

**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 OLD MM GP INC.**

**FOURTH REPORT OF THE MONITOR
ALVAREZ & MARSAL CANADA INC.**

FEBRUARY 28, 2024

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1.0 INTRODUCTION

- 1.1 On November 23, 2023, Old MM GP Inc. (f/k/a Mastermind GP Inc.) (the “**Applicant**”) was granted protection under the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”) pursuant to an initial order (the “**Initial Order**”) of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”). Among other things, the Initial Order appointed Alvarez & Marsal Canada Inc. as monitor (in such capacity, the “**Monitor**”) in the CCAA Proceedings (the “**CCAA Proceedings**”).
- 1.2 The Initial Order also extended the stay of proceedings and other protections and authorizations to Old MM LP (f/k/a Mastermind LP) (together with Old MM GP Inc., the “**Debtor Companies**”). Old MM GP Inc. is the general partner of Old MM LP.
- 1.3 The Debtor Companies commenced the CCAA Proceedings to provide the stability and flexibility necessary to allow them to pursue a value maximizing going concern sale transaction, while also implementing a liquidation and closure of a sub-set of store locations. In furtherance of these objectives and as explained in the Prior Reports (as defined below), Old MM LP entered into an asset purchase agreement dated as of December 1, 2023 (the “**APA**”) with Unity Acquisitions Inc. (“**Unity**”) or its permitted assignee, Mastermind Toys Inc., as purchaser (the “**Purchaser**”), for the sale of its assets and business, and with the assistance of Gordon Brothers Canada ULC (the “**Consultant**”), implemented a liquidation sale at 18 store locations (the “**Liquidation Sale**”).
- 1.4 On December 13, 2023, the Applicant obtained an order (the “**Approval and Vesting Order**”), among other things:

- (i) approving the APA and the going concern transaction contemplated thereunder (the “**Transaction**”); and
- (ii) upon the delivery of a certificate to Old MM LP and the Purchaser or their respective counsel substantially in the form attached as Schedule “A” to the Approval and Vesting Order (the “**Monitor’s Certificate**”), vesting all of Old MM LP’s right, title and interest in and to the Purchased Assets (as defined in the APA) in the Purchaser free and clear of all claims and encumbrances other than the Permitted Encumbrances (as defined in the APA).

1.5 On January 12, 2024, the Applicant obtained the following additional relief to effectuate the Transaction and advance the CCAA Proceedings:

- (i) an order pursuant to section 11.3 of the CCAA (the “**Assignment Order**”), among other things, assigning, conveying and transferring to the Purchaser the rights and obligations of the Debtor Companies under the Assigned Contracts (as defined in the Assignment Order);
- (ii) an order (the “**Ancillary Order**”), which, among other things:
 - (a) granted the Monitor expanded powers and certain additional protections;
 - (b) declared that Old MM LP meets the criteria prescribed by section 3.2 of the *Wage Earner Protection Program Regulations*, SOR/2008-222 and that Old MM LP’s former employees are eligible to receive payments under and in accordance with the *Wage Earner Protection Program Act*, S.C. 2006, c. 47 s. 1, as amended (the “**WEPP Act**”);

- (c) extended the Stay Period (as defined in the ARIO) to and including April 30, 2024;
- (d) amended the title of the CCAA Proceedings upon the Debtor Companies' official name changes following the closing of the Transaction;
- (e) authorized and directed the Monitor to distribute to CIBC any amounts required to satisfy the obligations owing under the CIBC Credit Agreement and the Forbearance Agreement (as defined in the ARIO) upon the delivery of the Monitor's Certificate in accordance with the Approval and Vesting Order and the APA (the "**Distribution**"); and
- (f) terminated and released the DIP Charge and the KERP Charge (each as defined in the ARIO) upon Old MM LP making the Distribution.

1.6 Copies of the Approval and Vesting Order, Assignment Order and Ancillary Order are attached hereto as Appendices "A", "B" and "C", respectively.

1.7 Additional details regarding the Debtor Companies and the circumstances leading to the CCAA Proceedings are set out in the Pre-Filing Report of the Proposed Monitor dated November 22, 2023 (the "**Pre-Filing Report**"), the First Report of the Monitor dated November 29, 2023 (the "**First Report**"), the Second Report of the Monitor dated December 10, 2023 (the "**Second Report**") and the Third Report of the Monitor dated January 8, 2024 (the "**Third Report**" and collectively with the Pre-Filing Report, the First Report and the Second Report, the "**Prior Reports**"). The Prior Reports and other Court-filed documents in the CCAA Proceedings are available on the Monitor's case website at:

www.alvarezandmarsal.com/Mastermind (the “**Case Website**”). For ease of reference, a copy of the Third Report (without appendices) is attached as Appendix “D”.

2.0 PURPOSE OF THIS REPORT

2.1 The purpose of this Fourth Report is to provide the Court with information regarding the following:

- (i) certain updates with respect to the CCAA Proceedings since the date of the Third Report;
- (ii) the Monitor’s motion for an order (the “**Claims Procedure Order**”), among other things:
 - (a) establishing a procedure (the “**Claims Procedure**”) for the identification, quantification and resolution of claims against the Debtor Companies and their present and former directors and officers (collectively, “**Directors/Officers**”); and
 - (b) extending the Stay Period to and including October 31, 2024;
- (iii) the activities of the Monitor since the date of the Third Report; and
- (iv) the Monitor’s conclusions and recommendations in connection with the foregoing, as applicable.

3.0 TERMS OF REFERENCE AND DISCLAIMER

3.1 In preparing this Fourth Report, A&M, in its capacity as Monitor, has been provided with, and has relied upon, unaudited financial information, books and records and financial information prepared by the Debtor Companies and has held discussions with the former management of the Debtor Companies and their legal counsel (collectively, the “**Information**”). The Monitor notes that:

- (i) it has reviewed the Information for reasonableness, internal consistency and use in the context in which it was provided. However, the Monitor has not audited or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with Canadian Auditing Standards (“**CASs**”) pursuant to the *Chartered Professional Accountants Canada Handbook* (the “**CPA Handbook**”) and, accordingly, the Monitor expresses no opinion or other form of assurance contemplated under CASs in respect of the Information; and
- (ii) some of the information referred to in this Fourth Report consists of forecasts and projections. An examination or review of the financial forecasts and projections, as outlined in the CPA Handbook, has not been performed.

3.2 This Fourth Report is being provided to the Court in support of the relief being sought by the Monitor in its motion for the proposed Claims Procedure Order. Capitalized terms used and not defined in this Fourth Report have the meanings given to them in the Prior Reports or the Claims Procedure Order, as applicable.

3.3 Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian dollars.

4.0 UPDATES SINCE THE DATE OF THE THIRD REPORT

The Transaction

4.1 The Transaction contemplated by the APA closed on January 15, 2024 (the “**Closing Date**”). As described in the Prior Reports, the Transaction was expected to and has resulted in:

- (i) the transfer of substantially all of the assets and operations of the Debtor Companies to the Purchaser;
- (ii) the preservation of jobs for the majority of the Debtor Companies’ former employees;
- (iii) the continuation of the “Mastermind Toys” business through the Purchaser;
- (iv) the continued operation of 48 Mastermind Toys retail stores and the Debtor Companies’ former head office/distribution centre, and the preservation of the corresponding leases and relationships with landlords; and
- (v) the repayment in full of all of the obligations that were owing to CIBC.

The Liquidation Sale and the Liquidating Stores

4.2 As described in the Prior Reports and referenced above, the Debtor Companies, with the assistance of the Consultant, implemented the Liquidation Sale with respect to 18 of Old MM LP’s store locations (collectively, the “**Liquidating Stores**”). The Liquidation Sale

concluded, and all of the Liquidating Stores were returned to their respective landlords, on or prior to January 14, 2024.

- 4.3 During the period leading up to Old MM LP's exit from the Liquidating Stores, the Debtor Companies made arrangements to terminate, disclaim or otherwise cease any agreements or informal arrangements with respect to the provision of goods or services to or for the Liquidating Stores. For greater certainty, Old MM LP also issued a notice letter to all service providers to notify them of the termination of such services (the "**Termination Notices**"). The Termination Notices were all delivered on or prior to January 15, 2024.

Employees

- 4.4 As described in the Third Report and in accordance with the APA, the Purchaser offered employment to over 600 of Old MM LP's employees. Of this group, approximately 590 accepted employment and were retained by the Purchaser. Those employees who were either not offered employment or who did not accept their employment offer, as well as a group of temporary employees who were not included in the Transaction, were terminated prior to the Closing Date (collectively, the "**Terminated Employees**").
- 4.5 In connection with the Transaction and as part of Old MM LP's final pay run prior to the Closing Date, Old MM LP paid all of the wages and vacation pay owing to the Terminated Employees. Certain amounts for severance and termination, however, remain owing to the Terminated Employees and are expected to be addressed in accordance with the WEPP Act and in the Claims Procedure.

Amounts Paid on Closing

Excess Proceeds

- 4.6 As described in the Third Report, the Transaction was anticipated to result in Excess Proceeds to be held by the Monitor for the benefit of the Debtor Companies estates in the CCAA Proceedings, including any costs to administer the CCAA Proceedings.
- 4.7 As of the date of this Fourth Report, the Monitor is holding approximately \$2.3 million in Excess Proceeds. It is intended that the Excess Proceeds, less any applicable administrative costs, will be made available for distribution to claimants with proven claims in the Claims Procedure, subject to further order of this Court.

Priority Payables Amount

- 4.8 Pursuant to the APA, the Purchaser also paid to Old MM LP the Priority Payables Buyer Contribution (as defined in the APA) in the amount of \$2.4 million on the closing of the Transaction.
- 4.9 As described in the Third Report, Old MM LP will use the Priority Payables Buyer Contribution to pay all remaining Priority Payables (as defined in the APA) that were outstanding prior to the Closing Date.
- 4.10 As of the date of this Fourth Report, the Monitor has disbursed approximately \$1.4 million from the Priority Payables Buyer Contribution. The remaining balance of \$1 million is anticipated to be disbursed to pay remaining Priority Payables, with any remaining balance being returned to the Purchaser pursuant to the APA.

5.0 PROPOSED CLAIMS PROCEDURE

Overview

- 5.1 The purpose of the proposed Claims Procedure is to establish a process for the identification, quantification, and resolution of claims against the Debtor Companies and the Directors/Officers.
- 5.2 The proposed Claims Procedure includes a “negative claims process” for certain Known Claimants. Specifically, the proposed Claims Procedure permits the Monitor to elect to deliver a General Claim Statement, Employee Claim Statement or Landlord Claim Statement to Known Claimants setting out the classification, nature and amount of each such Known Claimant’s Claim (each, a “**Listed Claim**”) by including a Claim Statement in the Claims Package delivered to such Known Claimants (each, a “**Listed Claimant**”). A Listed Claimant who agrees with its Listed Claim is not required to take further action. A Listed Claimant wishing to dispute its Listed Claim is required to deliver a Notice of Dispute of Claim Statement to the Monitor no later than the Claims Bar Date or the Restructuring Period Claims Bar Date, as applicable. Should the Listed Claimant fail to take the requisite steps to dispute its Listed Claim, its Claim will be limited to the classification, nature and amount of the Listed Claim set out in the Claim Statement or Amended Claim Statement provided to it. Any Claimants (or potential Claimants), including Listed Claimants, that wish to assert a Pre-Filing Claim or a Restructuring Period Claim other than a Listed Claim must file a Proof of Claim as prescribed by the proposed Claims Procedure Order.

5.3 Certain key steps and timelines described in the proposed Claims Procedure Order are summarized in the table below:

Timeframe	Activity
March 8, 2024	Scheduled date for the hearing of the motion seeking the proposed Claims Procedure Order
No later than five (5) Business Days following the granting of the Claims Procedure Order	Claims Packages to be sent by the Monitor, on behalf of the Debtor Companies, to each of the Known Claimants
April 19, 2024	Claims Bar Date for the filing of Prefiling Claims and Director/Officer Claims
The later of (i) the Claims Bar Date and (ii) the date that is ten (10) Business Days after the Monitor sends a Claims Package with respect to a Restructuring Period Claim	Restructuring Period Claims Bar Date for the filing of Restructuring Period Claims

Claims

5.4 In addition to Known Claimants and as set out in greater detail in the proposed Claims Procedure Order, the Monitor, on behalf of the Debtor Companies, will solicit the following Claims from all other Claimants (or potential Claimants):

- (i) *Prefiling Claims*: Being, generally, any right or claim of any Person against the Debtor Companies (or either of them) in connection with any indebtedness, liability or obligation of any kind whatsoever that was in existence on the Filing Date (i.e., November 23, 2023);
- (ii) *Restructuring Period Claims*: Being, generally, any right or claim of any Person against the Debtor Companies (or either of them) arising out of the restructuring, disclaimer, termination or breach by the Debtor Companies (or either of them) on

or after the Filing Date of any contract, lease or other agreement or arrangement, whether written or oral; and

- (iii) *Director/Officer Claims*: Being, generally, any existing or future right or claim of any Person against one or more of the Directors/Officers, however arising, for which such Directors/Officers are by statute or otherwise by law or equity, liable to pay in their capacities as Directors or Officers, as applicable.

5.5 The proposed Claims Procedure Order does not apply to any Excluded Claim, being:

- (i) any Assumed Liabilities;
- (ii) any Claim secured by any of the Charges;
- (iii) any claim enumerated in subsections 5.1(2) and 19(2) of the CCAA; and
- (iv) any Excluded Claim arising through subrogation.

5.6 Pursuant to the proposed Claims Procedure Order, the Monitor shall be authorized and empowered to assist any Claimant, including any Employee in the filing of a Proof of Claim.

Claims Bar Dates

5.7 It is proposed that any Claimant asserting a Prefiling Claim or a Director/Officer Claim be required to file a Proof of Claim with the Monitor by no later than 5:00 p.m. (Eastern Prevailing Time) on the Claims Bar Date (i.e., April 19, 2024) or such later date as the Court may otherwise direct, failing which the Claim of such Claimant will be forever extinguished and such Claimant barred from asserting or enforcing any such Claim. The

Monitor believes that the Claims Bar Date is reasonable in that it provides sufficient time from the date of the Claims Procedure Order and receipt of the Claims Package for potential Claimants to evaluate and submit any Prefiling Claim or Director/Officer Claim they may have.

- 5.8 It is proposed that any Claimant asserting a Restructuring Period Claim be required to file a Proof of Claim with the Monitor by the later of: (a) ten (10) Business Days after the date on which the Monitor sends a Claims Package with respect to a Restructuring Period Claim; and (b) the Claims Bar Date, or such later date as the Court may otherwise direct, failing which the Claim of such Claimant will be forever extinguished and such Claimant barred from asserting or enforcing any such Claim. The Monitor believes that the Restructuring Period Claims Bar Date is reasonable in that it provides sufficient time from the date a Claims Package is sent to a Claimant to evaluate and submit any Restructuring Period Claim they may have.

Notice

- 5.9 The proposed Claims Procedure Order directs that the Monitor will do the following to provide notice of the Claims Procedure:
- (i) by no later than five (5) Business Days following the granting of the Claims Procedure Order, cause a Claims Package to be sent, on behalf of the Debtor Companies, to each of the Known Claimants;
 - (ii) as soon as practicable after the date of the Claims Procedure Order, cause the Notice Letter, to be published once in *The Globe and Mail* (National Edition);

- (iii) as soon as practicable after the date of the Claims Procedure Order, post a copy of the following on the Case Website: (a) the Claims Procedure Order; (b) the Monitor's Motion Record in respect of the Claims Procedure Order; and (c) the Claims Package;
- (iv) deliver, as soon as reasonably possible following receipt of a request therefor, a copy of the Claims Package to any Person claiming to be a Claimant and requesting such material in writing;
- (v) with respect to any notices of disclaimer delivered to potential Claimants by or on behalf of the Debtor Companies after the date of the Claims Procedure Order, deliver an accompanying Claims Package; and
- (vi) upon becoming aware of any other circumstance giving rise to a Restructuring Period Claim, send a Claims Package to the applicable Claimant or direct such Claimant to the documents posted on the Case Website in respect of such Restructuring Period Claim.

Assessment and Determination of Claims

- 5.10 Pursuant to the proposed Claims Procedure Order, the Monitor will review all Proofs of Claim received on or before the Claims Bar Date or the Restructuring Period Claims Bar Date, as applicable, and accept, revise or disallow the classification, nature, and/or amount of each Claim. If the Monitor intends to revise or disallow a Claim, in whole or in part, the

Monitor will notify the Claimant by sending a Notice of Revision or Disallowance along with the reasons for such revision or disallowance.

- 5.11 Any Claimant who intends to dispute a Notice of Revision or Disallowance must send written notice to the Monitor by completing a Notice of Dispute of Revision or Disallowance by no later than 5:00 p.m. (Eastern Prevailing Time) on the date that is fourteen (14) Calendar Days after the date the Monitor sends the Notice of Revision or Disallowance to the applicable Claimant.
- 5.12 Any Claimant that receives a Notice of Revision or Disallowance that does not file a Notice of Dispute of Revision or Disallowance with the Monitor within the prescribed fourteen (14) Calendar Day time period shall be deemed to have accepted the classification, amount and nature of the Claim as set out in the Notice of Revision or Disallowance for voting and distribution purposes, as applicable. In such circumstances, all of the Claimant's rights to dispute same or to otherwise assert or pursue the Claim in an amount that exceeds the amount set forth in the Notice of Revision or Disallowance shall be forever extinguished and barred without further act or notification.
- 5.13 In the event that a dispute raised in a Notice of Dispute of Revision or Disallowance or Notice of Dispute of Claim Statement is not settled within a time period or in a manner satisfactory to the Monitor, the Monitor shall so notify the Claimant or Listed Claimant, as applicable. Thereafter, the Monitor shall refer the Disputed Claim to the Court or to such alternative dispute resolution proceeding as may be ordered by the Court or agreed to by the Monitor and the applicable Claimant or Listed Claimant, as the case may be. The Court

or the Person or Persons conducting the alternative dispute resolution proceeding, as the case may be, shall resolve the dispute.

D&O Indemnity Claims

- 5.14 To the extent that any Claim filed in accordance with the Claims Procedure Order includes a Director/Officer Claim, a corresponding D&O Indemnity Claim shall be deemed to have been filed in respect of each Director/Officer Claim prior to the Claims Bar Date or the Restructuring Period Claims Bar Date, as applicable. The applicable Directors/Officers shall not be required take any action or to file a Proof of Claim in respect of any such D&O Indemnity Claim.

Claims Barred and Extinguished

- 5.15 The proposed Claims Procedure Order provides that any Person that does not deliver a Proof of Claim to the Monitor on or before the Claims Bar Date or the Restructuring Period Claims Bar Date, as applicable: (a) shall not be entitled to attend or vote at a Meeting in respect of such Claim; (b) shall not be entitled to receive any distribution in respect of such Claim pursuant to a Plan or otherwise; (c) shall not be entitled to any further notice in the CCAA Proceedings (unless it has otherwise sought to be included on the Service List); and (d) shall be forever barred from making or enforcing such Claim, and such Claim shall be extinguished without any further act or notification.

6.0 EXTENSION OF THE STAY PERIOD

- 6.1 The Ancillary Order extended the Stay Period until and including April 30, 2024. Pursuant to the proposed Claims Procedure Order, the Monitor is seeking a further extension of the Stay Period to and including October 31, 2024.

- 6.2 In the Monitor's view, the Debtor Companies have acted in good faith and with due diligence to, among other things, implement and complete the Liquidation Sale and the Transaction since the granting of the Initial Order. Further, under the Monitor's direction, the Debtor Companies have continued to act in good faith and with due diligence since the closing of the Transaction to address post-closing matters and facilitate the Monitor's development of the proposed Claims Procedure and identification of all of Old MM LP's former employees that may be eligible for payments under the WEPP Act.
- 6.3 The proposed extension of the Stay of Proceedings will maintain the *status quo* and provide the breathing room and stability necessary to, among other things:
- (i) complete the proposed Claims Procedure and resolve any disputed Claims therein in accordance with the Claims Procedure Order; and
 - (ii) allow the Monitor, exercising its powers under the Ancillary Order, to seek approval of one or more distributions to the Debtor Companies' creditors and otherwise administer the Debtor Companies' estates and wind-down.
- 6.4 Given the ample Excess Proceeds, the Debtor Companies are forecast to have sufficient liquidity throughout the Stay Period.
- 6.5 Taken together, the Monitor is of the view that the proposed extension of the Stay of Proceedings is reasonable and appropriate in the circumstances. The Monitor is not aware of any creditor that would be materially prejudiced by the proposed extension of the Stay of Proceedings.

7.0 ACTIVITIES OF THE MONITOR SINCE THE THIRD REPORT

7.1 Since the date of the Third Report, the primary activities of the Monitor have included the following:

- (i) liaising with and assisting the Debtor Companies and the Purchaser and their respective counsel in connection with the closing of the Transaction;
- (ii) assisting the Debtor Companies with communications to employees, suppliers, landlords and other parties in connection with the closing of the Transaction;
- (iii) making required payments on behalf of the Debtor Companies from the Excess Proceeds and Priority Payables Buyer Contribution;
- (iv) assisting the former management of the Debtor Companies with the preparation of materials requested by the CRA to conduct its limited scope HST audit;
- (v) preparing for and attending the hearing of the Applicant's motion for the Assignment Order and the Ancillary Order on January 12, 2024;
- (vi) delivering the Monitor's Certificate on January 15, 2024;
- (vii) engaging in discussions with Service Canada and the Monitor's counsel, Bennett Jones LLP, on eligibility periods under the WEPP Act and the application of the WEPP Act in the CCAA Proceedings;
- (viii) responding to inquiries from stakeholders, including addressing questions and concerns of parties who contacted the Monitor on the hotline number or email account established by the Monitor for the CCAA Proceedings;

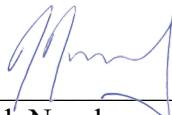
- (ix) posting non-confidential materials filed with the Court to the Case Website; and
- (x) with the assistance of Bennett Jones LLP, preparing the proposed Claims Procedure Order and this Fourth Report.

8.0 CONCLUSIONS AND RECOMMENDATIONS

- 8.1 For the reasons set out in this Fourth Report, the Monitor respectfully recommends that the Court grant the proposed Claims Procedure Order.

All of which is respectfully submitted to the Court this 28th day of February, 2024.

**Alvarez & Marsal Canada Inc., in its capacity as
Monitor of Old MM GP Inc. and Old MM LP,
and not in its personal or corporate capacity**

Per: 

Josh Nevsky
Senior Vice-President

TAB A

APPENDIX A
APPROVAL AND VESTING ORDER

See attached.



Court File No. CV-23-00710259-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE)	WEDNESDAY, THE 13TH
)	
JUSTICE STEELE)	DAY OF DECEMBER, 2023

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 MASTERMIND GP INC.

(the "**Applicant**")

APPROVAL AND VESTING ORDER

THIS MOTION, made by the Applicant pursuant to the *Companies' Creditors Arrangement Act* (Canada) ("**CCAA**"), for an order approving the sale transactions (the "**Transactions**") contemplated by an asset purchase agreement dated as of December 1, 2023 (the "**APA**") between Mastermind LP, by its general partner, Mastermind GP Inc., as seller (the "**Seller**") and Unity Acquisitions Inc., (or any permitted assignee under the APA), as buyer (the "**Buyer**") and attached as Confidential Exhibit "G" to the affidavit of Lucio Milanovich sworn December 6, 2023 (the "**Milanovich Affidavit**") and vesting in the Buyer all of the Seller's right, title and interest in and to the Purchased Assets described in the APA, was heard this day at 330 University Avenue, Toronto, Ontario by videoconference via Zoom.

ON READING the Notice of Motion and Motion Record of the Applicant and the Second Report (the "**Second Report**") of Alvarez & Marsal Canada Inc., in its capacity as court-appointed monitor (in such capacity, the "**Monitor**") of Mastermind GP Inc. and Mastermind LP (collectively, the "**Mastermind Entities**"), and on hearing the submissions of counsel for the Mastermind Entities, the Monitor, the Buyer, and counsel for the other persons listed on the

counsel slip, no one appearing for any other person on the service list, although properly served as appears from the Lawyer's Certificate of Service of Kristine Spence sworn December 6, 2023, filed:

SERVICE AND DEFINITIONS

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

2. **THIS COURT ORDERS** that capitalized terms used herein but not otherwise defined have the definitions given to them in the APA.

APPROVAL OF THE TRANSACTIONS

3. **THIS COURT ORDERS AND DECLARES** that the Transactions are hereby approved, and the execution of the APA by the Seller is hereby authorized and approved, with such minor amendments as the Seller and the Buyer, with the approval of the Monitor, may agree upon. The Seller and the Monitor are hereby authorized and directed to perform their respective obligations under the APA and any ancillary documents and to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transactions and for the conveyance of the Purchased Assets to the Buyer.

4. **THIS COURT ORDERS AND DECLARES** that this Order shall constitute the only authorization required by the Monitor and Seller to proceed with the Transactions and that no shareholder, partner, or other approvals shall be required in connection therewith.

VESTING OF THE PURCHASED ASSETS

5. **THIS COURT ORDERS AND DECLARES** that upon the delivery of a Monitor's certificate to the Seller and Buyer or their respective counsel substantially in the form attached as **Schedule "A"** (the "**Monitor's Certificate**"), all of the Seller's right, title and interest in and to the Purchased Assets (including any real property leases that may be assigned to the Buyer ("**Leases**")) shall vest absolutely in the Buyer, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, rights of distraint, levies,

charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the “**Claims**”) including, without limiting the generality of the foregoing: (a) any encumbrances or charges created by an order of this Court made in the CCAA Proceedings, including, without limitation, the Amended and Restated Initial Order of the Honourable Justice Steele dated November 30, 2023 (collectively, the “**Amended and Restated Initial Order**”), which charges include, without limitation, the DIP Charge, the KERP Charge, the D&O Charge, and the Administration Charge (as those terms are defined in the Amended and Restated Initial Order); (b) all charges, security interests, or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system; (c) all amounts assessed or otherwise sought by any provincial taxing authority relating to tax liabilities of the Mastermind Entities for tax periods, or parts thereof, ending on or before the Closing Date; and (d) those Claims listed on **Schedule “B”** (all of which are collectively referred to as the “**Encumbrances**”, which term shall not include the Permitted Encumbrances, easements and restrictive covenants listed on **Schedule “C”**) and, for greater certainty, this Court orders that all of the Claims and Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets. Notwithstanding the foregoing, but subject to the terms of any agreement between the Buyer and the applicable landlord with respect to any Lease that may in the future be assigned to the Buyer, nothing in this Order shall affect the rights and remedies of a landlord as against the Buyer that may arise or exist under or in respect of any Lease that may be assigned to the Buyer.

6. **THIS COURT ORDERS THAT** (a) nothing in this Order shall amend or vary, or be deemed to amend or vary, the terms of an a Lease that may in the future be assumed by the Buyer and (b) where a Lease is not, in accordance with its terms, transferrable or assignable to the Buyer without first obtaining the consent of the applicable landlord, such Lease shall not be transferred, conveyed, assigned or vested in the Buyer by operation of this Order, but such assignment shall be effected upon obtaining the requisite consent from the applicable landlord (in which case the Buyer shall be entitled to rely upon, and have the benefit of, all of the provisions of this Order which include, for greater certainty, the transfer and vesting of Purchased Assets to the Buyer) or upon further Order of the Court.

7. **THIS COURT ORDERS** that for the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Assets shall stand in the place and stead

of the Purchased Assets, and that from and after the delivery of the Monitor's Certificate, all Claims and Encumbrances shall attach to the net proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

8. **THIS COURT ORDERS AND DIRECTS** the Monitor to file with the Court a copy of the Monitor's Certificate and deliver a copy of the Monitor's Certificate to the service list, in each case forthwith after delivery thereof to the Seller and Buyer or their respective counsel.

9. **THIS COURT ORDERS** that the Monitor may rely on written notice from the Seller and the Buyer or their respective counsel regarding the fulfillment or waiver of conditions to Closing under the APA and shall have no liability with respect to delivery of the Monitor's Certificate.

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

- (a) the pendency of these proceedings;
- (b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) (the "**BIA**") in respect of the Mastermind Entities and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made in respect of the Mastermind Entities;

the vesting of the Purchased Assets in the Buyer pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Mastermind Entities and shall not be void or voidable by creditors of the Mastermind Entities, nor shall it constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the BIA or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

SELLER NAME CHANGE

11. **THIS COURT ORDERS** that, notwithstanding the provisions of subsection 171(3) of the *Business Corporations Act* (Ontario) (the “**OBCA**”) or similar provision of any other applicable federal or provincial legislation, the Mastermind Entities shall be and are hereby authorized and directed, upon filing of the Monitor’s Certificate, to take any appropriate action to change the Seller’s and its Affiliates’ respective names to a name which does not include the words “Mastermind” or “Mastermind Toys” or any part thereof or any similar words, including, but not limited to, filing articles of amendment in accordance with the OBCA and registering an amendment, renewal, or cancellation of a registration in accordance with the *Business Names Act* (Ontario) (“**BNA**”) or any other applicable federal or provincial legislation, for and on behalf of each of the Mastermind Entities and any of their respective Affiliates for the sole purpose of complying with this paragraph 11, and this Court hereby directs the Director (as defined in the OBCA) and Registrar (as defined in the BNA) and any analogous governmental authority to endorse, certify, and/or issue such documents and take such further actions as are necessary to give effect to this paragraph 11.

DISCLOSURE OF PERSONAL INFORMATION

12. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the *Personal Information Protection and Electronic Documents Act* (Canada) (“**PIPEDA**”), each of the Mastermind Entities and the Monitor, as the case may be, is authorized and permitted to disclose and transfer to the Buyer all human resources and payroll information in the Seller’s records pertaining to the Seller’s past and current employees and customers, including, without limitation, the personal information of the Transferred Employees. The Buyer shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use of such information by the Seller.

SEALING ORDER

13. **THIS COURT ORDERS** that Confidential Exhibit “G” to the Milanovich Affidavit, being an unredacted copy of the APA, is hereby sealed and shall not form part of the public record, subject to further order of this Court.

14. **THIS COURT ORDERS** that the Confidential Appendix “B” to the Second Report of the Monitor, being an unredacted copy of an illustrative wind-down and liquidation analysis and comparative analysis is hereby sealed and shall not form part of the public record, subject to further order of this Court.

AID & RECOGNITION

15. **THIS COURT ORDERS AND DECLARES** that the Mastermind Entities, the Monitor or the Buyer may apply to the Court as necessary to seek further orders and directions to give effect to this Order.

16. **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 Mastermind Entities, the Monitor, and the Buyer 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 Mastermind Entities, the Monitor, as an officer of this Court, and the Buyer as may be necessary or desirable to give effect to this Order or to assist the Mastermind Entities, the Monitor, and the Buyer and their respective agents in carrying out the terms of this Order.

17. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. (Toronto time) on the date of this Order without any need for filing or entry.



Digitally signed
by Jana Steele
Date: 2023.12.13
15:29:54 -05'00'

Schedule “A” – Form of Monitor’s Certificate

Court File No. CV-23-00710259-00CL

**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 MASTERMIND GP INC.

(the “**Applicant**”)

MONITOR’S CERTIFICATE

RECITALS

A. Pursuant to an Order of the Honourable Justice Steele of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) dated November 23, 2023 (as amended and restated on November 30, 2023, and as may be further amended and restated from time to time), Alvarez & Marsal Canada Inc. was appointed as the monitor (in such capacity, the “**Monitor**”) of the undertaking, property and assets of Mastermind GP Inc. and Mastermind LP under the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended.

B. Pursuant to an Order of the Court dated December 13, 2023, (the “**Sale Approval and Vesting Order**”), the Court approved the asset purchase agreement made as of December 1, 2023 (the “**APA**”) between Mastermind LP, by its general partner Mastermind GP Inc., as seller (the “**Seller**”) and Unity Acquisitions Inc. (or any permitted assignee under the APA) as buyer (the “**Buyer**”) and provided for the vesting in the Buyer all of the Seller’s right, title and interest in and to the Purchased Assets, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Monitor to the Seller and the Buyer or their respective counsel of this Monitor’s Certificate.

C. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the APA or the Sale Approval and Vesting Order, as applicable.

THE MONITOR CERTIFIES the following:

1. The Monitor has received written confirmation from the Seller and the Buyer (through their respective counsel), in form and substance satisfactory to the Monitor, that all conditions to Closing as set out in sections 8.4 and 8.5 of the APA have been satisfied or waived by the Seller and the Buyer, respectively; and
3. The Transactions have been completed to the satisfaction of the Monitor.
4. This Monitor's Certificate was delivered by the Monitor at _____ [TIME] on _____ [DATE].

Alvarez & Marsal Canada Inc., solely in its capacity as Monitor of Mastermind GP Inc. and Mastermind LP, and not in its personal or corporate capacity

Per: _____

Name: Josh Nevsky

Title: Senior Vice-President

Schedule “B” – Encumbrances to be Expunged and Discharged from the Purchased Assets

(A) Bank Act Security - Section 427

1. Ontario

REGISTRATION NAME(S)	BANK	FILE/ REGISTRATION NO.	DATE OF NOTICE	EXPIRY DATE
MASTERMIND LP	0010 CANADIAN IMPERIAL BANK OF COMMERCE	01314545	OCTOBER 20, 2017	JUNE 2, 2030

(B) Personal Property Security Interests

1. Alberta

(i) Personal Property Security Act (Alberta)

DEBTOR NAME(S)	SECURED PARTY NAME(S)	FILE/ REGISTRATION NO.	COLLATERAL CLASSIFICATION/ DESCRIPTION	EXPIRY DATE
MASTERMIND LP MASTERMIND GP INC.	BIRCH HILL EQUITY PARTNERS (ENTREPRENEURS) IV, LP BIRCH HILL EQUITY PARTNERS IV, LP BIRCH HILL EQUITY PARTNERS (US) IV, LP	20060232794	ALL PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY OF THE DEBTORS.	JUNE 2, 2030
MASTERMIND GP INC.	BIRCH HILL EQUITY PARTNERS (ENTREPRENEURS) IV, LP BIRCH HILL EQUITY PARTNERS IV, LP BIRCH HILL EQUITY PARTNERS (US) IV, LP	20060232816	ALL PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY OF THE DEBTOR.	JUNE 2, 2030
MASTERMIND GP INC.	CANADIAN IMPERIAL BANK OF COMMERCE, AS AGENT	14101608871	ALL PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY OF THE DEBTOR.	OCTOBER 16, 2024
MASTERMIND LP MASTERMIND GP INC.	CANADIAN IMPERIAL BANK OF COMMERCE, AS AGENT	14101608931	ALL PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY OF THE DEBTOR.	OCTOBER 16, 2024

2. British Columbia

(i) *Personal Property Security Act (British Columbia)*

DEBTOR NAME(S)	SECURED PARTY NAME(S)	FILE/ REGISTRATION NO.	COLLATERAL CLASSIFICATION/ DESCRIPTION	EXPIRY DATE
MASTERMIND LP MASTERMIND GP INC.	BIRCH HILL EQUITY PARTNERS (ENTREPRENEURS) IV, LP BIRCH HILL EQUITY PARTNERS IV, LP BIRCH HILL EQUITY PARTNERS (US) IV, LP	253894M	ALL PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY OF THE DEBTORS AND ALL PROCEEDS THEREOF. PROCEEDS: ALL GOODS, INVESTMENT PROPERTY, INSTRUMENTS, DOCUMENTS OF TITLE, CHATTEL PAPER, INTANGIBLES OR MONEY NOW OR HEREAFTER FORMING PROCEEDS OF THE FOREGOING COLLATERAL. TERMS USED IN THIS GENERAL COLLATERAL , DESCRIPTION WHICH ARE DEFINED IN THE PERSONAL PROPERTY SECURITY ACT (BRITISH COLUMBIA) SHALL HAVE THE MEANINGS SPECIFIED IN THE	JUNE 3, 2030

DEBTOR NAME(S)	SECURED PARTY NAME(S)	FILE/ REGISTRATION NO.	COLLATERAL CLASSIFICATION/ DESCRIPTION	EXPIRY DATE
			ACT, UNLESS THE CONTEXT OTHERWISE INDICATES. THE FULL ADDRESS OF THE SECURED PARTIES IS: 100 WELLINGTON STREET, WEST, TD WEST TOWER, SUITE 2300, TORONTO, ON M5K 1A1.	
MASTERMIND GP INC.	BIRCH HILL EQUITY PARTNERS (ENTREPRENEURS) IV, LP BIRCH HILL EQUITY PARTNERS IV, LP BIRCH HILL EQUITY PARTNERS (US) IV, LP	254012M	ALL PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY OF THE DEBTOR AND ALL PROCEEDS THEREOF. PROCEEDS: ALL GOODS, INVESTMENT PROPERTY, INSTRUMENTS, DOCUMENTS OF TITLE, CHATTEL PAPER, INTANGIBLES OR MONEY NOW OR HEREAFTER FORMING PROCEEDS OF THE FOREGOING COLLATERAL. TERMS USED IN THIS GENERAL COLLATERAL, DESCRIPTION WHICH ARE DEFINED IN THE PERSONAL	JUNE 3, 2030

DEBTOR NAME(S)	SECURED PARTY NAME(S)	FILE/ REGISTRATION NO.	COLLATERAL CLASSIFICATION/ DESCRIPTION	EXPIRY DATE
			PROPERTY SECURITY ACT (BRITISH COLUMBIA) SHALL HAVE THE MEANINGS SPECIFIED IN THE ACT, UNLESS THE CONTEXT OTHERWISE INDICATES. THE FULL ADDRESS OF THE SECURED PARTIES IS: 100 WELLINGTON STREET, WEST, TD WEST TOWER, SUITE 2300, TORONTO, ON M5K 1A1.	
MASTERMIND GP INC.	CANADIAN IMPERIAL BANK OF COMMERCE, AS AGENT	236163I	ALL OF THE DEBTOR'S PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY, INCLUDING, WITHOUT LIMITATION, ALL ACCOUNTS, CHATTEL PAPER, CROPS, DOCUMENTS OF TITLE, EQUIPMENT, FIXTURES, GOODS, INSTRUMENTS, INTANGIBLES, INVENTORY, LICENCES, MONEY AND INVESTMENT PROPERTY (EACH	OCTOBER 16, 2024

DEBTOR NAME(S)	SECURED PARTY NAME(S)	FILE/ REGISTRATION NO.	COLLATERAL CLASSIFICATION/ DESCRIPTION	EXPIRY DATE
			AS DEFINED IN THE BRITISH COLUMBIA PERSONAL PROPERTY SECURITY ACT).	
MASTERMIND LP MASTERMIND GP INC.	CANADIAN IMPERIAL BANK OF COMMERCE, AS AGENT	236166I	ALL OF THE DEBTOR'S PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY, INCLUDING, WITHOUT LIMITATION, ALL ACCOUNTS, CHATTEL PAPER, CROPS, DOCUMENTS OF TITLE, EQUIPMENT, FIXTURES, GOODS, INSTRUMENTS, INTANGIBLES, INVENTORY, LICENCES, MONEY AND INVESTMENT PROPERTY (EACH AS DEFINED IN THE BRITISH COLUMBIA PERSONAL PROPERTY SECURITY ACT).	OCTOBER 16, 2024

3. Manitoba

(i) *Personal Property Security Act (Manitoba)*

DEBTOR NAME(S)	SECURED PARTY NAME(S)	FILE/ REGISTRATION NO.	COLLATERAL CLASSIFICATION/ DESCRIPTION	EXPIRY DATE
MASTERMIND LP MASTERMIND GP INC.	BIRCH HILL EQUITY PARTNERS (ENTREPRENEURS) IV, LP BIRCH HILL EQUITY PARTNERS IV, LP BIRCH HILL EQUITY PARTNERS (US) IV, LP	202008332802	THE SECURITY INTEREST IS TAKEN IN ALL OF THE DEBTORS' PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY.	JUNE 2, 2030
MASTERMIND GP INC. MASTERMIND LP	BIRCH HILL EQUITY PARTNERS (ENTREPRENEURS) IV, LP BIRCH HILL EQUITY PARTNERS IV, LP BIRCH HILL EQUITY PARTNERS (US) IV, LP	202008333302	THE SECURITY INTEREST IS TAKEN IN ALL OF THE DEBTOR'S PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY.	JUNE 2, 2030
MASTERMIND GP INC. MASTERMIND LP	CANADIAN IMPERIAL BANK OF COMMERCE, AS AGENT	201513979300	THE SECURITY INTEREST IS TAKEN IN ALL OF THE DEBTOR'S PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY.	JULY 24, 2024
MASTERMIND GP INC.	CANADIAN IMPERIAL BANK OF COMMERCE, AS AGENT	201513978907	THE SECURITY INTEREST IS TAKEN IN ALL OF THE DEBTOR'S PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY.	JULY 24, 2024

4. New Brunswick

(i) *Personal Property Security Act (New Brunswick)*

DEBTOR NAME(S)	SECURED PARTY NAME(S)	FILE/ REGISTRATION NO.	COLLATERAL CLASSIFICATION/ DESCRIPTION	EXPIRY DATE
MASTERMIND LP MASTERMIND GP INC.	BIRCH HILL EQUITY PARTNERS (ENTREPRENEURS) IV, LP BIRCH HILL EQUITY PARTNERS IV, LP BIRCH HILL EQUITY PARTNERS (US) IV, LP	33697095/ SM998999.7493	A SECURITY INTEREST IS TAKEN IN ALL OF THE DEBTORS' PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY.	JUNE 3, 2030
MASTERMIND GP INC.	BIRCH HILL EQUITY PARTNERS (ENTREPRENEURS) IV, LP BIRCH HILL EQUITY PARTNERS IV, LP BIRCH HILL EQUITY PARTNERS (US) IV, LP	33697343/ SM998999.7493	A SECURITY INTEREST IS TAKEN IN ALL OF THE DEBTOR'S PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY.	JUNE 3, 2030
MASTERMIND LP MASTERMIND GP INC.	CANADIAN IMPERIAL BANK OF COMMERCE, AS AGENT	29157021/ SM001505	A SECURITY INTEREST IS TAKEN IN ALL OF THE DEBTORS' PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY.	JUNE 29, 2024

5. Newfoundland and Labrador

(i) Personal Property Security Act (Newfoundland and Labrador)

DEBTOR NAME(S)	SECURED PARTY NAME(S)	FILE/ REGISTRATION NO.	COLLATERAL CLASSIFICATION/ DESCRIPTION	EXPIRY DATE
MASTERMIND LP MASTERMIND GP INC.	BIRCH HILL EQUITY PARTNERS (ENTREPRENEURS) IV, LP BIRCH HILL EQUITY PARTNERS IV, LP BIRCH HILL EQUITY PARTNERS (US) IV, LP	17887613/ SM998999.7493	A SECURITY INTEREST IS TAKEN IN ALL OF THE DEBTORS' PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY.	JUNE 3, 2030
MASTERMIND GP INC.	BIRCH HILL EQUITY PARTNERS (ENTREPRENEURS) IV, LP BIRCH HILL EQUITY PARTNERS IV, LP BIRCH HILL EQUITY PARTNERS (US) IV, LP	17887753/ SM998999.7493	A SECURITY INTEREST IS TAKEN IN ALL OF THE DEBTOR'S PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY.	JUNE 3, 2030
MASTERMIND LP MASTERMIND GP INC.	CANADIAN IMPERIAL BANK OF COMMERCE, AS AGENT	15918444/ 350505171	ALL PRESENT AND AFTER ACQUIRED PERSONAL PROPERTY OF THE DEBTOR.	MAY 10, 2028

6. Nova Scotia

(i) Personal Property Security Act (Nova Scotia)

DEBTOR NAME(S)	SECURED PARTY NAME(S)	FILE/ REGISTRATION NO.	COLLATERAL CLASSIFICATION/ DESCRIPTION	EXPIRY DATE
MASTERMIND LP MASTERMIND GP INC.	BIRCH HILL EQUITY PARTNERS (ENTREPRENEURS) IV, LP BIRCH HILL EQUITY PARTNERS IV, LP BIRCH HILL EQUITY PARTNERS (US) IV, LP	32841454/ SM998999.7493	A SECURITY INTEREST IS TAKEN IN ALL OF THE DEBTORS' PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY.	JUNE 3, 2030
MASTERMIND GP INC.	BIRCH HILL EQUITY PARTNERS (ENTREPRENEURS) IV, LP BIRCH HILL EQUITY PARTNERS IV, LP BIRCH HILL EQUITY PARTNERS (US) IV, LP	32841686/ SM998999.7493	A SECURITY INTEREST IS TAKEN IN ALL OF THE DEBTOR'S PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY.	JUNE 3, 2030
MASTERMIND LP MASTERMIND GP INC.	CANADIAN IMPERIAL BANK OF COMMERCE, AS AGENT	27869742/ SM001505	A SECURITY INTEREST IS TAKEN IN ALL OF THE DEBTORS' PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY.	JUNE 29, 2024

7. Ontario

(i) Personal Property Security Act (Ontario)

DEBTOR NAME(S)	SECURED PARTY NAME(S)	FILE/ REGISTRATION NO.	COLLATERAL CLASSIFICATION/ DESCRIPTION	EXPIRY DATE
MASTERMIND LP MASTERMIND GP INC.	BIRCH HILL EQUITY PARTNERS (ENTREPRENEURS) IV, LP BIRCH HILL EQUITY PARTNERS IV, LP BIRCH HILL EQUITY PARTNERS (US) IV, LP	762333147/ 20200602 1616 9234 2066	INVENTORY, EQUIPMENT, ACCOUNTS, OTHER, MOTOR VEHICLE	JUNE 2, 2030
MASTERMIND GP INC.	BIRCH HILL EQUITY PARTNERS (ENTREPRENEURS) IV, LP BIRCH HILL EQUITY PARTNERS IV, LP BIRCH HILL EQUITY PARTNERS (US) IV, LP	762333129/ 20200602 1616 9234 2065	INVENTORY, EQUIPMENT, ACCOUNTS, OTHER, MOTOR VEHICLE	JUNE 2, 2030
MASTERMIND LP MASTERMIND GP INC.	CANADIAN IMPERIAL BANK OF COMMERCE, AS AGENT	700732503/ 20141016 1108 1862 3009	INVENTORY, EQUIPMENT, ACCOUNTS, OTHER, MOTOR VEHICLE	OCTOBER 16, 2024
MASTERMIND GP INC.	CANADIAN IMPERIAL BANK OF COMMERCE, AS AGENT	700732512/ 20141016 1108 1862 3010	INVENTORY, EQUIPMENT, ACCOUNTS, OTHER, MOTOR VEHICLE	OCTOBER 16, 2024

8. Saskatchewan

(i) Personal Property Security Act (Saskatchewan)

DEBTOR NAME(S)	SECURED PARTY NAME(S)	FILE/ REGISTRATION NO.	COLLATERAL CLASSIFICATION/ DESCRIPTION	EXPIRY DATE
MASTERMIND LP MASTERMIND GP INC.	BIRCH HILL EQUITY PARTNERS (ENTREPRENEURS) IV, LP BIRCH HILL EQUITY PARTNERS IV, LP BIRCH HILL EQUITY PARTNERS (US) IV, LP	302039929	ALL PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY OF THE DEBTORS.	JUNE 2, 2030
MASTERMIND GP INC.	BIRCH HILL EQUITY PARTNERS (ENTREPRENEURS) IV, LP BIRCH HILL EQUITY PARTNERS IV, LP BIRCH HILL EQUITY PARTNERS (US) IV, LP	302039933	ALL PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY OF THE DEBTOR.	JUNE 2, 2030
MASTERMIND GP INC.	CANADIAN IMPERIAL BANK OF COMMERCE, AS AGENT	301453681	ALL OF THE DEBTOR'S PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY.	MARCH 3, 2025
MASTERMIND LP MASTERMIND GP INC.	CANADIAN IMPERIAL BANK OF COMMERCE, AS AGENT	301453686	ALL OF THE DEBTOR'S PRESENT AND AFTER-ACQUIRED PERSONAL PROPERTY.	MARCH 3, 2025

(C) Litigation

1. Ontario

PLAINTIFF(S)/ APPELLANT(S)	DEFENDANT(S)/ RESPONDENT(S)	JURISDICTION/ COURT FILE NO.	ADDITIONAL INFORMATION	CASE STATUS
Sarah Jordan	MASTERMIND GP INC. MASTERMIND LP	Toronto/ CV23007021050000	Amount: \$1,300,000 Case Opened: June 30, 2023 Case Type: Employment or Labour	Active
Robert Renaud	MASTERMIND LP 1836636 ONTARIO INC BORGFELDT (CANADA) LIMITED JOHN DOE MANUFACTURER SHANTOU YITONG ELECTRONIC CO., LTD	Toronto/ CV16005632270000	Amount: \$2,500,000 Case Opened: October 31, 2016 Case Type: Tort – Economic Injury	Inactive
Rory Levy	MASTERMIND LP	Toronto/ CV20006413470000	Amount: \$36,000 Case Opened: May 21, 2020 Case Type: Contract Case dismissed on consent September 14, 2020.	Inactive

Schedule “C” – Permitted Encumbrances

Nil

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

Court File No. CV-23-00710259-00CL

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF MASTERMIND GP INC.

Applicant

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceeding commenced at Toronto

SALE APPROVAL AND VESTING ORDER

DAVIES WARD PHILLIPS & VINEBERG LLP

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Toronto ON M5V 3J7

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Tel: 416.367.7573

Email: kspence@dwpv.com

Lawyers for Mastermind GP Inc.

TAB B

APPENDIX B
ASSIGNMENT ORDER

See attached.



Court File No. CV-23-00710259-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE

)

FRIDAY, THE 12TH

JUSTICE STEELE

)

DAY OF JANUARY, 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 MASTERMIND GP INC.

(the "**Applicant**")

ASSIGNMENT ORDER

THIS MOTION, made by the Applicant pursuant to the *Companies' Creditors Arrangement Act* (Canada), as amended (the "**CCAA**"), for, among other things, an order assigning to Mastermind Toys Inc. (the "**Assignee**") all of the rights, title, interest, and obligations of Mastermind GP Inc. and Mastermind LP (collectively, the "**Mastermind Entities**") under the Assigned Contracts (defined below), as contemplated by an asset purchase agreement dated as of December 1, 2023 (as may be amended, restated, or supplemented from time to time, the "**APA**") between Mastermind LP, by its general partner, Mastermind GP Inc., as seller (the "**Seller**"), and Unity Acquisitions Inc. (or any permitted assignee under the APA), as buyer (the "**Buyer**"), and approved by this Court

by an approval and vesting order dated December 13, 2023 (the “**AVO**”), was heard this day at 330 University Avenue, Toronto, Ontario by videoconference via Zoom.

ON READING the Notice of Motion and Motion Record of the Applicant, including Affidavit #4 of Lucio Milanovich sworn January 5, 2024, and the Third Report (the “**Third Report**”) of Alvarez & Marsal Canada Inc., in its capacity as court-appointed monitor (in such capacity, the “**Monitor**”) of the Mastermind Entities, and on hearing the submissions of counsel for the Mastermind Entities, the Monitor, the Buyer and Assignee, and counsel for the other persons listed on the Participant Information Form, no one appearing for any other person on the service list, although properly served as appears from the Lawyer’s Certificate of Service of Kristine Spence dated January 5, 2024, filed:

SERVICE AND DEFINITIONS

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and Motion Record is hereby abridged and validated so that this motion is properly returnable today and hereby dispenses with further service thereof.
2. **THIS COURT ORDERS** that capitalized terms used herein but not otherwise defined have the definitions given to them in the APA or AVO, as applicable.

ASSIGNMENT OF ASSIGNED CONTRACTS

3. **THIS COURT ORDERS** that upon delivery of the Monitor’s Certificate:
 - (a) all of the rights, title, interest, and obligations of the Mastermind Entities under the contracts set forth in **Schedule “A”**, including all associated or related agreements, schedules, appendices, addenda, amendments,

supplements, restatements, or other modifications made or entered into from time to time (each an “**Assigned Contract**” and collectively, the “**Assigned Contracts**”) shall be assigned, conveyed, and transferred to and assumed by the Assignee pursuant to section 11.3 of the CCAA;

- (b) with respect to the Assigned Contracts that are real property leases (each a “**Lease**” and, collectively, the “**Leases**”), the Assignee shall be entitled to all of the rights and benefits and subject to all of the obligations and restrictions as tenant pursuant to the terms of each Lease and registrations thereof for the period commencing from and after the delivery of the Monitor’s Certificate to the end of the term of the Lease and may enter into and upon and hold and have quiet enjoyment of such premises contemplated by each Lease (in each case, subject to the Assignee’s right to extend or renew such term) and, if applicable, any renewals thereof, for the Assignee’s own use and benefit, all in accordance with the terms of the applicable Lease, and subject to the terms of this Order and the applicable Leases, without any interruption from the Mastermind Entities, the landlords under the Leases, or any person whomsoever claiming through or under any of the Mastermind Entities or the landlords under the Leases;
- (c) with respect to the Assigned Contracts that are not Leases, the Assignee shall be entitled to all of the rights and benefits and subject to all of the obligations and restrictions pursuant to the terms of each Assigned Contract;

(d) the Assigned Contracts shall remain in full force and effect and each counterparty to an Assigned Contract shall be prohibited from exercising any rights or remedies under such Assigned Contract and shall be forever barred, enjoined, and estopped from taking any such action (including, without limitation, any right of set off against Buyer and Assignee in respect of defaults having occurred before the Closing Time) solely by reason of:

- (i) any defaults arising from the insolvency of the Mastermind Entities;
- (ii) the commencement of these CCAA Proceedings;
- (iii) any defaults and/or recapture rights arising from the assignment of the Assigned Contracts to the Assignee;
- (iv) the Mastermind Entities having breached a non-monetary obligation under an Assigned Contract, unless, with respect to any Lease: (A) any such non-monetary default arises or continues after the Lease is assigned to the Assignee; (B) such non-monetary default is capable of being cured by the Assignee; and (C) the Assignee has failed to remedy the default after having received notice of such default pursuant to the terms of the applicable Lease.

and the counterparties under their respective Assigned Contracts are hereby deemed to waive any and all defaults or events of default relating thereto and any and all notices of default and demands for payment or any step or proceeding taken or commenced in connection therewith under an

Assigned Contract shall be deemed to have been rescinded and of no further force or effect. For greater certainty and without limiting the generality of the foregoing, no counterparty to an Assigned Contract shall be permitted to rely on a notice of default, or notice of termination sent to the Mastermind Entities prior to the filing of the Monitor's Certificate as grounds for terminating or seeking relief or damages against the Assignee under any Assigned Contract.

4. **THIS COURT ORDERS** that the assignment of the Assigned Contracts shall be subject to the terms of the AVO and the Mastermind Entities' right, title, and interest in and to the Assigned Contracts shall vest absolutely in the Assignee free and clear of all Claims, including any Encumbrances other than the Permitted Encumbrances in accordance with the terms of the AVO.

5. **THIS COURT ORDERS** that the assignment to the Assignee of the rights and obligations of the Mastermind Entities under the Assigned Contracts pursuant to the CCAA and this Order is valid and binding upon all of the counterparties to the Assigned Contracts notwithstanding any restriction or prohibition contained in any such Assigned Contracts relating to the assignment thereof, including, without limitation, any provision requiring the consent of, or notice for any period in advance of the assignment to, any party to the assignment subject to the satisfaction of all monetary defaults.

6. **THIS COURT ORDERS** that unless this Order expressly requires otherwise, and subject to paragraph 3 hereof, nothing herein shall derogate from the obligations of the Assignee to assume the Assigned Contracts and to perform the Assignee's obligations

under the Assigned Contracts, and save as specifically set out in this Order, nothing in this Order shall amend or vary, or be deemed to amend or vary, the terms of any of the Leases which are assigned to the Assignee except as expressly set out to the contrary in any agreement among the Mastermind Entities, the Assignee and the applicable counterparty under the Assigned Contract.

7. **THIS COURT ORDERS** that if an Assigned Contract is removed from the Purchased Assets prior to the Closing Date in accordance with the APA, then such contract shall cease to be an Assigned Contract for the purposes of this Order on notice to the Mastermind Entities and any counterparties to such contract.

8. **THIS COURT ORDERS** that all monetary defaults (the “**Monetary Defaults**”) in relation to the Assigned Contracts listed in **Schedule “A”** to this Order, other than those arising by reason only of the Mastermind Entities’ insolvency, the commencement of these CCAA Proceedings or the Mastermind Entities’ failure to perform a non-monetary obligation, and excluding the Rents (as defined in the Initial Order) becoming due and payable on or after January 15, 2024 as provided for in the Initial Order, shall be in the amounts set forth therein, and, within seven (7) business days after Closing, the Assignee shall pay such Monetary Defaults as set forth in **Schedule “A”** in full and final satisfaction of any and all Monetary Defaults owing to the counterparties to the Assigned Contracts and unless the Monetary Defaults are paid as set out herein, no Assigned Contract shall be assigned by operation of this Order.

9. **THIS COURT ORDERS** that notwithstanding:

- (a) the pendency of these CCAA Proceedings and any declaration of insolvency made herein;
- (b) the pendency of any applications for a bankruptcy or receivership now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada), as amended (the “**BIA**”) in respect of the Mastermind Entities or their respective property, and any bankruptcy or receivership order issued pursuant to any such applications;
- (c) any assignment in bankruptcy made in respect of the Mastermind Entities; and
- (d) the provision of any federal or provincial statute,

the assignment of the Assigned Contracts to the Assignee in accordance with this Order and the APA shall be binding on any trustee in bankruptcy or receiver that may be appointed in respect of the Mastermind Entities or their respective property and shall not be void or voidable by the creditors of the Mastermind Entities, nor shall it constitute nor be deemed to be a transfer at undervalue, settlement, fraudulent preference, fraudulent conveyance, or other reviewable transaction under the BIA or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

DIRECTION TO LAND REGISTRY OFFICES

10. **THIS COURT ORDERS** that upon the registration or filing of this Order in the Land Registry Office for the appropriate Land Titles Division under the *Land Titles Act* (Ontario) and/or the *Land Registration Reform Act* (Ontario) (or any equivalent action made pursuant to an analogous provincial registration system or statute concerning land titles and registrations generally), the Land Registrar (or other applicable official) is hereby authorized and directed to make such amendments as are necessary to enter the Assignee as the lessee in respect of any registration (including, without limitation, any notices of lease) registered or filed in respect of the Leases identified in **Schedule “B”**, which amendment shall be completed by registration of an Application to Register Court Order (or equivalent documentation in another province), appending this Order.

11. **THIS COURT ORDERS**, pursuant to section 109 of the *The Land Titles Act*, 2000, SS 2000, c L-5.1 and section 3-4 of *The King’s Bench Act*, 1998, SS 1998, c Q-1.01, that the Saskatchewan Registrar of Titles shall be and is hereby directed to accept an application (for the purposes of this paragraph, a “**Land Titles Application**”) to effect a change in the interest holder in the Land Registry in respect of the interests registered at the Saskatchewan Land Titles Registry and described by any interest register number on **Schedule “B”** under the heading “Saskatchewan”, with such application to be accompanied by a certified copy of this Order. Any and all registration charges and fees payable in regard to the Land Titles Application shall be to the account of the registrant of the Land Titles Application.

12. **THIS COURT ORDERS** that, pursuant to section 190 of the *Land Titles Act*, RSA 2000, c L-4 (the “AB Act”) and notwithstanding the requirements of section 191(1) of the AB Act, that the Alberta Registrar of Land Titles shall be and is hereby authorized and

directed to transfer those caveats registered or filed in respect of the Leases identified in **Schedule “B”** under the heading “Alberta” to the Assignee having an address of 3400, 350 – 7th Avenue SW, Calgary, Alberta, T2P 3N9.

13. **THIS COURT ORDERS** that, pursuant to the *Land Registration Act* (Nova Scotia) and upon the registration or filing of a certified copy of this Order in the applicable Land Registration Office pursuant to the *Land Registration Act* (Nova Scotia), the Registrar for that Registration District (or other applicable official) is hereby authorized and directed to make such revisions or amendments to the applicable parcel registers as are necessary to enter the Assignee as the lessee (or assignee, as applicable), in place of the applicable Mastermind Entity, in respect of any interest (including, without limitation, any notices of lease) recorded or filed in respect of the Leases or applicable notices of lease, as the case may be, identified in **Schedule “B”** under the heading “Nova Scotia”.

14. **THIS COURT ORDERS** that the provincial land registry offices and officials are hereby authorized and directed to take such further and other actions as may be reasonably necessary to give effect to this Order and to ensure that all registrations of the Leases on title to real property are amended in accordance with paragraphs 10, 11, 12 and 13.

AID & RECOGNITION

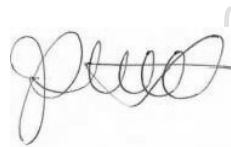
15. **THIS COURT ORDERS** that the Mastermind Entities, the Monitor, the Buyer, and the Assignee may apply to the Court as necessary to seek further orders and directions to give effect to this Order.

16. **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 Mastermind Entities 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 Mastermind Entities, as may be necessary or desirable to give effect to this Order or to assist the Mastermind Entities and their respective agents in carrying out the terms of this Order.

GENERAL

17. **THIS COURT ORDERS AND DIRECTS** the Mastermind Entities to use best efforts to send a copy of this Order to all of the counterparties to the Assigned Contracts listed in **Schedule "A"** to the last known address or contact.

18. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 am (Toronto time) on the date of this Order without any need for filing or entry.



Digitally signed
by Jana Steele
Date: 2024.01.12
15:48:24 -05'00'

Schedule “A” – List of Assigned Contracts, Counterparties, and Cure Costs

#	Description of Agreement	Counterparty	Cure Costs (CAD\$)
1.	Master License and Services Agreement dated as of June 18, 2018 between ACCEO Solutions Inc. and Mastermind LP and related agreements with ACCEO Solutions Inc., including but not limited to Schedule A titled License and Services Quotation / Order Form dated as of April 23, 2021 (Quote No. 3164b), as each may have been amended, supplemented or restated from time to time.	ACCEO Solutions Inc.	Nil.
2.	Purchase Order dated as of February 2, 2023 to ACCEO Solutions Inc. for annual support and maintenance services by Mastermind LP (PO No. SO23-00049171) as may have been amended, supplemented or restated from time to time.	ACCEO Solutions Inc.	Nil.
3.	Recurring monthly subscription to Amazon Web Services by Mastermind LP (Account No. 675385119145) as may have been amended, supplemented or restated from time to time.	Amazon Web Services	Nil.
4.	Master Technology Services Agreement dated February 1, 2023 between BDO Canada LLP and Mastermind LP and related agreements with BDO Canada LLP, including but not limited to Exhibit “II” titled Form of Statement of Work for Solution Operations Services dated February 1, 2023 between BDO Canada LLP and Mastermind LP, as each may have been amended, supplemented or restated from time to time.	BDO Canada LLP	\$230,285
5.	Mobility Services Agreement dated February 10, 2023 between Bell Mobility Inc. and Mastermind LP and related agreements with Bell Mobility Inc. as each may have been amended, supplemented or restated from time to time.	Bell Canada	\$31,144
6.	Subscription to Bell Canada for internet/connectivity services by Mastermind GP Inc. (Account No. 523875078) as may have been amended, supplemented or restated from time to time.		

7.	Subscription to Bell Canada for internet/connectivity services by Mastermind GP Inc. (Account No. 523661786) as may have been amended, supplemented or restated from time to time.		
8.	Recurring monthly subscription to Bell Canada for "Network DDOS Security" by Mastermind GP Inc. (Account No. 524853873) as may have been amended, supplemented or restated from time to time.		
9.	Recurring monthly subscription to Bell Canada for "Managed Services Firewall" by Mastermind GP Inc. (Account No. 536667734) as may have been amended, supplemented or restated from time to time.		
10.	Gift Card Agreement dated as of May 18, 2016 between Blackhawk Network (Canada) Ltd. and Mastermind LP and related agreements with Blackhawk Network (Canada) Ltd. as each may have been amended, supplemented or restated from time to time.	Blackhawk Network (Canada) Ltd.	\$970
11.	Canadian Card Participation Agreement dated as of November 30, 2017 between Blackhawk Network (Canada) Ltd. and Mastermind LP and related agreements with Blackhawk Network (Canada) Ltd. as each may have been amended, supplemented or restated from time to time.		
12.	Group Benefit Plan (Class 1 - Employees) Booklet prepared on August 23, 2022 by The Canada Life Assurance Company for Mastermind LP (Policy No. 223824) as may have been amended, supplemented or restated from time to time.	The Canada Life Assurance Company	Nil.
13.	Group Benefit Plan (Class 2 - Senior Management) Booklet prepared on August 23, 2022 by The Canada Life Assurance Company for Mastermind LP (Policy No. 223824) as may have been amended, supplemented or restated from time to time.		

14.	Group Benefit Plan (Class 5 - Contract Executives) Booklet prepared on August 24, 2022 by The Canada Life Assurance Company for Mastermind LP (Policy No. 223824) as may have been amended, supplemented or restated from time to time.		
15.	Group Benefit Plan (Class 6 - Executives) Booklet prepared on August 24, 2022 by The Canada Life Assurance Company for Mastermind LP (Policy No. 223824) as may have been amended, supplemented or restated from time to time.		
16.	Agreement dated as of November 12, 2010 between Ceridian Canada Ltd. and Mastermind LP, and related agreements with Ceridian Canada Ltd., including but not limited to the related Service Exhibits, Statements of Work, Pricing Schedules, Rate Sheets, and Order Forms, and the Amendment dated November 30, 2020 between Ceridian HCM, Inc. and Mastermind LP, as each may have been amended, supplemented or restated from time to time.	Ceridian Canada Ltd. Ceridian HCM, Inc.	Nil.
17.	Agreement dated as of December 31, 2021 between Fast Simon Inc. and Mastermind LP (Invoice No. 20211229MMT) as may have been amended, supplemented or restated from time to time.	Fast Simon Inc.	\$2,644
18.	Proof of Concept Agreement between Fast Simon Inc. and Mastermind LP (Invoice No. FSMMT20231231) as may have been amended, supplemented or restated from time to time.		
19.	Merchant Services Agreement dated as of December 10, 2013 among First Data Canada Ltd., Wells Fargo Financial Corporation Canada, and Mastermind LP and related agreements with First Data Canada Ltd. and Wells Fargo Financial Corporation Canada as each may have been amended, supplemented or restated from time to time.	First Data Canada Ltd. Wells Fargo Financial Corporation Canada Fiserv, Inc.	Nil.

20.	Service Order dated as of September 9, 2020 between Klaviyo, Inc. and Mastermind LP and related agreements with Klaviyo, Inc. as each may have been amended, supplemented or restated from time to time.	Klaviyo, Inc.	Nil.
21.	Statement of Work dated May 31, 2023 between PIMworks, a division of Mobius 365 Knowledge Services, Inc. and Mastermind LP, and related agreements with PIMworks, a division of Mobius 365 Knowledge Services, Inc., as each may have been amended, supplemented or restated from time to time.	PIMworks, a division of Mobius 365 Knowledge Services, Inc.	\$3,525
22.	Purchase Order dated September 25, 2023 between Publitas.com B.V. and Mastermind LP for "Publitas Enterprise – 4 publications per year" by Mastermind LP (Contract No. 101607) as may have been amended, supplemented or restated from time to time.	Publitas.com B.V.	Nil.
23.	Group Benefit Plan (Employee Classes 1, 2, 5, and 6) effective as of August 1, 2022 by RBC Life Insurance Company for Mastermind LP (Policy No. RBC00002884) as may have been amended, supplemented or restated from time to time.	RBC Life Insurance Company	Nil.
24.	Group Benefit Plan (Class 1 - Store Managers hired after June 30, 2012 and all other Employees) effective as of August 1, 2022 by RBC Life Insurance Company for Mastermind LP (Policy No. RBC00002884) as may have been amended, supplemented or restated from time to time.		
25.	Group Benefit Plan (Class 2 - Senior Managers and Store Managers hired prior to July 1, 2012) effective as of August 1, 2022 by RBC Life Insurance Company for Mastermind LP (Policy No. RBC00002884) as may have been amended, supplemented or restated from time to time.		
26.	Group Benefit Plan (Class 5 - Contract Executives) effective as of August 1, 2022 by RBC Life Insurance Company for Mastermind LP (Policy No. RBC00002884) as may have been amended, supplemented or restated from time to time.		

27.	Group Benefit Plan (Class 6 - Executives) effective as of August 1, 2022 by RBC Life Insurance Company for Mastermind LP (Policy No. RBC00002884) as may have been amended, supplemented or restated from time to time.		
28.	Shopify Plus Agreement dated February 4, 2020 between Shopify Inc. and Mastermind LP, and related agreements with Shopify Inc., as each may have been amended, supplemented or restated from time to time.	Shopify Inc.	Nil.
29.	Managed Services Statement of Work dated March 22, 2023 between Softchoice LP and Mastermind LP, and related agreements with Softchoice LP as each may have been amended, supplemented or restated from time to time.	Softchoice LP	\$95,483
30.	Quote dated March 29, 2023 between Softchoice LP and Mastermind LP for "Arctic Wolf MDR + MR" services (Quote No. Q-1453889) as may have been amended, supplemented or restated from time to time.	Softchoice LP Arctic Wolf Networks Inc.	
31.	Subscription to Softchoice LP for Barracuda Networks services by Mastermind LP (Account No. 7006645838) as may have been amended, supplemented or restated from time to time.	Softchoice LP Barracuda Networks, Inc.	
32.	Subscription to Softchoice LP for "Cisco Umbrella DNS Security" by Mastermind LP (Account No. 7006645838) as may have been amended, supplemented or restated from time to time.	Softchoice LP Cisco Systems, Inc.	
33.	Subscription to Softchoice LP for "Managed Cisco Essential" services (Account No. 7006645838) as may have been amended, supplemented or restated from time to time.	Softchoice LP Cisco Systems, Inc.	
34.	Subscription to Softchoice LP for "Windows Server 2022 Standard – 16 Core License Pack" by Mastermind LP (Account No. 7006645838) as may have been amended, supplemented or restated from time to time.	Softchoice LP Microsoft Corporation	
35.	Subscription to Softchoice LP for Office 365 Apps for Business by Mastermind LP (Account No. 7006645838) as may have been amended, supplemented or restated from time to time.	Softchoice LP Microsoft Corporation	

36.	Subscription to Softchoice LP for Office 365 services by Mastermind LP (Account No. 7006645838) as may have been amended, supplemented or restated from time to time.	Softchoice LP Microsoft Corporation	
37.	Subscription to Softchoice LP for TeamViewer by Mastermind LP as may have been amended, supplemented or restated from time to time.	Softchoice LP TeamViewer Germany GmbH	
38.	Subscription to Softchoice LP for Veeam Software services by Mastermind LP (Account No. 7006645838) as may have been amended, supplemented or restated from time to time.	Softchoice LP Veeam Software Group GmbH	
39.	Subscription to Softchoice LP for VMware services by Mastermind LP (Account No. 7006645838) as may have been amended, supplemented or restated from time to time.	Softchoice LP Broadcom Inc.	
40.	Subscription to Softchoice LP for "Wasabi Reserved Capacity Storage" by Mastermind LP (Account No. 7006645838) as may have been amended, supplemented or restated from time to time.	Softchoice LP Wasabi Technologies LLC	
41.	Quote dated June 15, 2021 between Techdynamics Integrations Inc. and Mastermind LP (Quote No. QU-3707) as may have been amended, supplemented or restated from time to time.	Techdynamics Integrations Inc.	Nil.
42.	Employee assistance program with Telus Health (Canada) Ltd. for health and wellness services for Mastermind LP as may have been amended, supplemented or restated from time to time.	Telus Health (Canada) Ltd.	Nil.
43.	Agreement dated August 1, 2016 between UTC Fire & Security Canada Inc. and Mastermind LP and related agreements with UTC Fire & Security Canada Inc., as each may have been amended, supplemented or restated from time to time.	UTC Fire & Security Canada Inc. (<i>operating as</i> Chubb Edwards)	Nil.

44.	Statement of Work dated June 8, 2023 between Viking Cloud Canada, Inc. and Mastermind LP, and related agreements with Viking Cloud Canada, Inc. including but not limited to Exhibit A titled Service Descriptions dated June 8, 2023 between Viking Cloud Canada Inc. and Mastermind LP, as each may have been amended, supplemented or restated from time to time.	Viking Cloud Canada, Inc.	Nil.
45.	Lease agreement dated March 14, 2011 between The Canada Life Assurance Company (successor in interest to The Great-West Life Assurance Company), as landlord, and Mastermind LP, by its general partner Mastermind GP Inc., as tenant, for certain premises located at the property municipally known as 415 Milner Avenue, Toronto, ON M1B 2L1, as may have been amended, supplemented or restated from time to time (the "Head Office and Distribution Centre").	The Canada Life Assurance Company	Nil.
46.	Lease agreement dated June 10, 2015 between L&G Enterprises (Waterloo) Corp., as landlord, and Mastermind LP, by its general partner Mastermind GP Inc., as tenant, for certain premises located at the property municipally known as 370 Stone Road West, Unit 12, Guelph, ON N1G 4V9, as may have been amended, supplemented or restated from time to time (the "Guelph Store").	L&G Enterprises (Waterloo) Corp.	Nil.
47.	Lease agreement dated March 7, 2012 between Yonge & Green Lane South Developments Corp., as landlord, and Mastermind LP, by its general partner Mastermind GP Inc., as tenant, for certain premises located at the property municipally known as 18267 Yonge Street, East Gwillimbury, ON L9N 0A2, as may have been amended, supplemented or restated from time to time (the "Newmarket Store").	Yonge & Green Lane South Developments Corp.	Nil.

48.	Lease agreement dated October 1, 2015 between BK Prime Alberta I LP, by its general partner BK Prime Alberta I GP Inc. (successor in interest to Terra Losa Equities Ltd.), as landlord, and Mastermind LP, by its general partner Mastermind GP Inc., as tenant, for certain premises located at the property municipally known as 9752 170 Street, Edmonton, AB T5T 5L4, as may have been amended, supplemented or restated from time to time (the "Terra Losa Store").	BK Prime Alberta I LP, by its general partner BK Prime Alberta I GP Inc.	Nil.
49.	Lease agreement dated June 6, 2017 between Dartmouth Crossing Limited, as landlord, and Mastermind LP, by its general partner Mastermind GP Inc., as tenant, for certain premises located at the property municipally known as 29 Countryview Drive, Dartmouth, NS B3B 0G4, as may have been amended, supplemented or restated from time to time (the "Dartmouth Store").	Dartmouth Crossing Limited	Nil.
50.	Lease agreement dated March 8, 2017 between 1133 Yonge Street Property Inc., as landlord, and Mastermind LP, by its general partner Mastermind GP Inc., as tenant, for certain premises located at the property municipally known as 1133 Yonge Street, Unit 101, Toronto, ON M4T 2Y7, as may have been amended, supplemented or restated from time to time (the "Rosedale Store").	1133 Yonge Street Property Inc.	Nil.
51.	Lease agreement dated April 4, 2003 between Glendale Properties Inc., managing agent for Fiona Strachan (successor in interest to the Estate of Edwin John Strachan), as landlord, and Mastermind LP, by its general partner Mastermind GP Inc. (successor in interest to MET Franchising Inc. and Nancy Green Shops Inc.), as tenant, for certain premises located at the property municipally known as 637 and 639 Mount Pleasant Road, Toronto, ON M4S 2M9, as may have been amended, supplemented or restated from time to time (the "Mount Pleasant Store").	Glendale Properties Inc., managing agent for Fiona Strachan	Nil.

52.	Lease agreement dated April 20, 2017 among bclMC Realty Corporation and Westshore Town Centre Holdings Inc. (successor in interest to bclMC Realty Corporation), collectively as landlord, and Mastermind LP, by its general partner Mastermind GP Inc., as tenant, for certain premises located at the property municipally known as 2945 Jacklin Road, Unit 190, Victoria, BC V9B 5E3, as may have been amended, supplemented or restated from time to time (the "Langford Store").	bclMC Realty Corporation Westshore Town Centre Holdings Inc.	Nil.
53.	Lease agreement dated October 1, 1999 between Realtrium Holdings 2 Inc. (successor in interest to McCowan Heritage Holdings Inc., Dixthorpe Developments Limited, Golesco Holdings Limited and Rayla-Jan Holdings Ltd.), as landlord, and Mastermind LP, by its general partner Mastermind GP Inc. (successor in interest to MET Franchising Inc.), as tenant, for certain premises located at the properties municipally known as 8555, 8557, and 8559 McCowan Road, Markham, ON L3P 1W9, as may have been amended, supplemented or restated from time to time (the "Markham Store").	Realtrium Holdings 2 Inc.	Nil.
54.	Lease agreement dated July 6, 1999 between OPB Realty Inc. (successor in interest to OPB Realty (Pickering Centre) Ltd.), as landlord, and Mastermind LP, by its general partner Mastermind GP Inc. (successor in interest to MET Franchising Inc. and Mastermind Educational Technologies Inc.), as tenant, for certain premises located at the property municipally known as 1355 Kingston Road, Unit 123, Pickering Town Centre, Pickering, ON L1V 1B8, as may have been amended, supplemented or restated from time to time (the "Pickering Store").	OPB Realty Inc.	Nil.

55.	Lease agreement dated July 9, 2012 between SmartREIT (Oshawa North) Inc. (successor in interest to Oshawa-Taunton Developments Inc.), as landlord, and Mastermind LP, by its general partner Mastermind GP Inc., as tenant, for certain premises located at the property municipally known as 991 Taunton Road East, Oshawa, ON L1H 7K5, as may have been amended, supplemented or restated from time to time (the "Oshawa Store").	SmartREIT (Oshawa North) Inc.	Nil.
56.	Lease agreement dated May 3, 2011 between SAB Realty Limited, as landlord, and Mastermind LP, by its general partner Mastermind GP Inc., as tenant, for certain premises located at the property municipally known as 685 Fanshawe Park Road West, London, ON N6G 5B4, as may have been amended, supplemented or restated from time to time (the "London North Store").	SAB Realty Limited	Nil.
57.	Lease agreement dated August 21, 2013 between Roundhouse Centre Windsor Inc., as landlord, and Mastermind GP Inc., as tenant, for certain premises located at the property municipally known as 3175 Howard Avenue, Windsor, ON N8X 3Y9, as may have been amended, supplemented or restated from time to time (the "Windsor Store").	Roundhouse Centre Windsor Inc.	Nil.
58.	Lease agreement dated July 30, 2009 between 15320 Bayview Avenue Holdings Limited, as landlord, and Mastermind LP, by its general partner Mastermind GP Inc. (successor in interest to MET Franchising Inc.), as tenant, for certain premises located at the property municipally known as 650 Wellington Street East, Aurora, ON L4G 0K3, as may have been amended, supplemented or restated from time to time (the "Aurora Store").	15320 Bayview Avenue Holdings Limited	Nil.

59.	Lease agreement dated June 1, 2011 between Brant-Plains Holdings Inc., as landlord, and Mastermind LP, by its general partner Mastermind GP Inc., as tenant, for certain premises located at the property municipally known as 1035 Brant Street, Burlington, ON L7R 2K1, as may have been amended, supplemented or restated from time to time (the "Burlington Store").	Brant-Plains Holdings Inc.	Nil.
60.	Lease agreement dated May 1, 2021 among Canuck Properties Ltd. and Fineway Properties Limited, collectively as landlord, and Mastermind LP, by its general partner Mastermind GP Inc., as tenant, for certain premises located at the property municipally known as 500 Fairway Road South, Unit 25, Kitchener, ON N2C 1X3, as may have been amended, supplemented or restated from time to time (the "Kitchener Store").	Canuck Properties Ltd. Fineway Properties Limited	Nil.
61.	Lease agreement dated February 11, 2019 between Aberdeen White Rose Holdings Limited, as landlord, and Mastermind LP, by its general partner Mastermind GP Inc., as tenant, for certain premises located at the property municipally known as 50 White Rose Drive, Unit 1B, St. John's, NFL, A1A 0H5, as may have been amended, supplemented or restated from time to time (the "St. John's North Store").	Aberdeen White Rose Holdings Limited	Nil.
62.	Lease agreement dated February 20, 2006 between RioKim Holdings (Langley Gate) Inc., as landlord, and Mastermind LP, by its general partner Mastermind GP Inc. (successor in interest to Sony of Canada Ltd.), as tenant, for certain premises located at the property municipally known as 20085 Langley By-Pass, Langley, BC V3A 8R6, as may have been amended, supplemented or restated from time to time (the "Langley Store").	RioKim Holdings (Langley Gate) Inc.	\$194.05

63.	Lease agreement dated July 23, 1999 between Upper Oakville Shopping Centre Limited, as landlord, and Mastermind LP, by its general partner Mastermind GP Inc. (successor in interest to MET Franchising Inc.), as tenant, for certain premises located at the property municipally known as 1011 Upper Middle Road East, Oakville, ON L6H 4L3, as may have been amended, supplemented or restated from time to time (the "Oakville Store").	Upper Oakville Shopping Centre Limited	Nil.
64.	Lease agreement dated June 7, 2017 among Plazacorp Property Holdings Inc. and 3088409 Nova Scotia Limited, by its authorized agent, Creit Management Limited, collectively as landlord, and Mastermind GP Inc., as tenant, for certain premises located at the property municipally known as 201 Chain Lake Drive, Unit 18, Halifax, NS B3S 1C8, as may have been amended, supplemented or restated from time to time (the "Halifax Store").	Plazacorp Property Holdings Inc. 3088409 Nova Scotia Limited, by its authorized agent, Creit Management Limited	Nil.
65.	Lease agreement dated January 15, 2015 between Numount Ancaster Inc., as landlord, and Mastermind LP, by its general partner Mastermind GP Inc., as tenant, for certain premises located at the property municipally known as 821 Golf Links Road, Unit 8, Ancaster, ON L9K 1L5, as may have been amended, supplemented or restated from time to time (the "Ancaster Store").	Numount Ancaster Inc.	Nil.
66.	Lease agreement dated December 14, 2017 between Calloway REIT (Saskatoon) Inc., as landlord, and Mastermind LP, by its general partner Mastermind GP Inc., as tenant, for certain premises located at the property municipally known as 3011 Clarence Avenue South, Saskatoon, SK S7K 0B4, as may have been amended, supplemented or restated from time to time (the "Saskatoon South Store").	Calloway REIT (Saskatoon) Inc.	Nil.

67.	Lease agreement dated December 14, 2017 between Mapleton Holdings Inc., as landlord, and Mastermind LP, by its general partner Mastermind GP Inc., as tenant, for certain premises located at the property municipally known as 84 Wyse Street, Moncton, NB E1G 0Z5, as may have been amended, supplemented or restated from time to time (the "Moncton Store").	Mapleton Holdings Inc.	Nil.
68.	Lease agreement dated January 18, 2013 between 1308645 Ontario Inc., as landlord, and Mastermind LP, by its general partner Mastermind GP Inc., as tenant, for certain premises located at the property municipally known as 210 Glendale Avenue, St. Catharines, ON L2T 3Y6, as may have been amended, supplemented or restated from time to time (the "St. Catharines Store").	1308645 Ontario Inc.	Nil.
69.	Lease agreement dated March 2, 2015 between RioCan Holdings Inc., as landlord, and Mastermind LP, by its general partner Mastermind GP Inc., as tenant, for certain premises located at the property municipally known as 4307 130 Avenue SE, Unit 87, South Trail Crossing, Calgary, AB T2Z 3V8, as may have been amended, supplemented or restated from time to time (the "Mckenzie Towne Store").	RioCan Holdings Inc.	\$252.81
70.	Lease agreement dated August 25, 2014 between Choice Properties Limited Partnership, as landlord, and Mastermind LP, by its general partner Mastermind GP Inc., as tenant, for certain premises located at the property municipally known as 3000 Lougheed Highway, Coquitlam, BC V3B 1C5, as may have been amended, supplemented or restated from time to time (the "Coquitlam Store").	Choice Properties Limited Partnership	Nil.

71.	Lease agreement dated December 5, 2012 between 2241039 Ontario Inc., as landlord, and Mastermind LP, by its general partner Mastermind GP Inc., as tenant, for certain premises located at the property municipally known as 1079 Maple Avenue, Milton, ON L9T 0A5, as may have been amended, supplemented or restated from time to time (the "Milton Store").	2241039 Ontario Inc.	Nil.
72.	Lease agreement dated April 29, 1999 between SPI Queen Holdings Inc. (successor in interest to Hammersmith Manor Enterprises Inc.), as landlord, and Mastermind LP, by its general partner Mastermind GP Inc. (successor in interest to MET Franchising Inc.), as tenant, for certain premises located at the property municipally known as 2134 Queen Street East, Toronto, ON M4E 1E3, as may have been amended, supplemented or restated from time to time (the "Beaches Store").	SPI Queen Holdings Inc.	Nil.
73.	Lease agreement dated May 23, 2018 between Mission Hill LP, by its general partner Mission Hill GP Inc., as landlord, and Mastermind LP, by its general partner Mastermind GP Inc., as tenant, for certain premises located at the property municipally known as 398 St. Albert Trail, Unit 110, St. Albert, AB T8N 5J9, as may have been amended, supplemented or restated from time to time (the "St. Albert Store").	Mission Hill LP, by its general partner Mission Hill GP Inc.	Nil.
74.	Lease agreement dated October 30, 2013 between RioTrin Properties (Barrhaven) Inc., as landlord, and Mastermind LP, by its general partner Mastermind GP Inc., as tenant, for certain premises located at the property municipally known as 71 Marketplace Avenue, Unit L5, Nepean, ON K2J 5G3, as may have been amended, supplemented or restated from time to time (the "Barrhaven Store").	RioTrin Properties (Barrhaven) Inc.	Nil.

75.	Lease agreement dated November 13, 2015 between Seabrooke Holdings Limited, as landlord, and Mastermind LP, by its general partner Mastermind GP Inc., as tenant, for certain premises located at the property municipally known as 995 Lansdowne Street West, Peterborough, ON K9J 8N2, as may have been amended, supplemented or restated from time to time (the "Peterborough Store").	Seabrooke Holdings Limited	Nil.
76.	Lease agreement dated March 8, 2016 between Place d'Orleans Holdings Inc., as landlord, and Mastermind LP, by its general partner Mastermind GP Inc., as tenant, for certain premises located at the property municipally known as 1315 Place d'Orleans Drive, Orléans, ON K1E 0B6, as may have been amended, supplemented or restated from time to time (the "Place d'Orleans Store").	Place d'Orleans Holdings Inc.	Nil.
77.	Lease agreement dated March 24, 2014 among SRF2 Baseline Road South Inc., as landlord, SRF2 Baseline Northwest Inc., as north landlord, and Mastermind LP, by its general partner Mastermind GP Inc., as tenant, for certain premises located at the property municipally known as 222 Baseline Road, Unit 140, Sherwood Park, AB T8H 1S8, as may have been amended, supplemented or restated from time to time (the "Sherwood Park Store").	SRF2 Baseline Road South Inc. SRF2 Baseline Northwest Inc.	Nil.
78.	Lease agreement dated April 17, 2015 between 1651051 Alberta Ltd., as landlord, and Mastermind LP, by its general partner Mastermind GP Inc., as tenant, for certain premises located at the property municipally known as 11521 Westgate Drive, Unit 111, Grande Prairie, AB T8V 3B1, as may have been amended, supplemented or restated from time to time (the "Grande Prairie Store").	1651051 Alberta Ltd.	Nil.

79.	Lease agreement dated February 14, 2013 between Kanata Entertainment Holdings Inc., as landlord, and Mastermind LP, by its general partner Mastermind GP Inc., as tenant, for certain premises located at 145 Roland Michener Drive, Kanata, ON K2T 1G7, as may have been amended, supplemented or restated from time to time (the "Kanata Store").	Kanata Entertainment Holdings Inc.	Nil.
80.	Lease agreement dated April 28, 2015 between Calloway REIT (Winnipeg SW) Inc., as landlord, and Mastermind LP, by its general partner Mastermind GP Inc., as tenant, for certain premises located at the property municipally known as SmartCentres Winnipeg Southwest, 1655 Kenaston Boulevard, Suite 200, Building E2, Winnipeg, MB R3P 2M4, as may have been amended, supplemented or restated from time to time (the "Kenaston Store").	Calloway REIT (Winnipeg SW) Inc.	Nil.
81.	Lease agreement dated August 21, 2014 between bcIMC Realty Corporation, as landlord, and Mastermind LP, by its general partner Mastermind GP Inc., as tenant, for certain premises located at the property municipally known as 450 Country Hills Boulevard NE, Units 132 and 140, Calgary, AB T3K 5K3, as may have been amended, supplemented or restated from time to time (the "Country Hills Store").	bcIMC Realty Corporation	Nil.
82.	Lease agreement dated June 17, 2016 between Calloway REIT (Regina E2) Inc., as landlord, and Mastermind LP, by its general partner Mastermind GP Inc., as tenant, for certain premises located at the property municipally known as SmartCentres Regina, 2820 Quance Street East, Regina, SK S4V 3B9, as may have been amended, supplemented or restated from time to time (the "Regina East Store").	Calloway REIT (Regina E2) Inc.	Nil.

83.	Lease agreement dated January 25, 2017 between Preston Crossing Properties Inc., as landlord, and Mastermind LP, by its general partner Mastermind GP Inc., as tenant, for certain premises located at the property municipally known as 120-1718 Preston Avenue North, Building #1, Unit #5, Saskatoon, SK S7N 4Y1, as may have been amended, supplemented or restated from time to time (the "Preston Crossing Store").	Preston Crossing Properties Inc.	Nil.
84.	Lease agreement dated June 9, 2014 between Clearbrook Town Centre Ltd., as landlord, and Mastermind LP, by its general partner Mastermind GP Inc., as tenant, for certain premises located at the property municipally known as 32470 South Fraser Way, Unit B471, Abbotsford, BC V2T 1X3, as may have been amended, supplemented or restated from time to time (the "Abbotsford Store").	Clearbrook Town Centre Ltd.	\$39.65
85.	Lease agreement dated March 11, 2013 between Westhills Equities Inc., by its agent Shape Properties Corp. (successor in interest to Westhills Equities Inc., by its duly authorized agent Triovest Realty Advisors Inc.), as landlord, and Mastermind LP, by its general partner Mastermind GP Inc., as tenant, for certain premises located at the property municipally known as Westhills Towne Centre, 600 Stewart Green SW, Calgary, AB T3H 3C8, as may have been amended, supplemented or restated from time to time (the "Westhills Store").	Westhills Equities Inc., by its agent Shape Properties Corp.	Nil.

86.	Lease agreement dated September 1, 1987 between Jeli Holdings Inc. (successor in interest to 1170700 Ontario Inc., 1170702 Ontario Inc. and Sing Tao (Canada) Limited), as landlord, and Mastermind LP, by its general partner Mastermind GP Inc. (successor in interest to MET Franchising Inc. and Green River Clothiers Ltd.), as tenant, for certain premises located at the property municipally known as Kingsway Mills Shopping Centre, 4242 Dundas Street West, Etobicoke, ON M8X 1Y6, as may have been amended, supplemented or restated from time to time (the "Etobicoke Store").	Jeli Holdings Inc.	Nil.
87.	Lease agreement dated August 5, 2016 between Central Walk Tsawwassen Mills Inc. (successor in interest to Ivanhoe Cambridge II Inc.), as landlord, and Mastermind LP, by its general partner Mastermind GP Inc., as tenant, for certain premises located at the property municipally known as Tsawwassen Mills, 5000 Canoe Pass Way, Unit 502, Tsawwassen, BC V4M 0B3, as may have been amended, supplemented or restated from time to time (the "Tsawwassen Store").	Central Walk Tsawwassen Mills Inc.	Nil.
88.	Lease agreement dated September 30, 2019 between RioKim Holdings (Ontario) Inc., as landlord, and Mastermind LP, by its general partner Mastermind GP Inc., as tenant, for certain premises located at the property municipally known as 970 Southdown Road, Unit D6, Mississauga, ON L5J 2Y4, as may have been amended, supplemented or restated from time to time (the "Clarkson Crossing Store").	RioKim Holdings (Ontario) Inc.	Nil.
89.	Lease agreement dated January 14, 2015 between RioKim Holdings (Alberta) Inc., as landlord, and Mastermind LP, by its general partner Mastermind GP Inc., as tenant, for certain premises located at the property municipally known as 2004 99th Street NW, South Edmonton Common Shopping Centre, Edmonton, AB T6N 1L3, as may have been amended, supplemented or restated from time to time (the "South Edmonton Common Store").	RioKim Holdings (Alberta) Inc.	\$410.48

90.	Lease agreement dated September 23, 2013 between Capital City Shopping Centre Limited, as landlord, and Mastermind LP, by its general partner Mastermind GP Inc., as tenant, for certain premises located at the property municipally known as 16061 MacLeod Trail SE, Unit 700, Boulevard Shopping Centre, Calgary, AB T2Y 3S5, as may have been amended, supplemented or restated from time to time (the "Shawnessy Store").	Capital City Shopping Centre Limited	Nil.
91.	Lease agreement dated August 26, 2002 among Montez Hillcrest Inc. and Hillcrest Holdings Inc. (successors in interest to Ontrea Inc.), collectively as landlord, and Mastermind LP, by its general partner Mastermind GP Inc. (successor in interest to MET Franchising Inc.), as tenant, for certain premises located at the property municipally known as 9350 Yonge Street, Richmond Hill, ON L4C 5G2, as may have been amended, supplemented or restated from time to time (the "Richmond Hill Store").	Montez Hillcrest Inc. Hillcrest Holdings Inc.	Nil.
92.	Lease agreement dated August 10, 2000 between Judell Ltd. (successor in interest to Samac Investments Limited), as landlord, and Mastermind LP, by its general partner Mastermind GP Inc. (successor in interest to Mastermind Educational Technologies Inc.), as tenant, for certain premises located at the property municipally known as 3350 Yonge Street, Toronto, ON M4N 2M6, as may have been amended, supplemented or restated from time to time (the "Yonge Street Store").	Judell Ltd.	Nil.

93.	Lease agreement dated November 3, 2012 between QR BV Village Holdings LP, by its general partner QR BV Village Holdings GP Inc. (successor in interest to bclMC Realty Corporation and Orlando Corporation), as landlord, and Mastermind LP, by its general partner Mastermind GP Inc., as tenant, for certain premises located at the property municipally known as 2901 Bayview Avenue, Unit 150, North York, ON M2K 1E6, as may have been amended, supplemented or restated from time to time (the "Bayview Village Store").	QR BV Village Holdings LP, by its general partner QR BV Village Holdings GP Inc.	Nil.
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Schedule “B” – List of Leases with Notices Registered on Title

Ontario

	Registration No.	Registration Date	Instrument Type	PIN No.	Land Registry Office No.
1.	YR218775	October 17, 2002	Notice of Lease	03146-0084(LT)	York Region No. 65
2.	AT5130162	May 7, 2019	Notice of Lease	21005-0456(LT)	Toronto No. 80
3.	ER765033	May 18, 2011	Notice of Lease	08138-3394(LT) 08138-3393(LT)	Middlesex No. 33
4.	H843233	April 4, 2000	Notice of Lease	24905-0323(LT)	Halton No. 20
5.	DR122566	November 13, 2013	Notice of Lease	16426-1632(LT) 16426-1633(LT)	Durham No. 40
6.	WE1032521	April 27, 2015	Notice of Lease	17079-0076(LT)	Hamilton Wentworth No. 62
7.	CE600426	February 13, 2014	Notice of Lease	01306-1347(LT)	Essex No. 12
8.	LT1464536	March 29, 2000	Notice of Lease	02915-0028(LT)	York Region No. 65
8a.	YR2833857	June 1, 2018	Application General	02915-0028(LT)	York Region No. 65
9.	HR1122434	February 2, 2013	Notice of Lease	24940-5817(LT) 24940-5813(LT) 24940-5815(LT)	Halton No. 20
10.	OC1833881	October 6, 2016	Notice of Lease	04732-1154(LT) 04732-1155(LT) 04732-1156(LT) 04732-1865(LT) 04732-1866(LT)	Ottawa-Carleton No. 4

				04732-1868(LT)	
11.	WC532407	March 5, 2018	Notice of Lease	71224-0226(LT)	Wellington No. 61
12.	AT4888341	June 18, 2016	Notice of Lease	21119-0404(LT)	Toronto No. 80
13.	OC1538232	November 18, 2013	Notice of Lease	04507-0034(LT) 04507-0495(LT) 04507-0496(LT)	Ottawa-Carleton No. 4
14.	OC1908549	July 17, 2017	Notice of Lease	14508-0432(LT) 14508-0201(LT) 14508-0004(LT)	Ottawa-Carleton No. 4

Alberta

	Registration No.	Registration Date	Instrument Type	Short Legal Description(s)
1.	141 015 830	16 January 2014	Caveat re: Lease Interest	9212636;4;6 9212636;4;7 9212636;4;8 9212043;4;2 9212043;4;3 9212043;4;5 9212043;4;4
2.	162 058 798	25 February 2016	Caveat re: Lease Interest	0023941;13;1
3.	162 004 263	08 January 2016	Caveat re: Lease Interest	0828284;1;1A
4.	181 106 744	25 May 2018	Caveat re: Lease Interest	9811232;50;1
5.	161 126 316	01 June 2016	Caveat re: Lease Interest	9910196;5;1
6.	192 093 574	26 April 2019	Caveat re: Lease Interest	8722630;29;20 8722630;29;21 8722630;29;22

				8722630;29;23 8722630;29;24 8722630;29;25 8722630;29;26 9923066;29;27 8720355;29;17
7.	151 108 370	29 April 2015	Caveat re: Lease Interest	9711435;1;4 9711435;1;5 0112223;1;11

Saskatchewan

1. 122931086, registered 05 June 2018
2. 123214261 registered 26 November 2018

Manitoba

1. Caveat 4692867/1 2 February 2016

Nova Scotia

114484521, registered 21 May 2019

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 MASTERMIND GP INC.

Applicant

Court File No. CV-23-00710259-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceeding commenced at Toronto

ASSIGNMENT ORDER

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Lawyers for Mastermind GP Inc.

TAB C

APPENDIX C
ANCILLARY ORDER

See attached.



Court File No. CV-23-00710259-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE

)

FRIDAY, THE 12TH

JUSTICE STEELE

)

DAY OF JANUARY, 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 MASTERMIND GP INC.**

(the "**Applicant**")

ANCILLARY ORDER

THIS MOTION made by the Applicant pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") for an Order, *inter alia*, (i) expanding the Monitor's Powers, (ii) changing the style of cause in these CCAA proceedings, and (iii) granting certain other ancillary relief, was heard this day at 330 University Avenue, Toronto, Ontario by videoconference via Zoom.

ON READING the Affidavit #4 of Lucio Milanovich sworn January 5, 2024, the Notice of Motion, the Motion Record of the Applicant, and the Third Report (the "**Third Report**") of Alvarez & Marsal Canada Inc. ("**A&M**"), in its capacity as court-appointed monitor (in such capacity, the "**Monitor**") of Mastermind GP Inc. and Mastermind LP (collectively, the "**Mastermind Entities**"), and on hearing the submissions of counsel for the Mastermind Entities, the Monitor, the Buyer, and counsel for the other persons listed on the Participant Information Form, no one appearing for any other person on the service list, although properly served as appears from the Lawyer's Certificate of Service of Kristine Spence sworn January 5, 2024, filed:

SERVICE AND DEFINITIONS

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

2. **THIS COURT ORDERS** that capitalized terms used herein but not otherwise defined have the definitions given to them in the asset purchase agreement dated as of December 1, 2023 (the “**APA**”), between Mastermind LP, by its general partner, Mastermind GP Inc., and Unity Acquisitions Inc. (or any permitted assignee under the APA) or the Approval and Vesting Order in these CCAA proceedings dated December 13, 2023 (the “**AVO**”), as applicable.

MONITOR’S ENHANCED POWERS

3. **THIS COURT ORDERS** that, in addition to the powers and duties of the Monitor set out in the Amended and Restated Initial Order or any other Order of this Court granted in these CCAA proceedings, the CCAA and applicable law, and without in any way altering the obligations of the Mastermind Entities in these CCAA proceedings, including the Mastermind Entities’ obligations under the APA and Transactions, effective upon the delivery of the Monitor’s Certificate to the Mastermind Entities and the Buyer, the Monitor is hereby authorized and empowered, but not required to:

- (a) take any and all actions and steps, and execute all agreements, documents, instruments and writings, on behalf of, and in the name of, the Mastermind Entities in order to facilitate the performance of any of the Mastermind Entities’ powers or obligations, including, without limitation, under the APA and the Transactions (including any post-closing matters) or any Order of this Court, and to carry out the

Monitor's duties under this Order or any other Order of this Court in these CCAA proceedings;

- (b) execute administrative filings as may be required on behalf of the Mastermind Entities;
- (c) exercise any powers which may be properly exercised by a board of directors of the Mastermind Entities;
- (d) conduct, supervise and direct the continuation or commencement of any process or effort to collect or recover any Property (as defined in the Amended and Restated Initial Order) or other assets of the Mastermind Entities (including any accounts receivable or cash) and to sell or dispose of such Property or other assets in accordance with the Orders of this Court in these CCAA proceedings;
- (e) meet and consult with current or former management of (i) the Mastermind Entities and/or their affiliates or (ii) the Buyer and its affiliates, or any of their respective advisors, with respect to the carrying out of its powers and obligations under this Order or any other Order of this Court in these CCAA proceedings;
- (f) engage, retain, or terminate or cause the Mastermind Entities to engage, retain or terminate the services of any officer, employee, consultant, agent, representative, advisor, or other persons or entities, as the Monitor deems necessary or appropriate to assist with the exercise of the Monitor's powers and duties, including such powers and duties as enhanced pursuant to this Order. For greater certainty, any such officer, employee, consultant, agent, representative, advisor, or other persons or entities engaged or retained pursuant to this paragraph 3(f) shall

thereafter be deemed to be Assistants under the Amended and Restated Initial Order;

- (g) perform or cause the Mastermind Entities to perform such other functions or duties, and enter into or cause the Mastermind Entities to enter into any agreements, disclaim or terminate any agreements or incur any obligations, as the Monitor considers necessary or desirable in order to facilitate or assist the winding-down or liquidation of the Mastermind Entities, the realization and/or sale of all of the Property not transferred pursuant to the AVO, the distribution of any net proceeds of such Property and/or the Transactions, or any other related activities, including, without limitation, in connection with (i) developing and conducting a process for the solicitation, determination and resolution of claims against the Mastermind Entities and their present and former directors and officers, and (ii) terminating these CCAA proceedings;
- (h) exercise any shareholder, partnership, joint venture or other rights of the Mastermind Entities;
- (i) initiate, prosecute, and/or continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Mastermind Entities or the Property;
- (j) have access to all books and records that are the Property of the Mastermind Entities or that are in the Mastermind Entities' possession or control and the same access as the Mastermind Entities have to any books and records no longer in the Mastermind Entities' control or possession (collectively, the "**Books and Records**");

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- (k) engage, deal, communicate, negotiate, agree and settle with any creditor or other stakeholder of the Mastermind Entities (including, without limitation, any governmental authority) in the name of or on behalf of the Mastermind Entities;
- (l) claim or cause the Mastermind Entities to claim any and all insurance proceeds or refunds or tax refunds to which either of the Mastermind Entities is entitled that were not transferred pursuant to the AVO;
- (m) act as an authorized representative of the Mastermind Entities in respect of dealings with any taxing or regulatory authority, and the Monitor shall hereby be entitled to execute any appointment or authorization form on behalf of the Mastermind Entities that a taxing or regulatory authority may require in order to confirm the Monitor's appointment as an authorized representative for such purposes;
- (n) consult with any taxing or regulatory authority with respect to any issues arising in respect of these CCAA proceedings;
- (o) file, or take such actions necessary for the preparation and filing of, on behalf of and in the name of the Mastermind Entities, (i) any tax returns, and (ii) the Mastermind Entities' employee-related remittances, T4 statements and records of employments for the Mastermind Entities' former employees, in either case, based solely upon the information in the Books and Records and on the basis that the Monitor shall incur no liability or obligation to any person with respect to such returns, remittances, statements, records or other documents;
- (p) sign documentation or take other steps as necessary to cause or implement the dissolution or winding-up of the Mastermind Entities;

- (q) assign the Mastermind Entities, or cause the Mastermind Entities to be assigned into bankruptcy and to take any steps incidental thereto, and that A&M is authorized and empowered, but not obligated, to act as the licensed insolvency trustee in bankruptcy of each of the Mastermind Entities;
- (r) apply to this Court for advice and directions or any further Orders necessary or advisable to carry out the Monitor's powers and duties under this Order or any other Order of this Court granted in these CCAA proceedings; and
- (s) take any steps reasonably incidental to the exercise by the Monitor of the powers listed above or the performance of any statutory obligations.

4. **THIS COURT ORDERS** that, upon the delivery of the Monitor's Certificate, the banks and/or financial institutions which maintain the Mastermind Entities' central cash management system, as modified by subsection 2.1(q) of the APA (the "**Cash Management System**") are directed to recognize and permit the Monitor and its representatives to complete any and all transactions on behalf of the Mastermind Entities in connection with such Cash Management System and for such purpose, the Monitor and its representatives are empowered and shall be permitted to execute documents for or on behalf of and in the name of the Mastermind Entities and shall be empowered and permitted to add and remove persons having signing authority with respect to the Cash Management System. The financial institutions maintaining such Cash Management System shall not be under any obligation whatsoever to inquire into the propriety, validity or legality of any transfer, payment, collection or other action taken in accordance with the instructions of the Monitor for and on behalf of the Mastermind Entities and/or as to the use or application of funds transferred, paid, collected or otherwise dealt with in accordance with such instructions and such financial institutions shall be authorized to act in

accordance with and in reliance upon such instructions without any liability in respect thereof to any person.

5. **THIS COURT ORDERS** that, notwithstanding anything contained in this Order, the Monitor is not and shall not be or be deemed to be a director, officer or employee of the Mastermind Entities.

6. **THIS COURT ORDERS** that, without limiting, and subject to, the provisions of the Amended and Restated Initial Order and the AVO, the Mastermind Entities shall remain in possession and control of the Property and Business.

7. **THIS COURT ORDERS** that the Monitor shall not be liable for any employee-related liabilities of the Mastermind Entities, including, without limitation, any successor employer liabilities as provided for in subsection 11.8(1) of the CCAA. Nothing in this Order shall, in and of itself, cause the Monitor to be liable for any employee related liabilities of the Mastermind Entities, including, without limitation, wages, severance pay, termination pay, vacation pay, and pension or benefit amounts.

8. **THIS COURT ORDERS** that, in addition to the rights and protections afforded to the Monitor under the CCAA, as an officer of this Court or otherwise at law, the Monitor and its legal counsel shall continue to have the benefit of all of the indemnities, charges, protections and priorities as set out in the Amended and Restated Initial Order and any other Order of this Court granted in these CCAA proceedings and all such indemnities, charges, protections and priorities shall apply and extend to the Monitor in carrying out the provisions of this Order and exercising any powers granted to it hereunder. Without limiting the generality of the foregoing, in exercising any powers granted to it hereunder: (i) the Monitor shall not be deemed to have taken or maintained possession or control of the Business or Property, or any part of either of the foregoing; (ii) the Monitor shall be entitled to rely on the Books and Records of the Mastermind

Entities without independent investigation; and (iii) the Monitor shall incur no liability or obligation as a result of exercising any powers granted to it hereunder, save and except for any gross negligence or wilful misconduct on its part.

9. **THIS COURT ORDERS** that nothing in this Order shall constitute or be deemed to constitute the Monitor as a receiver, assignee, liquidator, administrator, receiver-manager, agent of the creditors, or legal representative of the Mastermind Entities or the Property within the meaning of any applicable legislation.

10. **THIS COURT ORDERS** that the powers and authority granted to the Monitor by virtue of this Order shall, if exercised in any case, be paramount to the power and authority of the Mastermind Entities with respect to such matters and, in the event of a conflict between the terms of this Order and those of the Amended and Restated Initial Order or any other Order of this Court granted in these CCAA proceedings, the provisions of this Order shall govern.

DISTRIBUTIONS

11. **THIS COURT ORDERS** that Mastermind LP, following the delivery of the Monitor's Certificate in accordance with the AVO and APA, shall be hereby authorized and directed, without further Order of the Court, to distribute to the Canadian Imperial Bank of Commerce (the "**Agent**") any amounts required to satisfy all obligations owing under the CIBC Credit Agreement and the forbearance agreement dated December 1, 2023 between the Mastermind Entities and the Agent (the "**Forbearance Agreement**"), which amounts shall be evidenced in a written payout letter from the Agent and delivered in accordance with the APA, and such distribution(s) shall be free and clear of all Claims (including Encumbrances and claims that may arise in connection with the APA), and upon such payment, all commitments to make loans or otherwise extend credit to the Mastermind Entities under the CIBC Credit Agreement or the Forbearance Agreement shall terminate.

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

- (a) the pendency of these proceedings;
- (b) any applications for a bankruptcy order now or hereafter issued pursuant to the Bankruptcy and Insolvency Act (Canada) in respect of any of the Mastermind Entities and any bankruptcy order issued pursuant to any such applications; or
- (c) any assignment in bankruptcy made in respect of any of the Mastermind Entities;

the distribution(s) permitted by paragraph 11 above shall be binding on any trustee in bankruptcy or receiver that may be appointed in respect of any of the Mastermind Entities and shall not be void or voidable by creditors of any of the Mastermind Entities, nor shall it constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the Bankruptcy and Insolvency Act (Canada) or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

TERMINATION OF THE DIP CHARGE AND THE KERP CHARGE

13. **THIS COURT ORDERS** that, upon the payment contemplated in paragraph 11 being made, the DIP Charge and the KERP Charge (each as defined in the Amended and Restated Initial Order) are hereby terminated, released and discharged without any further act or formality.

14. **THIS COURT ORDERS** that, for greater certainty, all Claims and Encumbrances shall continue to attach to the net proceeds from the sale of the Purchased Assets in accordance with section 7 of the AVO, other than the DIP Charge and the KERP Charge.

COOPERATION WITH THE MONITOR

15. **THIS COURT ORDERS** that the Buyer, the Mastermind Entities and each of their respective advisors, current and former officers, directors, employees, agents and representatives shall co-operate with the Monitor in the exercise of its powers pursuant to this Order or any other Order of this Court granted in these CCAA proceedings, and shall provide the Monitor and the Mastermind Entities with such assistance as the Monitor or the Mastermind Entities may request from time to time to enable the Monitor to carry out and discharge its powers and duties set out in this Order or any other Order of this Court granted in these CCAA proceedings; provided, however, that in the case of the Mastermind Entities' former employees that are, at the time of any such requests for assistance or information by the Mastermind Entities or the Monitor, current employees of the Buyer, subject to further order of this Court, such co-operation and requests will be limited to reasonable requests for information or assistance that will not reasonably be expected to materially interfere with the day-to-day duties or activities of such employee for the Buyer, shall not cause or potentially cause liability to the Buyer (including in respect of any indemnification of or responsibility for the employees in question) and shall be at the Mastermind Entities' sole expense.

EXTENSION OF STAY OF PROCEEDINGS

16. **THIS COURT ORDERS** that the Stay Period (as defined in the Amended and Restated Initial Order) is hereby extended until and including April 30, 2024, or such later date as this Court may order.

WAGE EARNER PROTECTION PROGRAM ACT

17. **THIS COURT ORDERS AND DECLARES** that pursuant to subsections 5(1)(b)(iv) and 5(5) of the *Wage Earner Protection Program Act* (Canada), S.C. 2005, c. 47, s. 1 ("**WEPPA**"),

Mastermind LP meets the criteria prescribed by section 3.2 of the *Wage Earner Protection Program Regulations*, SOR/2008-222 and Mastermind LP's former employees are eligible to receive payments under and in accordance with WEPPA following the termination of their employment.

STYLE OF CAUSE

18. **THIS COURT ORDERS** that upon the official change to the legal names of the Mastermind Entities that is to occur in accordance with the AVO, the name of the Applicant in the within title of proceedings shall be deleted and replaced with the new legal name of the Applicant, and any document filed thereafter in these proceedings (other than the Monitor's Certificate) shall be filed using such revised title of proceedings:

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 OLD MM GP INC.

GENERAL

19. **THIS COURT ORDERS** that the Applicant, Buyer or the Monitor may apply to the Court as necessary to seek further orders and directions to give effect to this Order.


20. **THIS COURT ORDERS** that this Order shall have full force and effect in all provinces and territories in Canada.

21. **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 Mastermind Entities, 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 Mastermind Entities 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 Mastermind Entities and the Monitor and their respective agents in carrying out the terms of this Order.

22. **THIS COURT ORDERS** that, except as may be necessary to give effect to this Order, the Amended and Restated Initial Order and AVO remain in full force and effect and in the event of a conflict between the terms of this Order and those of the Amended and Restated Initial Order and AVO, the provisions of this Order shall govern.

23. **THIS COURT ORDERS** that, unless otherwise set out herein, this Order and all of its provisions are effective as of 12:01 a.m (Toronto time) on the date of this Order.

 Digitally signed
by Jana Steele
Date:
2024.01.12
15:49:20 -05'00'

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 MASTERMIND GP INC.

Applicant

Court File No. CV-23-00710259-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

PROCEEDING COMMENCED AT
TORONTO

ANCILLARY ORDER

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TAB D

APPENDIX D
THIRD REPORT OF THE MONITOR (WITHOUT APPENDICES)

See attached.

**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 MASTERMIND GP INC.**

**THIRD REPORT OF THE MONITOR
ALVAREZ & MARSAL CANADA INC.**

JANUARY 8, 2024

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APPENDICES

Appendix “A” – Unity Acquisitions Inc. Financial Covenant Letter

1.0 INTRODUCTION

- 1.1 On November 23, 2023, Mastermind GP Inc. (“**Mastermind GP**” or the “**Applicant**”) was granted protection under the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”) pursuant to an initial order (the “**Initial Order**”) of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”). Among other things, the Initial Order appointed Alvarez & Marsal Canada Inc. as monitor (in such capacity, the “**Monitor**”) in the CCAA Proceedings (the “**CCAA Proceedings**”).
- 1.2 The Initial Order also extended the stay of proceedings and other protections and authorizations to Mastermind LP (together with Mastermind GP, the “**Mastermind Entities**”), a toy retailer with 66 stores across Canada. Mastermind GP is the general partner of Mastermind LP. The ultimate parent company of Mastermind GP is Birch Hill Equity Partners Management Inc., which is not an Applicant in the CCAA Proceedings.
- 1.3 Facing several unique challenges, a liquidity crisis and the imminent holiday shopping season, the Mastermind Entities commenced the CCAA Proceedings to provide the stability and flexibility necessary to allow them to pursue a value maximizing going concern sale transaction, while also implementing a liquidation and closure of a sub-set of store locations.
- 1.4 On November 30, 2023, the Applicant obtained the following:
 - (i) an amended and restated Initial Order (the “**ARIO**”), which, among other things:
 - (a) extended the Stay Period (as defined in the ARIO) to and including January 26, 2024;

- (b) approved a key employee retention plan (the “**KERP**”) and granted a KERP Charge on the Property (each as defined in the ARIO) to secure amounts payable under the KERP;
 - (c) increased the amounts of the D&O Charge and the Administration Charge (each as defined in the ARIO); and
 - (d) approved the Forbearance Agreement and granted the DIP Charge (each as defined in the ARIO) in favour of Canadian Imperial Bank of Commerce (“**CIBC**”); and
- (ii) an order (the “**Liquidation Sale Approval Order**”), which, among other things:
- (a) approved the Consulting Agreement and the Sale Guidelines (each as defined in the Liquidation Sale Approval Order); and
 - (b) authorized Mastermind LP, with the assistance of Gordon Brothers Canada ULC (the “**Consultant**”) to commence a liquidation sale (the “**Liquidation Sale**”) at 18 store locations (collectively, the “**Liquidating Stores**”).

1.5 On December 13, 2023, the Applicant obtained an order (the “**Approval and Vesting Order**”), among other things:

- (i) approving the asset purchase agreement dated as of December 1, 2023 (the “**APA**”) between Mastermind LP, as seller, and Unity Acquisitions Inc. (“**Unity**”) or its permitted assignee, Mastermind Toys Inc., as purchaser (the “**Purchaser**”), and the going concern transaction contemplated thereby (the “**Transaction**”); and

- (ii) upon the delivery of a certificate to Mastermind LP and the Purchaser (the “**Monitor’s Certificate**”), vesting all of Mastermind LP’s right, title and interest in and to the Purchased Assets (as defined in the APA) in the Purchaser free and clear of all claims and encumbrances other than the Permitted Encumbrances (as defined in the APA).

1.6 Additional details regarding the Mastermind Entities and the circumstances leading to the CCAA Proceedings are set out in the Pre-Filing Report of the Proposed Monitor dated November 22, 2023 (the “**Pre-Filing Report**”), the First Report of the Monitor dated November 29, 2023 (the “**First Report**”) and the Second Report of the Monitor dated December 10, 2023 (the “**Second Report**” and collectively with the Pre-Filing Report and the First Report, the “**Prior Reports**”). The Prior Reports and other Court-filed documents in the CCAA Proceedings are available on the Monitor’s case website at: www.alvarezandmarsal.com/Mastermind (the “**Case Website**”).

2.0 PURPOSE OF THIS REPORT

2.1 The purpose of this Third Report is to provide the Court with information, and where applicable, the Monitor’s views on:

- (i) the cash flow results for the six-week period ended December 31, 2023;
- (ii) certain updates since the granting of the Approval and Vesting Order, including in respect of the Transaction, the Liquidation Sale, the disclaimer of the Liquidating Stores’ leases, the retention bonuses to be paid to certain staff of the Liquidating

Stores, certain employee terminations and the employment offers provided by the Purchaser to a significant number of Mastermind LP's employees;

- (iii) the Applicant's request for an order pursuant to section 11.3 of the CCAA (the "**Assignment Order**"), among other things, assigning, conveying and transferring to the Purchaser the rights and obligations of the Mastermind Entities under the Assigned Contracts (as defined below);
- (iv) the Applicant's request for an order (the "**Ancillary Order**"), among other things:
 - (a) granting the Monitor expanded powers and certain additional protections;
 - (b) declaring that Mastermind LP meets the criteria prescribed by section 3.2 of the WEPP Regulations (as defined below) and that certain of Mastermind LP's former employees are eligible to receive payments under and in accordance with the WEPP Act (as defined below);
 - (c) extending the Stay Period to and including April 30, 2024;
 - (d) amending the title of the CCAA Proceedings upon the Mastermind Entities' official name changes; and
 - (e) authorizing and directing Mastermind LP to distribute to CIBC any amounts required to satisfy the obligations owing under the CIBC Credit Agreement and the Forbearance Agreement upon the delivery of the Monitor's Certificate in accordance with the Approval and Vesting Order and the APA (the "**Distribution**");

- (v) the activities of the Monitor since the Second Report; and
- (vi) the Monitor's conclusions and recommendations in connection with the foregoing.

3.0 TERMS OF REFERENCE AND DISCLAIMER

3.1 In preparing this Third Report, A&M, in its capacity as Monitor, has been provided with, and has relied upon, unaudited financial information, books and records and financial information prepared by the Mastermind Entities and has held discussions with management of the Mastermind Entities and their legal counsel (collectively, the "**Information**"). Except as otherwise described in this Third Report in respect of the Mastermind Entities' cash flow forecast:

- (i) the Monitor has reviewed the Information for reasonableness, internal consistency and use in the context in which it was provided. However, the Monitor has not audited or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with Canadian Auditing Standards ("**CASs**") pursuant to the *Chartered Professional Accountants Canada Handbook* (the "**CPA Handbook**") and, accordingly, the Monitor expresses no opinion or other form of assurance contemplated under CASs in respect of the Information; and
- (ii) some of the information referred to in this Third Report consists of forecasts and projections. An examination or review of the financial forecasts and projections, as outlined in the CPA Handbook, has not been performed.

- 3.2 Future oriented financial information referred to in this Third Report was prepared based on the Mastermind Entities' estimates and assumptions. Readers are cautioned that since projections are based upon assumptions about future events and conditions that are not ascertainable, actual results will vary from the projections, even if the assumptions materialize, and the variations could be significant.
- 3.3 This Third Report should be read in conjunction with the affidavit of Lucio Milanovich, the Interim Chief Financial Officer of Mastermind LP, sworn January 5, 2024 (the "**Fourth Milanovich Affidavit**") and filed in support of the Applicant's motion for the proposed Assignment Order and Ancillary Order. Capitalized terms used and not defined in this Third Report have the meanings given to them in the Prior Reports or the Fourth Milanovich Affidavit, as applicable.
- 3.4 Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian dollars.

4.0 UPDATE SINCE GRANTING THE APPROVAL AND VESTING ORDER

The Transaction

- 4.1 The Court granted the Approval and Vesting Order on December 13, 2023, approving the APA and the Transaction. Since that time, the Mastermind Entities, the Purchaser, the Monitor and their respective counsel have worked diligently to prepare for the closing of the Transaction on January 15, 2024, being the closing date contemplated under the APA (the "**Closing Date**"). These efforts have included preparing the following agreements to be executed prior to the Closing Date:

- (i) an Amendment to the Asset Purchase Agreement (the “**Amendment Agreement**”) to memorialize minor amendments to the APA agreed to between Mastermind LP and Unity, with the Monitor’s approval (in accordance with the Approval and Vesting Order); and
- (ii) an Assignment and Assumption Agreement pursuant to which Unity’s wholly-owned subsidiary, Mastermind Toys Inc., will assume all of the rights, benefits, duties and obligations of Unity under the APA in accordance with section 11.5(b) thereof (the “**Assignment Agreement**”).

4.2 As set out in the Fourth Milanovich Affidavit and the Second Report, the Transaction, if consummated in accordance with its terms, will result in:

- (i) the preservation of jobs for the majority of Mastermind LP’s employees;
- (ii) the continuation of the “Mastermind Toys” business through the Purchaser;
- (iii) the continued operation of 48 of Mastermind LP’s retail stores and its head office/distribution centre and the preservation of the corresponding leases and relationships with landlords; and
- (iv) the repayment in full of all of the obligations owing to CIBC.

4.3 The Transaction is expected to result in excess proceeds (the “**Excess Proceeds**”), which will be delivered to the Monitor on or subsequent to closing. The Excess Proceeds will be held by the Monitor, subject to the costs associated with administering the CCAA Proceedings, for the benefit of the Mastermind Entities’ estates. Provided that the proposed

Ancillary Order is granted, the Monitor intends to seek the Court's approval to commence and conduct a process for the solicitation, determination and resolution of claims against the Mastermind Entities and their present and former directors and officers (the "**Anticipated Claims Process**"). The Anticipated Claims Process will inform any future distribution of the Excess Proceeds to the Mastermind Entities' creditors.

The Liquidation Sale and the Liquidating Stores

- 4.4 Mastermind LP, with the assistance of the Consultant, has conducted and continues to conduct the Liquidation Sale in accordance with the Sale Guidelines approved by the Court pursuant to the Liquidation Sale Approval Order. As at the date of this Third Report, the Liquidation Sale remains ongoing at certain of the Liquidating Stores.
- 4.5 The Consultant has advised Mastermind LP that it anticipates the Liquidation Sale will conclude, and that all of the Liquidating Stores will be returned to their respective landlords, on or prior to January 14, 2024.
- 4.6 In light of the Liquidation Sale and the anticipated closure of the Liquidating Stores, the Mastermind Entities delivered notices to disclaim the 18 Liquidating Stores' leases to the applicable counterparties thereto on December 13, 2023. The notices of disclaimer delivered by the Mastermind Entities and approved by the Monitor are effective as of January 14, 2024. The Mastermind Entities similarly intend to disclaim or terminate any agreements or informal arrangements with respect to the provision of goods or services to or for the Liquidating Stores that are not Assigned Contracts.

Employees

- 4.7 As described in the Fourth Milanovich Affidavit, Mastermind LP employed approximately 800 employees, consisting of 625 part-time employees and 175 full-time employees, at the commencement of the CCAA Proceedings. Since that time, Mastermind LP has terminated or provided notice of termination to 232 employees who will not be retained by the Purchaser as well as approximately 40 of the Temporary Employees.¹ The latest effective date of such terminations is January 14, 2024.
- 4.8 The Monitor understands that Mastermind LP has paid or intends to pay all of the wages and vacation pay owing to its terminated employees (collectively the “**Terminated Employees**”). Certain amounts for severance and termination will however, remain owing to the Terminated Employees.
- 4.9 619 of Mastermind LP’s employees have been provided with offers of employment by Mastermind Toys Inc. (Unity’s wholly-owned subsidiary and assignee). Such employees will be terminated by Mastermind LP immediately prior to the Closing Date and, provided that they accept the offers of employment received, will become employees of Mastermind Toys Inc. as of the Closing Date.

KERP Payments

- 4.10 In accordance with the terms of the KERP, the Mastermind Entities anticipate paying retention bonuses to the six KERP participants on January 14, 2024. Additionally, the

¹ As also noted in the Fourth Milanovich Affidavit, Mastermind LP hired approximately 160 temporary employees to assist during the holiday shopping season (collectively, the “**Temporary Employees**”). The employment for the majority of these Temporary Employees expired in accordance with the terms of their employment agreements. However, approximately 40 of those Temporary Employees were asked to work beyond the expiration of their employment agreements and have now been terminated or provided with notice of termination.

Mastermind Entities currently anticipate paying the aggregate amount of approximately \$65,000 to select store level and other employees who were instrumental in assisting the Consultant at the Liquidating Stores.

5.0 THE ASSIGNMENT ORDER

- 5.1 The APA contemplates that certain of the Mastermind Entities' leases and contracts will be assigned by Mastermind LP to, and assumed by, the Purchaser (collectively, the "**Assigned Contracts**"). Certain of the Assigned Contracts require the consent of the counterparties thereto to any assignment (collectively, the "**Third Party Consents**").
- 5.2 Section 2.4 of the APA requires Mastermind LP to obtain an order of the Court under section 11.3 of the CCAA assigning the Assigned Contracts for which the requisite Third Party Consents have not been obtained.
- 5.3 The Assigned Contracts for which Mastermind LP and the Purchaser have determined Third Party Consents are or may be required are set out in Schedule "A" of the Assignment Order.
- 5.4 The Monitor understands that the Mastermind Entities and the Purchaser continue to work with the relevant counterparties to obtain the Third Party Consents. Out of an abundance of caution, however, the Mastermind Entities are seeking for all Assigned Contracts to be subject to the Assignment Order, regardless of whether Third Party Consents are required or have been obtained.
- 5.5 The Purchaser has agreed to pay all monetary defaults in relation to any Assigned Contracts, other than those arising by reason of the Mastermind Entities' insolvency, the

commencement of the CCAA Proceedings or the Mastermind Entities' failure to perform a non-monetary obligation, as required under subsection 11.3(4) of the CCAA (collectively, the "**Cure Costs**"), within 7 business days after the closing of the Transaction. The Cure Costs to be paid by the Purchaser in connection with such Assigned Contracts are set out in Schedule "A" to the proposed Assignment Order.

5.6 On January 6, 2024, counsel to the Purchaser provided a letter to counsel to the Mastermind Entities and the Monitor (the "**Financial Covenant Letter**") attesting to the Purchaser's ability to perform the obligations under the Assigned Contracts subject to the proposed Assignment Order, including the payment of the Cure Costs. Among other things, the Financial Covenant Letter confirms that, as of the Closing Date, the Purchaser expects to have approximately \$5 million of shareholders' equity and an initial aggregate availability of \$15 million under a new revolving credit facility with the option to permanently increase such availability by \$5 million with the prior written consent of its lending agent. A copy of the Financial Covenant Letter is attached hereto as **Appendix "A"**.

5.7 The Monitor is supportive of the assignment of the Assigned Contracts and is of the view that the proposed Assignment Order is appropriate in the circumstances, given that:

- (i) the assignment of the Assigned Contracts, including those for which the Third Party Consents are required, is a material term of the APA and integral component of the Transaction negotiated by Mastermind LP and Unity – a Transaction that will preserve over 600 jobs and 49 landlord relationships and ensure the continued operation of the Mastermind Toys business through the Purchaser;

- (ii) the Monitor understands that the Assigned Contracts are essential to the efficient and effective operation of the Mastermind Toys business in the manner intended by the Purchaser;
- (iii) the Purchaser, through its counsel, has provided written confirmation of its ability to pay and perform the obligations under the Assigned Contracts subject to the proposed Assignment Order, including the Cure Costs that the Purchaser has covenanted to pay under the APA;
- (iv) the Monitor understands that CIBC is supportive of the proposed Assignment Order; and
- (v) the Monitor understands that the Mastermind Entities have made or will make best efforts to provide notice of the proposed Assignment Order to each of the counterparties to the Assigned Contracts.

5.8 As previously referenced, the Mastermind Entities intend to disclaim or terminate any agreements or informal arrangements to which they are party that are not Assigned Contracts and for which they will have no further use as of the Closing Date.

6.0 THE ANCILLARY ORDER

Expanded Powers

6.1 The Monitor understands that following the closing of the Transaction, the Mastermind Entities' directors and officers intend to resign. The proposed Ancillary Order therefore expands the Monitor's powers to facilitate the effective and efficient administration of the Mastermind Entities' estates following the closing of the Transaction, the completion of

the CCAA Proceedings (or any subsequent proceeding) and the wind-down of the Mastermind Entities. Specifically, and in addition to the Monitor's powers and duties under the ARIO or any other order of the Court in the CCAA Proceedings, the CCAA and applicable law, effective upon the delivery of the Monitor's Certificate, the Monitor will be authorized and empowered, but not required to, among other things:

- (i) take any and all actions and steps, and execute all agreements, documents, instruments and writings, on behalf of, and in the name of, the Mastermind Entities in order to facilitate the performance of any of the Mastermind Entities' powers or obligations, including, without limitation, under the APA and the Transaction (including any post-closing matters) or any order of the Court, and to carry out the Monitor's duties under the Ancillary Order or any other order of the Court in the CCAA Proceedings;
- (ii) exercise any powers which may be properly exercised by a board of directors of the Mastermind Entities;
- (iii) engage, retain, or terminate or cause the Mastermind Entities to engage, retain or terminate the services of any officer, employee, consultant, agent, representative, advisor, or other persons or entities, as the Monitor deems necessary or appropriate to assist with the exercise of the Monitor's powers and duties, including as such powers and duties are enhanced under the Ancillary Order;
- (iv) perform or cause the Mastermind Entities to perform such other functions or duties, and enter into or cause the Mastermind Entities to enter into any agreements, disclaim or terminate any agreements or incur any obligations, as the Monitor

considers necessary or desirable in order to facilitate or assist the winding-down or liquidation of the Mastermind Entities, the realization and/or sale of all of the Property not transferred pursuant to the Approval and Vesting Order, the distribution of any net proceeds of such Property and/or the Transaction, or any other related activities, including, without limitation, in connection with (a) developing and conducting a process for the solicitation, determination and resolution of claims against the Mastermind Entities and their present and former directors and officers, and (b) terminating the CCAA Proceedings;

- (v) exercise any shareholder, partnership, joint venture or other rights of the Mastermind Entities;
- (vi) initiate, prosecute, and/or continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Mastermind Entities or the Property;
- (vii) have access to all books and records that are the Property of the Mastermind Entities or that are in the Mastermind Entities' possession or control and the same access as the Mastermind Entities have to any books and records no longer in the Mastermind Entities' control or possession (collectively, the "**Books and Records**");
- (viii) engage, deal, communicate, negotiate, agree and settle with any creditor or other stakeholder of the Mastermind Entities (including, without limitation, any governmental authority) in the name of or on behalf of the Mastermind Entities;

- (ix) claim or cause the Mastermind Entities to claim any and all insurance proceeds or refunds or tax refunds to which either of the Mastermind Entities is entitled that were not transferred pursuant to the Approval and Vesting Order;
- (x) act as an authorized representative of the Mastermind Entities in respect of dealings with any taxing or regulatory authority;
- (xi) file, or take such actions necessary for the preparation and filing of, on behalf of and in the name of the Mastermind Entities, (a) any tax returns, and (b) the Mastermind Entities' employee-related remittances, T4 statements and records of employment for the Mastermind Entities' former employees, in either case, based solely upon the information in the Books and Records and on the basis that the Monitor shall incur no liability or obligation to any person with respect to such returns, remittances, statements, records or other documents;
- (xii) assign the Mastermind Entities, or cause the Mastermind Entities to be assigned, into bankruptcy and to take any steps incidental thereto, and to act (without the obligation to do so) as the licensed insolvency trustee in bankruptcy of each of the Mastermind Entities;
- (xiii) apply to the Court for advice and directions or any further orders necessary or advisable to carry out the Monitor's powers and duties under the Ancillary Order or any other order of the Court granted in the CCAA Proceedings; and
- (xiv) take any steps reasonably incidental to the exercise by the Monitor of the powers listed above or the performance of any statutory obligations.

6.2 The proposed Ancillary Order also affords the Monitor customary protections with respect to carrying out its expanded powers and duties, including in connection with certain employee-related liabilities.

6.3 Given the circumstances, the Monitor is of the view that it is best positioned to supervise, and administer the Mastermind Entities' estates and wind-down and that the proposed expansion of its powers is appropriate given, among other things, that:

- (i) as of the Time of Closing (as defined in the APA), the Mastermind Entities will no longer have any directors or officers, active business operations or employees;
- (ii) in view of the Excess Proceeds anticipated to materialize from the Transaction, additional steps in the CCAA Proceedings (or any subsequent proceeding) are required to realize and potentially distribute value to the Mastermind Entities' stakeholders; and
- (iii) without the proposed expansion of the Monitor's powers, no party will have the necessary authority or capacity to administer the Mastermind Entities' estates or their wind-down nor advance and eventually terminate the CCAA Proceedings.

Name Change

6.4 Under the APA, Mastermind LP covenanted and agreed to, among other things:

- (i) use commercially reasonable efforts to, effective after the Time of Closing, change, and cause each of its affiliates to, change its name to a name which does not include the words "Mastermind" or "Mastermind Toys" or any part thereof or any similar words; and

(ii) seek an order in the CCAA Proceedings to change the style of cause in the CCAA Proceedings to reflect the change of Mastermind LP's name.

6.5 Consistent with the terms of the APA, the Approval and Vesting Order authorized and directed the Mastermind Entities to, upon the filing of the Monitor's Certificate, take any appropriate action to change Mastermind LP's and its affiliates' respective names to a name which does not include the words "Mastermind" or "Mastermind Toys" or any part thereof or any similar words. Since the granting of the Approval and Vesting Order, the Mastermind Entities have determined that the Applicant's name will be changed to "Old MM GP Inc." upon the filing of the Monitor's Certificate.

6.6 In accordance with the terms of the APA, the Mastermind Entities seek to amend the style of cause in the CCAA Proceedings pursuant to the proposed Ancillary Order. Such amendment will reflect the Applicant's name change.

6.7 Given the terms of the APA and the Approval and Vesting Order, the Monitor is supportive of the Applicant's request that the style of cause in the CCAA Proceedings be amended upon the official change of its legal name to Old MM GP Inc.

WEPP Act Declaration

6.8 Subsection 5(1) of the *Wage Earner Protection Program Act*, S.C. 2006, c. 47 s. 1, as amended (the "**WEPP Act**"), provides that an individual is eligible to receive payment under the Wage Earner Protection Program if, among other things: (i) the individual's employment is ended for a reason prescribed by regulation; (ii) the individual is owed eligible wages by a former employee; (iii) the former employer is subject to proceedings

under the CCAA; and (iv) a court determines under subsection 5(5) of the WEPP Act that the criteria prescribed by regulation are met.

- 6.9 Section 3.2 of the *Wage Earner Protection Program Regulations*, SOR/2008-222 (the “**WEPP Regulation**”) provides that the Court “may determine whether the former employer is the former employer all of whose employees in Canada have been terminated other than any retained to wind down its business operations”.
- 6.10 As previously discussed, Mastermind LP has provided notice of termination to each of the Terminated Employees and, immediately prior to the Closing Date, will provide notice of termination to those employees that have received offers of employment from the Purchaser. As such, Mastermind LP will have terminated all of its employees immediately prior to the Closing Date. The proposed WEPP Act declaration is intended to ensure that Mastermind LP’s former employees who may be eligible are able to access benefits, such as termination and severance pay, under the WEPP Act at the earliest opportunity.
- 6.11 In light of the foregoing, the Monitor supports the Applicant’s request for a declaration that Mastermind LP is a former employer for the purposes of subsection 5(5) of the WEPP Act. If such declaration is made, the Monitor intends to liaise with the Mastermind Entities to identify all employees that may be eligible for payments under the WEPP Act (the maximum amount of which for 2024 is CAD\$8,507.66) and assist eligible individuals in applying under the Wage Earner Protection Program.

Extension of the Stay Period

- 6.12 The ARIO extended the Stay Period until and including January 26, 2024. Pursuant to the proposed Ancillary Order, the Applicant is seeking a further extension of the Stay Period to and including April 30, 2024.
- 6.13 The Monitor supports the proposed extension of the Stay Period to and including April 30, 2024, for the following reasons:
- (i) the extension of the stay of proceedings will provide the stability and certainty necessary to enable the Mastermind Entities to complete the Transaction, which has an outside date of January 31, 2024;
 - (ii) in addition to facilitating the closing of the Transaction, the stay of proceedings, as extended, will provide the Monitor with the breathing room necessary to exercise its powers and duties under the proposed Ancillary Order, seek approval of the Anticipated Claims Process and administer the Mastermind Entities' estates and wind-down;
 - (iii) the Mastermind Entities anticipate that the Excess Proceeds will provide sufficient liquidity through the extended Stay Period; and
 - (iv) in the Monitor's view, the Mastermind Entities have acted and continue to act in good faith and with due diligence to advance the CCAA Proceedings, complete the Liquidation Sale and consummate the Transaction for the benefit of their stakeholders.

Distribution to CIBC

6.14 Section 3.4(c) of the APA contemplates that immediately following the closing of the Transaction and in accordance with the Illustrative Net Debt Statement (as defined in the APA):

- (i) the aggregate amounts owing by Mastermind LP under the CIBC Credit Agreement will be paid in full out of cash on hand and, to the extent necessary, any proceeds received by Mastermind LP at the Time of Closing; and
- (ii) Mastermind LP will use its surplus cash, if any, and any portion of the Closing Cash Payment representing the AR Amount to pay any outstanding Priority Payables (each as defined in the APA), which Priority Payables includes all of the obligations secured under the DIP Charge.

6.15 Immediately following the Time of Closing, Mastermind LP is expected to be in possession of cash on hand and the proceeds from the Closing Cash Payment, a portion of which will be payable to CIBC in accordance with the APA. Accordingly, pursuant to the proposed Ancillary Order, the Applicant is seeking to authorize Mastermind LP to distribute such amounts to satisfy all obligations owing under the CIBC Credit Agreement and the Forbearance Agreement following the delivery of the Monitor's Certificate. Upon the Distribution being made, all of CIBC's commitments to make loans or otherwise extend credit to the Mastermind Entities under the CIBC Credit Agreement or the Forbearance Agreement will terminate.

6.16 As described in the Pre-Filing Report, the Monitor has previously requested that its counsel, Bennett Jones LLP ("**Bennett Jones**"), and its counsel's local provincial agents,

conduct a review of the security granted by the Mastermind Entities in favour of CIBC in respect of the CIBC Credit Agreement. Subject to the customary qualifications and assumptions set out therein, the Monitor's counsel, and its counsel's local provincial agents, provided written opinions to the Monitor that the security granted by the Mastermind Entities in respect of the CIBC Credit Agreement constitutes valid security, enforceable in accordance with its terms, and perfected by registration in the provinces of Ontario, Alberta, British Columbia, Saskatchewan, Manitoba, New Brunswick, Nova Scotia, and Newfoundland and Labrador to the extent capable under applicable law.

- 6.17 Having regard to the foregoing, the Monitor supports the proposed Distribution to CIBC. As the beneficiary of the DIP Charge – which ranks subordinate only to the Administration Charge and the D&O Charge – and as the Mastermind Entities' senior-secured pre-filing creditor, CIBC has the senior most entitlement to the proceeds subject to the Distribution. Authorizing the Distribution under the proposed Ancillary Order will ensure that Mastermind LP is able to comply with its obligations under the APA and prevent the accumulation of further interest on the Mastermind Entities' obligations under the CIBC Credit Agreement.
- 6.18 Any obligations that may become due in respect of the Administration Charge and the D&O Charge following the proposed Distribution are expected to be secured by the Excess Proceeds.

7.0 CASH FLOW RESULTS RELATIVE TO FORECAST

7.1 Actual receipts and disbursements for the period from November 23, 2023 to December 31, 2023 (the “**Reporting Period**”), as compared to the Cash Flow Forecast attached as Appendix “A” to the Pre-Filing Report, are summarized in the below table.

Cash Flow Variance Report			\$000's
	Budget	Actual	Variance
Receipts			
Sales	29,749	30,249	500
Sales tax collections	3,406	3,447	41
Total Receipts	33,155	33,696	541
Disbursements			
Merchandise vendors	-	-	-
Non-merchandise vendors	(4,222)	(2,316)	1,906
Rent	(1,366)	(1,381)	(15)
Payroll & benefits	(3,202)	(2,994)	208
Restructuring professional fees	(1,007)	(1,247)	(241)
Consultant fees	(828)	(746)	82
Sales tax remittances	(3,594)	180	3,774
Other expenditures	(352)	(178)	174
Total Disbursements	(14,570)	(8,681)	5,889
Net cash flow	18,585	25,014	6,430

7.2 During the Reporting Period:

- (i) total receipts were approximately \$541,000 greater than projected, relatively consistent with forecast;
- (ii) the positive variance in non-merchandise disbursements of \$1.9 million is due primarily to lower than forecast shipping and logistics costs incurred in connection with moving product from the warehouse to individual store locations. At this time,

the Mastermind Entities' management considers this to be a positive variance of which, a portion may reverse in future weeks;

- (iii) within non-merchandise disbursements, approximately \$320,000 of pre-filing supplier payments were made. With the consent of the Monitor, these disbursements were made in accordance with the ARIO in order to release critical inventory held at a third-party warehouse, which inventory was subject to a lien claim under the *Repair and Storage Liens Act*, R.S.O. 1990, c. R.25, as amended; and
- (iv) the remaining positive variance in total disbursements of approximately \$4.0 million is expected to reverse and is due primarily to the collection of a sales tax refund and timing variances for the remittance of November and December sale tax.

7.3 Overall, during the Reporting Period, the Mastermind Entities experienced a positive net cash flow variance of approximately \$6.4 million, a portion of which is anticipated to decline as described above.

7.4 As at December 31, 2023, the Mastermind Entities were holding a positive cash balance of approximately \$4.2 million. In addition, as at December 31, 2023, the Mastermind Entities borrowings can be summarized as follows:

Borrowings under CIBC Credit Facility			\$000's
	Budget	Actual	Variance
Pre-Filing Revolver Facility (incl. BCAP)	--	--	--
Post-Filing Revolver Facility ²	3,389	705	2,684
Total Borrowings	3,389	705	2,684

8.0 ACTIVITIES OF THE MONITOR SINCE THE SECOND REPORT

8.1 Since the date of the Second Report, the primary activities of the Monitor have included the following:

- (i) liaising with and assisting the Mastermind Entities and the Purchaser and each of their respective counsel in connection with the anticipated closing of the Transaction;
- (ii) attending regular update calls with CIBC;
- (iii) assisting the Mastermind Entities with communications to employees, suppliers, landlords and other parties;
- (iv) monitoring the Mastermind Entities' cash receipts and disbursements, and assisting in preparing weekly cash flow variance reporting;
- (v) responding to inquiries from stakeholders, including addressing questions or concerns of parties who contacted the Monitor on the hotline number or email account established by the Monitor for the CCAA Proceedings;

² Borrowings under the Post-Filing Revolver Facility only are secured by the DIP Charge.


- (vi) assisting the Mastermind Entities with the preparation of materials requested by the CRA to conduct their limited scope HST audit;
- (vii) reviewing and providing the Monitor's views on various closing documents, including the Amendment Agreement and the Assignment Agreement;
- (viii) posting non-confidential materials filed with the Court to the Case Website; and
- (ix) with the assistance of Bennett Jones, preparing this Third Report.

9.0 CONCLUSIONS AND RECOMMENDATIONS

- 9.1 For the reasons set out in this Third Report, the Monitor respectfully recommends that the Court grant the relief requested by the Applicant.

All of which is respectfully submitted to the Court this 8th day of January, 2024.

**Alvarez & Marsal Canada Inc., in its capacity as
Monitor of Mastermind GP Inc. and Mastermind LP,
and not in its personal or corporate capacity**

Per: 
Josh Nevsky
Senior Vice-President

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

Court File No.: CV-23-00710259-00CL

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
MASTERMIND GP INC.**

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**
Proceeding commenced at Toronto

THIRD REPORT OF THE MONITOR

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solely in its capacity as Monitor and not in its
personal or corporate capacity

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

Court File No.: CV-23-00710259-00CL

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
OLD MM GP INC.

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
Proceeding commenced at Toronto

FOURTH REPORT OF THE MONITOR

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