



SUPERIOR COURT OF JUSTICE

COUNSEL SLIP

COURT FILE
NO.:

CV-23-00692784-00CL

DATE: 8 March 2023

NO. ON LIST: 1

TITLE OF
PROCEEDING:
BEFORE
JUSTICE:

INSCAPE CORP, INSCAPE (NEW YORK) INC,
INSCAPE INC
CONWAY

PARTICIPANT INFORMATION

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ENDORSEMENT OF JUSTICE CONWAY:

All defined terms used in this Endorsement shall, unless otherwise defined, have the meanings ascribed to them in the Motion Record of the Applicants dated February 28, 2023.

The Applicants bring this motion for an extension of the stay (expires on March 9, 2023) to April 21, 2023. They submit that this will enable them to further advance their realization and wind-down efforts. Specifically, they wish to finalize and seek Court approval of the Equipment Liquidation APS.

The Applicants further seek a sealing order with respect to Confidential Appendix “1” to the Monitor’s Second Report, which contains a summary of the sale and liquidation bids received by the Monitor.

The motion is unopposed. The Monitor supports the stay extension as set out in its Second Report. It has described in detail the sales and liquidation process that the Applicants have engaged in with the assistance of the Monitor. It has also prepared an Updated Cash Flow Forecast that forecasts sufficient liquidity for the Applicants to fund their operations during the extended stay period.

I am satisfied that the relief sought should be granted. I accept the Monitor’s view that the Applicants continue to act in good faith and with due diligence, that no creditor will be prejudiced if the extension is granted, that it will afford the Applicants stability to continue the execution of the orderly wind-down, and that the Applicants will have sufficient liquidity to fund their operations through the extended stay period.

I am granting the sealing order for Confidential Appendix “1” to the Monitor’s Second Report. It is commercially sensitive information and could prejudice the stakeholders in obtaining the best price for assets if it is not sealed pending Court approval of any sale transaction. The sealing order meets the *Sierra Club/Sherman* test. **Counsel for the Monitor is directed to file a hard copy of the Confidential Appendix “1” to the Second Report with the Court in a sealed order along with a copy of this endorsement and the order.**

Counsel for the Applicant has revised the order to refer to the affidavit filed by Mr. Ewine (who is putting his evidence before the court but is not opposing the relief sought today).

The record filed before me today includes evidence in support of a sale of certain of the Applicants’ assets to the “successful bidder” as it relates to the Equipment Liquidation Bid. Counsel for the Applicants and the Monitor said that following execution of the asset purchase agreement, the Applicants intend to apply to the Court for an order vesting title in these assets to the successful bidder (“AVO”). Counsel further advised that the AVO was a condition subsequent to the proposed transaction. During the hearing, I reminded counsel that the Court would, at the appropriate time, review the request for approval of the transaction on its merits and is not obligated in any way to grant the AVO or approve the transaction. I also made it clear to counsel that nothing in the relief granted today impacts the Court’s future decision in connection with the Applicants’ request for an AVO related to the Equipment Liquidation Bid.

Order to go as signed by me and attached to this Endorsement. This order is effective from today's date and is enforceable without the need for entry and filing.

A handwritten signature in blue ink, appearing to read "Conway J.", is located at the bottom left of the page.