



**Sixth Report to Court of  
KSV Restructuring Inc. as  
Monitor of  
Skylink Express Inc.**

October 23, 2024

<b>Contents</b>	<b>Page</b>
1.0 Introduction .....	1
1.1 Purposes of this Report .....	3
1.2 Restrictions .....	4
1.3 Currency .....	4
2.0 Background .....	4
2.1 TD.....	5
3.0 Cash Flow .....	6
3.1 Updated Cash Flow Forecast.....	7
4.0 Sale Process .....	7
5.0 Company’s Activities .....	8
6.0 Monitor’s Activities.....	8
7.0 Stay Extension .....	9

## **Appendices**

<b>Appendix</b>	<b>Tab</b>
Amended and Restated Initial Order.....	A
Third Report of the Monitor, without appendices .....	B
Cash Flow Forecast .....	C
Company’s Report on Cash Flow .....	D
Monitor’s Report on Cash Flow.....	E
KSV Restructuring Inc. Fee Affidavit.....	F
Cassels Brock & Blackwell LLP Fee Affidavit .....	G

COURT FILE NO.: CV-24-00716267-00CL

ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)

IN THE MATTER OF THE *COMPANIES' CREDITORS  
ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR  
ARRANGEMENT OF SKYLINK EXPRESS INC.

SIXTH REPORT OF KSV RESTRUCTURING INC.  
AS MONITOR

October 23, 2024

## 1.0 Introduction

1. Pursuant to an order (the “**Initial Order**”) of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) made on March 11, 2024 (the “**Filing Date**”), Skylink Express Inc. (the “**Company**”) was granted protection under the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”) and KSV Restructuring Inc. (“**KSV**”) was appointed monitor (the “**Monitor**”).
2. Pursuant to the terms of the Initial Order, among other things, the Court granted:
  - a) a stay of proceedings until March 21, 2024, being the date of the comeback motion in these proceedings (the “**Comeback Motion**”);
  - b) the following charges on the Company’s current and future assets, property and undertaking, in the order of priority provided below, each of which is subordinate to secured credit facilities (the “**TD Loan Facilities**”) provided to the Company by TD Bank (“**TD**”) (the “**TD Loan Facilities**”):
    - i. a charge in favour of the Company’s counsel, Norton Rose Fulbright Canada LLP (“**Norton Rose**”), the Monitor and its counsel, Cassels Brock & Blackwell LLP (“**Cassels**”), in the amount of \$350,000 to secure their fees and disbursements in these proceedings;
    - ii. a charge in favour of the Company’s sole shareholder, Momentum Decisive Solutions Canada Inc. (“**Momentum**”, in such capacity, the “**DIP Lender**”), to secure advances made under a DIP facility (the “**DIP Facility**”) pursuant to an interim financing term sheet (the “**DIP Term Sheet**”), which advances were limited to \$1.35 million until the Comeback Motion (the “**DIP Lender’s Charge**”); and
    - iii. a charge in the amount of \$480,000 in favour of the sole director and the officers of the Company (the “**Directors’ Charge**”).

3. On March 21, 2024, the Court issued an amended and restated initial order (the “**ARIO**”), which approved:
  - a) an extension of the stay of proceedings to April 26, 2024;
  - b) an increase in the Directors’ Charge to \$970,000; and
  - c) an increase in the Company’s permitted borrowings under the DIP Facility to \$2.5 million, which amounts are secured by the DIP Lender’s Charge.

A copy of the ARIO is provided in Appendix “A”.

4. On April 25, 2024, the Court issued an order, which approved:
  - a) an extension of the stay of proceedings to May 31, 2024;
  - b) a forbearance agreement dated April 19, 2024 among the Company, Momentum and TD (the “**Forbearance Agreement**”); and
  - c) an escrow agreement dated April 19, 2024 among Momentum, TD, the Monitor and Norton Rose.
5. On May 30, 2024, the Court issued an order (the “**Sale Process Order**”) which approved:
  - a) an extension of the stay of proceedings to July 30, 2024;
  - b) a sale process (the “**Sale Process**”) for certain of the Company’s assets, primarily being the Company’s aircraft (the “**Aircraft**”), aircraft parts inventory and its air operator certificate (“**Assets**”);
  - c) the retention of 1262396 Alberta Ltd. (dba Pollock Aviation) to act as sales agent (the “**Agent**”) in the Sale Process;
  - d) an increase in the Company’s permitted borrowings under the DIP Facility to \$3 million, which amounts are secured by the DIP Lender’s Charge; and
  - e) the activities and reports of the Monitor and the fees of the Monitor and Cassels.
6. The Sale Process is set out in the Monitor’s third report to Court dated May 24, 2024 (the “**Third Report**”), a copy of which is provided in Appendix “B”, without appendices. Since the date of the Sale Process Order, the Company, with the assistance of the Agent, under the supervision of the Monitor, has been marketing the Assets for sale in accordance with the Sale Process Order.
7. On July 5, 2024, the Court issued an order (the “**First Aircraft AVO**”) approving a transaction (the “**LAD Transaction**”) between LAD Inc. and the Company for one of the Company’s Cessna Grand Caravan aircraft and one Pratt and Whitney Canada engine and certain other assets, as set out in the Monitor’s fourth report to Court dated June 28, 2024 (the “**Fourth Report**”).

8. On July 29, 2024, the Court issued orders (collectively, the “**July 29 AVOs**”) approving transactions:
  - a) between Randigo LLC (“**Randigo**”) and the Company for two of the Company’s Cessna Grand Caravan aircraft and two Pratt and Whitney Canada engines and certain other assets, as set out in the Monitor’s fifth report to Court dated July 22, 2024 (the “**Fifth Report**”); and
  - b) between Gingras Équipement Inc. (“**Gingras**”) and the Company for one of the Company’s Cessna Grand Caravan aircraft and one Pratt and Whitney Canada engine and certain other assets, as also set out in the Fifth Report.
9. On July 29, 2024, the Court also issued an order which approved, among other things:
  - a) an extension of the stay of proceedings to October 31, 2024;
  - b) an increase in the Company’s permitted borrowings under the DIP Facility to \$4.55 million, which amounts are secured by the DIP Lender’s Charge; and
  - c) the Fourth Report and Fifth Report, the Monitor’s activities set out in the Fifth Report and the fees of the Monitor and Cassels to June 30, 2024.
10. The Affidavit of Kyle Dennhardt, the Company’s CFO, sworn March 8, 2024 in support of the CCAA application (the “**Dennhardt Affidavit**”) and KSV’s pre-filing report dated March 8, 2024 (the “**Pre-Filing Report**”) filed in connection with the initial application, provide, *inter alia*, background information concerning the Company, its business and the reasons for the commencement of these proceedings. Court materials filed in these proceedings, including the affidavits filed by the Company’s representatives in these proceedings and the Monitor’s reports and the Pre-Filing Reports (the “**Monitor’s Reports**”) can be found on the Monitor’s case website at [www.ksvadvisory.com/experience/case/skylink](http://www.ksvadvisory.com/experience/case/skylink).

## 1.1 Purposes of this Report

1. The purposes of this report (the “**Report**”) are to:
  - a) summarize the Company’s cash flow forecast from October 21, 2024 to January 31, 2025 (the “**Updated Cash Flow Forecast**”);
  - b) summarize the Monitor’s and the Company’s activities since the date of the Fifth Report;
  - c) seek approval of the fees and disbursements of the Monitor and Cassels from July 1, 2024 to September 30, 2024; and

- d) recommend that the Court:
  - i. issue an order:
    - extending the stay of proceedings from October 31, 2024 to January 31, 2025 (the “**Stay Extension Period**”);
    - approving this Report and the Monitor’s activities, as described in this Report; and
    - approving the fees of the Monitor and Cassels from July 1, 2024 to September 30, 2024.

## 1.2 Restrictions

1. In preparing this Report, the Monitor has relied upon the Company’s unaudited financial information, books and records and discussions with the Company’s management and legal counsel.
2. The Monitor has not audited or otherwise attempted to verify the accuracy or completeness of the financial information relied upon to prepare this Report in a manner that complies with Canadian Auditing Standards (“**CAS**”) pursuant to the Chartered Professional Accountants of Canada Handbook and, accordingly, the Monitor expresses no opinion or other form of assurance contemplated under the CAS in respect of such information. Any party wishing to place reliance on the financial information should perform its own diligence.
3. An examination of the Updated Cash Flow Forecast as outlined in the Chartered Professional Accountants of Canada Handbook has not been performed. Future oriented financial information relied upon in this Report is based upon the Company’s assumptions regarding future events; actual results achieved may vary from this information and these variations may be material. The Monitor expresses no opinion or other form of assurance on whether the Updated Cash Flow Forecast will be achieved.

## 1.3 Currency

1. All currency references in this Report are in Canadian dollars.

## 2.0 Background

1. The Company is an Ontario corporation and has operated for over 25 years providing regional air cargo services throughout North America. Until recently, the Company operated one of Canada’s largest air cargo services, specializing in regional courier feeder operations and time-sensitive, cost effective, air cargo charters throughout North America. Momentum is the Company’s sole shareholder.
2. The Company’s registered office is 55 St. Clair Avenue West, Suite 210, Toronto, Ontario.

3. As of the Filing Date, the Company employed 79 full-time employees, seven part-time employees and 11 independent contractors. The Company's pilots are members of UNIFOR. The Company does not maintain any registered pension plans.
4. Pursuant to the ARIO, Momentum has been funding these proceedings under the DIP Facility, which ranks subordinate to the Company's obligations to TD under the TD Loan Facilities. As of the date of this Report, Momentum had advanced \$2.05 million to the Company under the DIP Facility.
5. The Company provided "last mile" services to secondary (remote) locations, primarily in Canada. At the commencement of these proceedings, the Company operated from hangars in Vancouver, Winnipeg, Hamilton, Montreal-Mirabel and Québec City. The Company has since terminated all flight operations.
6. As a result of the transactions described in paragraphs 1.7 and 1.8 above (the "**Completed Sale Transactions**"), the Company now owns a fleet of 10 aircraft, comprised of ten 1900C aircraft. The Company also leases the two 1900D aircraft from Momentum but has never paid leasing costs, given those two aircraft have not been used by the Company in its business.
7. As of the commencement of these proceedings, United Parcel Services Canada Ltd. ("**UPS**") was the Company's primary customer. The Company and UPS were party to a long-term feeder aircraft charter agreement pursuant to which the Company provides cargo services for UPS throughout Canada (the "**UPS Contract**"). Historically, the Company generated almost all its revenue from the UPS Contract.
8. The UPS Contract was not economical for the Company. As discussed in the Monitor's prior reports, the Company tried to renegotiate the UPS Contract earlier in these proceedings. The negotiations were unsuccessful, and the Company and UPS entered into a wind-down agreement dated July 31, 2024 (the "**WDA**"). The wind-down services have now been completed and the Company is no longer providing cargo services to UPS or any other party. Accordingly, the Company is not presently carrying on active business operations and all but 13 employees have been terminated.
9. Additional background information about the Company, the causes of the Company's financial challenges and the reasons the Company sought protection under the CCAA is provided in the Company's CCAA application materials and the Monitor's Reports filed in these proceedings.

## 2.1 TD

1. TD is the only party with a registration filed against the Company in the applicable provincial personal property security registration systems. The Monitor understands that TD is the Company's only secured creditor, other than the DIP Lender and the beneficiaries of the Court-ordered charges issued in these proceedings, each of which is subordinate to TD.

2. The Company is indebted to TD pursuant to a credit facilities letter agreement dated November 2, 2020. TD was granted security over all of the Company's assets pursuant to a general security agreement, aircraft security, assignment of insurance and hypothec (the "**TD Loan Security**"). Momentum provided a limited recourse guarantee of the TD Loan Facilities in the amount of \$15 million and provided security in connection with its guarantee. In addition to paying the net proceeds from the Completed Sale Transactions to TD Bank in accordance with the First Aircraft AVO and the July 29 AVOs, the Company has continued to make principal and interest payments to TD in accordance with the Forbearance Agreement. As at the date of this Report, the balance on the TD Loan Facilities is approximately \$6.7 million
3. Cassels has provided the Monitor with an opinion confirming the validity and enforceability of the TD Loan Security, subject to standard assumptions and qualifications.

### 3.0 Cash Flow

1. A comparison of the Company's actual cash flow from July 15 to October 18, 2024 (the "**Forecast Period**") to the cash flow forecast provided in the Fifth Report is provided below.<sup>1</sup>

(unaudited; \$)	Forecast	Actual	Variance
<b>Receipts</b>			
UPS revenues	1,064,752	2,846,363	1,781,610
Proceeds from sale of assets	-	85,535	85,535
GST/HST/QST refunds	-	304,577	304,577
	1,064,752	3,236,475	2,171,723
<b>Disbursements</b>			
Payroll	913,917	1,101,767	187,850
Capital expenditures	90,500	29,165	(61,335)
Leases	227,856	297,431	69,575
Insurance	32,878	48,029	15,151
Maintenance	226,785	287,826	61,041
Aircraft operating expenses	440,271	698,682	258,411
Other general expenses	145,876	127,421	(18,455)
GST/HST/QST on expenditures	136,404	168,044	31,640
TD Loan - principal repayment	734,490	734,490	-
TD Loan - interest	180,859	193,894	13,035
	3,129,835	3,686,748	556,913
Net cash flow before the undernoted	(2,065,083)	(450,274)	1,614,809
Professional fees	780,000	133,189	(646,811)
Net Cash Flow	(2,845,083)	(583,463)	2,261,620
Opening Cash Balance	432,211	432,211	-
Net Cash Flow	(2,845,083)	(583,463)	2,261,620
DIP Financing	2,500,000	250,000	(2,250,000)
Ending Cash Balance	87,128	98,748	11,620

<sup>1</sup> The cash flow comparison provided in paragraph 3.1 above excludes the proceeds and distributions from the Completed Sale Transactions.



2. As of the date of this Report, the Company had borrowed \$2.05 million<sup>2</sup> under the DIP Facility. The Company's original cash flow forecast assumed that, absent a new agreement with UPS, the Company's operations would be discontinued at the end of July, 2024. As described above, the Company agreed to provide services to UPS until August 30, 2024, and the Company provided sundry services to another party during September 2024. Accordingly, as detailed below, the majority of the variances reflect that the Company continued to operate longer than originally forecasted.
  - UPS revenues: as noted, the Company serviced routes for UPS until August 30, 2024 and certain routes for another party in September 2024. All operations were discontinued on that date.
  - Proceeds from sale of assets: represents only the commissions payable to the Agent and sales tax from the transactions with Randigo and Gingras. The sale proceeds from these transactions were paid directly by the Monitor, as escrow agent, to TD, in accordance with orders issued in these proceedings.
  - GST/HST/QST refunds: the Company's sales tax refund was received earlier than projected.
  - Payroll, Maintenance, Leases and Aircraft operating expenses: these were higher than forecasted due to continued operations of the business.
  - Professional fees: professional fees have been significantly lower than forecasted.

### 3.1 Updated Cash Flow Forecast

1. The Company, with the assistance of the Monitor, has prepared the Updated Cash Flow Forecast. The Updated Cash Flow Forecast is provided in Appendix "C". The Company's and the Monitor's statutory reports on the Updated Cash Flow Forecast are attached as Appendices "D" and "E", respectively.
2. Based on the Monitor's review of the Updated Cash Flow Forecast, the cash flow assumptions appear reasonable.
3. The Updated Cash Flow Forecast reflects that the Company is projected to require advances of \$2.45 million under the DIP Facility during the Forecast Period. As at the date of this Report, the Company has borrowed \$2.05 million under the DIP Facility. Accordingly, the Company is not seeking an increase in the DIP Facility at this time.

## 4.0 Sale Process

1. The Company, with the Agent, continues to pursue prospective purchasers in respect of the balance of the Company's unsold aircraft and other assets including its operating license. The Company is hopeful it will be able to seek approval of one or more transactions prior to the end of the extension period. The Company has made progress in this regard.

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<sup>2</sup> Includes amounts advanced under the DIP Facility before the Forecast Period.

## 5.0 Company's Activities

1. The Company's activities since the Fifth Report have included:
  - a) operating its business in the ordinary course, in accordance with the ARIO;
  - b) downsizing its business upon the termination of active business operations, including terminating substantially all remaining employees;
  - c) communicating with suppliers to secure goods and services during these proceedings;
  - d) dealing with employee and human resource matters;
  - e) corresponding with UPS and the Monitor regarding the WDA and termination of the Company's flight operations;
  - f) corresponding with Norton Rose and the Monitor regarding UPS, the WDA, critical vendors, the Sale Process, and other issues;
  - g) corresponding with the Agent regarding the Sale Process;
  - h) corresponding with the Agent to facilitate due diligence in the Sale Process by prospective purchasers, including arranging for inspections of its aircraft fleet and other assets;
  - i) closing the transactions with Randigo and Gingras;
  - j) reviewing the Company's cash flow forecast and comparing actual results to projected results;
  - k) preparing a notice to disclaim a lease agreement;
  - l) reporting weekly to TD in accordance with the Forbearance Agreement; and
  - m) preparing the Updated Cash Flow Forecast.

## 6.0 Monitor's Activities

1. Since the date of the Fifth Report, the Monitor has been, among other things:
  - a) dealing with the Company's management regarding operating issues, the UPS Contract, the WDA and the Sale Process;
  - b) monitoring the Company's receipts and disbursements;
  - c) reviewing the Company's weekly cash flow and reporting same to msi Spergel Inc., TD's financial advisor, as required under the Forbearance Agreement;
  - d) corresponding with the Company regarding the termination of business operations;
  - e) corresponding with the Agent, the Company, Norton Rose and Cassels regarding closing the transactions with Randigo and Gingras;

- f) working with the Company and the Agent to carry out the Sale Process;
- g) assisting the Company to deal with creditors;
- h) reviewing and commenting on the Company's motion materials for this motion; and
- i) preparing this Report and reviewing and commenting on the related motion materials and draft order.

## **7.0 Stay Extension**

1. The stay of proceedings expires on October 31, 2024. The Company is requesting an extension of the stay of proceedings to January 31, 2025.
2. The Monitor supports the request for an extension of the stay of proceedings for the following reasons:
  - a) the Company is acting in good faith and with due diligence;
  - b) the Updated Cash Flow Forecast reflects that the Company is projected to have sufficient liquidity to fund its post-filing obligations;
  - c) it will allow the Company to continue the Sale Process;
  - d) TD does not oppose the stay extension and Momentum supports it;
  - e) the Monitor believes that the extension is in the best interests of the Company's stakeholders and that no stakeholder will be prejudiced by extending the stay of proceedings; and
  - f) as of the date of this Report, neither the Company nor the Monitor is aware of any party opposed to an extension of the stay of proceedings.

## **8.0 Professional Fees**

1. The Monitor's fees (excluding disbursements and HST) from July 1 to September 30, 2024 total approximately \$60,891.75.
2. Cassels' fees (excluding disbursements and HST) from July 1 to September 30, 2024 total approximately \$23,093.25.
3. The average hourly rates for the Monitor and Cassels for the referenced billing periods were \$601.70 and \$737.78, respectively.
4. Detailed invoices in respect of the fees and disbursements of the Monitor and Cassels are provided as exhibits to the affidavits sworn by representatives of the Monitor and Cassels, attached as Appendices "F" and "G", respectively.

5. The Monitor is of the view that the hourly rates charged by Cassels are consistent with the rates charged by law firms practicing corporate insolvency and restructuring in the Toronto market, and that the overall fees charged by Cassels and the Monitor are validly incurred in accordance with the provisions of the Orders in this CCAA proceeding and are reasonable and appropriate in the circumstances.

## 9.0 Conclusion and Recommendation

1. Based on the foregoing, the Monitor respectfully recommends that this Honourable Court make orders granting the relief requested in this Report.

\* \* \*

All of which is respectfully submitted,

*KSV Restructuring Inc.*

**KSV RESTRUCTURING INC.  
SOLELY IN ITS CAPACITY AS MONITOR IN THE CCAA PROCEEDINGS OF  
SKYLINK EXPRESS INC.  
AND NOT IN ITS PERSONAL CAPACITY**

## **Appendix “A”**



Court File No. CV-24-00716267-00CL

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

THE HONOURABLE MR. )  
JUSTICE CAVANAGH )  
MONDAY, THE 11<sup>TH</sup>  
DAY OF MARCH, 2024

IN THE MATTER OF THE *COMPANIES' CREDITORS  
ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR  
ARRANGEMENT OF SKYLINK EXPRESS INC. (the "**Applicant**")

**AMENDED AND RESTATED INITIAL ORDER**

THIS APPLICATION, made by the Applicant, pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCA**") was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of Kyle Dennhardt sworn March 8, 2024 and the Exhibits thereto, the Pre-Filing report of KSV Restructuring Inc. ("**KSV**") in its capacity as the proposed monitor of the Applicant (in such capacity, the "**Monitor**"), the first report of KSV in its capacity as Court-appointed Monitor dated March 18, 2024, the supplementary affidavit of Kyle Dennhardt sworn March 9, 2024, the affidavit of Kathryn Furfaro sworn March 8, 2024, the supplementary affidavit of Kathryn Furfaro sworn March 10, 2024 and on being advised that the secured creditors who are likely to be affected by the charges created herein were given notice, and on hearing the submissions of counsel for the Applicant, Momentum Decisive Solutions Canada Inc. ("**Momentum**"), The Toronto-Dominion Bank ("**TD Bank**") and those other parties present although duly served as appears from the affidavits of service of Katie Parent sworn March 9, 11 and 18, 2024 and on reading the consent of KSV to act as the Monitor,

## **SERVICE**

1. THIS COURT ORDERS that the time for service of the Notice of Application, Application Record, Notice of Motion and Motion Record is hereby abridged and validated so that this Application is properly returnable today and hereby dispenses with further service thereof.

## **APPLICATION**

2. THIS COURT ORDERS AND DECLARES that the Applicant is a company to which the CCAA applies.

## **PLAN OF ARRANGEMENT**

3. THIS COURT ORDERS that the Applicant shall have authority to file and may, subject to further order of this Court, file with this Court a plan of compromise or arrangement (hereinafter referred to as the “**Plan**”).

## **POSSESSION OF PROPERTY AND OPERATIONS**

4. THIS COURT ORDERS that the Applicant shall remain in possession and control of its current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the “**Property**”). Subject to further Order of this Court, the Applicant shall continue to carry on business in a manner consistent with the preservation of its business (the “**Business**”) and Property. The Applicant is authorized and empowered to continue to retain and employ the employees, consultants, agents, experts, accountants, counsel and such other persons (collectively “**Assistants**”) currently retained or employed by it, with liberty to retain such further Assistants as it deems reasonably necessary or desirable in the ordinary course of business or for the carrying out of the terms of this Order.

5. THIS COURT ORDERS that the Applicant shall be entitled but not required to pay the following expenses whether incurred prior to or after this Order:

- (a) all outstanding and future wages, salaries, employee benefits, vacation pay and expenses payable on or after the date of this Order, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements;
- (b) the fees and disbursements of any Assistants retained or employed by the Applicant in respect of these proceedings, at their standard rates and charges; and

- (c) with the consent of the Monitor, amounts owing in respect of the Applicant's corporate credit cards in respect of charges incurred prior to this Order up to a maximum amount of \$250,000 if, in the opinion of the Applicant and the Monitor, such payments are critical to the preservation of the Business.

6. THIS COURT ORDERS that, except as otherwise provided to the contrary herein, the Applicant shall be entitled but not required to pay all reasonable expenses incurred by the Applicant in carrying on the Business in the ordinary course after this Order, and in carrying out the provisions of this Order, which expenses shall include, without limitation:

- (a) all expenses and capital expenditures reasonably necessary for the preservation of the Property or the Business including, without limitation, payments on account of insurance (including directors and officers insurance), maintenance and security services; and
- (b) payment for goods or services actually supplied to the Applicant following the date of this Order.

7. THIS COURT ORDERS that the Applicant shall remit, in accordance with legal requirements, or pay:

- (a) any statutory deemed trust amounts in favour of the Crown in right of Canada or of any Province thereof or any other taxation authority which are required to be deducted from employees' wages, including, without limitation, amounts in respect of (i) employment insurance, (ii) Canada Pension Plan, (iii) Quebec Pension Plan, and (iv) income taxes;
- (b) all goods and services or other applicable sales taxes (collectively, "**Sales Taxes**") required to be remitted by the Applicant in connection with the sale of goods and services by the Applicant, but only where such Sales Taxes are accrued or collected after the date of this Order, or where such Sales Taxes were accrued or collected prior to the date of this Order but not required to be remitted until on or after the date of this Order, and
- (c) any amount payable to the Crown in right of Canada or of any Province thereof or any political subdivision thereof or any other taxation authority in respect of municipal realty, municipal business or other taxes, assessments or levies of any nature or kind which are entitled at law to be paid in priority to claims of secured creditors and



which are attributable to or in respect of the carrying on of the Business by the Applicant.

8. THIS COURT ORDERS that until a real property lease is disclaimed or resiliated in accordance with the CCAA, the Applicant shall pay all amounts constituting rent or payable as rent under real property leases (including, for greater certainty, common area maintenance charges, utilities and realty taxes and any other amounts payable to the landlord under the lease) or as otherwise may be negotiated between the Applicant and the landlord from time to time (“Rent”), for the period commencing from and including the date of this Order, twice-monthly in equal payments on the first and fifteenth day of each month, in advance (but not in arrears). On the date of the first of such payments, any Rent relating to the period commencing from and including the date of this Order shall also be paid.

9. THIS COURT ORDERS that, except as specifically permitted herein, the Applicant is hereby directed, until further Order of this Court:

- (a) Except with respect to payments on account of the TD Bank Credit Facilities (as defined in the Affidavit of Kathryn Furfaro sworn March 8, 2023), to make no payments of principal, interest thereon or otherwise on account of amounts owing by the Applicant to any of its creditors as of this date;
- (b) to grant no security interests, trust, liens, charges or encumbrances upon or in respect of any of its Property; and
- (c) to not grant credit or incur liabilities except in the ordinary course of the Business.

## **RESTRUCTURING**

10. THIS COURT ORDERS that the Applicant shall, subject to such requirements as are imposed by the CCAA and such covenants as may be contained in the Definitive Documents (as hereinafter defined), have the right to:

- (a) permanently or temporarily cease, downsize or shut down any of its business or operations, and to dispose of redundant or non-material assets not exceeding \$100,000 in any one transaction or \$300,000 in the aggregate;
- (b) terminate the employment of such of its employees or temporarily lay off such of its employees as it deems appropriate; and

- (c) pursue all avenues of refinancing of its Business or Property, in whole or part, subject to prior approval of this Court being obtained before any material refinancing,

all of the foregoing to permit the Applicant to proceed with an orderly restructuring of the Business (the “**Restructuring**”).

11. THIS COURT ORDERS that the Applicant shall provide each of the relevant landlords with notice of the Applicant’s intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the Applicant’s entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable Secured Creditors, such landlord and the Applicant, or by further Order of this Court upon application by the Applicant on at least two (2) days notice to such landlord and any such Secured Creditors. If the Applicant disclaims the lease governing such leased premises in accordance with Section 32 of the CCAA, it shall not be required to pay Rent under such lease pending resolution of any such dispute (other than Rent payable for the notice period provided for in Section 32(5) of the CCAA), and the disclaimer of the lease shall be without prejudice to the Applicant’s claim to the fixtures in dispute.

12. THIS COURT ORDERS that if a notice of disclaimer is delivered pursuant to Section 32 of the CCAA, then (a) during the notice period prior to the effective time of the disclaimer, the landlord may show the affected leased premises to prospective tenants during normal business hours, on giving the Applicant and the Monitor 24 hours’ prior written notice, and (b) at the effective time of the disclaimer, the relevant landlord shall be entitled to take possession of any such leased premises without waiver of or prejudice to any claims or rights such landlord may have against the Applicant in respect of such lease or leased premises, provided that nothing herein shall relieve such landlord of its obligation to mitigate any damages claimed in connection therewith.

#### **NO PROCEEDINGS AGAINST THE APPLICANT OR THE PROPERTY**

13. THIS COURT ORDERS that until and including April 26, 2024, or such later date as this Court may order (the “**Stay Period**”), no proceeding or enforcement process in any court or tribunal (each, a “**Proceeding**”) shall be commenced or continued against or in respect of the Applicant or the Monitor, or affecting the Business or the Property, except with the written consent of the Applicant and the Monitor, or with leave of this Court, and any and all

Proceedings currently under way against or in respect of the Applicant or affecting the Business or the Property are hereby stayed and suspended pending further Order of this Court.

Notwithstanding the foregoing or any other provision of this Order, the rights and remedies of TD Bank shall not be stayed during the Stay Period.

#### **NO EXERCISE OF RIGHTS OR REMEDIES**

14. THIS COURT ORDERS that during the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being “**Persons**” and each being a “**Person**”) against or in respect of the Applicant or the Monitor, or affecting the Business or the Property, are hereby stayed and suspended except with the written consent of the Applicant and the Monitor, or leave of this Court, provided that nothing in this Order shall (i) empower the Applicant to carry on any business which the Applicant is not lawfully entitled to carry on, (ii) affect such investigations, actions, suits or proceedings by a regulatory body as are permitted by Section 11.1 of the CCAA, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

#### **NO INTERFERENCE WITH RIGHTS**

15. THIS COURT ORDERS that during the Stay Period, no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Applicant, except with the written consent of the Applicant and the Monitor, or leave of this Court.

#### **CONTINUATION OF SERVICES**

16. THIS COURT ORDERS that during the Stay Period, all Persons having oral or written agreements with the Applicant or statutory or regulatory mandates for the supply of goods and/or services, including without limitation all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Business or the Applicant, are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Applicant, and that the Applicant shall be entitled to the continued use of its current premises, telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Applicant in

accordance with normal payment practices of the Applicant or such other practices as may be agreed upon by the supplier or service provider and each of the Applicant and the Monitor, or as may be ordered by this Court.

### **NON-DEROGATION OF RIGHTS**

17. THIS COURT ORDERS that, notwithstanding anything else in this Order, no Person shall be prohibited from requiring immediate payment for goods, services, use of lease or licensed property or other valuable consideration provided on or after the date of this Order, nor shall any Person be under any obligation on or after the date of this Order to advance or re-advance any monies or otherwise extend any credit to the Applicant. Nothing in this Order shall derogate from the rights conferred and obligations imposed by the CCAA.

### **PROCEEDINGS AGAINST DIRECTORS AND OFFICERS**

18. THIS COURT ORDERS that during the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA, no Proceeding may be commenced or continued against any of the former, current or future directors or officers of the Applicant with respect to any claim against the directors or officers that arose before the date hereof and that relates to any obligations of the Applicant whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers for the payment or performance of such obligations, until a compromise or arrangement in respect of the Applicant, if one is filed, is sanctioned by this Court or is refused by the creditors of the Applicant or this Court.

### **DIRECTORS' AND OFFICERS' INDEMNIFICATION AND CHARGE**

19. THIS COURT ORDERS that the Applicant shall indemnify its directors and officers against obligations and liabilities that they may incur as directors or officers of the Applicant after the commencement of the within proceedings, except to the extent that, with respect to any officer or director, the obligation or liability was incurred as a result of the director's or officer's gross negligence or wilful misconduct.

20. THIS COURT ORDERS that the directors and officers of the Applicant shall be entitled to the benefit of and are hereby granted a charge (the "**Directors' Charge**") on the Property, which charge shall not exceed an aggregate amount of \$970,000, as security for the indemnity provided in paragraph 19 of this Order. The Directors' Charge shall have the priority set out in paragraphs 37 and 39 herein.

21. THIS COURT ORDERS that, notwithstanding any language in any applicable insurance policy to the contrary, (a) no insurer shall be entitled to be subrogated to or claim the benefit of the Directors' Charge, and (b) the Applicant's directors and officers shall only be entitled to the benefit of the Directors' Charge to the extent that they do not have coverage under any directors' and officers' insurance policy, or to the extent that such coverage is insufficient to pay amounts indemnified in accordance with paragraph 19 of this Order.

#### **APPOINTMENT OF MONITOR**

22. THIS COURT ORDERS that KSV is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the business and financial affairs of the Applicant with the powers and obligations set out in the CCAA or set forth herein and that the Applicant and its shareholders, officers, directors, and Assistants shall advise the Monitor of all material steps taken by the Applicant pursuant to this Order, and shall co-operate fully with the Monitor in the exercise of its powers and discharge of its obligations and provide the Monitor with the assistance that is necessary to enable the Monitor to adequately carry out the Monitor's functions.

23. THIS COURT ORDERS that the Monitor, in addition to its prescribed rights and obligations under the CCAA, is hereby directed and empowered to:

- (a) monitor the Applicant's receipts and disbursements;
- (b) report to this Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, and such other matters as may be relevant to the proceedings herein;
- (c) assist the Applicant, to the extent required by the Applicant, in its dissemination, to the DIP Lender and its counsel on a periodic basis of financial and other information as agreed to between the Applicant and the DIP Lender which may be used in these proceedings including reporting on a basis to be agreed with the DIP Lender;
- (d) advise the Applicant in its preparation of the Applicant's cash flow statements and reporting required by the DIP Lender, which information shall be reviewed with the Monitor and delivered to the DIP Lender and its counsel on a periodic basis;
- (e) advise the Applicant in its development of the Plan and any amendments to the Plan;

- (f) assist the Applicant, to the extent required by the Applicant, with the holding and administering of creditors' or shareholders' meetings for voting on the Plan;
- (g) have full and complete access to the Property, including the premises, books, records, data, including data in electronic form, and other financial documents of the Applicant, to the extent that is necessary to adequately assess the Applicant's business and financial affairs or to perform its duties arising under this Order;
- (h) be at liberty to engage independent legal counsel or such other persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order; and
- (i) perform such other duties as are required by this Order or by this Court from time to time.

24. THIS COURT ORDERS that the Monitor shall not take possession of the Property and shall take no part whatsoever in the management or supervision of the management of the Business and shall not, by fulfilling its obligations hereunder, be deemed to have taken or maintained possession or control of the Business or Property, or any part thereof.

25. THIS COURT ORDERS that nothing herein contained shall require the Monitor to occupy or to take control, care, charge, possession or management (separately and/or collectively, "**Possession**") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, or the *Ontario Occupational Health and Safety Act* and regulations thereunder (the "**Environmental Legislation**"), provided however that nothing herein shall exempt the Monitor from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Monitor shall not, as a result of this Order or anything done in pursuance of the Monitor's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

26. THIS COURT ORDERS that that the Monitor shall provide any creditor of the Applicant and the DIP Lender with information provided by the Applicant in response to reasonable requests for information made in writing by such creditor addressed to the Monitor. The Monitor shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Monitor has been advised by the Applicant is confidential, the Monitor shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Monitor and the Applicant may agree.

27. THIS COURT ORDERS that, in addition to the rights and protections afforded the Monitor under the CCAA or as an officer of this Court, the Monitor shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded the Monitor by the CCAA or any applicable legislation.

28. THIS COURT ORDERS that the Monitor, counsel to the Monitor and counsel to the Applicant shall be paid their reasonable fees and disbursements, whether incurred prior to, on or subsequent to the date of this Order, in each case at their standard rates and charges, by the Applicant as part of the costs of these proceedings. The Applicant is hereby authorized and directed to pay the accounts of the Monitor, counsel for the Monitor and counsel for the Applicant on a monthly basis or as may otherwise be agreed on.

29. THIS COURT ORDERS that the Monitor and its legal counsel shall pass their accounts from time to time, and for this purpose the accounts of the Monitor and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

30. THIS COURT ORDERS that the Monitor, counsel to the Monitor, if any, and the Applicant's counsel shall be entitled to the benefit of and are hereby granted a charge (the "**Administration Charge**") on the Property, which charge shall not exceed an aggregate amount of \$350,000, as security for their professional fees and disbursements incurred at the standard rates and charges of the Monitor and such counsel, both before and after the making of this Order in respect of these proceedings. The Administration Charge shall have the priority set out in paragraphs 37 and 39 hereof.

## **DIP FINANCING**

31. THIS COURT ORDERS that the Applicant is hereby authorized and empowered to obtain and borrow under a credit facility from Momentum (the "**DIP Lender**") in order to finance

the Applicant's working capital requirements and other general corporate purposes and capital expenditures, provided that borrowings under such credit facility shall not exceed \$2.5 million unless permitted by further Order of this Court.

32. THIS COURT ORDERS THAT such credit facility shall be on the terms and subject to the conditions set forth in the term sheet between the Applicant and the DIP Lender dated as of March 8, 2024 (the "**DIP Term Sheet**"), filed.

33. THIS COURT ORDERS that the Applicant is hereby authorized and empowered to execute and deliver such credit agreements, mortgages, charges, hypothecs and security documents, guarantees and other definitive documents (collectively, the "**Definitive Documents**"), as are contemplated by the DIP Term Sheet or as may be reasonably required by the DIP Lender pursuant to the terms thereof, and the Applicant is hereby authorized and directed to pay and perform all of its indebtedness, interest, fees, liabilities and obligations to the DIP Lender under and pursuant to the DIP Term Sheet and the Definitive Documents as and when the same become due and are to be performed, notwithstanding any other provision of this Order.

34. THIS COURT ORDERS that the DIP Lender shall be entitled to the benefit of and is hereby granted a charge (the "**DIP Lender's Charge**") on the Property, which DIP Lender's Charge shall not secure an obligation that exists before this Order is made. The DIP Lender's Charge shall have the priority set out in paragraphs 37 and 39 hereof.

35. THIS COURT ORDERS that, notwithstanding any other provision of this Order:

- (a) the DIP Lender may take such steps from time to time as it may deem necessary or appropriate to file, register, record or perfect the DIP Lender's Charge or any of the Definitive Documents;
- (b) upon the occurrence of an event of default under the Definitive Documents or the DIP Lender's Charge, the DIP Lender, upon 5 business days notice to the Applicant and the Monitor, may exercise any and all of its rights and remedies against the Applicant or the Property under or pursuant to the DIP Term Sheet, Definitive Documents and the DIP Lender's Charge, including without limitation, to cease making advances to the Applicant and set off and/or consolidate any amounts owing by the DIP Lender to the Applicant against the obligations of the Applicant to the DIP Lender under the DIP Term Sheet, the Definitive Documents or the DIP Lender's



Charge, to make demand, accelerate payment and give other notices, or to apply to this Court for the appointment of a receiver, receiver and manager or interim receiver, or for a bankruptcy order against the Applicant and for the appointment of a trustee in bankruptcy of the Applicant; and

- (c) the foregoing rights and remedies of the DIP Lender shall be enforceable against any trustee in bankruptcy, interim receiver, receiver or receiver and manager of the Applicant or the Property.

36. THIS COURT ORDERS AND DECLARES that the DIP Lender shall be treated as unaffected in any plan of arrangement or compromise filed by the Applicant under the CCAA, or any proposal filed by the Applicant under the *Bankruptcy and Insolvency Act* of Canada (the “**BIA**”), with respect to any advances made under the Definitive Documents.

#### **VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER**

37. THIS COURT ORDERS that the priorities of the Directors’ Charge, the Administration Charge and the DIP Lender’s Charge, as among them, shall be as follows:

First – Administration Charge (to the maximum amount of \$350,000);

Second – DIP Lender’s Charge; and

Third – Directors’ Charge (to the maximum amount of \$970,000).

38. THIS COURT ORDERS that the filing, registration or perfection of the Directors’ Charge, the Administration Charge or the DIP Lender’s Charge (collectively, the “**Charges**”) shall not be required, and that the Charges shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect.

39. THIS COURT ORDERS that each of the Charges (all as constituted and defined herein) shall constitute a charge on the Property and such Charges shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise (collectively, “**Encumbrances**”) in favour of any Person however, the Charges shall rank subordinate to the TD Loan Security (as defined in the Affidavit) and provided that the Charges shall rank behind Encumbrances in favour of any Persons that have

not been served with notice of this application. The Applicant and the beneficiaries of the Charges shall be entitled to seek priority ahead of such Encumbrances on notice to those parties.

40. THIS COURT ORDERS that except as otherwise expressly provided for herein, or as may be approved by this Court, the Applicant shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with, any of the Charges, unless the Applicant also obtains the prior written consent of the Monitor, the DIP Lender and the beneficiaries of the Directors' Charge and the Administration Charge, or further Order of this Court.

41. THIS COURT ORDERS that the Charges, the DIP Term Sheet and the Definitive Documents shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Charges (collectively, the "**Chargees**") and/or the DIP Lender thereunder shall not otherwise be limited or impaired in any way by (a) the pendency of these proceedings and the declarations of insolvency made herein; (b) any application(s) for bankruptcy order(s) issued pursuant to BIA, or any bankruptcy order made pursuant to such applications; (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (d) the provisions of any federal or provincial statutes; or (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an "**Agreement**") which binds the Applicant, and notwithstanding any provision to the contrary in any Agreement:

- (a) neither the creation of the Charges nor the execution, delivery, perfection, registration or performance of the DIP Term Sheet or the Definitive Documents shall create or be deemed to constitute a breach by the Applicant of any Agreement to which it is a party;
- (b) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the Applicant entering into the DIP Term Sheet, the creation of the Charges, or the execution, delivery or performance of the Definitive Documents; and
- (c) the payments made by the Applicant pursuant to this Order, the DIP Term Sheet or the Definitive Documents, and the granting of the Charges, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

42. THIS COURT ORDERS that any Charge created by this Order over leases of real property in Canada shall only be a Charge in the Applicant's interest in such real property leases.

### **SERVICE AND NOTICE**

43. THIS COURT ORDERS that the Monitor shall (i) without delay, publish in the *Globe and Mail* (national edition) a notice containing the information prescribed under the CCAA, (ii) within five days after the date of this Order, (A) make this Order publicly available in the manner prescribed under the CCAA, (B) send, in the prescribed manner, a notice to every known creditor who has a claim against the Applicant of more than \$1000, and (C) prepare a list showing the names and addresses of those creditors and the estimated amounts of those claims, and make it publicly available in the prescribed manner, all in accordance with Section 23(1)(a) of the CCAA and the regulations made thereunder.

44. THIS COURT ORDERS that the E-Service Protocol of the Commercial List (the “**Protocol**”) is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/e-service-protocol/>) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL [www.ksvadvisory.com/experience/case/skylink](http://www.ksvadvisory.com/experience/case/skylink) .

45. THIS COURT ORDERS that if the service or distribution of documents in accordance with the Protocol is not practicable, the Applicant and the Monitor are at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the Applicant's creditors or other interested parties at their respective addresses as last shown on the records of the Applicant and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

46. THIS COURT ORDERS that the Applicant, the Monitor and their respective counsel are at liberty to serve or distribute this Order, and 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 Applicants' 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 judicial obligation and notice requirements

## **GENERAL**

47. THIS COURT ORDERS that the Applicant or the Monitor may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

48. THIS COURT ORDERS that nothing in this Order shall prevent the Monitor from acting as an interim receiver, a receiver, a receiver and manager, or a trustee in bankruptcy of the Applicant, the Business or the Property.

49. 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 Applicant, the Monitor 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 Applicant and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Applicant and the Monitor and their respective agents in carrying out the terms of this Order.

50. THIS COURT ORDERS that each of the Applicant and the Monitor be at liberty and is 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, and that the Monitor is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

51. THIS COURT ORDERS that any interested party (including the Applicant and the Monitor) may apply to this Court to vary or amend this Order on not less than seven (7) days notice to any other party or parties likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

52. THIS COURT ORDERS that this Order and all of its provisions are effective as of 12:01 a.m. Eastern Standard/Daylight Time on the date of this Order.



Digitally signed  
by Mr. Justice  
Cavanagh

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IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36,  
AS AMENDED  
AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF  
SKYLINK EXPRESS INC.

Court File No. CV-24-00716267-00CL

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

Proceeding commenced at TORONTO

**AMENDED AND RESTATED INITIAL ORDER**

**NORTON ROSE FULBRIGHT CANADA LLP**  
222 Bay Street, Suite 3000  
Toronto, ON M5K 1E7  
Fax: 416.216.3930

**Jennifer Stam LSO#: 46735J**  
Tel: 416.202.6707  
jennifer.stam@nortonrosefulbright.com

Lawyers for the Applicant

## **Appendix “B”**



**Third Report to Court of  
KSV Restructuring Inc. as  
Monitor of  
Skylink Express Inc.**

**May 24, 2024**



## Contents

	Page
1.0 Introduction .....	1
1.1 Purposes of this Report.....	3
1.2 Restrictions .....	4
1.3 Currency .....	4
2.0 Background .....	4
2.1 TD.....	6
3.0 UPS Update .....	7
4.0 Cash Flow .....	8
4.1 Updated Cash Flow Forecast.....	8
4.2 DIP Facility Recommendation .....	9
5.0 Sale Process .....	10
5.1 Sale Process.....	10
5.2 Recommendation.....	12
6.0 Company's Activities .....	13
7.0 Monitor's Activities.....	13
8.0 Professional Fees.....	14
9.0 Stay Extension .....	14
10.0 Conclusion and Recommendation .....	15

## Appendices

Appendix	Tab
Amended and Restated Initial Order.....	A
Updated Cash Flow Forecast .....	B
Company's Report on Cash Flow Forecast .....	C
Monitor's Report on Cash Flow Forecast.....	D
Background Information regarding Pollock Aviation .....	E
Pollock Aviation Engagement Letter dated May 23, 2024 .....	F
KSV Restructuring Inc. Fee Affidavit.....	G
Cassels Brock & Blackwell LLP Fee Affidavit .....	H

COURT FILE NO.: CV-24-00716267-00CL

ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)

IN THE MATTER OF THE *COMPANIES' CREDITORS  
ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR  
ARRANGEMENT OF SKYLINK EXPRESS INC.

THIRD REPORT OF KSV RESTRUCTURING INC.  
AS MONITOR

MAY 24, 2024

## 1.0 Introduction

1. Pursuant to an order (the “**Initial Order**”) of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) made on March 11, 2024 (the “**Filing Date**”), Skylink Express Inc. (the “**Company**”) was granted protection under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”) and KSV Restructuring Inc. (“**KSV**”) was appointed monitor (the “**Monitor**”).
2. Pursuant to the terms of the Initial Order, among other things, the Court granted:
  - a) a stay of proceedings until March 21, 2024, being the date of the comeback motion in these proceedings (the “**Comeback Motion**”);
  - b) the following charges on the Company’s current and future assets, property and undertaking (collectively, the “**Property**”), in the order of priority provided below, each of which is subordinate to secured credit facilities provided to the Company by TD Bank (“**TD**”) (the “**TD Loan Facilities**”):
    - i. a charge in favour of the Company’s counsel, Norton Rose Fulbright Canada LLP (“**Norton Rose**”), the Monitor and its counsel, Cassels Brock & Blackwell LLP (“**Cassels**”), in the amount of \$350,000 to secure their fees and disbursements in these proceedings (the “**Administration Charge**”);
    - ii. a charge in favour of the Company’s sole shareholder, Momentum Decisive Solutions Canada Inc. (“**Momentum**” and, in such capacity, the “**DIP Lender**”), to secure advances made under a DIP facility (the “**DIP Facility**”) pursuant to an interim financing term sheet (the “**DIP Term Sheet**”) which advances were limited to \$1.35 million until the Comeback Motion (the “**DIP Lender’s Charge**”); and
    - iii. a charge in the amount of \$480,000 in favour of the sole director and officers of the Company (the “**Directors’ Charge**”).

3. On March 21, 2024, the Court issued an amended and restated initial order (the “**ARIO**”), which granted:
  - a) an extension of the stay of proceedings to April 26, 2024;
  - b) an increase in the Directors’ Charge to \$970,000; and
  - c) an increase in the Company’s permitted borrowings under the DIP Facility to \$2.5 million, which amounts are secured by the DIP Lender’s Charge.

A copy of the ARIO is provided in Appendix “A”.

4. On April 25, 2024, the Court issued an order (the “**Stay Extension Order**”), which approved:
  - a) an extension of the stay of proceedings to May 31, 2024 (the “**Stay Extension Period**”);
  - b) a forbearance agreement dated April 19, 2024 among the Company, Momentum and TD (the “**Forbearance Agreement**”); and
  - c) an escrow agreement dated April 19, 2024 among Momentum, TD, the Monitor and Norton Rose (the “**Escrow Agreement**” and with the Forbearance Agreement, the “**TD Stand Still Agreements**”).<sup>1</sup>
5. To date, the principal purpose of these proceedings has been to provide the Company an opportunity, in the context of the stabilized environment created by CCAA protection, to address its liquidity challenges resulting largely from its contract (the “**UPS Contract**”) with United Parcel Service Canada Ltd. (“**UPS**”), which is integral to the Company’s business. The UPS Contract is uneconomic for the Company.
6. As discussed below, since the outset of these proceedings, the Company has attempted to reach a solution with UPS that provides a framework for a future business relationship; however, as of the date of this Report, the Company and UPS have not been able to agree on a long-term arrangement that would see the Company continue to provide services to UPS. The Monitor understands that the Company and UPS are in advanced discussions concerning a short-term arrangement pursuant to which the Company will continue to operate for UPS, on a reduced basis, until July 31, 2024, unless an agreement is reached for the Company to provide services beyond that date.
7. Based on the status of the Company’s negotiations with UPS and the uncertainty with respect to a long-term arrangement, the Company intends to commence a sale process and to seek the retention of 1262396 Alberta Ltd. DbA Pollock Aviation (the “**Agent**”) to act as its sales agent to market and sell its assets, which consist primarily of the Company’s aircraft (the “**Fleet**”), aircraft parts inventory and potentially its air

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<sup>1</sup> The key terms of the TD Stand Still Agreements were summarized in the Second Report (as defined below) and copies of the TD Stand Still Agreements were appended to the Second Report.

operator certificate (the “**AOC**”) (the “**Sale Process**”). The Sale Process is discussed in Section 5 below.

8. The Affidavit of Kyle Dennhardt, the Company’s CFO, sworn March 8, 2024 in support of the CCAA application (the “**Dennhardt Affidavit**”) and KSV’s pre-filing report dated March 8, 2024 (the “**Pre-filing Report**”) filed in connection with the initial application, provide, *inter alia*, background information concerning the Company, its business and the reasons for the commencement of these proceedings. Mr. Dennhardt swore his third affidavit on May 24, 2024 in support of the relief sought by the Company in its present motion (the “**Third Dennhardt Affidavit**”).
9. The Dennhardt Affidavit, the Pre-filing Report, the Monitor’s first report to Court dated March 18, 2024 (the “**First Report**”), the Monitor’s second report to Court dated April 22, 2024 (the “**Second Report**”), this report (the “**Report**”, with the Pre-filing Report, First Report and Second Reports, the “**Monitor’s Reports**”), the affidavit of Mr. Dennhardt sworn April 20, 2024 and the Third Dennhardt Affidavit, as well as other Court materials filed in these proceedings, can be found on the Monitor’s case website at [www.ksvadvisory.com/experience/case/skylink](http://www.ksvadvisory.com/experience/case/skylink).

## 1.1 Purposes of this Report

1. The purposes of this Report are to:
  - a) provide the Court with an update on the Company’s:
    - i. business and operations since the commencement of these proceedings; and
    - ii. negotiations with UPS;
  - b) summarize the proposed Sale Process and the material terms of the Pollock Engagement Letter (as defined below);
  - c) summarize the Company’s cash flow forecast for the period May 18, 2024 to July 30, 2024 (the “**Updated Cash Flow Forecast**”);
  - d) provide the Court with an update on the Monitor’s and the Company’s activities since the date of the Second Report;
  - e) detail the fees and disbursements of the Monitor and counsel to the Monitor, Cassels Brock and Blackwell LLP (“**Cassels**”), for the period ending April 30, 2024 and seek approval of same; and
  - f) provide the Monitor’s recommendation that the Court issue an Order:
    - i. extending the stay of proceedings from May 31 to July 30, 2024;
    - ii. approving the Sale Process and the retention of the Agent pursuant to its engagement letter dated May 23, 2024 (the “**Engagement Letter**”);

- iii. increasing the Company's permitted borrowings under the DIP Facility from \$2.5 million to \$3 million in accordance with an amendment to the DIP Term Sheet dated May 23, 2024 (the "**Amended DIP Term Sheet**"), which borrowings are to be secured by the DIP Lender's Charge;
- iv. approving the fees of the Monitor and Cassels through April 30, 2024; and
- v. approving the Reports and the Monitor's activities described therein.

## 1.2 Restrictions

1. In preparing this Report, the Monitor has relied upon the Company's unaudited financial information, books and records and discussions with the Company's management and legal counsel.
2. The Monitor has not audited or otherwise attempted to verify the accuracy or completeness of the financial information relied upon to prepare this Report in a manner that complies with Canadian Auditing Standards ("**CAS**") pursuant to the Chartered Professional Accountants of Canada Handbook and, accordingly, the Monitor expresses no opinion or other form of assurance contemplated under the CAS in respect of such information. Any party wishing to place reliance on the financial information should perform its own diligence.
3. An examination of the Cash Flow Forecast (defined below) as outlined in the Chartered Professional Accountants of Canada Handbook has not been performed. Future oriented financial information relied upon in this Report is based upon the Company's assumptions regarding future events; actual results achieved may vary from this information and these variations may be material. The Monitor expresses no opinion or other form of assurance on whether the Cash Flow Forecast will be achieved.

## 1.3 Currency

1. All currency references in this Report are in Canadian dollars.

## 2.0 Background

1. The Company is an Ontario corporation and has operated for over 25 years providing regional air cargo services throughout North America. The Company is one of Canada's largest air cargo operators, specializing in regional courier feeder operations and time-sensitive, cost effective, air cargo charters throughout North America. The Company's focus is to provide "last mile" services to secondary (remote) locations, primarily in Canada. As of the commencement of these proceedings, the Company operated from hangars in Vancouver, Winnipeg, Hamilton, Montreal-Mirabel and Québec City. The Company is in the process of reducing the number of hangars from which it operates. Momentum is the Company's sole shareholder.

2. The Company has a fleet of 16 aircraft, comprised of 208B (4), 1900C (10) and 1900D (2) all-cargo aircraft, of which 14 are owned by the Company. The two 1900D aircraft were acquired by Momentum at the request of, and for the use of, the Company and must be converted to cargo planes before they can be flown by the Company. Conversion of one of the 1900D aircraft, C-FSXH (Serial Number UE-268) has started and was paused at the commencement of this CCAA proceeding. Conversion of the other 1900D aircraft has not started.
3. UPS is the Company's primary customer. The Company and UPS are party to the UPS Contract, a long-term feeder aircraft charter agreement pursuant to which the Applicant provides cargo services for UPS throughout Canada. The Applicant generates almost all its revenue from the UPS Contract. The UPS Contract expires in 2027. A principal focus of these proceedings has been to renegotiate the UPS Contract.
4. The Company's registered office is 55 St. Clair Avenue West, Suite 210, Toronto, Ontario.
5. As of the Filing Date, the Company employed 79 full-time employees, seven part-time employees and 11 independent contractors. The Company's pilots (37) are members of UNIFOR. The Company does not maintain any registered pension plans. Since the Filing Date, the Company's headcount has increased by one due to three terminations, two resignations and six new hires.
6. Momentum acquired the Company in 2020. At that time, the Company was performing well and forecasting significant growth. The Monitor understands that since acquisition, Momentum has provided financial and other support to the Company, including injecting working capital of \$7 million on acquisition, funding expenses of approximately \$1 million prior to these proceedings and, as noted, making certain of its aircraft available to the Company at no cost. Momentum's employees also support the Company's business with no overhead or management fee charged to the Company.
7. Pursuant to the ARIO, Momentum has been funding these proceedings under the DIP Facility, which ranks subordinate to the Company's obligations to TD under the TD Loan Facilities. As of the date of this Report, Momentum has advanced \$1.8 million to the Company under the DIP Facility.
8. The Company began experiencing liquidity challenges in late 2022. The Company's financial performance was impacted by higher-than-expected capital expenditures and, in 2023, the loss of a material customer. The Company is presently operating on a cash flow negative basis as a result of several factors, including i) a reduction in demand for cargo delivery services; ii) increased turnover in the Company's staff, notably for aircraft maintenance engineers and pilots due to regulatory changes, labour shortages and the recent unionization of the Company's pilot group; iii) increases in the cost and decreases in availability of aircraft parts; and iv) material increases in capital expenditures due to, among other things, regulatory changes.
9. The revenue escalation provisions of the UPS Contract are not sufficient to compensate the Company for its cost increases and, accordingly, the Company is unable to generate sufficient cash flow to operate its business unless the UPS Contract can be renegotiated.

10. Additional background information about the Company and these proceedings is provided in the various Dennhardt affidavits and Monitor's reports filed in these proceedings.

## 2.1 TD

1. TD is the only party with a registration filed against the Company in the applicable provincial personal property security registration systems and the Monitor understands it is the Company's only secured creditor, other than the DIP Lender.
2. The Company is indebted to TD pursuant to a credit facilities letter agreement dated November 2, 2020. TD was granted security over all of the Company's assets pursuant to a general security agreement, aircraft security, assignment of insurance and hypothec (the "**TD Loan Security**"). Momentum has also provided a limited recourse guarantee of the TD Loan Facilities in the amount of \$15 million and provided security in connection with its guarantee. As at the date of this Report, the balance on the TD Loan Facilities was approximately \$12.4 million which is net of an insurance refund in the amount of approximately \$780,000 which was recently paid to TD and applied against the Company's obligations owing to it.
3. As of the date of this Report, Cassels is continuing to review TD's security.
4. Prior to the Filing Date, TD served and filed court materials for, among other things, the appointment of a receiver and manager over all the assets, property and undertaking of the Company.
5. The Company, Momentum and TD, with the assistance of the Monitor, reached a consensual agreement prior to the Filing Date and TD did not oppose the relief sought in the Initial Order based on terms reflected in the Endorsement, which included:
  - a) the receivership application that had been brought by TD would be adjourned to the Comeback Motion;
  - b) the Company, Momentum and TD would negotiate in good faith the terms of a forbearance agreement pending the Comeback Motion;
  - c) the Administration Charge would be subordinated to the TD Loan Security; and
  - d) Momentum would post \$2 million of cash collateral (the "**Additional Cash Collateral**") in escrow to be held in trust with Norton Rose, subject to agreeing on the terms of an escrow agreement.
6. Momentum also agreed that the Additional Cash Collateral would be sourced from an injection of fresh capital and not from its existing working capital. TD agreed to allow the Company to continue to use its cash management system with TD.
7. Following the Filing Date, the Company repaid from the DIP Facility the full amount owing under an operating line provided by TD. The Company no longer has access to this facility.
8. As noted above, the Forbearance Agreement and the Escrow Agreement were executed on April 19, 2024 and approved by the Court on April 25, 2024.
9. Pursuant to the terms of the Escrow Agreement, Momentum has posted the Additional Cash Collateral with Norton Rose.

10. Pursuant to the terms of the Forbearance Agreement, the Monitor has provided TD with the Company's weekly cash flow reporting.
11. The Company has also continued to make scheduled debt service payments to TD from advances under the DIP Facility.
12. During these CCAA proceedings, the Monitor has provided TD with routine updates regarding the status of the Company's negotiations with UPS and information on the proposed Sale Process, as well as cash flow reporting.

### **3.0 UPS Update**

1. Immediately following the Filing Date, the Company contacted UPS to continue discussions concerning the UPS Contract which were ongoing at that time. The Company advised UPS that the Company was facing a liquidity crisis that necessitated the CCAA filing and that absent amendments to the financial terms of the UPS Contract, the Company would not be able to continue to service the UPS Contract. UPS was also advised that Momentum was funding the Company's business and was not prepared to continue to fund the Company's losses beyond the April 26, 2024 stay extension date. The Monitor also contacted UPS and its external counsel to impress the urgency of the situation.
2. As discussed in the Second Report, the Company provided UPS with several proposals for an amended contract which UPS advised were not acceptable to UPS. UPS has also provided proposals to the Company, but those proposals were not acceptable to the Company. Also, as discussed in the Second Report, the Company planned to use the stay extension period through May 31, 2024 to develop a contingency plan which would include the sale of its assets and/or its business and that the proposed sale process would be discussed with TD. As noted in the Second Report, the Company's intention was to seek approval of a sale process prior to the end of the May 31, 2024 stay extension period.
3. As of the date of this Report, no agreement has been reached with respect to a long-term arrangement between the Company and UPS; however, there is an ongoing dialogue between UPS and the Company. In this regard, as of the date of this Report, the Company and UPS are in advanced discussions concerning a short-term arrangement pursuant to which the Company is prepared to continue to operate on a reduced basis until July 31, 2024, which could be extended if the Company and UPS can negotiate acceptable terms. The Company's ability to perform the UPS Contract is also contingent on its ability to retain the required personnel, including a sufficient number of pilots. An update concerning this issue will be provided to the Court on the return of this motion.
4. The Company has advised the Monitor that it remains open to further discussions with UPS concerning a new contract.



## 4.0 Cash Flow

1. A comparison of the Company's actual cash flow for the period April 20 to May 17, 2024 (the "**Forecast Period**") to the cash flow forecast provided in the Second Report is provided below.

(unaudited; \$)	Forecast	Actual	Variance
Receipts			
UPS revenues	1,916,231	2,029,226	112,995
GST/HST/QST refunds	-	10,090	10,090
	<u>1,916,231</u>	<u>2,039,316</u>	<u>123,085</u>
Disbursements			
Payroll	512,475	458,772	(53,703)
Capital expenditures	77,520	78,569	1,049
Leases	125,713	125,713	-
Insurance	-	-	-
Maintenance	228,515	221,902	(6,614)
Aircraft operating expenses	683,835	643,614	(40,221)
Other general expenses	41,179	40,920	(259)
GST/HST/QST on expenditures	145,650	113,130	(32,520)
TD Loan - principal repayment	244,830	244,830	-
TD Loan – interest	101,301	135,504	34,203
	<u>2,161,018</u>	<u>2,062,954</u>	<u>(98,064)</u>
Net cash flow before the undernoted	(244,787)	(23,638)	221,149
Professional fees	425,000	158,410	(266,590)
Net Cash Flow	<u>(669,787)</u>	<u>(182,048)</u>	<u>487,739</u>
Opening Cash Balance	359,023	359,023	-
Net Cash Flow	(669,787)	(182,048)	487,739
DIP Financing	500,000	300,000	(200,000)
Ending Cash Balance	<u>189,236</u>	<u>476,975</u>	<u>287,739</u>

2. As reflected above, as of May 17, 2024, the Company borrowed \$300,000 during the Forecast Period versus forecasted borrowings of \$500,000. Since the commencement of these proceedings, borrowings under the DIP Facility have totalled \$1.8 million compared to the forecasted borrowings of \$2 million. The variances generally relate to revenue slightly exceeding the forecast, while expenses, including professional fees, have been less than the forecast, as discussed below:

- UPS revenues: due to lower than expected route cancellations.
- Payroll: due to the termination of certain members of the senior management team early in these proceedings.
- Aircraft operating expenses: due to a lower than projected sub-charter costs resulting from less than forecasted aircraft maintenance.
- Professional fees: the involvement of Norton Rose, the Monitor and Cassels has been less than projected, resulting in lower than projected fees and costs.

### 4.1 Updated Cash Flow Forecast

1. The Company, with the assistance of the Monitor, has prepared the Updated Cash Flow Forecast. The Updated Cash Flow Forecast is provided in Appendix "B". The Company's and the Monitor's statutory reports on the Updated Cash Flow Forecast are attached as Appendices "C" and "D", respectively.

2. Based on the Monitor's review of the Updated Cash Flow Forecast, the cash flow assumptions appear reasonable.
3. The Updated Cash Flow Forecast reflects that the Company is projected to require advances of \$1.2 million under the DIP Facility during the Updated Cash Flow Forecast period. As the authorized borrowing under the DIP Facility is \$2.5 million, the Company is seeking an increase in the DIP Facility from \$2.5 million to \$3 million and corresponding increase in the DIP Lender's Charge.
4. The Monitor understands that the DIP Lender is prepared to fund the Company and these proceedings in accordance with the Updated Cash Flow Forecast, subject to: (a) the Court's approval of an increase in the permitted borrowings under the DIP Facility to \$3 million; (b) the Court's approval of a corresponding increase in the DIP Lender's Charge; and (c) the Company remaining in compliance with the terms and conditions of the Amended DIP Term Sheet, a copy of which is appended to the Third Dennhardt Affidavit.
5. The only material change to the Amended DIP Term sheet from the original DIP Term Sheet is the increase in the amount of the permitted borrowings.

#### **4.2 DIP Facility Recommendation**

1. For the following reasons, the Monitor recommends that the Court issue an order approving the increase in the amount of the permitted borrowings under the DIP Facility and the Amended DIP Term Sheet:
  - a) the Company is projected to require the increase in the permitted borrowings to fund its business and operations during the Stay Extension Period;
  - b) without the cash to be provided under the DIP Facility, the Company may not have sufficient cash flow to continue operating and carry out the Sale Process;
  - c) as set out in the Pre-Filing Report, KSV has compared the terms of the DIP Facility to other interim financing facilities approved by Canadian courts in recent CCAA proceedings. The comparison was appended to the Pre-Filing Report. The cost of the proposed DIP Facility is within the range of similar facilities recently approved by the Court and other Canadian courts in CCAA and other restructuring proceedings;
  - d) the DIP Facility ranks subordinate to TD's security interest, which is a requirement of TD;
  - e) the Monitor believes it is unlikely that any other lender would provide DIP funding on a subordinated basis to TD;
  - f) TD does not oppose the proposed increase in the DIP Facility and corresponding DIP Lender's Charge; and
  - g) there are no structuring, facility, standby or other fees being charged by the DIP Lender under the DIP Facility.

## 5.0 Sale Process

1. The purpose of the Sale Process is to market the Company's assets and business for sale, including the Fleet, parts inventory and the AOC.
2. The Agent is an experienced sales agent and broker of aircraft and is well known in the aviation industry, including to the Company and Momentum. Background information concerning the Agent is included as Appendix "E".
3. Subject to Court-approval, the Company engaged the Agent pursuant to an engagement letter dated May 23, 2024 (the "**Pollock Engagement Letter**"). A copy of the Pollock Engagement Letter is included as Appendix "F".
4. Pursuant to the Pollock Engagement Letter, the Agent is to receive a 2% commission on the sale of any assets subject to the Sale Process, plus HST and disbursements.
5. The Sale Process has been developed based on consultation among the Agent, the Company and the Monitor. TD has also been provided the Sale Process and a copy of the Pollock Engagement Letter.

### 5.1 Sale Process

1. The Sale Process provides that the Fleet will be marketed for sale on a one-off or en-bloc basis without a specific bid deadline. The Agent is of the view that certain of the aircraft will be sold quickly, while some aircraft may require several months to complete a sale.
2. The Company intends to maintain, to the extent possible, the personnel required to maintain, service and preserve the value of the Fleet and the parts inventory, while also securing and safeguarding the books and records related to the Fleet, which is critical to preserve value.
3. The Sale Process is set out in the table below<sup>2</sup>.

Summary of Sale Process		
Milestone	Description of Activities	Timeline
Retention of Agent	<ul style="list-style-type: none"> <li>• Company to retain the Agent to conduct the Sale Process for the Fleet, which will be marketed and sold on an en bloc, bulk or individual aircraft basis.</li> <li>• Agent will also market the AOC and aircraft inventory owned by the Company.</li> </ul>	Complete, subject to Court approval.
Marketing	<ul style="list-style-type: none"> <li>• Agent, with input from the Company and the Monitor, to prepare a list of potentially interested buyers.</li> <li>• Agent to prepare marketing material concerning the opportunity, including an Information Memorandum (the "<b>Information Memorandum</b>") detailing the aircraft available for sale and details of each aircraft. The Agent will market the opportunity on its website, in publications such as Jetnet, Amstat, Global Air, Planefax, MyAirtrade and Wingslist among other publications and sites suitable to</li> </ul>	<p>Approximately 4 weeks to prepare marketing materials and buyer's list.</p> <p>Data room will be prepared during</p>

<sup>2</sup> The description of the Sale Process below is slightly different than the one appended to the Engagement Letter. The Sale Process in this section is the prevailing process.

Summary of Sale Process		
Milestone	Description of Activities	Timeline
	<p>this type of aircraft. Agent will contact an established base of clients operating these aircraft and draw on extensive network of brokers and dealers specializing in these aircraft.</p> <ul style="list-style-type: none"> <li>• Agent, with the assistance of the Company, to establish a data room, with key information for each aircraft.</li> </ul>	the pre-marketing period.
Prospect Identification	<ul style="list-style-type: none"> <li>• Interested buyers will execute a confidentiality agreement (“CA”) in order to be provided access to the Company’s confidential information, to the extent relevant, in the discretion of the Monitor.</li> </ul>	
Diligence	<ul style="list-style-type: none"> <li>• Interested buyers shall be provided copies of the Information Memorandum and access to non-confidential information in the data room.</li> <li>• Interested parties wanting access to information determined to be confidential by the Company or the Monitor (such as employee information or historical financial information), will only be provided to parties who sign a CA.</li> <li>• Interested parties may be permitted to take aircraft for test flights.</li> </ul>	
Offers	<ul style="list-style-type: none"> <li>• Offers may be received and considered at any time.</li> <li>• To be a qualified offer, it must include the following (a “Qualified Offer”): <ul style="list-style-type: none"> <li>– identify which Aircraft are included in the offer for purchase;</li> <li>– indicate the consideration payable for the Aircraft;</li> <li>– include a 15% deposit to the Monitor to be held in trust within 24 hours of being notified that its offer is accepted;</li> <li>– not be conditioned on: (i) the outcome of any further due diligence; or (ii) financing;</li> <li>– indicate the estimated closing date;</li> <li>– provide sufficient financial information to determine that the buyer has the ability to satisfy and perform any liabilities or obligations assumed pursuant to the Qualified Offer;</li> <li>– provide that the Qualified Offer shall remain irrevocable for 45 days;</li> <li>– include acknowledgements and representations that confirm that the transaction is on an “as is, where is” basis; the bidder has had an opportunity to conduct any and all due diligence necessary prior to entering into the Qualified Offer and has relied solely upon its own independent review, investigation and/or inspection of any documents and/or the property in making its bid; and it did not rely upon any written or oral statements, representations, warranties, or guarantees whatsoever, whether express, implied, statutory or otherwise, regarding the completeness of any information provided in connection therewith, except as expressly stated in the executed Qualified Offer; and</li> <li>– include any other terms or conditions the bidder believes are material to the transaction.</li> </ul> </li> </ul>	

Summary of Sale Process		
Milestone	Description of Activities	Timeline
Offer Review	<ul style="list-style-type: none"> <li>• Upon receipt of any offer, the Agent, the Company and the Monitor shall review such offer to determine whether such offer constitutes a Qualified Offer.</li> <li>• The Monitor and Company shall consult with TD with respect to any offers received.</li> <li>• Provide TD with copies of any offers within 48 hours of receipt.</li> </ul>	
Sale Approval	<ul style="list-style-type: none"> <li>• Upon acceptance of one or more Qualified Offers, the Company shall seek Court-approval of such transactions.</li> </ul>	

4. Additional terms of the Sale Process include:

- a) the Agent, Company and the Monitor shall not be required to accept Qualified Offers and shall be entitled to seek further clarification or further negotiation of any offer received;
- b) if multiple Qualified Offers are received for the same Aircraft, the Agent, Company and the Monitor may establish further bidding procedures, including to hold an auction; and
- c) the Agent, with the consent of the Monitor and the Company, shall be entitled to waive strict compliance with any of the terms of the Sale Process provided that any material variation shall require further approval of the Court.

## 5.2 Recommendation

1. The Monitor recommends that the Court issue an order approving the Sale Process and the retention of the Agent pursuant to the Engagement Letter for the following reasons:
  - a) the Agent is an experienced aircraft sales agent and broker, and is well known to the Company and Momentum;
  - b) the Sale Process is a fair, open and transparent process and is intended to canvass the market broadly to obtain the highest and best price for the Company's assets, and therefore maximize value for the Company's creditors;
  - c) the Sale Process is flexible and provides the Company with the timelines, procedures and discretion that it believes are necessary to maximize value;
  - d) the Sale Process will be carried out contemporaneously while the Company continues to provide services to UPS and will provide the Company additional time to determine whether a long-term arrangement can be agreed with UPS;
  - e) the Agent's fee is success-based and is to be paid on the sale of any of the assets subject to the Sale Process. The amount of the fee (2%) is reasonable considering the time, cost and effort that will be required to sell the assets. It is also reasonable when considering the fees of other types of sales agents normally retained by debtor companies in insolvency proceedings, including liquidators, realtors and investment bankers;

- f) TD, the Company's only secured creditor, does not oppose the Sale Process;
- g) Momentum, as the guarantor of the TD debt and the DIP Lender, consents to the Sale Process; and
- h) the Monitor is of the view that no party will be prejudiced by the Sale Process.

## **6.0 Company's Activities**

1. The Company's activities since the Second Report have included:
  - a) operating its business, subject to the terms of the ARIO, in the ordinary course;
  - b) communicating with employees and other stakeholders regarding these proceedings and dealing with all human resource matters;
  - c) corresponding extensively with UPS in the context of its daily operations and the negotiation of the UPS Contract;
  - d) corresponding with Norton Rose and the Monitor regarding UPS, critical vendors, the Sale Process, and other issues;
  - e) corresponding with the Agent regarding the proposed Sale Process;
  - f) communicating with suppliers to secure goods and services during these proceedings and to address payment terms;
  - g) considering cost-saving initiatives;
  - h) reviewing the Company's cash flow forecast and comparing actual results to projected results;
  - i) reporting weekly on its financial performance during these proceedings;
  - j) preparing the Updated Cash Flow Forecast.

## **7.0 Monitor's Activities**

1. Since the date of the Second Report, the Monitor has been, among other things:
  - a) meeting and corresponding regularly with the Company's management team regarding operating issues and CCAA matters;
  - b) monitoring the Company's receipts and disbursements and attending weekly calls with the Company regarding same;
  - c) reviewing the Company's weekly cash flow reporting;
  - d) engaging with Cassels concerning TD, UPS, the Sale Process and this motion;
  - e) corresponding with UPS and its external counsel;
  - f) dealing with Norton Rose regarding all aspects of these proceedings, including UPS, TD and the Sale Process;

- g) considering the Sale Process and the retention of the Agent;
- h) assisting the Company to deal with key suppliers;
- i) reviewing and commenting on the Company's materials to be filed in support of the relief sought at this motion; and
- j) preparing this Report.

## 8.0 Professional Fees

1. The Monitor's fees (excluding disbursements and HST) from February 15 to April 30, 2024 total approximately \$110,325.
2. Cassels' fees (excluding disbursements and HST) from February 28 to April 30, 2024 total approximately \$67,187.
3. The average hourly rates for the Monitor and Cassels for the referenced billing periods were \$696.50 and \$748.18, respectively.
4. Detailed invoices in respect of the fees and disbursements of the Monitor and Cassels are provided as exhibits to the affidavits (the "Fee Affidavits") sworn by representatives of the Monitor and Cassels, attached as Appendices "G" and "H", respectively.
5. The Monitor is of the view that the hourly rates charged by Cassels are consistent with the rates charged by law firms practicing corporate insolvency and restructuring in the Toronto market, and that the overall fees charged by Cassels and the Monitor are validly incurred in accordance with the provisions of the Orders in this CCAA proceeding and are reasonable and appropriate in the circumstances.

## 9.0 Stay Extension

1. The stay of proceedings currently expires on May 31, 2024. The Company is requesting an extension of the stay of proceedings to July 30, 2024.
2. The Monitor supports the request for an extension of the stay of proceedings for the following reasons:
  - a) the Company is acting in good faith and with due diligence;
  - b) the Updated Cash Flow Forecast reflects that the Company is projected to have sufficient liquidity to fund its post-filing obligations;
  - c) it will provide the Company the opportunity to carry out the Sale Process and provide it with additional time to consider whether there is a workable long-term business model for the UPS Contract while concurrently implementing the proposed Sale Process and winding down its business, if necessary;
  - d) TD does not oppose the stay extension and Momentum supports it;

- e) the Monitor believes that the extension is in the best interest of the Company's stakeholders and that no stakeholder will be prejudiced by extending the stay of proceedings; and
- f) as of the date of this Report, neither the Company nor the Monitor is aware of any party opposed to an extension of the stay of proceedings.

## 10.0 Conclusion and Recommendation

1. Based on the foregoing, KSV respectfully recommends that this Honourable Court make an Order granting the relief detailed in Section 1.1(1) (f) of this Report.

\* \* \*

All of which is respectfully submitted,

*KSV Restructuring Inc.*

**KSV RESTRUCTURING INC.  
SOLELY IN ITS CAPACITY AS MONITOR IN THE CCAA PROCEEDINGS OF  
SKYLINK EXPRESS INC.  
AND NOT IN ITS PERSONAL CAPACITY**



## **Appendix “C”**

Skylink Express Inc. (the "Company")  
**Projected Statement of Cash Flow**  
For the Period ended January 31, 2025  
(Unaudited; \$C)

Week	Notes	24-Oct-24	31-Oct-24	07-Nov-24	14-Nov-24	21-Nov-24	28-Nov-24	05-Dec-24	12-Dec-24	19-Dec-24	26-Dec-24	02-Jan-25	09-Jan-25	16-Jan-25	23-Jan-25	31-Jan-25	Total
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	
<i>Receipts</i>																	
Revenues	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
GST/HST/QST returns	3	-	-	6,355	-	-	-	-	13,425	-	-	-	8,538	-	-	-	28,319
Return of security deposits	4	-	-	-	-	-	-	-	-	-	-	-	-	-	-	164,000	164,000
DIP loan			350,000	300,000	250,000		100,000	300,000	250,000		200,000	350,000	200,000		50,000	100,000	2,450,000
<b>Total Receipts</b>		<b>-</b>	<b>350,000</b>	<b>306,355</b>	<b>250,000</b>	<b>-</b>	<b>100,000</b>	<b>300,000</b>	<b>263,425</b>	<b>-</b>	<b>200,000</b>	<b>350,000</b>	<b>208,538</b>	<b>-</b>	<b>50,000</b>	<b>264,000</b>	<b>2,642,319</b>
<i>Disbursements</i>																	
Payroll	5	-	67,051	-	41,727	-	41,727	-	41,727	-	156,804	-	41,727	-	-	121,346	512,110
Leases	6	-	46,561	-	-	-	-	46,561	-	-	-	46,561	-	-	-	-	139,683
Insurance	7	-	-	-	-	-	-	-	-	-	5,000	-	-	-	-	-	5,000
Maintenance	8	11,426	11,426	11,426	11,426	11,426	11,426	11,426	11,426	11,426	11,426	11,426	11,426	11,426	11,426	11,426	171,386
Other general expenses	9	9,920	54,920	9,920	9,920	9,920	9,920	9,920	9,920	9,920	9,920	9,920	9,920	9,920	9,920	9,920	193,796
GST/HST/QST on expenditures	3	2,135	11,291	2,135	2,135	2,135	2,135	6,791	2,135	2,135	2,635	6,791	2,135	2,135	2,135	2,135	50,986
TD Loan - Principal Repayment	10	-	-	244,830	-	-	-	244,830	-	-	-	244,830	-	-	-	-	734,489
TD Loan - Interest	10	-	-	45,469	-	-	-	42,402	-	-	-	42,163	-	-	-	-	130,034
<b>Total Disbursements</b>		<b>23,480</b>	<b>191,248</b>	<b>313,779</b>	<b>65,207</b>	<b>23,480</b>	<b>65,207</b>	<b>361,929</b>	<b>65,207</b>	<b>23,480</b>	<b>185,784</b>	<b>361,689</b>	<b>65,207</b>	<b>23,480</b>	<b>23,480</b>	<b>144,826</b>	<b>1,937,484</b>
<i>Net cash flow before the undernoted</i>		<b>(23,480)</b>	<b>158,752</b>	<b>(7,423)</b>	<b>184,793</b>	<b>(23,480)</b>	<b>34,793</b>	<b>(61,929)</b>	<b>198,218</b>	<b>(23,480)</b>	<b>14,216</b>	<b>(11,689)</b>	<b>143,331</b>	<b>(23,480)</b>	<b>26,520</b>	<b>119,174</b>	<b>704,834</b>
Professional fees	1	-	200,000	-	150,000	-	-	-	150,000	-	-	-	150,000	-	-	125,000	775,000
<b>Net cash flow</b>		<b>(23,480)</b>	<b>(41,248)</b>	<b>(7,423)</b>	<b>34,793</b>	<b>(23,480)</b>	<b>34,793</b>	<b>(61,929)</b>	<b>48,218</b>	<b>(23,480)</b>	<b>14,216</b>	<b>(11,689)</b>	<b>(6,669)</b>	<b>(23,480)</b>	<b>26,520</b>	<b>(5,826)</b>	<b>(70,166)</b>
Opening Cash Balance		98,748	75,268	34,021	26,597	61,390	37,910	72,702	10,773	58,991	35,511	49,727	38,038	31,369	7,889	34,409	98,748
Net cash flow		(23,480)	(41,248)	(7,423)	34,793	(23,480)	34,793	(61,929)	48,218	(23,480)	14,216	(11,689)	(6,669)	(23,480)	26,520	(5,826)	(70,166)
Closing Cash Balance		75,268	34,021	26,597	61,390	37,910	72,702	10,773	58,991	35,511	49,727	38,038	31,369	7,889	34,409	28,582	28,582
DIP Loan advances	Opening 2,050,000	2,050,000	2,400,000	2,700,000	2,950,000	2,950,000	3,050,000	3,350,000	3,600,000	3,600,000	3,800,000	4,150,000	4,350,000	4,350,000	4,400,000	4,500,000	4,500,000

**Purpose and General Assumptions**

The cash flow projection assumes that the Company continues to be afforded protection under the *Companies' Creditors Arrangement Act* ("CCAA") to January 31, 2025.

The cash flow projection has been prepared based on hypothetical and most probable assumptions developed and prepared by the Company.

The cash flow does not reflect the sale of any aircraft due to the uncertain timing of these transactions. The net proceeds of sale of each aircraft will be paid to TD Bank until paid in full.

**Hypothetical Assumptions**

1. Professional fees are estimated.

**Probable Assumptions**

2. No revenues are projected as the Company has discontinued all flight operations.
3. The Company is typically in an HST/QST refundable position.
4. The Company provided security deposits to its vendors which are to be refunded following the discontinuation of its flight operations.
5. Payroll is paid on the 15th and last day of each month and is assumed to be paid three business days in advance of the payroll payment date.
6. Lease expenses are comprised of hangar lease costs, which are payable on the first of each month.
7. Aircraft insurance and aviation general liability insurance is due quarterly on March 23, June 23, September 23 and December 23 of each year.
8. Includes the cost of consumable and non-consumable parts, outsourced labour, tools and shop supplies.
9. Includes telephone, office expenses, non-restructuring legal fees, annual audit instalments, etc.
10. Represents principal and interest payments on the Company's TD Bank term facility. Principal payments are \$244,830 and interest is paid on the 1st of each month.

## **Appendix “D”**

COURT FILE NO.: CV-24-00716267-00CL

ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,  
R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF  
SKYLINK EXPRESS INC.

APPLICANT

**MANAGEMENT'S REPORT ON CASH FLOW STATEMENT**  
(paragraph 10(2)(b) of the CCAA)

The management of Skylink Express Inc. (the "Applicant") has developed the assumptions and prepared the attached statement of projected cash flow as of the 23<sup>rd</sup> day of May, 2024 for the period October 21, 2024 to January 31, 2025 (the "Cash Flow"). All such assumptions are disclosed in the notes to the Cash Flow.

The hypothetical assumptions are reasonable and consistent with the purpose of the Cash Flow as described in the notes to the Cash Flow, and the probable assumptions are suitably supported and consistent with the plans of the Applicant and provide a reasonable basis for the Cash Flow.

Since the Cash Flow is based on assumptions regarding future events, actual events will vary from the information presented and the variations may be material.

The Cash Flow has been prepared solely for the purpose outlined in the Cash Flow using a set of hypothetical and probable assumptions set out therein. Consequently, readers are cautioned that the Cash Flow may not be appropriate for other purposes.

Dated at Toronto, Ontario this 23<sup>rd</sup> day of October, 2024.

Skylink Express Inc.



---

Joseph Grimaldi

## **Appendix “E”**

ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,  
R.S.C. 1985, c.C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF  
SKYLINK EXPRESS INC.

**MONITOR'S REPORT ON CASH FLOW STATEMENT**  
(paragraph 23(1)(b) of the CCAA)

The attached statement of projected cash-flow of Skylink Express Inc. (the "Applicant") as of the 23<sup>rd</sup> day of October, 2024, consisting of a weekly projected cash flow statement for the period October 21, 2024 to January 31, 2025 (the "Cash Flow") has been prepared by management of the Applicant for the purpose described in the notes, using probable and hypothetical assumptions set out in the notes to the Cash Flow.

Our review consisted of inquiries, analytical procedures and discussions related to information supplied by management. We have reviewed the support provided by management for the probable and hypothetical assumptions and the preparation and presentation of the Cash Flow.

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 Cash Flow;
- b) as at the date of this report, the probable assumptions developed by management are not suitably supported and consistent with the plans of the Applicant or do not provide a reasonable basis for the Cash Flow, given the hypothetical assumptions; or
- c) the Cash Flow does not reflect the probable and hypothetical assumptions.

Since the Cash Flow is based on assumptions regarding future events, actual results will vary from the information presented, and the variations may be material. Accordingly, we express no assurance as to whether the Cash Flow will be achieved. We express no opinion or other form of assurance with respect to the accuracy of any financial information presented in this report, or relied upon in preparing this report.

The Cash Flow has been prepared solely for the purpose described in in the notes and readers are cautioned that it may not be appropriate for other purposes.

Dated at Toronto this 23<sup>rd</sup> day of October, 2024.

A handwritten signature in blue ink that reads "KSV Restructuring Inc." The signature is written in a cursive, flowing style.

**KSV RESTRUCTURING INC.  
IN ITS CAPACITY AS CCAA MONITOR OF  
SKYLINK EXPRESS INC.  
AND NOT IN ANY OTHER CAPACITY**



## **Appendix “F”**

ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT*  
*ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR  
ARRANGEMENT OF SKYLINK EXPRESS INC.

AFFIDAVIT OF ROBERT KOFMAN  
(sworn October 21, 2024)

I, **ROBERT KOFMAN**, of the City of Toronto, in the Province of Ontario, **MAKE OATH AND SAY AS FOLLOWS:**

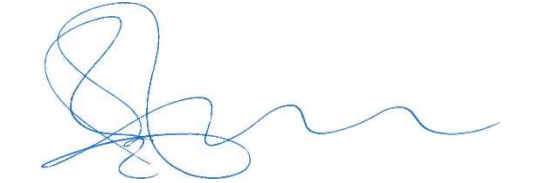
1. I am the President of KSV Restructuring Inc. ("**KSV**"), the Court-appointed monitor (the "**Monitor**") under the *Companies' Creditors Arrangement Act* (the "**CCAA**") of Skylink Express Inc. (the "**Company**"), and as such, I have knowledge of the matters deposed to herein.
2. Pursuant to a Court order made on March 11, 2024, the Company was granted protection under the CCAA and KSV was appointed as the Monitor in this proceeding.
3. This Affidavit is sworn in support of a motion seeking, among other things, approval of the Monitor's fees and disbursements from July 1 to September 30, 2024 (the "**Period**").
4. The Monitor's invoices for the Period disclose: the nature of the services rendered; the time expended by each person and their hourly rates; the total charges for the services rendered; and the disbursements charged. Copies of the Monitor's invoices are attached hereto as Exhibit "A" and the billing summary is attached hereto as Exhibit "B".
5. The Monitor spent a total of 101.20 hours on this matter during the Period, resulting in fees totalling \$60,891.75, excluding disbursements and HST, as summarized in Exhibit "B".
6. As reflected on Exhibit "B", the Monitor's average hourly rate for the Period was \$601.70.

7. I verily believe that the time expended and the fees charged are reasonable in light of the services performed and the prevailing market rates for services of this nature in downtown Toronto.

**SWORN** before me at the City of )  
Toronto, in the Province of Ontario )  
this 21<sup>st</sup> day of October, 2024 )



\_\_\_\_\_  
Rajinder Kashyap, a Commissioner, etc.,  
Province of Ontario, for KSV Restructuring Inc.  
Expires February 23, 2027



\_\_\_\_\_  
**ROBERT KOFMAN**

Attached is Exhibit "A"  
Referred to in the  
AFFIDAVIT OF ROBERT KOFMAN  
Sworn before me  
This 21<sup>st</sup> day of October, 2024



---

Rajinder Kashyap, a Commissioner, etc.,  
Province of Ontario, for KSV Restructuring Inc.  
Expires February 23, 2027



**ksv advisory inc.**

220 Bay Street, Suite 1300

Toronto, Ontario, M5J 2W4

T +1 416 932 6262

F +1 416 932 6266

ksvadvisory.com

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**INVOICE**

Skylink Express Inc.  
55 St. Clair Avenue West, Suite 210  
Toronto, ON M4V 2Y7

August 16, 2024

Invoice No: 3856  
HST #: 818808768RT0001

**Re: Skylink Express Inc. (the “Company”)**

For professional services rendered in July 2024 by KSV Restructuring Inc. (“KSV”), in its capacity as Court-appointed Monitor (the “Monitor”) in connection with the Company’s proceedings under the *Companies’ Creditors Arrangement Act* (“CCAA”), including:

**General Activities**

- Corresponding with the Company, Norton Rose Fulbright (Canada) LLP (“**NRF**”), the Company’s legal counsel, Cassels, Brock & Blackwell LLP (“**Cassels**”), the Monitor’s legal counsel, Momentum Decisive Solutions Canada Inc. (“**Momentum**”), the Company’s sole shareholder, and Paliare Roland Rosenberg Rothstein LLP (“**Paliare**”), Momentum’s legal counsel, regarding these CCAA proceedings, the Company’s dealings with United Parcel Service Canada Ltd. (“**UPS**”) and a sale process for the Company’s aircraft fleet and other assets (the “**Sale Process**”);
- Dealing with TD Bank (“**TD**”), the Company’s senior secured creditor, Fogler Rubinoff LLP (“**Fogler**”), TD’s legal counsel, and TD’s financial advisor, Mandelbaum Spergel Inc. (“**MSI**”), to provide updates regarding the status of these CCAA proceedings and the Sale Process;

**TD Matters**

- Providing weekly variance reporting to MSI, as required pursuant to the forbearance agreement dated April 19, 2024 among the Company, Momentum and TD;
- Keeping TD and MSI apprised of the status of the Company’s dealings with UPS and the Sale Process;

**UPS**

- Reviewing and commenting on a draft wind-down agreement between the Company and UPS and corresponding with NRF and the Company regarding same;
- Staying apprised of the status of wind-down discussions with UPS;

### Sale Process

- Corresponding with the sales agent, 262396 Alberta Ltd. dba Pollock Aviation (the “**Agent**”), the Company, NRF and Cassels regarding the Sale Process;
- Closing the sale of an aircraft to LAD Inc. (“**LAD**”) pursuant to an aircraft purchase agreement between the Company and LAD dated June 24, 2024 (the “**LAD Transaction**”);
- Reviewing the LAD Transaction closing documents and attending closing calls with NRF and/or Cassels on July 4 and 5, 2024;
- Attending the approval motion on July 5, 2024 for the sale of the Company’s aircraft to LAD;
- Corresponding with Bank of Montreal regarding the FX rate on the LAD sale proceeds;
- Distributing the LAD sale proceeds to TD;
- Reviewing and commenting on agreements of purchase and sale (the “**APAs**”) between the Company and Randigo LLC (“**Randigo**”) and between the Company and Gingras Équipement Inc. (“**Gingras**”) regarding the sale of certain of the Company’s aircraft and related assets and corresponding with the Agent, the Company, NRF and Cassels regarding same;
- Obtaining the consent of TD to the transactions with Randigo and Gingras;
- Closing the Randigo and Gingras transactions and distributing the sale proceeds to TD;
- Attending a call on July 9 and 30, 2024 with the Company regarding the Company’s remaining aircraft and other assets;

### July 29, 2024 Motion

- Drafting the Monitor’s fifth report dated July 22, 2024 (the “**Fifth Report**”) recommending the Randigo and Gingras transactions and an extension of the stay of proceedings to October 31, 2024;
- Corresponding with the Company, NRF, Cassels, Paliare and Fogler regarding the Fifth Report;
- Reviewing the Company’s CCAA cash flow forecast for the proposed extension period and attending calls with the Company on July 15 and 17, 2024 regarding same;
- Reviewing and commenting on the Company’s motion materials, including the affidavit of Kyle Dennhardt sworn July 19, 2024, the factum dated July 23, 2024 and the draft order;
- Attending the sale approval motion on July 29, 2024;

### Cash Flow Monitoring

- Reviewing the Company’s weekly cash flow variance reporting and providing same to MSI on July 5, 13, 19 and 28, 2024;

**Other**

- Corresponding with creditors;
- Maintaining the Monitor's case website; and
- To all other meetings, correspondence, etc. pertaining to this matter.

Total fees per attached time summary	\$	50,083.00
HST		<u>6,510.79</u>
Total Due	\$	<u>56,593.79</u>

KSV Restructuring Inc.  
CCAA of Skylink Express Inc.

**Time Summary**

For the month ended July 31, 2024

<b>Personnel</b>	<b>Rate (\$)</b>	<b>Hours</b>	<b>Amount (\$)</b>
Bobby Kofman	850	28.50	24,225.00
Jordan Wong	550	32.25	17,737.50
Tony Trifunovic	450	10.75	4,837.50
Other Staff and Administration	195-225	14.05	3,283.00
Total Fees			<u>50,083.00</u>





**ksv advisory inc.**

220 Bay Street, Suite 1300

Toronto, Ontario, M5J 2W4

T +1 416 932 6262

F +1 416 932 6266

ksvadvisory.com

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**INVOICE**

Skylink Express Inc.  
55 St. Clair Avenue West, Suite 210  
Toronto, ON M4V 2Y7

September 9, 2024

Invoice No: 3894  
HST #: 818808768RT0001

**Re: Skylink Express Inc. (the “Company”)**

For professional services rendered in August 2024 by KSV Restructuring Inc., in its capacity as Court-appointed Monitor (the “**Monitor**”) in connection with the Company’s proceedings under the *Companies’ Creditors Arrangement Act* (“**CCAA**”), including:

**General Activities**

- Corresponding with the Company, Norton Rose Fulbright (Canada) LLP (“**NRF**”), the Company’s legal counsel, Cassels, Brock & Blackwell LLP (“**Cassels**”), the Monitor’s legal counsel, Momentum Decisive Solutions Canada Inc., the Company’s sole shareholder, and Paliare Roland Rosenberg Rothstein LLP, Momentum’s legal counsel, regarding these CCAA proceedings, the Company’s dealings with United Parcel Service Canada Ltd. (“**UPS**”) and a sale process for the Company’s aircraft fleet and other assets (the “**Sale Process**”);
- Dealing with TD Bank (“**TD**”), the Company’s senior secured creditor, Fogler Rubinoff LLP, TD’s legal counsel, and TD’s financial advisor, Mandelbaum Spergel Inc. (“**MSI**”), to provide updates regarding the status of these CCAA proceedings and the Sale Process;

**TD Matters**

- Providing weekly variance reporting to MSI, as required pursuant to the forbearance agreement dated April 19, 2024 among the Company, Momentum and TD;
- Keeping TD and MSI apprised of the status of the Company’s dealings with UPS and the Sale Process;

**UPS**

- Staying apprised of the status of wind-down discussions with UPS;

**Sale Process**

- Attending calls on August 2, 16 and 27, 2024 with the Company and NRF regarding the Company's unsold aircraft and other assets;
- Reviewing a letter of intent from a potential purchaser and discussing same with the Company;
- Considering the status of the sale process with NRF, including several phone calls re same;

**Cash Flow Monitoring**

- Reviewing the Company's weekly cash flow variance reporting and providing same to MSI on August 2, 10, 17 and 23, 2024;

**Other**

- Corresponding with creditors, including calls on August 2 and 21, 2024;
- Corresponding with Purolator regarding the Company's continued use of Purolator's services;
- Maintaining the Monitor's case website; and
- To all other meetings, correspondence, etc. pertaining to this matter.

Total fees per attached time summary	\$	6,513.75
HST		846.79
Total Due	\$	<u>7,360.54</u>

KSV Restructuring Inc.  
CCAA of Skylink Express Inc.

**Time Summary**

Re August 2024

<b>Personnel</b>	<b>Rate (\$)</b>	<b>Hours</b>	<b>Amount (\$)</b>
Bobby Kofman	850	5.20	4,420.00
Jordan Wong	550	3.50	1,925.00
Other Staff and Administration	225	0.75	168.75
Total Fees			<u>6,513.75</u>



**kvs advisory inc.**

220 Bay Street, Suite 1300

Toronto, Ontario, M5J 2W4

T +1 416 932 6262

F +1 416 932 6266

ksvadvisory.com

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**INVOICE**

Skylink Express Inc.  
55 St. Clair Avenue West, Suite 210  
Toronto ON M4V 2Y7

October 9, 2024

Invoice No: 3959  
HST #: 818808768RT0001

**Re: Skylink Express Inc. (the “Company”)**

For professional services rendered in September 2024 by KSV Restructuring Inc., in its capacity as Court-appointed Monitor (the “**Monitor**”) in connection with the Company’s proceedings under the *Companies’ Creditors Arrangement Act* (“**CCAA**”), including:

- Corresponding with the Company, Norton Rose Fulbright (Canada) LLP (“**NRF**”), the Company’s legal counsel, Cassels, Brock & Blackwell LLP (“**Cassels**”), the Monitor’s legal counsel, Momentum Decisive Solutions Canada Inc. (“**Momentum**”) and the Company’s sole shareholder regarding these CCAA proceedings, including its sale process for the Company’s aircraft fleet and other assets (the “**Sale Process**”);
- Dealing with TD Bank (“**TD**”), the Company’s senior secured creditor, Fogler Rubinoff LLP, TD’s legal counsel, and TD’s financial advisor, Mandelbaum Spergel Inc. (“**MSI**”), to provide updates regarding the status of these CCAA proceedings and the Sale Process;
- Providing weekly variance reporting to MSI, as required pursuant to the forbearance agreement dated April 19, 2024 among the Company, Momentum and TD;
- Reviewing the Company’s weekly cash flow variance reporting and providing same to MSI on September 1, 7, 13 and 20, 2024;
- Attending a call on September 28, 2024 with the Company regarding the Company’s Winnipeg lease and corresponding with NRF regarding same;
- Corresponding with the Company and Swissport Canada, Inc. (“**Swissport**”) regarding the refund of a security deposit from Swissport to the Company and attending calls with the Company on September 18 and 19, 2024 regarding same;
- Maintaining the Monitor’s case website; and

- To all other meetings, correspondence, etc. pertaining to this matter.

Total fees per attached time summary	\$	4,295.00
HST		<u>558.35</u>
Total Due	\$	<u><u>4,853.35</u></u>

KSV Restructuring Inc.  
CCAA of Skylink Express Inc.

**Time Summary**

For the month ended September 30, 2024

<b>Personnel</b>	<b>Rate (\$)</b>	<b>Hours</b>	<b>Amount (\$)</b>
Bobby Kofman	850	2.95	2,507.50
Jordan Wong	550	3.25	1,787.50
Total Fees			<u>4,295.00</u>

Attached is Exhibit "B"  
Referred to in the  
AFFIDAVIT OF ROBERT KOFMAN  
Sworn before me  
this 21<sup>st</sup> day of October, 2024



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Rajinder Kashyap, a Commissioner, etc.,  
Province of Ontario, for KSV Restructuring Inc.  
Expires February 23, 2027

Skylink Express Inc.

**Time Summary**

For the Period from July 1, 2024 to September 30, 2024

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Personnel	Title	Hours	Billing Rate (\$ per hour)	Amount (\$)
Robert Kofman	President and Managing Director	36.65	850	31,152.50
Jordan Wong	Director	39.00	550	21,450.00
Tony Trifunovic	Manager	10.75	450	4,837.50
Other staff and administrative		14.80	195-225	3,451.75
Total fees		<u>101.20</u>		<u>60,891.75</u>
Average hourly rate				<u>\$ 601.70</u>



## **Appendix “G”**

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

IN THE MATTER OF THE *COMPANIES' CREDITORS  
ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR  
ARRANGEMENT OF SKYLINK EXPRESS INC. (the "**Applicant**")

**AFFIDAVIT OF NATALIE E. LEVINE  
(SWORN OCTOBER 21, 2024)**

I, Natalie E. Levine, of the City of Toronto, in the Province of Ontario, **MAKE OATH AND SAY:**

1. I am a lawyer qualified to practice law in Ontario and a Partner<sup>1</sup> in the law firm of Cassels Brock & Blackwell LLP ("**Cassels**"), counsel for KSV Restructuring Inc. in its capacity as the court-appointed monitor of Skylink Express Inc. (the "**Applicant**") in the Applicant's proceedings under the *Companies' Creditors Arrangement Act* (in such capacity, the "**Monitor**"). As such, I have knowledge of the matters hereinafter to which I depose.

2. For the period from July 1, 2024, to September 30, 2024, Cassels incurred fees including Harmonized Sales Tax ("**HST**"), in the amount of \$23,093.25. Particulars of the work performed are contained in the invoices (together, the "**Invoices**", each an "**Invoice**") attached hereto as **Exhibit "A"**.

3. Attached hereto and marked as **Exhibit "B"** is a summary of the respective years of call and billing rates of each individual at Cassels who acted for the Monitor.

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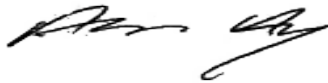
<sup>1</sup> My services are provided through a professional corporation.

4. Attached hereto and marked as **Exhibit "C"** is a summary of the invoices in Exhibit "A", including the total billable hours charged per invoice and the average hourly rate charged per Invoice. The average hourly rate charged by Cassels was \$737.78.

5. To the best of my knowledge, the rates charged by Cassels are comparable to the rates charged by other law firms in the Toronto market for the provision of similar services, and the rates charged by Cassels for services rendered in similar proceedings.

6. This affidavit is sworn in support of a motion to, among other things, seek approval of the fees and disbursements of counsel of the Monitor, and for no other or improper purpose.

**AFFIRMED BEFORE ME** by  
videoconference on October 21, 2024 in  
accordance with O.Reg. 431/20:  
Administering Oath or Declaration  
Remotely. The deponent and I were  
located in the City of Toronto in the  
Province of Ontario.



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Commissioner for Taking Oaths

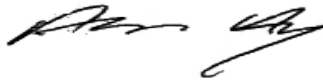
Commissioner Name: Alec Hoy  
Law Society of Ontario Number: 85489K



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**NATALIE E. LEVINE**

This is Exhibit "A" referred to in the affidavit of Natalie E. Levine, affirmed before me by videoconference on October 21, 2024 in accordance with O.Reg. 431/20: Administering Oath or Declaration Remotely. The deponent and I were located in the City of Toronto in the Province of Ontario.



.....  
A Commissioner For Taking Affidavits

Commissioner Name: Alec Hoy  
Law Society of Ontario Number: 85489K

**EXHIBIT "A"**

**True Copies of the Invoices issued to the Monitor  
for fees and disbursements incurred by  
Cassels Brock & Blackwell LLP**

# Cassels

Attn: Robert Kofman  
KSV Advisory Inc.  
220 Bay Street, 13th Floor, PO Box 20  
Toronto, ON M5J 2W4

Invoice No: 2247333  
Date: August 12, 2024  
Matter No.: 050505-00011  
GST/HST No.: R121379572  
Lawyer: Dietrich, Jane  
Tel.: (416) 860-5223  
E-mail: JDietrich@cassels.com

Re: Insolvency proceedings re: Skylink Express Inc.

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Fees for professional services rendered up to and including July 31, 2024

Our Fees	17,952.00
HST @ 13.00%	2,333.76
<b>TOTAL DUE (CAD)</b>	<b>20,285.76</b>

*We are committed to protecting the environment.*

*Please provide your email address to [payments@cassels.com](mailto:payments@cassels.com) to receive invoice and reminder statements electronically.*

**Payment due upon receipt. Please return remittance advice(s) with cheque.**

**REMITTANCE ADVICE: Email payment details to [payments@cassels.com](mailto:payments@cassels.com)**

**CAD EFT and Wire:**

Bank of Nova Scotia  
44 King St. West,  
Toronto, ON, M5H 1H1

Bank I.D.: 002  
Transit No.: 47696  
Account No.: 0073911  
Swift Code: NOSCCATT  
ABA No.: 026002532

**Cheque Payments:**

Cassels Brock & Blackwell LLP  
Finance & Accounting (Receipts)  
Suite 3200, Bay Adelaide Centre - North Tower  
40 Temperance St., Toronto, ON, M5H 0B4 Canada

**Online Bill Payments:**

Vendor name is **Cassels Brock Blackwell LLP** and  
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Invoice No: 2247333  
Matter No.: 050505-00011  
Amount: **CAD 20,285.76**

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Suite 3200, Bay Adelaide Centre - North Tower, 40 Temperance Street, Toronto, ON M5H 0B4 Canada | t: 416 869 5300 | f: 416 360 8877

FEE DETAIL			
Date	Name	Description	Hours
Jul-02-24	C. Vairo	Emails from M. Sassi regarding IR matters and other related matters; call with M. Sassi regarding same;	0.40
Jul-03-24	M. Sassi	Call with counsel to UNIFOR; call with Company counsel and others regarding closing mechanics; correspondence regarding aircraft registrations and security in connection with sale;	1.50
Jul-04-24	J. Dietrich	Review of email regarding APAs and closing issues;	0.10
Jul-04-24	M. Sassi	Review purchase agreement and closing agenda; comment on same; call with Company counsel and TD counsel regarding closing matters; review closing documents and comments on same;	2.20
Jul-04-24	M. Montana	Attend to security review opinion matters;	0.10
Jul-04-24	S. Fernandes	Emails with J. Dietrich, M. Sassi and KSV regarding hearing attendance; emails with K. Parent regarding same for participant information form;	0.10
Jul-05-24	M. Sassi	Preparation for and attending court regarding approval and vesting order; calls and correspondence regarding closing;	3.40
Jul-05-24	C. Vairo	Emails with M. Sassi regarding sale of engine with no contract of sale registered at IR and requirement to request copy of historic bill of sale;	0.30
Jul-08-24	M. Sassi	Correspondence regarding closing for aircrafts;	0.30
Jul-09-24	M. Sassi	Correspondence regarding ongoing matters and sales; review updated APA and correspondence regarding same;	0.70
Jul-09-24	J. Dietrich	Review of email regarding sale transactions and court timing;	0.20
Jul-10-24	M. Sassi	Correspondence regarding closing sale;	0.20
Jul-10-24	J. Dietrich	Discussion regarding wind down agreement with UPS;	0.90
Jul-11-24	M. Sassi	Correspondence regarding purchase agreements;	0.20
Jul-12-24	M. Sassi	Correspondence regarding closing matters and court materials;	0.30
Jul-15-24	M. Sassi	Review and comment on draft report;	0.70
Jul-15-24	J. Dietrich	Exchange of messages with M. Sassi;	0.10
Jul-16-24	J. Dietrich	Review of email; review of draft affidavit;	0.50
Jul-16-24	M. Sassi	Correspondence regarding report and approval of fee matters;	0.30
Jul-17-24	M. Sassi	Review and comment on affidavit and NOM; correspondence regarding fee affidavit and relief regarding same correspondence regarding closing book;	1.40
Jul-17-24	J. Dietrich	Review of draft motion material; exchange of email regarding UPS agreement; review of fee affidavit; discussion with M. Sassi regarding material; swear fee affidavit;	0.60
Jul-18-24	S. Fernandes	Emails with J. Wong regarding service of Report;	0.10
Jul-18-24	J. Dietrich	Review of email regarding report/motion material;	0.30
Jul-18-24	M. Sassi	Call with J. Wong review revised report; corresponding	0.70

Date	Name	Description	Hours
		regarding closing matters;	
Jul-19-24	M. Sassi	Correspondence regarding finalizing report;	0.10
Jul-19-24	S. Fernandes	Correspondence with J. Wong regarding service of Report;	0.20
Jul-22-24	S. Fernandes	Review and finalize Report for service; draft service email; emails regarding service list; review confidential appendices; serve Report; send confidential appendices to Court office; review and swear affidavit of service;	2.00
Jul-22-24	J. Dietrich	Review of email; discussion with M. Sassi;	0.20
Jul-22-24	M. Sassi	Finalization report and matters related to service;	0.60
Jul-23-24	M. Sassi	Review draft factum and correspondence regarding same;	0.30
Jul-23-24	J. Dietrich	Review of email regarding status of wind-down agreement;	0.10
Jul-24-24	M. Sassi	Review closing documents; correspondence regarding Monitor's certificate;	0.50
Jul-26-24	S. Fernandes	Emails regarding hearing attendance;	0.10
Jul-28-24	M. Sassi	Correspondence regarding closing matters;	0.30
Jul-29-24	M. Sassi	Preparation for and attending court hearing;	1.10
Jul-30-24	M. Sassi	Closing documents for Gringas and Randigo sales and correspondence regarding same;	2.10
Jul-31-24	M. Sassi	Correspondence regarding post closing matters;	0.30
Jul-31-24	J. Gordon	Correspondence with M. Sassi and Norton Rose; amendments to bills of sale and officer's certificates;	0.90

FEE SUMMARY					
Name	Title	Hours	Rate	Amount	
Dietrich, Jane	Partner	3.00	1,005.00	3,015.00	
Sassi, Monique	Partner	17.20	745.00	12,814.00	
Vairo, Carlo	Partner	0.70	955.00	668.50	
Montana, Melissa	Associate	0.10	485.00	48.50	
Fernandes, Stephanie	Associate	2.50	485.00	1,212.50	
Gordon, Joshua	Law Student	0.90	215.00	193.50	
<b>Total (CAD)</b>		<b>24.40</b>		<b>17,952.00</b>	

Our Fees	17,952.00
HST @ 13.00%	2,333.76
<b>TOTAL FEES &amp; TAXES (CAD)</b>	<b>20,285.76</b>

<b>TOTAL FEES</b>	<b>17,952.00</b>
<b>TOTAL TAXES</b>	<b>2,333.76</b>
<b>TOTAL FEES &amp; TAXES (CAD)</b>	<b>20,285.76</b>



# Cassels

Attn: Robert Kofman  
KSV Advisory Inc.  
220 Bay Street, 13th Floor, PO Box 20  
Toronto, ON M5J 2W4

Invoice No: 2252210  
Date: September 23, 2024  
Matter No.: 050505-00011  
GST/HST No.: R121379572  
Lawyer: Sassi, Monique  
Tel.: (416) 860-6886  
E-mail: msassi@cassels.com

Re: Insolvency proceedings re: Skylink Express Inc.

---

Fees for professional services rendered up to and including August 31, 2024

Our Fees	2,089.50
HST @ 13.00%	271.64
<b>TOTAL DUE (CAD)</b>	<b>2,361.14</b>

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**Payment due upon receipt. Please return remittance advice(s) with cheque.**

**REMITTANCE ADVICE: Email payment details to [payments@cassels.com](mailto:payments@cassels.com)**

**CAD EFT and Wire:**

Bank of Nova Scotia  
44 King St. West,  
Toronto, ON, M5H 1H1

Bank I.D.: 002  
Transit No.: 47696  
Account No.: 0073911  
Swift Code: NOSCCATT  
ABA No.: 026002532

**Cheque Payments:**

Cassels Brock & Blackwell LLP  
Finance & Accounting (Receipts)  
Suite 3200, Bay Adelaide Centre - North Tower  
40 Temperance St., Toronto, ON, M5H 0B4 Canada

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Vendor name is **Cassels Brock Blackwell LLP** and  
you are required to enter the first six digits of the  
matter #

Invoice No: 2252210  
Matter No.: 050505-00011  
Amount: **CAD 2,361.14**

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FEE DETAIL			
Date	Name	Description	Hours
Aug-01-24	M. Sassi	Correspondence regarding closing amounts and TD payments;	0.20
Aug-01-24	M. Sassi	Correspondence regarding sale post-closing matters;	0.30
Aug-07-24	S. Fernandes	Emails with M. Sassi and B. Nasri regarding certificates;	0.10
Aug-08-24	M. Sassi	Correspondence regarding post-closing de-registrations;	0.10
Aug-08-24	S. Fernandes	Correspondence with K. Parent regarding issued certificates;	0.10
Aug-09-24	M. Sassi	Correspondence regarding stay of proceeding and Monitors certificates;	0.20
Aug-12-24	J. Dietrich	Exchange of email regarding stay letter; review of draft correspondence and comment on same;	0.30
Aug-12-24	M. Sassi	Draft letter advising of stay of proceedings and correspondence regarding same;	0.40
Aug-13-24	J. Dietrich	Review of revised correspondence;	0.20
Aug-13-24	M. Sassi	Finalization of correspondence regarding stay of proceeding;	0.20
Aug-14-24	M. Sassi	Correspondence regarding service list updates;	0.10
Aug-28-24	M. Sassi	Correspondence regarding UPS contract;	0.10
Aug-30-24	M. Sassi	Review correspondence regarding UPS;	0.40

FEE SUMMARY				
Name	Title	Hours	Rate	Amount
Dietrich, Jane	Partner	0.50	1,005.00	502.50
Sassi, Monique	Partner	2.00	745.00	1,490.00
Fernandes, Stephanie	Associate	0.20	485.00	97.00
<b>Total (CAD)</b>		<b>2.70</b>		<b>2,089.50</b>

Our Fees	2,089.50
HST @ 13.00%	271.64
<b>TOTAL FEES &amp; TAXES (CAD)</b>	<b>2,361.14</b>

<b>TOTAL FEES</b>	<b>2,089.50</b>
<b>TOTAL TAXES</b>	<b>271.64</b>
<b>TOTAL FEES &amp; TAXES (CAD)</b>	<b>2,361.14</b>

OUTSTANDING INVOICES				
Invoice Number	Invoice Date	Bill Amount	Payments / Credits	Balance Due

<b>Invoice Number</b>	<b>Invoice Date</b>	<b>Bill Amount</b>	<b>Payments / Credits</b>	<b>Balance Due</b>
2247333	08/12/24	20,285.76	19,377.24	908.52
2252210	09/23/24	2,361.14	0.00	2,361.14
<b>Total (CAD)</b>		<b>22,646.90</b>	<b>19,377.24</b>	<b>3,269.66</b>

# Cassels

Attn: Robert Kofman  
KSV Advisory Inc.  
220 Bay Street, 13th Floor, PO Box 20  
Toronto, ON M5J 2W4

Invoice No: 2254233  
Date: October 08, 2024  
Matter No.: 050505-00011  
GST/HST No.: R121379572  
Lawyer: Sassi, Monique  
Tel.: (416) 860-6886  
E-mail: msassi@cassels.com

Re: Insolvency proceedings re: Skylink Express Inc.

---

Fees for professional services rendered up to and including September 30, 2024

Our Fees	395.00
HST @ 13.00%	51.35
<b>TOTAL DUE (CAD)</b>	<b>446.35</b>

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*Please provide your email address to [payments@cassels.com](mailto:payments@cassels.com) to receive invoice and reminder statements electronically.*

**Payment due upon receipt. Please return remittance advice(s) with cheque.**

**REMITTANCE ADVICE: Email payment details to [payments@cassels.com](mailto:payments@cassels.com)**

**CAD EFT and Wire:**

Bank of Nova Scotia  
44 King St. West,  
Toronto, ON, M5H 1H1

Bank I.D.: 002  
Transit No.: 47696  
Account No.: 0073911  
Swift Code: NOSCCATT  
ABA No.: 026002532

**Cheque Payments:**

Cassels Brock & Blackwell LLP  
Finance & Accounting (Receipts)  
Suite 3200, Bay Adelaide Centre - North Tower  
40 Temperance St., Toronto, ON, M5H 0B4 Canada

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Invoice No: 2254233  
Matter No.: 050505-00011  
Amount: **CAD 446.35**

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**Credit Card Payments:** [payments.cassels.com](mailto:payments.cassels.com)

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Suite 3200, Bay Adelaide Centre - North Tower, 40 Temperance Street, Toronto, ON M5H 0B4 Canada | t: 416 869 5300 | f: 416 360 8877

**FEE DETAIL**

Date	Name	Description	Hours
Sep-04-24	M. Sassi	Correspondence regarding UPS contract;	0.20
Sep-16-24	M. Sassi	Review update on sale process;	0.20
Sep-19-24	S. Fernandes	Closing documents regarding sale;	0.20

**FEE SUMMARY**

Name	Title	Hours	Rate	Amount
Sassi, Monique	Partner	0.40	745.00	298.00
Fernandes, Stephanie	Associate	0.20	485.00	97.00
<b>Total (CAD)</b>		<b>0.60</b>		<b>395.00</b>

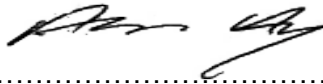
Our Fees	395.00
HST @ 13.00%	51.35
<b>TOTAL FEES &amp; TAXES (CAD)</b>	<b>446.35</b>

<b>TOTAL FEES</b>	<b>395.00</b>
<b>TOTAL TAXES</b>	<b>51.35</b>
<b>TOTAL FEES &amp; TAXES (CAD)</b>	<b>446.35</b>

**OUTSTANDING INVOICES**

Invoice Number	Invoice Date	Bill Amount	Payments / Credits	Balance Due
2247333	08/12/24	20,285.76	19,377.24	908.52
2254233	10/08/24	446.35	0.00	446.35
<b>Total (CAD)</b>		<b>20,732.11</b>	<b>19,377.24</b>	<b>1,354.87</b>

This is Exhibit "B" referred to in the affidavit of Natalie E. Levine, affirmed before me by videoconference on October 21, 2024 in accordance with O.Reg. 431/20: Administering Oath or Declaration Remotely. The deponent and I were located in the City of Toronto in the Province of Ontario.



.....  
A Commissioner For Taking Affidavits

Commissioner Name: Alec Hoy  
Law Society of Ontario Number: 85489K

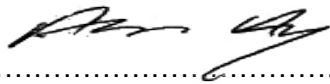
**EXHIBIT "B"**

**Billing Rates of Cassels Brock & Blackwell LLP**

**For the period from July 1, 2024, to September 30, 2024**

<b>Year of Call</b>	<b>Lawyer</b>	<b>Rate (\$)</b>	<b>Total Hours Worked</b>	<b>Total Fees Billed (\$)</b>
1992	Carlo Vairo	955.00	0.70	668.50
2004	Jane Dietrich	1,005.00	3.50	3,517.50
2013	Monique Sassi	745.00	19.60	14,602.00
2022	Stephanie Fernandes	485.00	2.90	1,406.50
2022	Melissa Montana	485.00	0.10	48.50
Law Student	Joshua Gordon	215.00	0.90	193.50

This is Exhibit "C" referred to in the affidavit of Natalie E. Levine, affirmed before me by videoconference on October 21, 2024 in accordance with O.Reg. 431/20: Administering Oath or Declaration Remotely. The deponent and I were located in the City of Toronto in the Province of Ontario.



.....  
A Commissioner For Taking Affidavits

Commissioner Name: Alec Hoy  
Law Society of Ontario Number: 85489K



**EXHIBIT "C"**

**Calculation of Average Hourly Billing Rates of  
Cassels Brock & Blackwell LLP  
for the period July 1, 2024 to September 30, 2024**

<b>Invoice No./ Period</b>	<b>Fees (\$)</b>	<b>Disbursements (\$)</b>	<b>HST (\$)</b>	<b>Total Fees, Disbursements and HST (\$)</b>	<b>Hours Billed</b>	<b>Average Billed Rate (\$)</b>
2247333 July 1, 2024 to July 31, 2024	17,952.00	0.00	2,333.76	20,285.76	24.40	735.74
2252210 August 1, 2024 to August 31, 2024	2,089.50	0.00	271.64	2,361.14	2.70	773.89
2254233 September 1, 2024 to September 30, 2024	395.00	0.00	51.35	446.35	0.60	658.33
<b>Total</b>	20,436.50	0.00	2,656.75	23,093.25	27.70	737.78

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF  
SKYLINK EXPRESS INC.

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

PROCEEDING COMMENCED AT TORONTO

**AFFIDAVIT OF NATALIE E. LEVINE**

**Sworn October 21, 2024**

**CASSELS BROCK & BLACKWELL LLP**

Suite 3200, Bay Adelaide Centre – North Tower  
40 Temperance Street  
Toronto, Ontario M5H 0B4

**Monique Sassi LSO#: 63638L**

Tel: 416.860.6886  
msassi@cassels.com

**Stephanie Fernandes LSO# 85819M**

Tel: 416.860.6481  
sfernandes@cassels.com

*Lawyers for the Monitor*

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF  
SKYLINK EXPRESS INC.

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

PROCEEDING COMMENCED AT TORONTO

**SIXTH REPORT OF THE MONITOR**

**CASSELS BROCK & BLACKWELL LLP**

Suite 3200, Bay Adelaide Centre – North Tower  
40 Temperance Street  
Toronto, Ontario M5H 0B4

**Monique Sassi LSO#: 63638L**

Tel: 416.860.6886  
msassi@cassels.com

**Stephanie Fernandes LSO#: 85819M**

Tel: 416.860.6481  
sfernandes@cassels.com

*Lawyers for the Monitor*