

Skymark Finance Corporation

Acquisition Opportunity – Consumer Loan/Lease Portfolio

Transaction Overview

- On March 6, 2023, the Ontario Superior Court of Justice (Commercial List) in Toronto (the “**Court**”) granted an order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended, appointing Alvarez & Marsal Canada Inc. as receiver and manager (the “**Receiver**”), without security, of all of the assets, undertakings and properties (the “**Assets**”) of Skymark Finance Corporation (“**Skymark**”, or the “**Company**”) and Merk Investments Ltd.
- On May 25, 2023, the Court issued an order (the “**SISP Approval Order**”) approving, among other things, a sale and investment solicitation process (the “**SISP**”).
- The SISP is intended to solicit interest in a purchase of, or investment in, all or part of Skymark’s portfolio of consumer Loans (defined below) and/or all or part of Skymark’s Assets. The SISP is being conducted in accordance with the procedures set forth in the SISP Approval Order which is posted on the Receiver’s case website at www.alvarezandmarsal.com/skymark.

Company Highlights

Nature of the Company	<ul style="list-style-type: none"> Skymark is a Mississauga, ON based company that provides financing and leasing to consumer borrowers for home renovations, water systems, HVAC systems and smart home improvements (each loan/lease being a “Consumer Loan”). Each Consumer Loan is secured by a Notice of Security Interest registered by Skymark on title to the real property on which the financed / leased equipment is located. Other, non-core assets include loans receivable and certain associated litigation.
Loan / Lease Portfolio	<ul style="list-style-type: none"> As at May 1, 2023, Skymark’s Consumer Loan portfolio was comprised of approximately 1,680 leases and 400 loans with a combined remaining face value of approximately CAD\$ 13.18 million. All loans have terms of 120 months and leases have terms of 120, 144 or 188 months. The average remaining loan term is 49 months and the average remaining lease term is 65 months.
Collections	<ul style="list-style-type: none"> Consumer Loan payments are collected through one of two means: (i) the Company collects payments directly from consumer debtors; or (ii) Enbridge Gas Inc., operating as Union Gas (“Enbridge”) invoices and collects payments from Skymark’s consumers pursuant to a billing and collection services agreement administered by Enbridge who then remits the funds collected to Skymark. Enbridge collects payments on Skymark’s behalf for approximately 670 of the Consumer Loans, with the remaining Consumer Loans collected directly by Skymark.
The Opportunity	<ul style="list-style-type: none"> The Consumer Loan portfolio is a simple book that could easily be acquired on a stand alone basis or to complement and be consolidated into any financial services or other company with a back-office / collections department.

Next Steps

- Interested parties will be asked to execute a non-disclosure agreement following which they will be granted access to a data room containing details in respect of the portfolio of Consumer Loans and other related information.
- Other additional information can be obtained by contacting the Receiver at the contact details provided below.
- All bids must be in the form of a binding offer and be submitted no later than 5:00 pm (Toronto time) on July 10, 2023.

Contact Information



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