails to complete the approved sale because of its breach or failure to perform under the terms of the Winning Bid, the Proposal Trustee shall not have any obligation to return the deposit submitted with the Winning Bid and such deposit shall be retained by the Proposal Trustee as liquidated damages and the Purchaser shall be entitled to submit a new bid for the Purchased Assets, which the Proposal Trustee shall be at liberty to, but not obligated to, accept on terms to be agreed upon between the Parties.

- f. Modifications: Subject to the Sale Process Order, the Proposal Trustee shall have the right to adopt such other rules for the Sale Process that, in its sole discretion, will better promote the goals of the Sale Process.

36. The Proposal Trustee believes that the Sale Process, as described above, is reasonable in the circumstances as it:

- a. establishes a floor value for the Purchased Assets while providing an opportunity for superior realizations to the Purchase Price contemplated in the Stalking Horse APA;
- b. provided the proposed Sale Process Order is granted on August 14, 2019, such that the Sale Process commences by no later than August 21, 2019, the Sale Process timeline appears to provide prospective purchasers with sufficient time to complete due diligence and submit competitive bids;
- c. the Purchased Assets are largely comprised of intellectual property, which is difficult to value. Putting the Purchased Assets through a competitive sale process will result in the marketplace determining the value of the Companies' intellectual property. Also, the financial records of the Companies are both incomplete and unreliable, which further creates difficulty in providing any estimates as to the approximate value of the Purchased Assets;
- d. it is a commonly used method to sell distressed assets in Canadian insolvency proceedings;

- e. the Stalking Horse APA, and the sale of the business as a going concern, is expected to provide greater value than a forced liquidation and/or bankruptcy and, thus, a better and higher return than a forced liquidation bankruptcy sale process;
- f. the availability of the Credit Facility provides stability to the Companies' cash flow and the sustainability of the businesses during the Sale Process;
- g. it will accelerate the realization of the Purchased Assets and, in the Proposal Trustee's view, is commercially reasonable in the circumstances; and
- h. the Break Fee is reasonable in the circumstances in that it is within the range of break fees in similar sized transactions for proceedings under the BIA and that it offers a reasonable balance between its potential adverse effect as a sale deterrent and having the offer under the Stalking Horse APA as a sale stimulator.

37. The Proposal Trustee recommends that the Sale Process, as described above, be approved by this Court on the basis that it is an effective strategy to maximize the value of the Purchased Assets. In the view of the Proposal Trustee, the Stalking Horse APA will provide a benchmark for the realization of the Purchased Assets, while at the same time providing a forum and deadline to permit and encourage any serious alternative bidders to come forward with firm offers to purchase the Companies' business and assets as part of a going concern transaction.

VIII. CONCLUSIONS AND RECOMMENDATIONS

38. Based on the foregoing, the Proposal Trustee respectfully recommends that the Court make an order granting the relief detailed in paragraph 14.

All of which is respectfully submitted this 9th day of August, 2019.

MNP Ltd.

in its capacity as Trustee under
the Notice of Intentions to Make a Proposal of
Orbcare Inc., Pariscribe Inc. and Orbcare US Inc.

Per:



Sheldon Title

Court No.: 31-2516167

IN THE MATTER OF THE NOTICES OF INTENTION TO MAKE A PROPOSAL OF ORBCARS INC. AND PARISCRIBE INC., CORPORATIONS INCORPORATED UNDER THE CANADA BUSINESS CORPORATIONS ACT, AND ORBCARE US, INC. , A CORPORATION INCORPORATED UNDER THE LAWS OF THE STATE OF DELAWARE IN THE UNITED STATES OF AMERICA

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

**REPORT TO THE COURT SUBMITTED BY MNP LTD., IN
ITS CAPACITY AS TRUSTEE UNDER THE
NOTICES OF INTENTION TO MAKE A PROPOSAL OF
ORBCARE INC., ORBCARE US INC. AND PARISCRIBE
INC.**

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

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Exhibit “D”

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

THE HONOURABLE) WEDNESDAY, THE 14th
)
MR. JUSTICE PENNY) DAY OF AUGUST, 2019



**IN THE MATTER OF THE NOTICES OF INTENTION TO
MAKE A PROPOSAL OF ORBCARE INC., AND
PARISCRIBE INC., CORPORATIONS INCORPORATED
UNDER THE CANADA BUSINESS CORPORATIONS ACT,
AND ORBCARE US, INC. A CORPORATION
INCORPORATED UNDER THE LAWS OF THE STATE OF
DELAWARE IN THE UNITED STATES OF AMERICA**

**ORDER
(Approval of Sale Process)**

THIS MOTION, made by OrbCare Inc., Pariscribe Inc. and OrbCare US, Inc. (collectively, the “**Companies**”), pursuant to Section 65.13 of the *Bankruptcy and Insolvency Act* (Canada) (the “**BIA**”), for an order, among other things, (i) approving a “stalking horse” sale process substantially on the terms set out in Schedule “A” hereto (the “**Sale Process**”), (ii) approving the “stalking horse” asset purchase agreement (the “**Stalking Horse APA**”) entered into on August 8, 2019 among the Companies and iGan Partners Inc., in trust for a company to be incorporated (“**iGan**”), for the purpose of constituting a stalking horse bid under the Sale Process, and (iii) approving the break fee (the “**Break Fee**”) set out in Section 6.4 of the Stalking Horse APA, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Motion Record of the Companies, the third report of MNP Ltd., in its capacity as proposal trustee of the Companies (the “**Proposal Trustee**”), dated August 9, 2019 (the “**Third Report**”) and the Exhibits thereto, as well as the affidavit of Olivier Giner sworn

August 3, 2019 and the Exhibits thereto, and on hearing the submissions of counsel for the Companies, counsel for the Proposal Trustee and counsel for iGan, no one else appearing although duly served as appears from the Affidavit of Service of Katie Parent sworn August 9, 2019, filed:

SERVICE

1. **THIS COURT ORDERS** that the timing and method of service of the Notice of Motion, the Motion Record and the Third Report is hereby abridged and validated and this Motion is properly returnable today.
2. **THIS COURT ORDERS** that the Companies, the Proposal Trustee and/or their lawyers are at liberty to serve or distribute this Order and any other materials and orders as may be reasonably required in these proceedings, including any notices or other correspondence, by forwarding true copies thereof by electronic message to the Companies' creditors or other interested parties and their advisors. For greater certainty, any such distribution or service shall be deemed to be in satisfaction of a legal or juridical obligation and notice requirements within the meaning of section 3(c) of the *Electronic Commerce Protection Regulations*, SOR/2013-221.

APPROVAL OF SALE PROCESS AND STALKING HORSE APA

3. **THIS COURT ORDERS** that the Sale Process is hereby approved and the Trustee is hereby authorized and directed to take such steps as it deems necessary or advisable (subject to the terms of the Sale Process) to carry out the Sale Process, subject to prior approval of this Court being obtained before completion of any transaction(s) under the Sale Process.
4. **THIS COURT ORDERS** that the execution, delivery, entry into, compliance with, and performance by the Companies of the Stalking Horse APA be and is hereby ratified, authorized and approved.
5. **THIS COURT ORDERS** that the Break Fee set out in Section 6.4 of the Stalking Horse APA is approved and that the Stalking Horse APA is hereby approved solely for the purposes of standing as the Stalking Horse Bid in the Sale Process, provided that if iGan is the successful

bidder under the Sale Process, implementation of the transaction contemplated by the Stalking Horse APA will be subject to the Court's approval upon further motion by the Companies.

6. **THIS COURT ORDERS** that the Companies and the Proposal Trustee their respective employees, advisors, agents or other representatives (“**Representatives**”) shall have no personal or corporate liability in connection with the Sale Process.

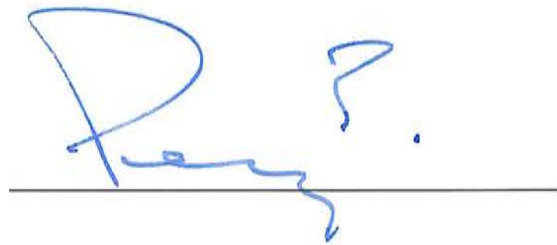
7. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act*, the Trustee, the Companies and their Representatives are hereby authorized and permitted to disclose and transfer to each potential bidder (the “**Bidders**”) and to their Representatives, if requested by such Bidders, personal information of identifiable individuals, including, without limitation, all human resources and payroll information in the Companies’ records pertaining to the Companies’ past and current employees, but only to the extent desirable or required to negotiate or attempt to complete a sale pursuant to the Sale Process (a “**Sale**”). Each Bidder or Representative to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation for the purpose of effecting a Sale, and if it does not complete a Sale, shall return all such information to the Trustee, or in the alternative destroy all such information and provide confirmation of its destruction if requested by the Trustee. The Successful Bidder(s) shall maintain and protect the privacy of such information and, upon closing of the transaction(s) contemplated in the Winning Bid(s) (as defined in the Sale Process), shall be entitled to use the personal information provided to it that is related to the assets acquired pursuant to the Sale Process in a manner that is in all material respects identical to the prior use of such information by the Companies, and shall return all other personal information to the Trustee, or ensure that all other personal information is destroyed and provide confirmation of its destruction if requested by the Trustee.

GENERAL

8. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or the United States, to give effect to this Order and to assist the Companies, the Proposal Trustee, iGan and their respective 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 Companies and to the Proposal Trustee, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Proposal Trustee in any foreign proceeding, or to assist the Companies and the Proposal Trustee and their respective agents in carrying out the terms of this Order.

THIS COURT ORDERS that each of the Companies, the Proposal Trustee and iGan shall be at liberty and are hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order.

A handwritten signature in blue ink is written over a horizontal line. The signature is stylized and appears to consist of several large, sweeping strokes, possibly representing the initials 'R. P.' followed by a surname.

Schedule "A" – Sale Process

1. Definitions. All capitalized terms used but not defined herein shall have the meaning ascribed to them in the Stalking Horse APA.
2. Advertisement. Not later than five (5) Business Days after the Sale Process Order is granted, the Proposal Trustee shall advertise for sale the Purchased Assets in The Globe and Mail (National Edition) and distribute a teaser document to potential interested parties.
3. Due Diligence. Not later than five (5) Business Days after the Sale Process Order is granted, the Proposal Trustee shall make available to prospective purchasers (collectively, the "**Prospective Purchasers**"), upon receipt of an executed confidentiality agreement from a Prospective Purchaser, access to a data room containing information reasonably required by Prospective Purchasers to consider submitting an offer for the Purchased Assets and facilitate the conduct of due diligence by the Prospective Purchasers. The Purchaser may have access to the data room.
4. Bid Deadline. Any offers to purchase the Purchased Assets must be submitted in writing to and received by the Proposal Trustee at MNP Ltd., 300-111 Richmond Street West, Toronto, ON M5H 2G4, attention: Sheldon Title, or by email at sheldon.title@mnp.ca, by 5:00pm (Toronto time) on September 27, 2019 (the "**Bid Deadline**").
5. Qualified Bid. The Proposal Trustee in its sole discretion shall determine whether any offers are "**Qualified Bids**". A Qualified Bid shall mean an offer to purchase substantially all of the Purchased Assets which is substantially the same or better than the Agreement, provided that no offer shall qualify as a Qualified Bid unless it meets, among other things, the following minimum criteria:
 - i. the Prospective Purchaser and the representatives thereof who are authorized to appear and act on its behalf must be sufficiently identified and written evidence of the offeror's chief officer or other appropriate senior executive's approval of the contemplated transaction must be submitted with the offer;
 - ii. the offer must be submitted in writing and include a blackline of the offer to the Agreement, reflecting the Prospective Purchaser's proposed changes and a written commitment to close on the terms and conditions set forth therein;
 - iii. the offer must be accompanied by a deposit in the form of certified cheque payable to the Proposal Trustee which is equal to at least 10% of the aggregate purchase price payable under the offer;
 - iv. the offer must be open for acceptance by the Vendors until five (5) Business Days after the Auction (as hereinafter defined) or later;

- v. the offer must be on terms no less favourable and no more burdensome or conditional than the Agreement and shall not contain any provisions for a break fee or expense reimbursement;
 - vi. the offer must not contain any contingency relating to due diligence or financing or any other material conditions precedent to the offeror's obligation to complete the transaction that are not otherwise contained in the Agreement;
 - vii. the offer must contain written evidence of a commitment for financing or other evidence of the ability to consummate the sale with appropriate contact information for such financing sources; and
 - viii. the offer must be for a price equal to or greater than the sum of the Purchase Price, the Break Fee and \$50,000.
6. Auction. Only if the Proposal Trustee receives one or more Qualified Bids by the Bid Deadline, the Proposal Trustee shall extend invitations by phone, fax and/or email by 10:00 a.m. (Toronto time) on the third (3rd) Business Day after the Bid Deadline to all bidders who submitted Qualified Bids and to the Purchaser to attend an auction (the "**Auction**"). The Auction shall be held at 10:00 a.m. on the fifth (5th) Business Day after the Bid Deadline (or such other date and time as the Proposal Trustee may in its sole discretion designate) at the offices of the Proposal Trustee.
 7. Conduct of the Auction. The Proposal Trustee shall conduct the Auction. At the Auction, the bidding shall begin initially with the highest Qualified Bid and subsequently continue in multiples of \$100,000, or such other amount as the Proposal Trustee determines to facilitate the Auction (the "**Incremental Amount**"). Additional consideration in excess of the amount set forth in the highest Qualified Bid must be comprised only of cash consideration. The format and procedure for the Auction shall be determined by the Proposal Trustee in its sole discretion.
 8. Winning Bid. In its sole discretion and based, *inter alia*, on the conduct of the Auction, the total financial and contractual terms of the Qualified Bids and various factors relevant to the speed and certainty of completing the sale of the Purchased Assets, the Proposal Trustee shall determine and accept the highest and/or best bid with respect to the Purchased Assets (the "**Winning Bid**"), subject to Court approval.
 9. Court Approval of the Winning Bid. The Vendors shall make a motion to the Court to obtain approval of the Winning Bid and the Approval and Vesting Order as expeditiously as possible after the Auction, but in no event longer than ten (10) Business Days following the Auction.
 10. Court Approval of Agreement if no Qualified Bid. If no Qualified Bid is received by the Bid Deadline (other than the Agreement), the Auction will not be held. Accordingly, the Agreement will be the Winning Bid and the Vendors shall seek, as expeditiously as possible, approval of the Court to consummate the Transaction contemplated by the Agreement, but in no event longer than ten (10) Business Days following the expiry of the Bid Deadline.

11. Return of Deposits. The deposits submitted with all Qualified Bids (except the Winning Bid), shall be held in escrow by the Proposal Trustee until five (5) Business Days after the date of the completion of the Auction and returned to those Prospective Purchasers thereafter. If the Winning Bid terminates pursuant to its terms or fails to close because of the Vendors' breach or failure to perform under the terms of the Winning Bid, the Proposal Trustee shall return the deposit submitted with such bid to the bidder that submitted the Winning Bid (the "**Winning Bidder**") forthwith. If the Winning Bidder fails to complete the approved sale because of its breach or failure to perform under the terms of the Winning Bid, the Proposal Trustee shall not have any obligation to return the deposit submitted with the Winning Bid and such deposit shall be retained by the Proposal Trustee as liquidated damages and the Purchaser shall be entitled to submit a new bid for the Purchased Assets, which the Proposal Trustee shall be at liberty to but not obligated to, accept on terms to be agreed upon between the Parties.
12. Modifications. Subject to the Sale Process Order, the Proposal Trustee shall have the right to adopt such other rules for the Sale Process, that, in its sole discretion, will better promote the goals of the Sale Process.

IN THE MATTER OF THE NOTICES OF INTENTION TO MAKE A
PROPOSAL OF ORBCARE INC. AND PARISCRIIBE INC., CORPORATIONS
INCORPORATED UNDER THE *CANADA BUSINESS CORPORATIONS ACT*,
AND ORBCARE US, INC. A CORPORATION INCORPORATED UNDER THE
LAWS OF THE STATE OF DELAWARE IN THE UNITED STATES
OF AMERICA

Estate File No. 31-2516167

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceeding commenced in TORONTO

ORDER
(Approval of Sale Process)

GOLDMAN SLOAN NASH & HABER LLP
480 University Avenue, Suite 1600
Toronto (ON) M5G 1V2

R. Brendan Bissell (LSO# 40354V)
Tel: 416-597-6489
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Lawyers for OrbCare Inc. Pariscrcribe Inc. and
OrbCare US, Inc.

Exhibit "E"

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Court No.: 31-2516167
Estate No.: 31-2516167

**IN THE MATTER OF THE NOTICES OF INTENTION TO MAKE A PROPOSAL OF
ORBCARE INC. AND PARISCRIBE INC., CORPORATIONS INCORPORATED UNDER THE
CANADA BUSINESS CORPORATIONS ACT, AND ORBCARE US, INC. , A CORPORATION
INCORPORATED UNDER THE LAWS OF THE STATE OF DELAWARE IN THE UNITED
STATES OF AMERICA**

FOURTH REPORT TO THE COURT

SEPTEMBER 24, 2019

I. INTRODUCTION

1. On May 28, 2019, Orbcare Inc. (“**Orbcare**”) filed a Notice of Intention to Make a Proposal (“**NOI**”) pursuant to section 50.4 of the Bankruptcy and Insolvency Act, R.S.C. 1985, c. B-3, as amended (the “**BIA**”), wherein MNP Ltd. was named as proposal trustee (the “**Proposal Trustee**”).
2. Notice of the NOI as prescribed by the BIA was sent on June 3, 2019 to all of Orbcare’s known creditors.
3. On June 22, 2019, Orbcare filed Notice of Motion and a Motion Record returnable June 25, 2019, seeking, among other things, a Court Order extending the time within which Orbcare had to file a proposal and an order authorizing Orbcare to obtain and borrow under a credit facility (the “**Credit Facility**”) from iGan Partners Inc. (the “**DIP Lender**”) on terms set out in the debtor-in-possession financing facility term sheet between Orbcare, the DIP Lender and certain guarantors dated June 11, 2019 and granting in favour of the DIP Lender a charge on Orbcare’s assets. The Proposal Trustee served its first report, dated June 24, 2019 (the “**First Report**”). A copy of the First Report, without exhibits, is attached hereto and marked as **Exhibit “A”**.
4. On June 25, 2019, the Court ordered the following:

- a. The date for the filing of the Orbcare's proposal be extended to August 12, 2019; and
 - b. Approving an interim financing facility with a maximum principal amount of \$1,200,000 (the "**Credit Facility**") and a charge (the "**DIP Lender's Charge**") on the Orbcare's assets, property and undertaking (collectively the "**Assets**") in favour of the DIP Lender.
5. OrbCare has the following wholly owned subsidiary corporations:
- a. Pariscribe Inc. ("**Pariscribe**"), which is incorporated pursuant to the *Canada Business Corporations Act* and which operates in the same business as OrbCare; and
 - b. OrbCare US Inc. ("**Orbcare US**", and collectively with Pariscribe and Orbcare, the "**Companies**"), which is incorporated pursuant to the Delaware *General Corporation Law* and which also operates in the same business as OrbCare, principally in the United States.
6. Pariscribe filed a NOI on July 26, 2019 under estate #31- 2539066 and Orbcare US filed a NOI on July 29, 2019 under estate #31-2539459. MNP is named as the Proposal Trustee in each of these filings. Notice of the Pariscribe NOI and Orbcare US NOI, as prescribed by the BIA, were sent on August 2, 2019 to all of Pariscribe's and Orbcare US' known creditors.
7. On July 29, 2019, the Companies filed a Notice of Motion and a Motion Record returnable July 30, 2019, seeking, among other things, an order: (i) extending the time within which the Company had to file a proposal; (ii) authorizing Orbcare US and Pariscribe to borrow under the Credit Facility; and (iii) approving the procedural consolidation of the Companies' proposal proceedings. The Proposal Trustee served its second report, dated July 29, 2019 (the "**Second Report**"). A copy of the Second Report, without exhibits, is attached hereto and marked as **Exhibit "B"**.
8. On July 30, 2019, Justice Dietrich issued an endorsement adjourning the matter to August 1, 2019.
9. On August 1, 2019 the Court issued Orders that, *inter alia*:

- a. extended the time in which the Companies may file a proposal to September 26, 2019 (the “**First Extension Order**”);
 - b. approved the extension of the Credit Facility, pursuant to a revised term sheet (the “**Amended and Restated DIP Term Sheet**”), to Pariscribe and Orbcare US, and extended the DIP Lender’s Charge such that it provides for a charge on the assets of the Companies in favour of the DIP Lender (the “**Credit Facility Extension Order**”); and
 - c. consolidated the proceedings of the Companies such that a single court file number and title of proceeding shall be used (the “**Procedural Consolidation Order**”).
10. On August 9, 2019, the Companies served a Notice of Motion and Motion Record returnable August 14, 2019, seeking an order, *inter alia*:
- a. approving a sale process (the “**Sale Process**”) to be conducted by the Proposal Trustee;
 - b. approving a stalking horse asset purchase agreement (the “**Stalking Horse APA**”) entered into by the Companies and iGan Partners Inc. (“**iGan**”), as purchaser, for the purpose of constituting a stalking horse bid under the Sale Process; and
 - c. the approval of a break fee in favor of iGan in relation to the Stalking Horse APA (the “**Break Fee**”).

The Proposal Trustee served its third report, dated August 9, 2019 (the “**Third Report**”) in connection with that motion. A copy of the Third Report, without exhibits, is attached hereto and marked as **Exhibit “C”**.

11. On August 14, 2019 the Court issued an Order (the “**Sale Approval Order**”) that, *inter alia*:
- a. approved the Sale Process, subject to the prior approval of the Court being obtained before the completion of any transaction(s) under the Sale Process;

- b. approved, authorized and ratified the execution, delivery, entry into, compliance with, and performance by the Companies of the Stalking Horse APA; and
 - c. approved the Break Fee and the Stalking Horse APA solely for the purpose of standing as the Stalking Horse Bid in the Sale Process, provided that if iGan is successful bidder in the Sale Process, implementation of the transaction contemplated by the Stalking Horse APA is subject to Court approval.
12. Information regarding the NOI proceedings have been posted to the Proposal Trustee's website at <https://mnpdebt.ca/en/corporate/Engagements/orbcare-inc>. Pursuant to the Procedural Consolidation Order the website used for Orbcare is also being used for Pariscribe and Orbcare US.
13. The primary purpose of the Companies' proposal proceedings is to provide stability to the Companies' business while the Companies, with the assistance of the Proposal Trustee, restructures the business and works on formulating and presenting a viable proposal to the Companies' creditors.

II. RESTRICTIONS

14. In preparing this report and making the comments herein, the Proposal Trustee has been provided with, and has relied upon, certain unaudited, draft and/or internal financial information, the Giner Affidavits (as defined below), the Companies' books and records, discussions with management of the Companies and information from other third-party sources (collectively, the "**Information**"). Except as described in this Report, the Proposal 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.
15. The Proposal Trustee also bases its report on the Companies' cash flow projections and underlying assumptions, and notes that its review and commentary thereon were performed in accordance with the requirements set out in the Canadian Association of Insolvency and Restructuring Professionals' Standards of Professional Practice No. 99-5 (Trustee's Report

on Cash Flow Statement). Certain of the information referred to in this report consists of financial forecasts and/or projections. An examination or review of financial forecasts and projections and procedures, in accordance with standards set by Chartered Professional Accountants Canada, has not been performed. Future oriented financial information referred to in this report was prepared based on estimates and assumptions provided by the Companies' management. Readers are cautioned that, since financial forecasts and/or projections are based upon assumptions about future events and conditions that are not ascertainable, actual results will vary from the projections, and such variations could be material.

16. All dollar references herein are in CDN\$ unless otherwise specified.

III. PURPOSE OF THIS REPORT

17. The purpose of this Fourth Report is, *inter alia*, to:

- a. Update the Court with respect to:
 - i. the activities of the Companies and the Proposal Trustee since the Third Report;
 - ii. Orbcare and Pariscribe's actual receipts and disbursements in comparison to its cash flow projections for the period July 22, 2019 to September 22, 2019 and updated and extended cash flow projections, and the Proposal Trustee's observations regarding same;
 - iii. Orbcare US's actual receipts and disbursements in comparison to its cash flow projections for the period August 5, 2019 to September 22, 2019 and updated and extended cash flow projections, and the Proposal Trustee's observations regarding same (together with the Orbcare and Pariscribe comparisons, the "**Monitored Period**"); and
 - iv. the status of the Sale Process.

- b. provide the Court with the Proposal Trustee's recommendation for an order, *inter alia*, approving the extension of the time for the Companies to file a proposal with the Official Receiver (the "**Stay Period**") to and including November 10, 2019.

IV. BACKGROUND INFORMATION

18. Orbcare is a federally incorporated company carrying on business out of its leased premises in Toronto, Ontario. Orbcare provides a range of software information technology solutions to clients in the healthcare sector in order to streamline clinic operations and patient care.
19. The affidavits of Olivier Giner sworn June 23, 2019, July 29, 2019 and August 3, 2019 (together with the affidavit sworn September 22, 2019 the "**Giner Affidavits**") detail the causes of Orbcare's financial difficulties, which include the following:
 - a. insufficient record keeping or controls on the use or release of company funds;
 - b. financial records that were dated and incomplete;
 - c. failure to maintain adequate customer records and to diligently track customer invoicing and accounts receivable;
 - d. Orbcare's costs of operations were too high, notably due to an unnecessarily large number of employees; and
 - e. as detailed in the Second Report, Pariscribe's failure to meet its financial obligations under the terms of a distribution agreement governing Pariscribe's distribution of a third-party archiving and communication software (PACS) known as NILReader.
20. Additional information in respect of the Companies, including their assets and liabilities, is set out in the Giner Affidavits. The Proposal Trustee has not repeated such details in this Report.

V. CASH FLOW PROJECTIONS

21. On June 7, 2019, Orbcare filed a projected weekly cash flow statement for the period commencing June 1, 2019 and ending on September 1, 2019, which was reviewed by the Proposal Trustee for reasonableness and signed by the Proposal Trustee and Orbcare (the

- “Orbcare CDN Cash Flow Projections”**). A copy of the Orbcare CDN Cash Flow Projections, and related reports, were appended to the First Report.
22. In support of Orbcare’s motion returnable July 30, 2019, the Companies, with the assistance of the Proposal Trustee, prepared an updated weekly cash flow projection for the period of July 22, 2019 to October 13, 2019 (the **“Revised Orbcare CDN Cash Flow Projections”**), a copy of which, together with the reports of management and the Proposal Trustee on said projections, were appended to the Second Report. The Revised Orbcare CDN Cash Flow Projections were prepared using the probable and hypothetical assumptions set out in the notes attached to the Revised Orbcare CDN Cash Flow Projections.
 23. As the operations of Orbcare and Pariscribe are effectively run as a single business entity, the Revised Cash Flow Projections were prepared such that they include all amounts that would be collected by or expended from both Orbcare and Pariscribe. Accordingly, the Revised Cash Flow Projections, including the probable and hypothetical assumptions thereof, were filed in duplicate with the Official Receiver on July 29, 2019 for the NOI filing of Pariscribe.
 24. The Revised Cash Flow Projections do not include the cash flow activity of Orbcare US. Therefore, in connection with the NOI filing of Orbcare US, Orbcare US filed a separate statement of projected weekly cash flow, which was reviewed by the Proposal Trustee for reasonableness and signed by the Proposal Trustee and Orbcare US (the **“Orbcare US Cash Flow Projections”**). A copy of the Orbcare US Cash Flow Projections, and related reports, were appended to the Third Report.
 25. To date, the Companies have provided the Proposal Trustee with their full co-operation and unrestricted access to their premises, and books and records.
 26. The Proposal Trustee implemented procedures for monitoring the Companies’ receipts and disbursements and has kept in close contact with management to ensure that operations are continuing in the normal course of business and in accordance with the Revised Orbcare CDN Cash Flow Projections and the Orbcare US Cash Flow Projections.

27. Orbcare and Pariscribe's actual receipts and disbursements for the period of July 22, 2019 to September 22, 2019 is set out below, with a comparison to the Revised Orbcare CDN Cash Flow Projections:

Orbcare Inc and Pariscribe Inc			
July 22, 2019 to September 22, 2019			
	(Forecast)	(Actual)	(Variance)
Receipts			
Collection of Receivables			
Orbcare	193,739	106,659	(87,080)
Pariscribe	109,502	51,236	(58,266)
Provincial Taxes	15,616	9,727	(5,890)
Funds from Loan	400,000	450,000	50,000
Total Receipts	718,858	617,622	(101,236)
Disbursements			
Payroll	337,448	319,652	17,796
Rent	3,322	7,910	(4,588)
SG&A	26,422	8,736	17,686
Technology	12,196	20,173	(7,977)
Advisors	181,171	110,845	70,326
Provincial Taxes	0	0	0
Repayment to Loan	0	0	0
Total Disbursements	560,559	467,316	93,243
Net Operating Cash Flows	158,299	150,306	(7,994)

28. A summary of Orbcare US's actual receipts and disbursements (presented in \$USD) for the period of August 5, 2019 to September 22, 2019 is set out below, with a comparison to the Orbcare US Cash Flow Projections:

	Orbcare US Inc.		
	June 3, 2019 to September, 2019		
	(Forecast)	(Actual)	(Variance)
Receipts			
Collection of Receivables	52,406	32,508	(19,898)
Collection from New Sales	55,900	29,855	(26,045)
Total Receipts	108,306	62,363	(45,943)
Disbursements			
Payroll	24,342	25,629	(1,287)
Rent	836	1,092	(256)
SG&A	1,487	939	548
Technology	71,600	29,218	42,382
Advisors	20,000	0	20,000
Total Disbursements	118,265	56,878	61,387
Net Operating Cash Flows	(9,959)	5,485	15,444

29. The Proposal Trustee offers the following commentary with respect to material variances in the actual cash flows of the Companies' in comparison to the Revised Orbcare CDN Cash Flow Projections and the Orbcare US Cash Flow Projections:

a. Collection of Receivables

As further detailed in the Giner Affidavits, Orbcare recently had a change of management. The new management determined that the Companies' financial records were not current, complete, reliable or accurate, which resulted in Orbcare and Pariscribe being unable to verify the existence and value of certain accounts receivable. The negative variance in the collection of receivables is largely related to this lack of reliable information available to management when preparing the Orbcare CDN Cash Flow Projections. While the large variance in collection of receivables relates primarily to amounts owing prior to the NOI, there are certain post-NOI invoices which, while forecasted for, were not paid during the Monitored Period.

The Companies have been working to resolve a software issue which has negatively affected certain customers' use of the service offerings of the Companies. This has

resulted in the Companies not being able to collect approximately CDN\$35,000 and USD\$14,000, which was forecast to be collected during the Monitored Period.

b. Payroll

The positive variance during the Monitored Period is of timing in nature.

c. Rent

The negative variance in rent is for amounts that are owing as a refund by Orbcare and Pariscribe's landlord as certain amounts were automatically, and erroneously, withdrawn by the landlord subsequent to Orbcare giving notice to its landlord that it disclaimed the commercial lease. The variance is timing in nature.

d. SG&A

The Companies have advised that the SG&A costs were over-estimated for the forecasts related to the Monitored Period.

e. Technology

The large positive variance in Orbcare US's technology for the Monitored Period is a result of negotiations between Orbcare US and one of its key technology suppliers. Prior to the NOI, the technology supplier was paid for the use of servers by Orbcare US with little actual utilization of the servers made by Orbcare US during that period. Orbcare US has advised that the supplier has agreed to allow for continued service from June of 2019 to September of 2019 using the amounts that were deemed to have been overpaid from the pre-NOI period.

f. Advisors

The Companies' advisors, including the Companies' legal counsel, the Proposal Trustee and its legal counsel have not been paid all amounts that have been invoiced during the NOI period. The Companies currently have sufficient cash to pay outstanding balances and the negative variance noted during the Monitored Period is of timing in nature as it is expected that all amounts outstanding will be paid.

30. As of the date of this Fourth Report, the Companies are current with respect to their obligations to employees, including the payment of all post-NOI outstanding wages and vacation pay, as well as source deduction remittances to the Canada Revenue Agency.

VI. SALE PROCESS

31. The following steps were taken by the Proposal Trustee, with the assistance of the Companies, to conduct the Sale Process:
- a. On August 21, 2019, the Proposal Trustee distributed via e-mail a brief interest solicitation letter (the “**Teaser**”) to prospective purchasers. The distribution list included:
 - i. companies identified by the Orbcare as potentially having an interest in the business;
 - ii. companies known by the Proposal Trustee and its affiliated MNP Corporation Finance practice to invest in health service technology businesses; and
 - iii. selected venture capital and other investment firms.
 - b. Subsequent to the e-mails sent on August 21, 2019, the Proposal Trustee sent the Teaser to additional parties, who were identified as prospective purchasers during the Sale Process.
 - c. On August 19, 2019, the Proposal Trustee advertised the acquisition opportunity in the National Edition of the Globe and Mail Newspaper. A copy of the advertisement is attached as **Exhibit “D”**.
 - d. In addition to the advertisements to be placed as per the Sale Process, on August 22, 2019 the Proposal Trustee, in consultation with Orbcare, placed an advertisement of the acquisition opportunity in Canadian Healthcare Technology Magazine’s e-mail publication. Additional e-mail notices were published in the *Insolvency Insider* e-mail publication on September 3, 9, 16, and 23, 2019. The Proposal Trustee believes that these e-mail publications have led to additional interest in the acquisition

opportunity. A copy of the advertisement in the Canadian Healthcare Technology Magazine's e-mail publication is attached as **Exhibit "E"**.

- e. On September 3 and 11, 2019, following Labour Day, the Proposal Trustee sent a reminder email to all prospective purchasers that had not yet responded to previous e-mails or which had been identified as a prospective purchaser subsequent to August 21, 2019.
- f. A secure online data room has been set up containing additional information and documents in respect of the Companies and its business and assets, including a Confidential Information Memorandum ("**CIM**"). Access to the online data room has been provided to all interested parties that signed a confidentiality and non-disclosure agreement ("**NDA**").
- g. The Proposal Trustee offered prospective purchasers an opportunity to meet with the Companies' management and development teams in order for the Companies to demonstrate its platform to prospective purchasers. These meetings also permitted prospective purchasers to pose questions to the Companies and the Proposal Trustee.

32. Offers are due at 5 PM (Toronto Time) on September 27, 2019 (the "**Bid Deadline**").

VII. COMPANIES' ACTIVITIES AND FINANCING

- 33. Since the Third Report, the Companies have assisted the Proposal Trustee in the implementation of the Sale Process including assisting in the preparation of a list of potentially interested parties and providing the data used to populate a data room.
- 34. As per the Giner's Affidavits, the Companies terminated the employment of its former Chief Executive Officer.
- 35. The Credit Facility provides the Companies the ability to draw on a monthly occurrence with a limit of \$1.2MM subject to the issuance by the Proposal Trustee of its certification of approval of the Companies' request for a draw. To date, Orbcare has made two draws on the Credit Facility in the amounts of \$225,000 in the month of August and \$250,000 in the month of September. Attached hereto as **Exhibits "F"** and "**G"** are the certificates

issued by the Proposal Trustee approving the Companies' requests for the monthly draws taken on the Credit Facility.

VIII. EXTENSION OF THE STAY PERIOD

36. The current Stay Period expires at midnight on September 26, 2019 and the Companies seek an extension of the Stay Period for 45 days to and including November 10, 2019 (the "**Proposed Extension**").
37. The Companies require the additional time afforded by the Proposed Extension to complete the Sale Process. Without the extension, the Companies will not be able to preserve the possibility of completing a going-concern transaction, to the detriment of their creditors and other stakeholders.
38. The Proposed Extension contemplates that the Proposal Trustee, in consultation with the Companies, will have the opportunity to obtain and review offers made pursuant to the Sale Process, to conduct an auction (as defined in the Sale Process Order) if needed, and to seek approval by the Court of the Winning Bid (as defined in the Sale Process Order) prior to the expiration of the Stay Period, should this court grant the Proposed Extension.
39. The Companies have prepared revised cash flow projections and related assumptions for the period commencing September 23, 2019 and ending December 1, 2019 (the "**Second Revised Orbcare CDN Cash Flow Projections**" in relation to Orbcare and Pariscribe and the "**Revised Orbcare US Cash Flow Projections**" in relation to Orbcare US). Copies of the Second Revised Orbcare CDN Cash Flow Projections and the Revised Orbcare US Cash Flow Projections, together with the reports of management and the Proposal Trustee were filed with the Official Receiver on September 24, 2019 and are attached as **Exhibits "H" and "I"** respectively.
40. As set out in the Second Revised Orbcare CDN Cash Flow Projections and the Orbcare US Cash Flow Projections, it appears that the Companies, with the support of the Credit Facility, will have sufficient funds available to continue operating and meet their obligations through to the end of the Proposed Extension.

41. The Proposal Trustee supports the Companies' request for an extension and has also considered that:
- a. the Companies have acted, and continue to act in good faith and with due diligence in their operations and dealings with their stakeholders;
 - b. the Companies are projected to have sufficient funds to pay for post-filing services and supplies in the amounts contemplated in the Second Revised Orbcare CDN Cash Flow Projections and the Revised US Cash Flow Projections;
 - c. that no other creditor is prejudiced by the requested extension;
 - d. that the proposed extension allows for the completion of the Sale Process, which could result in greater recoveries than in a liquidation within a bankruptcy scenario; and
 - e. if offers are received, it is expected that the Companies will then be in a position to consider formulating and presenting a viable proposal to their creditors.

IX. CONCLUSIONS AND RECOMMENDATIONS

42. Based on the foregoing as outlined in the body of this Fourth Report, the Proposal Trustee respectfully recommends that the Court make an order approving the extension of the Stay Period to and including November 10, 2019.

All of which is respectfully submitted this 24th day of September, 2019.

MNP Ltd.

in its capacity as Trustee under
the Notice of Intentions to Make a Proposal of
Orbcare Inc., Pariscribe Inc. and Orbcare US Inc.

Per:



Sheldon Title

IN THE MATTER OF THE NOTICES OF INTENTION TO MAKE A PROPOSAL OF ORBCARS INC. AND PARISCRIIBE INC.,
CORPORATIONS INCORPORATED UNDER THE CANADA BUSINESS CORPORATIONS ACT, AND ORBCARE US, INC., A
CORPORATION INCORPORATED UNDER THE LAWS OF THE STATE OF DELAWARE IN THE UNITED STATES OF
AMERICA

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

**REPORT TO THE COURT SUBMITTED BY MNP LTD., IN
ITS CAPACITY AS TRUSTEE UNDER THE
NOTICES OF INTENTION TO MAKE A PROPOSAL OF
ORBCARE INC., ORBCARE US INC. AND PARISCRIIBE
INC.**

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

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Exhibit "F"

White House economic adviser dismisses recession concerns, emphasizes China trade talks

HOWARD SCHNEIDER WASHINGTON

White House officials pushed back on Sunday against concerns that economic growth may be faltering, saying they saw little risk of recession despite a volatile week on global bond markets, and insisting their trade war with China was doing no damage to the United States.

Trump administration economic adviser Larry Kudlow said trade deputies from the two countries would speak within 10 days and "if those deputies meetings pan out ... we are planning to have China come to the U.S.A." to advance negotiations over ending a trade battle that has emerged as a potential risk to global economic growth.

But even with the talks stalled for now and the threat of greater tariffs and other trade restrictions hanging over the world economy, Mr. Kudlow said on *Fox News Sunday* the United States remained "in pretty good shape."

"There is no recession in sight," Mr. Kudlow said. "Consumers are working. Their wages are rising. They are spending and they are saving."

His comments come after a rocky week in which concerns about a possible U.S. recession began to drive financial markets and seemed to put administration officials on edge about whether the economy would hold up through the 2020 presidential election campaign. Democrats on Sunday argued U.S. President Donald Trump's trade policies are now posing an acute, short-term risk.

U.S. stock markets tanked last week on recession fears with all three major U.S. indexes closing down about 3 per cent on Wednesday only to pare their losses by Friday because of expectations the European Central Bank might cut rates.

Much of the uncertainty surrounds prospects for a resolution of the trade tensions between the United States and China.

The Fed and 19 other central banks have already loosened monetary policy in what Fitch Ratings last week described as the largest shift since the 2009 recession.

Markets are expecting even more cuts to come. For a brief time last week, bond investors demanded a higher interest rate on two-year Treasury bonds than for 10-year Treasury bonds, a potential signal of lost faith in near-term economic growth.

Much of the uncertainty surrounds prospects for a resolution of the trade tensions between the United States and China.

The administration last week delayed the imposition of some of its planned tariffs to avoid disrupting the Christmas shopping season. Mr. Trump told reporters he had a call with China's President Xi Jinping scheduled soon. It had not taken place as of Saturday night.

Trade adviser Peter Navarro on Sunday dismissed last week's market volatility as any sort of warning sign, saying "good" economic dynamics were encouraging investors to move money to the United States.

"We have the strongest economy in the world and money is coming here for our stock market. It's also coming here to chase yield in our bond markets," Mr. Navarro told ABC's *This Week*.

For bond markets, the sort of movement Mr. Navarro described is often driven by trouble — in this case the possibility that the trade battle with China is lasting far longer than expected and becoming disruptive to business investment and growth.

The U.S. economy does continue to grow and add jobs each month. Retail sales in July jumped a stronger-than-expected 0.7 per cent, the government reported last week.

But manufacturing growth has slowed and lagging business investment has become a drag.

A slowdown would be bad news for Mr. Trump, who is building his 2020 bid for a second term around the economy's performance. He told voters at a rally last week they had "no choice" but to vote for him to preserve their jobs and investments.

Despite talking up the economy, the President and his advisers have repeatedly accused the Fed of undermining the administration's economic policies. The Fed hiked rates seven times over those two years as part of a plan to restore normal monetary policy after the emergency steps taken to battle the 2007-09 global financial crisis and recession.

Democratic presidential candidates on Sunday joined the many economic analysts who have said the administration's sometimes erratic policies on trade are to blame for in-



Investors track the effect of trade tension on heavy-equipment maker Caterpillar, which has some protection from tariffs because many of its products don't cross borders before being sold. JUSTIN SULLIVAN/GETTY IMAGES

Trade war's losers include microchips, energy and banks

U.S. companies with high exposure to China are most vulnerable, but they are not the only businesses at risk

STAN CHOE NEW YORK

Looking across the stock market, it's hard to find a company that isn't vulnerable in some degree to the U.S.-China trade war.

Stocks of U.S. companies that do lots of business with China, such as chip makers and other technology companies, are obvious candidates for investors to sell when trade worries rise. They have fallen more than the rest of the market whenever President Donald Trump sends out a tweet or speaks about tariffs.

But investors are also looking beyond these first-order effects as they pick out which stocks look susceptible to the trade war. Those picks now include many companies that have no significant ties to China but are still at risk.

That's why all but 2 per cent of the stocks in the S&P 500 fell on Aug. 5, when worries ratcheted higher after China let its currency devalue to its lowest level in a decade.

The damage has been widespread since Mr. Trump shocked investors on Aug. 1 by saying on Twitter he planned soon to extend tariffs across virtually all Chinese imports.

The latest tariffs cover about US\$300-million worth of Chinese goods, many of them consumer products that were exempt from earlier rounds of taxes.

Even though Mr. Trump has delayed some of the tariffs, they will ultimately raise costs for U.S. companies bringing goods in

trouble for most companies, to some degree.

It's also why some of the hardest-hit stocks in recent weeks have little business, if any, in China but remain vulnerable to the consequences of the trade war. Among the losers in the dispute:

ENERGY

Energy stocks in the S&P 500 have plunged 10.2 per cent since just before Mr. Trump sent his Aug. 1 tweet, the worst decline of the 11 sectors that make up the index.

National Oilwell Varco, for example, is based in Houston and gets most of its revenue from supplying drilling and other technologies in the United States, Saudi Arabia, Brazil and Norway. But its stock has plunged nearly 22 per cent, seven times the loss of the overall S&P 500.

That's in large part because the price of oil has sunk on worries that the trade war will do lasting damage to the global economy. If that happens, countries around the world will have less need to burn oil.

The price of benchmark U.S. crude plunged nearly 8 per cent on Aug. 1, its worst day in 4½ years.

BANKS

Financial stocks have been the second-worst performing sector in the S&P 500 in recent weeks as the prospect of less-profitable lending threatens banks' profits.

Comerica, for instance, has been sucked into an industry-wide downdraft. It is based in Dallas and has bank branches mostly in Arizona, California, Florida, Texas and Michigan. It has some businesses operating

the difference.

MICROCHIP COMPANIES

Companies that make microchips that go into laptops and other electronics have been some of the trade war's biggest victims because of how dependent they are on China.

Consider Micron Technology, which got more than 57 per cent of all its sales from China in its last fiscal year. Not only that, it needs China for rare earth minerals found there, and it also has significant manufacturing operations in the country.

Micron sank 2.9 per cent on Aug. 1, when Mr. Trump announced he would extend tariffs to products that include laptops and mobile phones. That was more than triple the S&P 500's loss.

Since Mr. Trump's 2018 tweet that "trade wars are good, and easy to win," Micron is down 8.5 per cent, while the S&P 500 is up 7.9 per cent.

INDUSTRIAL COMPANIES

Since Mr. Trump initiated the trade war with China in 2018, the reaction in the market has been to sell big industrial companies whenever tensions rise. The temptation makes sense given how global the companies are, but it may be misguided, said Stephen Volkman, an equity analyst at Jefferies who covers machinery and industrial companies.

"Every time there's a tweet, I get a call and asked, 'How does this affect CAT?'" Mr. Volkman said, using the ticker symbol for heavy-equipment maker Caterpillar. "CAT tends to make what they sell where they sell it."

That means many of its prod-

creased uncertainty, disappointing business investment and market volatility.

"I'm afraid that this President is driving the global economy and our economy into recession," Democratic candidate Beto O'Rourke said on NBC's *Meet the Press*.

REUTERS

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TENDERS



ACQUISITION OPPORTUNITY

By Order of the Ontario Superior Court of Justice, MNP Ltd. has been authorized to conduct a Sale Process and solicit bids for the purchase of the assets and going concern business of Toronto based healthtech company **OrbCare Inc.** and its two subsidiaries, **Pariscribe Inc.** and **OrbCare US Inc.** (together the "Companies").

The Companies' proprietary unified cloud healthcare platform serves North American and international clinics by reducing inefficiencies, enhancing patient care, connecting applications and eliminating redundancies.

The Sale Process involves a stalking horse offer, which shall serve as the baseline bid against which all other qualifying offers shall be evaluated. Any sale transaction is subject to Court approval. **The deadline for submission of bids is 5:00 PM Toronto time on September 27, 2019.**

To obtain any information about the Sale Process, please contact Akhil Kapoor by e-mail at akhil.kapoor@mnp.ca or by telephone at (647) 475-4573.



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from China. Those companies will then have to either pass higher prices on to their customers or give up some of their profits. That's a big deal for investors because a stock's price tends to track the path of its earnings over the long term.

One concern is that all the uncertainty on trade will lead businesses and shoppers to hold off on spending in hopes of waiting out the tumult.

Businesses say they have seen inklings of such behaviour, which, if it accelerates, could lead to a self-fulfilling cycle in which weaker sales for companies push them to cut back on hiring.

That could lead in turn to even weaker spending and do more damage to the economy. That's

outside the country, but in Canada and Mexico, not China. Its stock has sunk 16.2 per cent during the recent pickup in trade tensions.

The escalation in the trade war has led a growing number of economists and analysts to warn about a possible recession.

And those concerns have spread to the bond market, where interest rates have sunk sharply.

The market for interest rates has gone so haywire this month because of worries about a possible recession that long-term Treasury yields in some cases are lower than short-term yields.

That's trouble for an industry that relies on borrowing money at short-term rates, lending it out at long-term rates and pocketing

ucts do not have to cross borders before they are sold, which offers some insulation from the effect of tariffs.

Other industrial companies have also already absorbed tariffs and successfully passed the costs on to their customers. But "it's a little like shouting in the wind to get anyone to care," Mr. Volkmann said.

When asked if any of the industrial companies he follows is much more vulnerable than others because of this next round of tariffs, he struggles to name one in particular.

"The most important part is: Do we enter a recession because of them?" he said. "If that's true, that's true for all my companies."

ASSOCIATED PRESS

ARGENTINA TREASURY MINISTER RESIGNS AMID ECONOMIC CRISIS

BUENOS AIRES Argentina's Treasury Minister Nicolas Dujovne has resigned, saying in a letter seen by Reuters on Saturday he believed the government needed "significant renewal" in its economic team amid a crisis that saw the peso plunge this week.

Mr. Dujovne said in a letter to Argentine President Mauricio Macri that he had given his "all" to the job, helped tame a significant deficit and trim public spending.

"We have made mistakes as well, without a doubt, we never hesitate to recognize that and did all that was possible to

correct them," he added.

"I believe my resignation is in keeping with my place in a government ... that listens to the people and acts accordingly," he added.

Mr. Macri has appointed Hernan Lacunza, the current economy minister for Buenos Aires province, as Mr. Dujovne's replacement, a government source said.

Argentina's peso was in free-fall for most of this week after a shock primary election result on Sunday, when centre-left Peronist candidate Alberto Fernandez trounced centre-right Mr. Macri, in what was widely

seen as a referendum on the government's seeking of a loan from the International Monetary Fund and austerity measures it took as a condition for the loan.

The peso depreciated 21 per cent by the end of the week and on Friday, in a fresh blow to Mr. Macri, ratings agencies Fitch and S&P downgraded Argentina's sovereign debt rating, raising the spectre of a default as the October election approaches.

Mr. Lacunza is the former general manager of Argentina's Central Bank and also of the Buenos Aires City Bank.
REUTERS

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August 22, 2019 - Volume 16, Number 16

Welcome to The CHT e-Messenger: A twice-monthly compendium of key I.T.-related news from Canadian Healthcare Technology.

Electronic records

N.S. patient portal stalls as vendor drops out



HALIFAX - The Nova Scotia government is looking for a new service provider to manage MyHealthNS, after the leading technology company involved in its creation chose not to renew its contract to manage the web portal. CBC News reports the service was rolled out provincewide in 2017 and was touted as the first digital health service of its kind to be available provincewide in Canada. [More](#) ▶▶

People

Interim president appointed at Joule



OTTAWA - With the announcement that Joule CEO Lindee David is leaving the subsidiary to pursue new opportunities, an interim president has been appointed. Deborah Scott-Douglas will assume the role, effective immediately, while maintaining her current position as vice-president of innovation at the CMA. [More](#) ▶▶

People

New interim leader at NS Health Authority



HALIFAX - Janet Davidson has been appointed interim leader of the Nova Scotia Health Authority while the search continues for a new president and CEO. The health authority's original CEO, Janet Knox, will retire at the end of the month. Most recently, Janet Davidson has been chair of the board of the Canadian



Institute for Health Information and worked as a healthcare consultant. [More](#) ▶▶

Patient safety

Lindsay hospital adopts Early Warning System



LINDSAY, Ont. - The Ross Memorial Hospital is seeing positive results in use of an Early Warning System that’s designed to detect deterioration of a patient’s condition and helps to avoid serious adverse events. The RMH

Intensive Care Unit/Respiratory team is proud to be an early adopter of the National Early Warning Scores (NEWS2) system, which flags deterioration of a patient’s condition and helps to avoid serious adverse events. [More](#) ▶▶

Companies

Opportunity to acquire Orbcare



TORONTO - By Order of the Ontario Superior Court of Justice, MNP Ltd. has been authorized to conduct a Sale Process and solicit bids for the purchase of the assets and going concern business of Toronto based healthtech company OrbCare Inc. and its two subsidiaries, Pariscribe Inc. and

OrbCare US Inc. (together the “Companies”). [More](#) ▶▶

People

Stacey Daub joins NYGH as VP, Strategy



TORONTO - North York General Hospital (NYGH) is very pleased to announce the appointment of Stacey Daub as the inaugural Vice President, Strategy, Integration and Digital Health. Stacey is a widely recognized health system leader who brings extensive experience. [More](#) ▶▶

Electronic records

Ottawa invests \$1.5 million in POET project



BRAMPTON, Ont. - Work is now underway to expand William Osler Health System’s innovative Prevention of Error-Based Transfers (PoET) project to long-term care facilities in the Mississagua-Halton and Hamilton-Niagara regions, thanks to a recent \$1.5 million investment from Health Canada’s Health Care Policy

Contribution Program. [More](#) ▶▶

Research & development

CABHI supports Quebec-based innovations



MONTREAL - The Centre for Aging + Brain Health Innovation (CABHI), powered by Baycrest, in

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collaboration with four academic centres in Quebec, announced support for the validation testing of two new healthcare innovations for older adults, specifically for those living with dementia. [More](#) ▶▶

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Companies

Telus Health acquires virtual-care company Akira



TORONTO - TELUS Health has finalized the acquisition of Akira Health, a provider of virtual health services, including video and text. Financial terms were not disclosed. The company said that moving forward, Akira Health

will continue to focus on outstanding service to its members, plan sponsors, and partners; there are no planned changes to its staff, business premises, branding, or operations. [More](#) ▶▶

Got a story idea? Contact the Editor at jerryz@canhealth.com or phone: 905-709-2330.

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Exhibit "G"

ASSET PURCHASE AGREEMENT

This Agreement is made as of the 8th day of August, 2019, between

ORBCARE INC.

(“Orbcare”)

ORBCARE US, INC.

(“Orbcare US”)

PARISCRIBE INC.

(“Pariscribe”)

(collectively, the “Vendors”)

and

IGAN PARTNERS INC., in trust for a company to be incorporated, a company incorporated under the laws of the Province of Ontario

(the “Purchaser”)

RECITALS

- A. On May 28, 2019, Orbcare filed a Notice of Intention to Make a Proposal (“NOI”) under subsection 50.4(1) of the *Bankruptcy and Insolvency Act* (Canada) (the “BIA”) and appointed MNP Ltd. (the “Proposal Trustee”) as proposal trustee;
- B. On July 26, 2019, each of Orbcare US and Pariscribe filed a NOI under subsection 50.4(1) of the BIA and appointed the Proposal Trustee as proposal trustee;
- C. Pursuant to the Order of Justice Hainey dated June 25, 2019, Orbcare was authorized to obtain and borrow under a credit facility (the “Credit Facility”) from the Purchaser on the terms set out in the debtor-in-possession financing facility term sheet between Orbcare, the Purchaser and certain guarantors dated June 11, 2019;
- D. Subject to the approval of a Judge of the Ontario Superior Court of Justice (Commercial List) (the “Court”), the Vendors wish to sell and the Purchaser wishes to purchase on an “as is, where is basis” all of the right, title and interest, if any, of the Vendors in the Purchased Assets (as defined below) pursuant to the terms and conditions of this Agreement;
- E. As part of the sales procedure contemplated herein, the Vendors shall obtain an Order of the Court (the “Sale Process Order”), substantially in the form attached as Schedule “A” hereto, approving this Agreement as a stalking horse bid and approving the procedures set out herein for marketing and selling the Vendors’ assets (the “Stalking Horse Approval Terms”).

FOR VALUE RECEIVED, the parties agree as follows:

SECTION 1 – INTERPRETATION

1.1 Definitions

In this Agreement:

- (1) *Alternative Transaction* has the meaning set forth in Section 6.4(1);
- (2) *Agreement* means this agreement including any recitals and schedules to this agreement, as amended, supplemented or restated from time to time; provided that this agreement shall constitute an offer, as set out in Section 2.1, until accepted by the Vendors;
- (3) *Approval and Vesting Order* means an Order of the Court, substantially in the form attached as Schedule “B” hereto, providing for, among other things, the vesting in and to the Purchaser of all of the right, title and interest, if any, of the Vendors in and to the Purchased Assets, free and clear of all liens, charges and encumbrances, except Permitted Encumbrances;
- (4) *Assumed Contracts* means those Contracts listed in Schedule “C” hereto;
- (5) *Assumed Liabilities* means those Assumed Liabilities listed in Schedule “D” hereto;
- (6) *BIA* has the meaning set forth in Recital A;
- (7) *Break Fee* has the meaning set forth in Section 6.4(1);
- (8) *Business Day* means any day of the year, other than a Saturday, Sunday or any day on which Canadian chartered banks are closed in Toronto, Ontario, Canada;
- (9) *Contracts* means any written, but not oral, contracts, personal property leases, real property leases, licenses from any Person, service contracts, distributor agreements and any other similar written agreement between any of the Vendors and any Person relating in any way to the Purchased Assets;
- (10) *Court* has the meaning set forth in Recital D;
- (11) *Closing* means the completion of the Transaction;
- (12) *Closing Date* means the second (2nd) Business Day following the date on which the Approval and Vesting Order is granted or such later or earlier date as agreed to by the parties or if there is a separate order required to assign any of the Assumed Contracts then the Closing Date shall mean the second (2nd) Business Day following the date on which such subsequent assignment order is granted;
- (13) *Continuing Employees* has the meaning set forth in Section 3.7;
- (14) *Credit Facility* has the meaning set forth in Recital C;

- 3 -

- (15) **Cure Costs** means the amount of all monetary defaults, if any, existing in respect of any Assumed Contracts that are required to be paid in order to obtain the consent necessary to permit an assignment under Section 3.2 of this Agreement or pursuant to section 84.1 of the BIA;
- (16) **Encumbrances** means all mortgages, pledges, charges, liens, debentures, hypothecs, trust deeds, assignments by way of security, security interests, conditional sales contracts or other title retention agreements or similar interests or instruments charging or creating a security interest in the Purchased Assets or any part thereof or interest therein, and any agreements, leases, options, easements, rights-of-way, restrictions, executions or other encumbrances, including notices or other registrations in respect of any of the foregoing, affecting title to the Purchased Assets or any part thereof or interest therein.;
- (17) **ETA** means the *Excise Tax Act* (Canada);
- (18) **Excluded Liabilities** means any liabilities not expressly assumed under the terms of this Agreement and, for greater certainty but without in any way limiting the generality of the foregoing, includes any liabilities in respect of employees of any of the Vendors other than Continuing Employees who accept offers of employment from the Purchaser;
- (19) **Governmental Authority** means any Canadian federal, provincial, state, municipal or local, or other government, governmental, regulatory or administrative authority, agency or commission or any court, tribunal or judicial or arbitral body, or any comparable body to the foregoing in the United States of America, having jurisdiction over the Purchased Assets;
- (20) **GST/HST** means taxes, interest, penalties and fines imposed under Part IX of the ETA;
- (21) **Inventory** means all inventories relating to each Vendor's business including, without limitation, work-in-progress, samples, goods-in-transit, finished goods, raw materials and equipment replacement parts;
- (22) **Obligations** means all accrued and unpaid indebtedness, liabilities and obligations, as of the Time of Closing, owing by the Vendors to the Purchaser, including under the Credit Facility;
- (23) **Permitted Encumbrances** means those encumbrances set out on Schedule "E" hereto;
- (24) **Person** means a natural person, partnership, limited liability partnership, corporation, joint stock company, trust, unincorporated association, joint venture or other entity or Governmental Authority, and pronouns have a similarly extended meaning;
- (25) **Purchased Assets** has the meaning set forth in Section 3.1(1);
- (26) **Purchase Price** has the meaning set forth in Section 3.3;
- (27) **Sale Process** has the meaning set forth in Section 5.1(1);
- (28) **Sale Process Order** has the meaning set forth in Recital E;
- (29) **Stalking Horse Approval Terms** has the meaning set forth in Recital E;

- 4 -

- (30) ***Time of Closing or Closing Time*** means 2:00 p.m. Toronto time on the Closing Date or as otherwise determined by mutual agreement of the parties in writing;
- (31) ***Transaction*** means the transaction of purchase and sale contemplated by this Agreement; and
- (32) ***Transfer Taxes*** has the meaning set forth in Section 3.6(2);

1.2 Headings and References

The division of this Agreement into sections and subsections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement. The terms “this Agreement,” “hereof,” “hereunder” and similar expressions refer to this Agreement and not to any particular section, subsection or other portion hereof and include any agreement supplemental hereto. Unless something in the subject matter or context is inconsistent therewith, references herein to “Sections” are to sections, subsections and further subdivisions of sections of this Agreement.

1.3 Extended Meanings

Unless otherwise specified, words importing the singular include the plural and vice versa and words importing gender include all genders. The term “including” means “including without limitation.”

1.4 Statutory References

Each reference to an enactment is deemed to be a reference to that enactment, and to the regulations made under that enactment, as amended or re-enacted from time to time.

1.5 Schedules

The following are the Schedules to this Agreement:

Schedule “A” – Draft Sale Process Order

Schedule “B” – Draft Approval and Vesting Order

Schedule “C” – Assumed Contracts

Schedule “D” – Assumed Liabilities

Schedule “E” – Permitted Encumbrances

Schedule “F” – Allocation of Purchase Price

Schedule “G” – Sale Process

SECTION 2 – OFFER

2.1 Offer

Subject to satisfaction of the conditions set out in Sections 6.1, 6.2 and 6.3 hereof, this Agreement, once executed by the Purchaser, shall constitute a valid and binding offer to purchase by the Purchaser.

SECTION 3 – SALE AND PURCHASE

3.1 Sale and Purchase of Purchased Assets

(1) Subject to the terms and conditions of this Agreement, on the Closing Date, each of the Vendors shall sell, assign and transfer to the Purchaser, and the Purchaser shall purchase from each of the Vendors, all of the right, title and interest of the Vendor, if any, in and to all of the properties, assets and undertakings of the Vendors (collectively, the “**Purchased Assets**”) including, but not limited to:

- (a) all accounts receivable, trade accounts, book debts and insurance claims relating to the Vendors’ business, recorded as receivable in the books and records and all other amounts due to the Vendor, including refunds and rebates;
- (b) all cash and cash equivalents, bank deposits or similar cash items of the Vendors;
- (c) any claim, right or interest of the Vendors in or to any refund, rebate, abatement or other recovery for taxes paid by or on behalf of the Vendors, together with any interest due thereon or penalty rebate arising therefrom, for any tax period (or portion thereof);
- (d) all deposits and prepaid charges and expenses of the Vendors;
- (e) all Inventory;
- (f) all machinery and equipment, including all computer equipment;
- (g) all furniture, trade fixtures and other chattels owned by the Vendors, including those in possession of third parties;
- (h) all books and records, in electronic form or otherwise, used in connection with the Vendors’ business;
- (i) all intangible personal property of the Vendors, including, without limitation, the following:
 - (i) business and trade names, corporate names, brand names and slogans;
 - (ii) all mobile applications, servers and related software;
 - (iii) all inventions, patents, patent rights, patent applications, utility models and all equivalent or similar rights anywhere in the world;

- 6 -

- (iv) all registered and unregistered trade-marks (including the goodwill attaching to such trade-marks), service marks, trade names, trade dress, logos, business, corporate and product names and slogans and registrations and applications for trade-marks;
- (v) all copyrights in copyrightable works, all non-copyrightable works, and all other rights of authorship, worldwide, and all applications, registrations and renewals in connection therewith; and
- (vi) all licenses (end-user or otherwise) of the intellectual property listed in items (i) to (v) above;
- (j) all software licences;
- (k) the goodwill associated with the Vendors' business, if any, including the exclusive right of the Purchaser to represent itself as carrying on the business in continuation of and in succession to the Vendors and all rights to use any words indicating that the business is so carried on;
- (l) all right, title and interest of the Vendors in, to and under, and the full benefit of, the Assumed Contracts;
- (m) all choses in action belonging to any Vendors; and
- (n) all other rights, properties and assets of the Vendors, of whatever nature or kind and wherever situated.

3.2 Assumed Contracts

(1) Subject to the approval of the Court, the Assumed Contracts where consent to such assignment is necessary but has not been obtained beforehand shall be assigned to the Purchaser pursuant to the terms of the Approval and Vesting Order or subsequent order before Closing.

(2) The Purchaser shall be responsible for all Cure Costs in respect of any Assumed Contracts.

(3) The Purchaser shall indemnify and hold harmless the Vendors from and against any claims or liabilities arising under or in connection with any of the Assumed Contracts for matters occurring on or after, and which relate to the period on or after the Closing Date.

(4) Nothing in this Agreement will constitute an agreement to assign or an attempted assignment of any non-assignable rights or any Contracts for which any requisite consent or approval has not been obtained or which as a matter of law or by its terms is not assignable.

3.3 Purchase Price

(1) The consideration payable by the Purchaser to the Vendors for the Purchased Assets (the "**Purchase Price**") shall be the sum of \$1,200,000, comprised of:

- 7 -

- (a) a credit bid equal to the Obligations owing by the Vendors to the Purchaser under the Credit Facility as of the Time of Closing (the “**Credit Bid**”); and
- (b) cash consideration in an amount equal to the difference between the amount of the Credit Bid and \$1,200,000, less the accrued and unpaid Assumed Liabilities.

3.4 Payment of Purchase Price.

- (1) The Purchase Price will be satisfied by the Purchaser on Closing as follows:
 - (a) the payment of the cash consideration, as contemplated by Section 3.3(1)(b), by bank draft or wire transfer of immediately available funds to, or as directed by, the Vendors;
 - (b) a reduction of the Obligations by the amount of the Credit Bid, on a dollar for dollar basis; and
 - (c) assumption by the Purchaser of the Assumed Liabilities.

3.5 Allocation of Purchase Price

The Purchase Price will be allocated among the Purchased Assets by the parties in accordance in the allocation set out in Schedule “F” hereto, and the Vendors and the Purchaser shall each file their respective income tax returns in accordance with that allocation. A minimum amount shall be allocated to each of Orbcare and Pariscribe to satisfy any amounts those Vendors owe at Closing for source deduction arrears (excluding any interest or penalties).

3.6 Taxes

(1) The Vendors (other than Orbcare US) and the Purchaser may jointly elect under Subsection 167(1) of the ETA in connection with the purchase and sale of the Purchased Assets. The Purchaser shall file that joint election with the relevant Government Authority in accordance with the requirements of the ETA, and the Vendors hereby authorize the Purchaser and its accountants to file that joint election on behalf of the Vendors.

(2) The Purchaser will be liable for and shall pay, directly to the relevant government authority, as required, all federal and provincial or state sales taxes, duties or other taxes or charges payable in connection with the conveyance and transfer of the Purchased Assets to the Purchaser, including GST/HST (if applicable), but excluding any income taxes payable by the Vendors or any other person as a result of the completion of the Transaction (collectively, the “**Transfer Taxes**”), and the Vendors hereby direct the Purchaser to make those payments directly to the relevant government authorities. To the extent any Transfer Taxes are required to be paid by or are imposed upon any of the Vendors, the Purchaser will reimburse to the Vendor(s) such taxes within five Business Days of payment of such taxes by the Vendor(s). The Purchaser will indemnify and hold the Vendors harmless in respect of any Transfer Taxes, penalties, interest and other amounts that may be assessed against any of the Vendors as a result of the sale of the Purchased Assets.

(3) The Purchaser’s obligations under this Section 3.6 shall survive closing.

3.7 Legal Fees and Costs

The Purchaser shall pay its own legal costs and fees payable in connection with the Transaction, if any.

3.8 Employees of the Vendors

The Purchaser shall provide each Vendor with a list of employees it wishes to offer employment to ten (10) Business Days before Closing (the “**Continuing Employees**”). The employment by the Vendors of all employees other than the Continuing Employees who choose to accept the offer of employment from the Purchaser shall be terminated prior to Closing and the Purchaser shall have no obligations with respect to any employees other than the Continuing Employees who choose to accept the offer of employment.

3.9 Liabilities

Subject to the terms and conditions of this Agreement, on the Closing Date, the Purchaser agrees to assume the Assumed Liabilities. For the avoidance of any doubt, the Vendors and the Purchaser acknowledge that the Purchaser is not assuming any Excluded Liabilities.

SECTION 4 – REPRESENTATIONS AND WARRANTIES

4.1 Vendors’ Representations.

Each of the Vendors represents and warrants to the Purchaser that:

- (a) the Vendor is not aware of any action or proceeding pending or threatened against it which may affect its right to convey any of the Purchased Assets or in any way restrain or prohibit the completion of the Transaction;
- (b) in the case of Orbcare and Pariscribe, the Vendor is not, and at the time of Closing will not be, a non-resident of Canada within the meaning of that term as used in the *Income Tax Act* (Canada);
- (c) subject to the approval of the Court, the Vendor has right, power and authority to market any or all of the Purchased Assets for sale and to sell, convey, transfer, lease or assign the Purchased Assets in accordance with and subject to the terms and conditions of this Agreement; and
- (d) in the case of Orbcare and Pariscribe, the Vendor is registered under Part IX of the ETA and the Vendor’s HST number for the Vendor is:
 - (i) in the case of Orbcare: 844367 177 RT 0001; and
 - (ii) in the case of Pariscribe: 83092 0294 RT0001.

4.2 Purchaser’s Representations.

The Purchaser represents and warrants to the Vendors that:

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- (a) the Purchaser is a corporation existing under the laws of the Province of Ontario, and has full corporate power and authority to enter into and carry out this Agreement and the Transaction;
- (b) the entering into of this Agreement and all other documents contemplated hereunder to which the Purchaser is or will be a party and the consummation of the Transaction have been duly authorized by all requisite corporate action;
- (c) other than the Approval and Vesting Order, no approval or consent of and no filing with or application to any Governmental Authority is required for the Purchaser to enter into this Agreement or to complete the Transaction, other than such approvals, consents, filings and applications that have been obtained or made as at the date hereof, copies of which have been provided to the Vendor;
- (d) this Agreement and all other documents contemplated hereunder to which the Purchaser is or will be a party have been or will be, as at the Closing Time, duly and validly executed and delivered by the Purchaser and constitute or will, as at the Closing Time, constitute legal, valid and binding obligations of the Purchaser, as the case may be, enforceable in accordance with the terms hereof or thereof;
- (e) the Purchaser has entered into this Agreement and will be completing the Transaction on its own account, not as an agent; and
- (f) the Purchaser is registered under Part IX of the ETA.

4.3 “As is, Where is”

(1) The Purchaser acknowledges that the Vendors are selling the Purchased Assets on an “as is, where is” basis as the Purchased Assets shall exist on the Closing Date and no adjustments shall be made for any changes in the condition of the Purchased Assets. The Purchaser further acknowledges that it has entered into this Agreement on the basis 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 any particular use or purpose, merchantability, condition, assignability, value or quality or in respect of any other matter or thing whatsoever concerning the Purchased Assets or the right of the Vendors to sell same. Without limiting the generality of the foregoing: (1) any and all conditions, warranties or representations expressed or implied pursuant to the *Sale of Goods Act* (Ontario) or similar legislation in any other jurisdiction do not apply hereto and have been waived by the Purchaser and (2) no representation or warranty is made with respect to the accuracy or completeness of any information provided by the Vendors and their respective officers, directors, employees, and agents, to the Purchaser in connection with this Transaction. The description of the Purchased Assets contained herein is for the purpose of identification only. No representation, warranty or condition has or will be given by the Vendors concerning completeness or the accuracy of such descriptions.

(2) The Purchaser shall have reasonable access to the Purchased Assets on reasonable notice to the Vendors, or any one of them as the case may be, for the purposes of conducting inspections and other due diligence prior to the Closing Date.

(3) The Vendors agree to provide any authorization required to allow the Purchaser's solicitor to perform searches for the purposes of conducting due diligence prior to the Closing Date.

4.4 Survival.

The representations and warranties of the parties shall not survive Closing.

SECTION 5– SALE PROCESS

5.1 The Sale Process

(1) On or before August 14, 2019 (or such later date as may be agreed to by the Purchaser), the Vendors shall obtain the Sale Process Order, which shall set out the terms and conditions of and a timetable for a bidding and sale process with respect to the Purchased Assets (the “**Sale Process**”), substantially in the form attached as Schedule “G” hereto.

(2) The Sale Process Order shall recognize this Agreement, and in particular the Purchase Price, as a baseline or “stalking horse bid” (the “**Stalking Horse Bid**”), and shall also provide for a marketing process of the Purchased Assets by the Vendors and a competitive bidding procedure, to be administered by the Proposal Trustee. The Purchaser acknowledges and agrees that the aforementioned Sale Process is in contemplation of determining whether a materially higher price than that contemplated in the Stalking Horse Bid can be obtained for the Purchased Assets.

5.2 Court-Specified Time Periods

(1) Where any of the time periods specified in Schedule “G” hereof are subject to be established by Court Order, and in the event that the Court establishes a date different than the date set out in this Agreement, then the corresponding date established by such provisions of this Agreement shall be deemed to be amended to accord with the Court established date, provided that no such amendment shall be deemed to have occurred without the express written consent of the Purchaser if the effect of such amendment is to delay the Closing Date by any period greater than 15 days or later than October 25, 2019.

SECTION 6 – CONDITIONS TO CLOSING

6.1 Conditions - Purchaser.

The obligation of the Purchaser to complete the Transaction is subject to the following conditions being fulfilled or performed at or prior to the Time of Closing:

- (a) the Approval and Vesting Order shall have been issued in a form satisfactory to the Purchaser including, where necessary, the assignment of the Assumed

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Contracts (or such assignment occurs by separate order following the granting of the Approval and Vesting Order);

- (b) all representations and warranties of the Vendors contained in this Agreement shall be true as of the Time of Closing with the same effect as though made as of that time and each of the Vendors shall deliver to the Purchaser a certificate signed by a representative of such Vendor to that effect (provided that acceptance of such evidence and the completion of the transaction contemplated hereunder shall not be a waiver of such representations and warranties);
- (c) the Vendors shall have performed each of their obligations under this Agreement to the extent required to be performed on or before the Closing Date; and
- (d) the Vendors shall have delivered or caused to be delivered to the Purchaser each of the items listed in Section 7.2.

The foregoing conditions are for the exclusive benefit of the Purchaser.

6.2 Conditions - Vendors.

The obligation of the Vendors to complete the Transaction is subject to the following conditions being fulfilled or performed at or prior to the Time of Closing:

- (a) all representations and warranties of the Purchaser contained in this Agreement shall be true as of the Time of Closing with the same effect as though made as of that time and the Purchaser shall deliver to the Vendors a certificate signed by a representative of the Purchaser to that effect (provided that acceptance of such evidence and the completion of the transaction contemplated hereunder shall not be a waiver of such representations and warranties);
- (b) the Purchaser shall have performed each of its obligations under this Agreement to the extent required to be performed on or before the Closing Date; and
- (c) the Purchaser shall have delivered or caused to be delivered to the Vendors each of the items listed in Section 7.3.

The foregoing conditions are for the exclusive benefit of the Vendors.

6.3 Conditions – Vendors and Purchaser.

(1) Neither party shall be obligated to complete the transactions contemplated by this Agreement unless the following conditions have been fulfilled:

- (a) the Vendors shall have sought and obtained the Sale Process Order and the Approval and Vesting Order;
- (b) all necessary corporate steps and proceedings shall have been taken by the parties to permit the execution of this Agreement and performance of each of the parties' obligations hereunder.

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- (c) as of the Closing Time, no order shall have been made and no motion, action or proceeding shall be pending, threatened or commenced by any person, government, Governmental Authority, regulatory body or agency in any jurisdiction which restrains or prevents the sale of the Purchased Assets under this Agreement or restricts, prohibits or directs the Vendors not to complete the transaction contemplated by this Agreement and no Governmental Authority shall have enacted, issued, promulgated, enforced or entered any statute, rule, regulation, injunction or other governmental order (whether temporary, preliminary or permanent) which is in effect and has the effect of making the transactions contemplated by this Agreement illegal or otherwise restraining or prohibiting consummation of such transactions or which would otherwise materially adversely affect or interfere with the prosecution of the Purchased Assets following Closing.
- (d) as at the Closing Time, the Purchased Assets shall not have been removed from the control of the Vendors, or any one of them as the case may be, by any means or process (the Purchaser and the Vendors acknowledging and agreeing that if, prior to the Closing Time, the Purchased Assets are removed from the Vendors' control by government action, civil commotion or by order of the Court, or any other cause beyond the Vendors' control, then this Agreement shall automatically be terminated and the provisions of Section 6.6 hereof shall apply *mutatis mutandis*).

The foregoing conditions are for the mutual benefit of both parties and may not be waived by either party.

(2) The Purchaser acknowledges and agrees that the Sale Process is in contemplation of determining whether one or more qualified bids can be obtained for the Purchased Assets.

(3) The Vendors covenant that they will use commercially reasonable efforts to fulfil or cause to be fulfilled the conditions contained in Section 6.1 and Section 6.3 hereof and the Purchaser covenants to use commercially reasonable efforts to fulfil or cause to be fulfilled the conditions contained in Sections 6.2 and 6.3 hereof prior to the times specified therefor.

6.4 Break Fee

(1) In consideration for the Purchaser's expenditure of time and money in acting as the initial bidder in the stalking horse bid and the preparation and negotiation of this Agreement and subject to the terms and conditions of this Agreement and of the Stalking Horse Approval Terms, upon the closing of a sale and transfer, or a series of sales and transfers, of substantially all of the Purchased Assets to one or more third parties other than the Purchaser (an "**Alternative Transaction**"), then the Vendors shall pay to the Purchaser a break fee (the "**Break Fee**") of \$60,000.

(2) Payment of the Break Fee shall be made by the Vendors out of the proceeds of the Alternative Transaction. Upon payment of the Break Fee to the Purchaser, the parties shall have no further obligations to the other under this Agreement.

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(3) No Break Fee shall be payable in the event the Vendors terminate this Agreement due to the Purchaser's breach of Section 6.2.

6.5 Non-Satisfaction of Conditions.

(1) If any condition set out in Section 6.1 or Section 6.2 is not satisfied or performed prior to the time specified therefor, the party for whose benefit the condition is inserted may in writing:

- (a) waive compliance with the condition in whole or in part in its sole discretion by written notice to the other party 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 before Closing.

(2) If any condition set out in Section 6.3 is not satisfied or performed prior to the time specified therefor, either the Vendors or the Purchaser may elect on written notice to the other party to terminate this Agreement before Closing.

6.6 Termination Obligations.

(1) If either the Purchaser or the Vendors validly terminate(s) this Agreement in accordance with Section 6.5, then:

- (a) all the obligations of both the Vendors and the Purchaser pursuant to this Agreement shall be at an end; and
- (b) none of the parties shall have any right to specific performance or other remedy against, or any right to recover damages or expenses from the other, except in respect of the Break Fee.

SECTION 7- CLOSING

7.1 Closing.

The completion of the Transaction shall take place at the offices of Dentons Canada LLP, solicitors for the Purchaser, in Toronto, Ontario at the Time of Closing or at such other location(s) as are agreed upon by the parties.

7.2 Vendors' Deliveries on Closing.

At or before the Closing Time, upon fulfilment by the Purchaser of all the conditions herein in favour of the Vendors which have not been waived in writing by the Vendors, the Vendors shall deliver the following, each of which shall be in form and substance satisfactory to the Purchaser, acting reasonably:

- (a) a copy of the issued and entered Approval and Vesting Order;

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- (b) a bill of sale, executed by each of the Vendor, conveying to the Purchaser all of the right, title and interest of the Vendors, if any, in and to the Purchased Assets;
- (c) any assignments of any of the Vendors' rights under the Assumed Contracts required pursuant to this Agreement or the Approval and Vesting Order;
- (d) such notice or notices as the Purchaser may reasonably require to be given to other parties under the Assumed Contracts of the assignment of such Assumed Contracts to the Purchaser, together with directions relating to the performance of obligations under such Assumed Contracts all in such form as the Purchaser may reasonably require;
- (e) executed assignments in respect of the intellectual property of the Vendors, and any other documentation necessary to register or record the assignment of the Vendors' intellectual property to the Purchaser;
- (f) the certificate of each of the Vendors referenced in Section 6.1(a);
- (g) the tax election contemplated by Section 3.6(1), executed by each of the Vendors;
- (h) all documents and instruments, executed by the Vendors, or any one of them, as may be necessary or desirable to convey and transfer title to any of the Purchased Assets located outside of Canada to the Purchaser; and
- (i) such further and other documentation as is referred to in this Agreement or as the Purchaser may reasonably require to give effect to this Agreement and convey title to the Purchased Assets to the Purchaser.

7.3 Purchaser's Deliveries on Closing

At or before the Closing Time, upon fulfilment by the Vendors of all the conditions herein in favour of the Purchaser which have not been waived by the Purchaser, the Purchaser shall execute and deliver the following, each of which shall be in form and substance satisfactory to the Vendors, acting reasonably:

- (a) payment of cash consideration contemplated by Section 3.3(1)(b);
- (b) payment or evidence of the payment of the Transfer Taxes, if any;
- (c) an instrument or instruments evidencing the credit bid portion of the Purchase Price;
- (d) an assumption of the Assumed Liabilities;
- (e) the certificate of the Purchaser referenced in Section 6.2(a); and
- (f) the tax election contemplated by Section 3.6(1), executed by the Purchaser;
- (g) such further and other documentation as is referred to in this Agreement or as the Vendor may reasonably require to give effect to this Agreement.

7.4 Risk

Until completion of this Agreement on the Closing Date, the Purchased Assets shall be and remain at the risk of the Vendors, except as otherwise provided in this Section 7.4. In the event of any damage to the Purchased Assets on or before the Closing Date, the Purchaser may elect (i) to require the Vendors to repair the Purchased Assets to the same state and condition as it was in at the time this Agreement was entered into in which event the Purchaser will complete the Transaction without an abatement in the Purchase Price; or (ii) to reduce the Purchase Price by an amount equal to the cost required to complete the repair as estimated by an independent qualified architect or engineer retained by the Vendors in which event the Purchaser will complete the Transaction and accept the price reduction equal to such cost; or (iii) if such damage is in excess of \$50,000, to terminate this Agreement and neither party shall have any further rights or obligations under this Agreement.

7.5 Possession of Purchased Assets.

On Closing the Purchaser shall acquire ownership of the Purchased Assets where situate at the Time of Closing provided that in no event shall title to the Purchased Assets pass to the Purchaser until the Approval and Vesting Order is effective.

7.6 Tender.

Any tender of documents or money hereunder may be made upon the Vendors or the Purchaser or their respective solicitors on the Closing Date.

SECTION 8– GENERAL

8.1 Notices.

Any demand, notice or other communication to be given in connection with this Agreement shall be given in writing and shall be given by personal delivery (in which case it shall be left with a responsible officer of the recipient) or by electronic communication addressed to the recipients as follows:

in the case of the Purchaser:

iGan Partners Inc.
60 Bloor Street West, Suite 900
Toronto, ON M4W 3B8

Attention: Sam Ifergan
Email: sami@iganpartners.com

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with a copy to:

Dentons Canada LLP
77 King Street West, Suite 400
Toronto, ON M5K 0A1

Attention: Kenneth Kraft
Email: kenneth.kraft@dentons.com

in the case of Orbcare:

Orbcare Inc.
21 R Atlantic Avenue
Toronto, ON M6K 3E7

Attention: Olivier Giner
Email: olivier.giner@orbcare.com

with a copy to:

Goldman Sloan Nash and Haber LLP
480 University Avenue, Suite 1600
Toronto, ON M5G 1V2

Attention: Brendan Bissell
Email: bissell@gsnh.com

in the case of Orbcare US:

Orbcare US, Inc.
21 R Atlantic Avenue
Toronto, ON M6K 3E7

Attention: Olivier Giner
Email: olivier.giner@orbcare.com

with a copy to:

Goldman Sloan Nash and Haber LLP
480 University Avenue, Suite 1600
Toronto, ON M5G 1V2

Attention: Brendan Bissell
Email: bissell@gsnh.com

in the case of the Pariscribe:

Pariscribe Inc.

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21 R Atlantic Avenue
Toronto, ON M6K 3E7

Attention: Olivier Giner
Email: olivier.giner@orbcare.com

with a copy to:

Goldman Sloan Nash and Haber LLP
480 University Avenue, Suite 1600
Toronto, ON M5G 1V2

Attention: Brendan Bissell
Email: bissell@gsnh.com

in the case of the Proposal Trustee:

MNP Ltd.
300-111 Richmond Street West
Toronto, ON M5H 2G

Attention: Sheldon Title
Email: sheldon@mnp.ca

with a copy to:

Chaitons LLP
5000 Yonge Street
North York, ON M2N 7E9

Attention: George Benchetrit
Email: george@chaitons.com

or to such other address, individual or electronic communication number as may be designated by notice given by either party to the other. Any demand, notice or other communication shall be conclusively deemed to have been given, if given by personal delivery, on the day of actual delivery thereof if delivered during normal business hours of the recipient on a Business Day and, if given by electronic communication, on the day following the transmittal thereof if transmitted during normal business hours of the recipient on a Business Day and on the second Business Day following the delivery or transmittal thereof if not so delivered or transmitted.

8.2 Time of Essence.

Time shall be of the essence for every provision hereof.

8.3 Expenses.

Except as otherwise expressly provided herein, all costs and expenses (including the fees and disbursements of legal counsel, investment advisers and auditors) incurred in connection with this Agreement and the transactions contemplated hereby shall be paid by the party incurring such expenses, subject to any rights either party may have to have any such fees included in any security held by that party against the assets of the Vendors.

8.4 Third Party Beneficiaries.

Each party hereto intends that this Agreement shall not benefit or create any right or cause of action in or on behalf of any person other than the parties hereto and their successors and permitted assigns, and no person, other than the parties hereto and their successors and their permitted assigns shall be entitled to rely on the provisions hereof in any action, suit, proceeding, hearing or other forum.

8.5 Further Assurances.

During the thirty (30) day period after the Closing Date, each party shall from time to time execute and deliver, or cause to be executed and delivered, all such documents and instruments and do, or cause to be done, all such acts and things as the other party may, either before or after the Closing, reasonably require to effectively carry out or better evidence or perfect the full intent and meaning of this Agreement.

8.6 Entire Agreement.

This Agreement constitutes the only agreement between the parties with respect to the subject matter hereof and supersedes any and all prior negotiations, provisions, covenants, agreements, understandings and representations on that subject, all of which have become merged and finally integrated into this Agreement.

8.7 Amendments.

This Agreement may only be amended, modified or supplemented by a written agreement signed by the parties.

8.8 Waiver.

No waiver of any of the provisions of this Agreement shall be deemed to constitute a waiver of any other provision (whether or not similar), nor shall such waiver constitute a waiver or continuing waiver unless otherwise expressly provided in writing duly executed by the party to be bound thereby.

8.9 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 hereby irrevocably attorns to the non-exclusive jurisdiction of the courts of the Province of Ontario.

8.10 Benefit of Agreement.

This Agreement shall be binding upon and enure to the benefit of the parties hereto and their respective successors and permitted assigns.

8.11 Severability.

If any provision of this Agreement or any document delivered in connection with this Agreement is partially or completely invalid or unenforceable, the invalidity or unenforceability of that provision shall not affect the validity or enforceability of any other provision of this Agreement, all of which shall be construed and enforced as if that invalid or unenforceable provision were omitted. The invalidity or unenforceability of any provision in one jurisdiction shall not affect such provision's validity or enforceability in any other jurisdiction.

8.12 Counterparts.

This Agreement may be executed and delivered in any number of counterparts, each of which when executed and delivered is an original but all of which taken together constitute one and the same instrument.

8.13 Assignment and Enurement

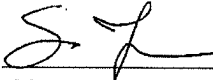
No party may assign its rights or obligations under this Agreement without the prior written consent of the other party. Notwithstanding the forgoing, the Purchaser shall have the right to assign, in whole or in part, its rights to acquire the Purchased Assets hereunder to any affiliate of the Purchaser provided that such assignment shall not release the Purchaser from its obligations under this Agreement.

[signature page follows]

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Dated as of the date first set out above.

IGAN PARTNERS INC.

Per: 
Name: Sam Ifergan
Title: CEO
I have the authority to bind the corporation


Accepted this _____ day of _____, 2019

ORBCARE INC.

Per: 
Name: Olivier Giner
Title: CEO
I have the authority to bind the corporation

Accepted this _____ day of _____, 2019


ORBCARE US, INC.

Per: 
Name: Olivier Giner
Title: CEO
I have the authority to bind the corporation

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Accepted this _____ day of _____, 2019

PARISCRIBE, INC.

Per: 

Name: Olivier Giner

Title: CEO

I have the authority to bind the corporation

Schedule "A"
[Draft Sale Process Order]

Estate No. 31-2516167

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

THE HONOURABLE)	WEDNESDAY, THE 14 th
)	
JUSTICE)	DAY OF AUGUST, 2019

**IN THE MATTER OF THE NOTICES OF INTENTION TO
MAKE A PROPOSAL OF ORBCARE INC., AND
PARISCRIBE INC., CORPORATIONS INCORPORATED
UNDER THE *CANADA BUSINESS CORPORATIONS ACT*,
AND ORBCARE US, INC. A CORPORATION
INCORPORATED UNDER THE LAWS OF THE STATE OF
DELAWARE IN THE UNITED STATES OF AMERICA**

**ORDER
(Approval of Sale Process)**

THIS MOTION, made by Orbcare Inc., Pariscribe Inc. and Orbcare US, Inc. (collectively, the "**Companies**"), pursuant to Sections 50.4(9) and 64.2(1) of the *Bankruptcy and Insolvency Act* (Canada) (the "**BIA**"), for an order, among other things, approving a "stalking horse" sale process substantially on the terms set out in Schedule "A" hereto (the "**Sale Process**") in respect of the Companies and approving a stalking horse asset purchase agreement (the "**Stalking Horse APA**") between the Companies and iGan Partners Inc., in trust for a company to be incorporated ("**iGan**"), for the purposes of the Sale Process, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Motion Record of the Companies, the ● report of MNP Ltd., in its capacity as proposal trustee of the Companies (the "**Proposal Trustee**"), dated August ●, 2019 (the "**● Report**") and the appendices thereto, the affidavit of ● sworn ●, 2019, and on hearing the submissions of counsel for the Companies, counsel for the Proposal Trustee and counsel for

iGan, no one else appearing although duly served as appears from the Affidavit of Service of ● sworn ●, 2019, filed:

SERVICE

1. **THIS COURT ORDERS** that the timing and method of service of the Notice of Motion, the Motion Record and the ● Report is hereby abridged and validated and this Motion is properly returnable today.

APPROVAL OF SALE PROCESS AND STALKING HORSE APA

2. **THIS COURT ORDERS** that the Sale Process is hereby approved and the Trustee is hereby authorized and directed to take such steps as it deems necessary or advisable (subject to the terms of the Sale Process) to carry out the Sale Process, subject to prior approval of this Court being obtained before completion of any transaction(s) under the Sale Process.

3. **THIS COURT ORDERS** that the execution, delivery, entry into, compliance with, and performance by the Companies of the Stalking Horse APA be and is hereby ratified, authorized and approved.

4. **THIS COURT ORDERS** that the Break Fee set out in Section 6.4 of the Stalking Horse APA is approved and that the Stalking Horse APA is hereby approved solely for the purposes of standing as the Stalking Horse Bid in the Sale Process, provided that if iGan is the successful bidder under the Sale Process, implementation of the transaction contemplated by the Stalking Horse APA will be subject to the Court's approval upon further motion by the Companies.

5. **THIS COURT ORDERS** that the Companies and the Proposal Trustee their respective employees, advisors, agents or other representatives (“**Representatives**”) shall have no personal or corporate liability in connection with the Sale Process.

6. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act*, the Trustee, the Companies and their Representatives are hereby authorized and permitted to disclose and transfer to each potential bidder (the “**Bidders**”) and to their Representatives, if requested by such Bidders, personal information of identifiable individuals, including, without limitation, all human resources and

payroll information in the Companies' records pertaining to the Companies' past and current employees, but only to the extent desirable or required to negotiate or attempt to complete a sale pursuant to the Sale Process (a "Sale"). Each Bidder or Representative to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation for the purpose of effecting a Sale, and if it does not complete a Sale, shall return all such information to the Trustee, or in the alternative destroy all such information and provide confirmation of its destruction if requested by the Trustee. The Successful Bidder(s) shall maintain and protect the privacy of such information and, upon closing of the transaction(s) contemplated in the Winning Bid(s) (as defined in the Sale Process), shall be entitled to use the personal information provided to it that is related to the assets acquired pursuant to the Sale Process in a manner that is in all material respects identical to the prior use of such information by the Companies, and shall return all other personal information to the Trustee, or ensure that all other personal information is destroyed and provide confirmation of its destruction if requested by the Trustee.

GENERAL

7. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or the United States, to give effect to this Order and to assist the Companies, the Proposal Trustee, iGan and their respective 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 Companies and to the Proposal Trustee, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Proposal Trustee in any foreign proceeding, or to assist the Companies and the Proposal Trustee and their respective agents in carrying out the terms of this Order.

8. **THIS COURT ORDERS** that each of the Companies, the Proposal Trustee and iGan shall be at liberty and are hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order.

Schedule "A" – Sale Process

1. Definitions. All capitalized terms used but not defined herein shall have the meaning ascribed to them in the Stalking Horse APA.
2. Advertisement. Not later than five (5) Business Days after the Sale Process Order is granted, the Proposal Trustee shall advertise for sale the Purchased Assets in The Globe and Mail (National Edition) and distribute a teaser document to potential interested parties.
3. Due Diligence. Not later than five (5) Business Days after the Sale Process Order is granted, the Proposal Trustee shall make available to prospective purchasers (collectively, the "**Prospective Purchasers**"), upon receipt of an executed confidentiality agreement from a Prospective Purchaser, access to a data room containing information reasonably required by Prospective Purchasers to consider submitting an offer for the Purchased Assets and facilitate the conduct of due diligence by the Prospective Purchasers. The Purchaser may have access to the data room.
4. Bid Deadline. Any offers to purchase the Purchased Assets must be submitted in writing to and received by the Proposal Trustee at MNP Ltd., 300-111 Richmond Street West, Toronto, ON M5H 2G4, attention: Sheldon Title, or by email at sheldon.title@mnp.ca, by 5:00pm (Toronto time) on September 27, 2019 (the "**Bid Deadline**").
5. Qualified Bid. The Proposal Trustee in its sole discretion shall determine whether any offers are "**Qualified Bids**". A Qualified Bid shall mean an offer to purchase substantially all of the Purchased Assets which is substantially the same or better than the Agreement, provided that no offer shall qualify as a Qualified Bid unless it meets, among other things, the following minimum criteria:
 - i. the Prospective Purchaser and the representatives thereof who are authorized to appear and act on its behalf must be sufficiently identified and written evidence of the offeror's chief officer or other appropriate senior executive's approval of the contemplated transaction must be submitted with the offer;
 - ii. the offer must be submitted in writing and include a blackline of the offer to the Agreement, reflecting the Prospective Purchaser's proposed changes and a written commitment to close on the terms and conditions set forth therein;
 - iii. the offer must be accompanied by a deposit in the form of certified cheque payable to the Proposal Trustee which is equal to at least 10% of the aggregate purchase price payable under the offer;
 - iv. the offer must be open for acceptance by the Vendors until five (5) Business Days after the Auction (as hereinafter defined) or later;
 - v. the offer must be on terms no less favourable and no more burdensome or conditional than the Agreement and shall not contain any provisions for a break fee or expense reimbursement;

- vi. the offer must not contain any contingency relating to due diligence or financing or any other material conditions precedent to the offeror's obligation to complete the transaction that are not otherwise contained in the Agreement;
 - vii. the offer must contain written evidence of a commitment for financing or other evidence of the ability to consummate the sale with appropriate contact information for such financing sources; and
 - viii. the offer must be for a price equal to or greater than the sum of the Purchase Price, the Break Fee and \$50,000.
6. Auction. Only if the Proposal Trustee receives one or more Qualified Bids by the Bid Deadline, the Proposal Trustee shall extend invitations by phone, fax and/or email by 10:00 a.m. (Toronto time) on the third (3rd) Business Day after the Bid Deadline to all bidders who submitted Qualified Bids and to the Purchaser to attend an auction (the "**Auction**"). The Auction shall be held at 10:00 a.m. on the fifth (5th) Business Day after the Bid Deadline (or such other date and time as the Proposal Trustee may in its sole discretion designate) at the offices of the Proposal Trustee.
 7. Conduct of the Auction. The Proposal Trustee shall conduct the Auction. At the Auction, the bidding shall begin initially with the highest Qualified Bid and subsequently continue in multiples of \$100,000, or such other amount as the Proposal Trustee determines to facilitate the Auction (the "**Incremental Amount**"). Additional consideration in excess of the amount set forth in the highest Qualified Bid must be comprised only of cash consideration. The format and procedure for the Auction shall be determined by the Proposal Trustee in its sole discretion.
 8. Winning Bid. In its sole discretion and based, *inter alia*, on the conduct of the Auction, the total financial and contractual terms of the Qualified Bids and various factors relevant to the speed and certainty of completing the sale of the Purchased Assets, the Proposal Trustee shall determine and accept the highest and/or best bid with respect to the Purchased Assets (the "**Winning Bid**"), subject to Court approval.
 9. Court Approval of the Winning Bid. The Vendors shall make a motion to the Court to obtain approval of the Winning Bid and the Approval and Vesting Order as expeditiously as possible after the Auction, but in no event longer than ten (10) Business Days following the Auction.
 10. Court Approval of Agreement if no Qualified Bid. If no Qualified Bid is received by the Bid Deadline (other than the Agreement), the Auction will not be held. Accordingly, the Agreement will be the Winning Bid and the Vendors shall seek, as expeditiously as possible, approval of the Court to consummate the Transaction contemplated by the Agreement, but in no event longer than ten (10) Business Days following the expiry of the Bid Deadline.
 11. Return of Deposits. The deposits submitted with all Qualified Bids (except the Winning Bid), shall be held in escrow by the Proposal Trustee until five (5) Business Days after the date of the completion of the Auction and returned to those Prospective Purchasers

thereafter. If the Winning Bid terminates pursuant to its terms or fails to close because of the Vendors' breach or failure to perform under the terms of the Winning Bid, the Proposal Trustee shall return the deposit submitted with such bid to the bidder that submitted the Winning Bid (the "**Winning Bidder**") forthwith. If the Winning Bidder fails to complete the approved sale because of its breach or failure to perform under the terms of the Winning Bid, the Proposal Trustee shall not have any obligation to return the deposit submitted with the Winning Bid and such deposit shall be retained by the Proposal Trustee as liquidated damages and the Purchaser shall be entitled to submit a new bid for the Purchased Assets, which the Proposal Trustee shall be at liberty to but not obligated to, accept on terms to be agreed upon between the Parties.

12. Modifications. Subject to the Sale Process Order, the Proposal Trustee shall have the right to adopt such other rules for the Sale Process, that, in its sole discretion, will better promote the goals of the Sale Process.

Schedule "B"
[Draft Approval and Vesting Order]

Estate No. 31-2516167

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE)	●DAY, THE ●
)	
JUSTICE)	DAY OF AUGUST, 2019

**IN THE MATTER OF THE NOTICES OF INTENTION TO
MAKE A PROPOSAL OF ORBCARE INC., AND
PARISCRIBE INC., CORPORATIONS INCORPORATED
UNDER THE *CANADA BUSINESS CORPORATIONS ACT*,
AND ORBCARE US, INC. A CORPORATION
INCORPORATED UNDER THE LAWS OF THE STATE OF
DELAWARE IN THE UNITED STATES OF AMERICA**

APPROVAL AND VESTING ORDER

THIS MOTION, made by Orbcare Inc., Pariscribe Inc. and Orbcare US, Inc. (collectively, the "**Companies**") for an order approving the sale transaction (the "**Transaction**") contemplated by an asset purchase agreement (the "**APA**") between the Companies and [PURCHASER] (the "**Purchaser**"), dated [DATE] and appended to the report (the "**Report**") of MNP Ltd., in its capacity as proposal trustee (the "**Proposal Trustee**") dated [DATE], and vesting in the Purchaser the Companies' right, title and interest in and to the Purchased Assets (as defined in the APA) was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Motion Record of the Companies and the Report and on hearing the submissions of counsel for the Companies, counsel for the Purchaser and counsel for the Proposal Trustee, no one appearing for any other person on the service list, although properly served as appears from the affidavit of [NAME] sworn [DATE], filed:

- 2 -

1. **THIS COURT ORDERS** that unless otherwise indicated or defined herein, capitalized terms used in this Order shall have the meaning given to them in the APA.
2. **THIS COURT ORDERS AND DECLARES** that the Transaction is hereby approved, and the execution of the APA by the Companies is hereby ratified, with such minor amendments as the Companies and the Proposal Trustee may deem necessary. The Companies and the Proposal Trustee are 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** that the Companies are hereby authorized and directed to perform their obligations under the APA and any ancillary documents related thereto.
4. **THIS COURT ORDERS AND DECLARES** that upon the delivery of a certificate to the Purchaser substantially in the form attached as Schedule "A" hereto (the "**Proposal Trustee's Certificate**"), all of the Companies' right, title and interest in and to the Purchased Assets described in the APA (including those assets listed in Schedule "B" hereto) and the proceeds thereof (including for greater certainty, any funds received by the Purchaser on account of any Accounts Receivable but not the Purchase Price proceeds) shall vest in the Purchaser free and clear of and from any and all ownership claims, security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts, constructive trusts, deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, claims (including, without limitation, any claim based on any theory that the Purchaser is a successor or continuation of the Companies or the Companies' business), demands, guarantees, restrictions, contractual commitments, right or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured, legal, equitable, possessory or otherwise (collectively, the "**Claims**") including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of the Honourable Justice Hainey dated June 25, 2019; and (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 (all of which are collectively referred to as the "**Encumbrances**" which term shall not include the Permitted Encumbrances) and, for greater certainty, this Court orders

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that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets..

5. **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 Proposal 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.
6. **THIS COURT ORDERS AND DIRECTS** the Proposal Trustee to file with the Court a copy of the Proposal Trustee's Certificate, forthwith after delivery thereof.
7. **THIS COURT ORDERS** that the Proposal Trustee may rely on the written notice from the Companies regarding fulfillment of conditions to closing under the APA and shall incur no liability with respect to the delivery of the Proposal Trustee's Certificate.
8. **THIS COURT ORDERS** that, provided that the APA has not been terminated, any proposal filed by the Companies pursuant to Section 50.4(9) of the *Bankruptcy and Insolvency Act* (Canada) (the "BIA") shall not derogate or otherwise affect any right or obligation of the Companies or the Purchaser under the APA unless otherwise agreed by the Companies and the Purchaser.
9. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act*, the Companies are authorized and permitted to disclose and transfer to the Purchaser all human resources and payroll information in the Companies' records pertaining to the Companies' past and current employees. 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 Companies.
10. **THIS COURT ORDERS** that, notwithstanding:
 - (a) the pendency of these proceedings;

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- (b) any applications for a bankruptcy order now or hereafter issued pursuant to the BIA in respect of the Companies and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made in respect of the Companies;

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 Companies and shall not be void or voidable by creditors of the Companies, nor shall it constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the BIA 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.

ASSIGNMENT OF CONTRACTS

11. **THIS COURT ORDERS** that upon delivery of the Proposal Trustee's Certificate, (i) all of the rights and obligations of the Companies under the Contracts listed in Schedule "C" hereto (collectively, the "**Assigned Contracts**") shall be assigned to the Purchaser pursuant to Section ● of the APA and pursuant to Section 84.1 of the BIA; and (ii) the Companies' right, title and interest in the Assigned Contracts shall vest absolutely in the Purchaser free and clear of all Encumbrances.

12. **THIS COURT ORDERS** that each counterparty to the Assigned Contracts is prohibited from exercising any right or remedy under the Assigned Contracts by reason of any defaults thereunder arising from the assignment of the Assigned Contracts, the insolvency of the Companies, the commencement of these proceedings under the BIA or any failure of the Companies to perform a non-monetary obligation under the Assigned Contracts.

13. **THIS COURT ORDERS** that the Cure Costs for the Assigned Contracts, if any, shall be in the amounts set out in Schedule "C" hereto and that upon Closing, the Purchaser shall pay any Cure Costs as set out therein with respect to each applicable Assigned Contract, in full and final satisfaction of any Cure Costs owing to the counterparty to the applicable Assigned Contract, by

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no later than the day that is ten (10) business days from the date that the Purchaser receives wire remittance instructions or other payment instructions from such counterparty.

14. **THIS COURT ORDERS AND DIRECTS** the Companies to send a copy of this Order to all of the counterparties to the Assigned Contracts.

SEALING

15. **THIS COURT ORDERS** that the unredacted APA be sealed from the public record until the closing of the Transaction or further Order of this Court.

PAYMENT OF BID PROTECTIONS

16. **THIS COURT ORDERS** that the Proposal Trustee is authorized to repay the deposit and pay the Break Fee out of the proceeds from the closing of the Transaction, to iGan Partners Inc. (“iGan”) as provided for and in accordance with Section ● of the Asset Purchase Agreement dated [DATE] between the Companies and iGan.

GENERAL

17. **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 Proposal 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 Proposal Trustee, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Proposal Trustee and its agents in carrying out the terms of this Order.

Schedule A – Form of Proposal Trustee’s Certificate

Estate No. 31-2516167

ONTARIO

SUPERIOR COURT OF JUSTICE

COMMERCIAL LIST

IN THE MATTER OF THE NOTICES OF INTENTION TO MAKE A PROPOSAL OF ORBCARE INC., AND PARISCRIBE INC., CORPORATIONS INCORPORATED UNDER THE *CANADA BUSINESS CORPORATIONS ACT*, AND ORBCARE US, INC. A CORPORATION INCORPORATED UNDER THE LAWS OF THE STATE OF DELAWARE IN THE UNITED STATES OF AMERICA

PROPOSAL TRUSTEE’S CERTIFICATE

RECITALS

- A. Orbcare Inc. (“**Orbcare**”) commenced these proceedings by filing a notice of intention to make a proposal under the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the “**BIA**”), on May 28, 2019 (the “**Orbcare NOI**”).
- B. Each of Pariscribe Inc. (“**Pariscribe**”) and Orbcare US, Inc. (“**Orbcare US**”) filed a notice of intention to make a proposal under the BIA on July 26, 2019 (together with the Orbcare NOI, the “**NOIs**”)
- C. MNP Ltd. was named proposal trustee (the “**Proposal Trustee**”) under the NOIs.
- D. Pursuant to an Order of the Court dated August 1, 2019, the Court consolidated the proposal proceedings of Orbcare, Pariscribe and Orbcare US (collectively, the “**Companies**”).

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- E. Pursuant to an Order of the Court dated August ●, 2019, the Court approved the asset purchase agreement made as of ●, 2019 (the “APA”) between the Companies and ● (the “Purchaser”) and provided for the vesting in the Purchaser of the Companies’ right, title and interest in and to the Purchased Assets, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Proposal Trustee to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the cash consideration under Section 3.3 of the APA; (ii) that the conditions to Closing as set out in the APA been satisfied or waived by the Companies and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Proposal Trustee.
- F. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the APA.

THE PROPOSAL TRUSTEE CERTIFIES the following:

1. The Companies and the Purchaser have each delivered written notice to the Proposal Trustee that all applicable conditions under the APA have been satisfied and/or waived, as applicable;
2. The Proposal Trustee has received the cash consideration under Section 3.3 of the APA; and
3. The Transaction has been completed to the satisfaction of the Proposal Trustee.

This Certificate was delivered by the Proposal Trustee at _____ on _____, 2019.

MNP Ltd., in its capacity as Proposal Trustee in the proposal proceedings of Orbcare Inc., Pariscribe Inc. and Orbcare US, Inc., and not in its personal or corporate capacity

Per: _____

Name:

Title:

Schedule B – Purchased Assets

**Schedule “C”
Assumed Contracts**

- All customer contracts between any existing or potential client and either Orbcare Inc, Pariscribe Inc and Orbcare US Inc., whether in written or oral form, including bids, quotes, RFPs, and all amendments, or supplements thereto, whether in written or oral form (“customer contracts”) and the amounts due to either Orbcare Inc, Pariscribe Inc and Orbcare US Inc under those customer contracts, including but not limited to the following customer contracts:
 - Software as a Service Agreement between OrbCare Inc. and Advocate Imaging dated May 6, 2019
 - Software as a Service Agreement between OrbCare Inc. and Best Doctors Inc. dated April 10, 2018 (including addendums for BD Canada, BD Netherlands, BD Australia, BD New Zealand, BD UK and BD Ireland)
 - Agreement between OrbCare Inc. and Gamal Haroun
 - Agreement between OrbCare Inc. and 2548781 Ontario Ltd (Gam X-Ray)
 - Agreement between OrbCare Inc. and Humber Diagnostics Center Inc.
 - Software as a Service Agreement between OrbCare Inc. and Lifemark Health Corp dated January 21, 2019
 - Software as a Service Agreement between OrbCare Inc. and Lloydminster Medical Imaging dated April 1, 2017
 - Software as a Service Agreement between OrbCare Inc. and Lindsey X-Ray & Ultrasound dated January 1, 2017
 - Agreement between OrbCare Inc. and SLMCH
 - Agreement between OrbCare Inc. and Windhorse Psychology dated July 11, 2018
 - Software as a Service Agreement between OrbCare Inc. and X-Ray Associates
 - Agreement between OrbCare Inc. and YPRS.
 - Software as a Service Agreement between Pariscribe Inc. and ACMS Ultrasound dated January 1, 2017
 - Software as a Service Agreement between Pariscribe Inc. and Amiha Diagnostic
 - Software as a Service Agreement between Pariscribe Inc. and Centric Health
 - Software as a Service Agreement between Pariscribe Inc. and Dr Papadopoulos
 - Software as a Service Agreement between Pariscribe Inc. and Durham Nuclear Imaging dated January 1, 2017

- Software as a Service Agreement between Pariscribe Inc. and Elite Diagnostics and Imaging Associates dated January 1, 2017
- Software as a Service Agreement between Pariscribe Inc. and Hitek Yonge Medicinal Imaging Inc. dated January 1, 2017
- Agreement between Pariscribe Inc. and Hitek Leslie clinic
- Agreement between Pariscribe Inc. and Hitek Sheppard clinic
- Agreement between Pariscribe Inc. and Impexxus Realty
- Agreement between Pariscribe Inc. and New Life Mississauga
- Agreement between Pariscribe Inc. and New Life Halton
- Agreement between Pariscribe Inc. and Port Arthur Diagnostic
- Agreement between Pariscribe Inc. and Priority MRI
- Agreement between Pariscribe Inc. and Radiology of Winnipeg
- Agreement between Pariscribe Inc. and Thunder Bay Diagnostic
- Agreement between Pariscribe Inc. and Thunder Bay Radiology
- Agreement between Pariscribe Inc. and Turnbull Diagnostic
- Software as a Service Agreement between OrbCare US, Inc. and Advanced Imaging of Redding Inc. dated December 6, 2017
- Software as a Service Agreement between OrbCare US, Inc. and Pueblo Medical Imaging LLC dated April 5, 2018
- Software as a Service Agreement between OrbCare US Inc. and Winchester Radiology, P.C. dated September 9, 2017
- Agreement between OrbCare US Inc. and MISPA I, LLC
- Agreement between OrbCare US Inc. and MISPA II, LLC
- Agreement between OrbCare US Inc. and Sumter Radiology

- Reseller agreement between Orbcare Inc and Client Outlook Inc. dated August 12, 2019
- OEM license agreement between Real Time Data Solutions Inc. and Orbcare Inc. dated June 29, 2016

- Services agreements between Orbcare Inc. and e-health Ontario effective August 7, 2018, and all amendments, schedules, supplements thereto
- The agreements between Orbcare Inc. or Pariscrite Inc and their IT suppliers including: 3Z, Faxages, Beanfield, Github, Intercom, Atlassian, Microsoft Outlook, Microsoft Windows Server Datacenter, AWS, Ring Central, Go Daddy, Slack, Twillio, Quickbooks Online, Adobe, Fiverr, Flywheel, Pandadoc, PoeEditor, Teamviewer, (see list of liabilities for potential cure costs)
- The agreement verbal or written, between Orbcare US Inc. and Triad Technology for hosting data on servers located in North Carolina
- The agreement between Plexus Teleradiology and Intelerad dated September 22, 2010, as amended , and as assigned to Orbcare US, Inc pursuant to an assignment, assumption and consent agreement dated August 7, 2017 (see list of liabilities for potential cure costs)
- The agreement between Orbcare US and Tierpoint for hosting data on servers located in Chicago (see list of liabilities for potential cure costs)
- The agreement between Orbcare US and Nuance (provider of Powerscribe 360) (see list of liabilities for potential cure costs)
- The agreements between Orbcare US and its IT suppliers including RedHat, Watchguard
- The lease regarding 21R Atlantic Drive
- Orbcare's existing insurance policies
- Up to the date of the Approval and Vesting Order, Purchaser reserves right to add any contracts entered into by Vendors after date of this schedule and until the day before Closing to remove any of the above from this Schedule.

Schedule "D"
Assumed Liabilities

Entity	
Intelerad	
Tierpoint	
Nuance	
3Z	

Schedule "E"
Permitted Encumbrances

None.

Schedule "F"
Allocation of Purchase Price

Exact allocation of Purchase Price subject to further discussion among the Vendors, the Purchaser and the Proposal Trustee.

Schedule "G"
Sale Process

1. Definitions. All capitalized terms used but not defined herein shall have the meaning ascribed to them in the Agreement.
2. Advertisement. Not later than five (5) Business Days after the Sale Process Order is granted, the Proposal Trustee shall advertise for sale the Purchased Assets in The Globe and Mail (National Edition) and distribute a teaser document to potential interested parties.
3. Due Diligence. Not later than five (5) Business Days after the Sale Process Order is granted, the Proposal Trustee shall make available to prospective purchasers (collectively, the "**Prospective Purchasers**"), upon receipt of an executed confidentiality agreement from a Prospective Purchaser, access to a data room containing information reasonably required by Prospective Purchasers to consider submitting an offer for the Purchased Assets and facilitate the conduct of due diligence by the Prospective Purchasers. The Purchaser may have access to the data room.
4. Bid Deadline. Any offers to purchase the Purchased Assets must be submitted in writing to and received by the Proposal Trustee at MNP Ltd., 300-111 Richmond Street West, Toronto, ON M5H 2G4, attention: Sheldon Title, or by email at sheldon.title@mnp.ca, by 5:00pm (Toronto time) on September 27, 2019 (the "**Bid Deadline**").
5. Qualified Bid. The Proposal Trustee in its sole discretion shall determine whether any offers are "**Qualified Bids**". A Qualified Bid shall mean an offer to purchase substantially all of the Purchased Assets which is substantially the same or better than the Agreement, provided that no offer shall qualify as a Qualified Bid unless it meets, among other things, the following minimum criteria:
 - i. the Prospective Purchaser and the representatives thereof who are authorized to appear and act on its behalf must be sufficiently identified and written evidence of the offeror's chief officer or other appropriate senior executive's approval of the contemplated transaction must be submitted with the offer;
 - ii. the offer must be submitted in writing and include a blackline of the offer to the Agreement, reflecting the Prospective Purchaser's proposed changes and a written commitment to close on the terms and conditions set forth therein;
 - iii. the offer must be accompanied by a deposit in the form of certified cheque payable to the Proposal Trustee which is equal to at least 10% of the aggregate purchase price payable under the offer;
 - iv. the offer must be open for acceptance by the Vendors until five (5) Business Days after the Auction (as hereinafter defined) or later;

- v. the offer must be on terms no less favourable and no more burdensome or conditional than the Agreement and shall not contain any provisions for a break fee or expense reimbursement;
 - vi. the offer must not contain any contingency relating to due diligence or financing or any other material conditions precedent to the offeror's obligation to complete the transaction that are not otherwise contained in the Agreement;
 - vii. the offer must contain written evidence of a commitment for financing or other evidence of the ability to consummate the sale with appropriate contact information for such financing sources; and
 - viii. the offer must be for a price equal to or greater than the sum of the Purchase Price, the Break Fee and \$50,000.
6. Auction. Only if the Proposal Trustee receives one or more Qualified Bids by the Bid Deadline, the Proposal Trustee shall extend invitations by phone, fax and/or email by 10:00 a.m. (Toronto time) on the third (3rd) Business Day after the Bid Deadline to all bidders who submitted Qualified Bids and to the Purchaser to attend an auction (the "**Auction**"). The Auction shall be held at 10:00 a.m. on the fifth (5th) Business Day after the Bid Deadline (or such other date and time as the Proposal Trustee may in its sole discretion designate) at the offices of the Proposal Trustee.
 7. Conduct of the Auction. The Proposal Trustee shall conduct the Auction. At the Auction, the bidding shall begin initially with the highest Qualified Bid and subsequently continue in multiples of \$100,000, or such other amount as the Proposal Trustee determines to facilitate the Auction (the "**Incremental Amount**"). Additional consideration in excess of the amount set forth in the highest Qualified Bid must be comprised only of cash consideration. The format and procedure for the Auction shall be determined by the Proposal Trustee in its sole discretion.
 8. Winning Bid. In its sole discretion and based, *inter alia*, on the conduct of the Auction, the total financial and contractual terms of the Qualified Bids and various factors relevant to the speed and certainty of completing the sale of the Purchased Assets, the Proposal Trustee shall determine and accept the highest and/or best bid with respect to the Purchased Assets (the "**Winning Bid**"), subject to Court approval.
 9. Court Approval of the Winning Bid. The Vendors shall make a motion to the Court to obtain approval of the Winning Bid and the Approval and Vesting Order as expeditiously as possible after the Auction, but in no event longer than ten (10) Business Days following the Auction.
 10. Court Approval of Agreement if no Qualified Bid. If no Qualified Bid is received by the Bid Deadline (other than the Agreement), the Auction will not be held. Accordingly, the Agreement will be the Winning Bid and the Vendors shall seek, as expeditiously as possible, approval of the Court to consummate the Transaction contemplated by the Agreement, but in no event longer than ten (10) Business Days following the expiry of the Bid Deadline.

11. Return of Deposits. The deposits submitted with all Qualified Bids (except the Winning Bid), shall be held in escrow by the Proposal Trustee until five (5) Business Days after the date of the completion of the Auction and returned to those Prospective Purchasers thereafter. If the Winning Bid terminates pursuant to its terms or fails to close because of the Vendors' breach or failure to perform under the terms of the Winning Bid, the Proposal Trustee shall return the deposit submitted with such bid to the bidder that submitted the Winning Bid (the "**Winning Bidder**") forthwith. If the Winning Bidder fails to complete the approved sale because of its breach or failure to perform under the terms of the Winning Bid, the Proposal Trustee shall not have any obligation to return the deposit submitted with the Winning Bid and such deposit shall be retained by the Proposal Trustee as liquidated damages and the Purchaser shall be entitled to submit a new bid for the Purchased Assets, which the Proposal Trustee shall be at liberty to but not obligated to, accept on terms to be agreed upon between the Parties.
12. Modifications. Subject to the Sale Process Order, the Proposal Trustee shall have the right to adopt such other rules for the Sale Process, that, in its sole discretion, will better promote the goals of the Sale Process.

Exhibit “H”

Enquiry Result

File Currency: 06JUN 2019

[Show All Pages](#)

All Pages ▾

**Note: All pages have been returned.**

Type of Search	Business Debtor								
Search Conducted On	PARISCRIBE INC.								
File Currency	06JUN 2019								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	654197112	1	1	1	2	PERPETUAL			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
654197112		001	002		20090615 1154 1862 9090	P PPSA	99		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	PARISCRIBE INC.								
	Address				City	Province	Postal Code		
	2010 EGLINGTON AVE WEST, SUITE 300				TORONTO	ON	M6E2K3		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Secured Party	Secured Party / Lien Claimant								
	EMMANUEL ABRAHAM								
	Address				City	Province	Postal Code		
	2010 EGLINGTON AVE WEST, SUITE 300				TORONTO	ON	M6E 2K3		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
		X	X	X	X	X			X
Motor Vehicle Description	Year	Make			Model		V.I.N.		
General Collateral Description	General Collateral Description								
Registering Agent	Registering Agent								
	JOHN LEE								
	Address				City	Province	Postal Code		
	439 UNIVERSITY AVE., SUITE 1200				TORONTO	ON	M5G1Y8		

CONTINUED

Type of Search	Business Debtor							142	
Search Conducted On	PARISCRIBE INC.								
File Currency	06JUN 2019								
	File Number	Family	of Families	Page	of Pages	Expiry Date	Status		
	654197112	1	1	2	2	PERPETUAL			
FORM 1C FINANCING STATEMENT / CLAIM FOR LIEN									
File Number	Caution Filing	Page of	Total Pages	Motor Vehicle Schedule	Registration Number	Registered Under	Registration Period		
654197112		002	002		20090615 1154 1862 9090				
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Individual Debtor	Date of Birth	First Given Name			Initial	Surname			
Business Debtor	Business Debtor Name					Ontario Corporation Number			
	Address				City	Province	Postal Code		
Secured Party	Secured Party / Lien Claimant								
	DEJAN DIMITRIJEVIC								
	Address				City	Province	Postal Code		
	2010 EGLINGTON AVE WEST, SUITE 300				TORONTO	ON	M6E 2K3		
Collateral Classification	Consumer Goods	Inventory	Equipment	Accounts	Other	Motor Vehicle Included	Amount	Date of Maturity or	No Fixed Maturity Date
Motor Vehicle Description	Year	Make			Model	V.I.N.			
General Collateral Description	General Collateral Description								
Registering Agent	Registering Agent								
	Address				City	Province	Postal Code		

LAST PAGE

Note: All pages have been returned.

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RUN NUMBER : 157
RUN DATE : 2019/06/06
ID : 20190606143434.42

PROVINCE OF ONTARIO
MINISTRY OF GOVERNMENT SERVICES
PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM
ENQUIRY RESPONSE
CERTIFICATE

REPORT : PSSR060
PAGE : 1
(4213)

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THIS IS TO CERTIFY THAT A SEARCH HAS BEEN MADE IN THE RECORDS OF THE CENTRAL OFFICE
OF THE PERSONAL PROPERTY SECURITY REGISTRATION SYSTEM IN RESPECT OF THE FOLLOWING:

TYPE OF SEARCH : BUSINESS DEBTOR

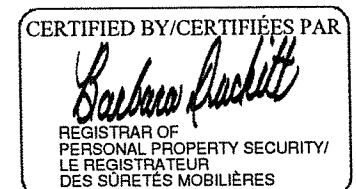
SEARCH CONDUCTED ON : ORBCARE INC.

FILE CURRENCY : 05JUN 2019

ENQUIRY NUMBER 20190606143434.42 CONTAINS 1 PAGE(S), 0 FAMILY(IES).

NO REGISTRATIONS ARE REPORTED IN THIS ENQUIRY RESPONSE.

GOLDMAN SLOAN NASH & HABER LLP - ANNE PALABASAN
480 UNIVERSITY AVE, SUITE 1600
TORONTO ON M5G 1V2



(crfj4 11/2017)



Court No.: 31-2516167

**IN THE MATTER OF THE NOTICES OF INTENTION TO MAKE A PROPOSAL OF ORBCARS INC. AND PARISCRIBE INC.,
CORPORATIONS INCORPORATED UNDER THE CANADA BUSINESS CORPORATIONS ACT, AND ORBCARE US, INC., A
CORPORATION INCORPORATED UNDER THE LAWS OF THE STATE OF DELAWARE IN THE UNITED STATES OF
AMERICA**

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

**FIFTH REPORT OF MNP LTD., IN ITS CAPACITY AS
TRUSTEE UNDER THE NOTICES OF INTENTION TO
MAKE A PROPOSAL OF ORBCARE INC., ORBCARE US
INC. AND PARISCRIBE INC.**

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

Sheldon Title
Tel: (416) 263-6945
Fax: (416) 323-5242
Email: sheldon.title@mnp.ca