

No. S-211985
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

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

AND

IN THE MATTER OF ARDENTON CAPITAL CORPORATION AND
ARDENTON CAPITAL BRIDGING INC.

PETITIONERS

ORDER MADE AFTER APPLICATION
(Chief Restructuring Officer and Separation Agreement)

BEFORE THE HONOURABLE) MONDAY THE 26TH DAY
)
MR. JUSTICE MACINTOSH) OF JULY, 2021

THE APPLICATION of KSV Restructuring Inc. in its capacity as monitor (the "**Monitor**") of the Petitioners coming on for hearing by telephone at Vancouver, British Columbia, on the 26th day of July, 2021; AND ON HEARING Colin Brousson, counsel for the Monitor, and William E. J. Skelly, counsel for the Petitioners, and those other counsel listed on **Schedule "A"** hereto; AND UPON READING the material filed, including the Fifth Report of the Monitor, made on July 15, 2021 (the "**Fifth Report**") and the Confidential Supplemental Fifth Report of the Monitor, made on July 14, 2021 (the "**Confidential Supplement**"); AND UPON BEING ADVISED that the secured creditors who are likely to be affected by the charge created herein were given notice; AND pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985 c. C-36 as amended (the "**CCAA**"), the British Columbia Supreme Court Civil Rules and the inherent jurisdiction of this Honourable Court;

THIS COURT ORDERS AND DECLARES THAT:

1. Capitalized terms contained in this Order not otherwise defined herein shall have the meanings ascribed to them in the Fifth Report and the Second Amended and Restated Initial Order (the "**ARIO**").

SERVICE

2. Service of Notice of this Application and supporting materials is hereby declared to be good and sufficient, and no other person is required to have been served with notice of this Application, and time for service of this Application is abridged to that actually given.

CONSULTING AGREEMENT

3. The Consulting Agreement between Ardenton Capital Corporation and Kingsman Scientific Management Inc. forming Appendix 1 to the Confidential Supplement, appointing Kingsman Scientific Management Inc. (the “**Consultant**”) to provide the services of Kyle Makofka (the “**CRO**”) as Chief Restructuring Officer of the Petitioners, be and is hereby approved, and ACC be and is hereby is authorized and directed to enter into and carry out the terms of the Consulting Agreement, including without limitation making the payments to the Consultant contemplated thereunder.
4. The Consultant shall be entitled to the benefit of and is hereby granted a charge on the Property (the “**CRO Charge**”), which CRO Charge shall not exceed an aggregate amount of \$200,000, to secure the amounts payable under the Consulting Agreement. The CRO Charge shall have the priority set out in paragraph 4 herein.
5. The CRO Charge shall have the benefit of paragraphs 41 through 46 of the ARIO and constitute a “Charge” thereunder. The CRO Charge shall rank in priority to all Encumbrances other than the liens and encumbrances in favour of HSBC Bank Canada against the Property existing as at the date of the Initial Order, and shall rank pari passu with the Administration Charge, such that the priorities of the CRO Charge, the Administration Charge, the Directors’ Charge, the KERP Charge, the Intercompany Charge and the Interim Lender’s Charge, as among them, shall be as follows:
 - First – Administration Charge and CRO Charge - pari passu
(to the maximum amounts of \$750,000 and \$200,000, respectively);
 - Second – Interim Lender’s Charge;
 - Third – Director’s Charge (to the maximum amount of \$240,000);
 - Fourth – KERP Charge (to the maximum amount of \$496,000); and
 - Fifth – Intercompany Charge in the case of the Property of ACC.
6. Neither the Consultant nor any officer, director, employee or agent of the Consultant shall incur any liability as a result of fulfilment of its duties or the CRO acting as a director of the Petitioners during the pendency of these proceedings, save and except for any liability or obligation incurred as a result of gross negligence or wilful misconduct on their part.

7. Until further order of this Court, no action or other proceeding shall be commenced directly, or by way of counterclaim, third party claim or otherwise, against or in respect of the Consultant or its officers, directors, employees or agents relating to its appointment or its conduct pursuant to the Consultant Agreement, and all rights and remedies of any Person against or in respect of the Consultant and the CRO are hereby stayed and suspended, except with leave of this Court, any such application seeking leave of this Court shall be served upon the Consultant, the Monitor and the Petitioners at least seven (7) days prior to the return date of any such application for leave.
8. In addition to the rights and protections afforded to the Consultant as an officer of the Court, no provision of this Order is intended, or shall be deemed, to appoint or otherwise obligate the Consultant as a director of any of the Petitioners. The CRO may be appointed as a director of the Petitioners if the CRO agrees to such appointment, as set out in the Consulting Agreement, and in such capacity, the CRO shall be entitled to the benefit of the Directors' Charge.
9. The Consultant shall not take possession of the Petitioners' current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, including all proceeds thereof (the "**Property**"), and shall not, by fulfilling its obligations hereunder, be deemed to have taken or maintained possession or control of the Business or the Property, or any part thereof.
10. The obligations of ACC to the Consultant pursuant to the Consulting Agreement shall be treated as unaffected and may not be compromised in any Plan or proposal filed under the BIA in respect of ACC.

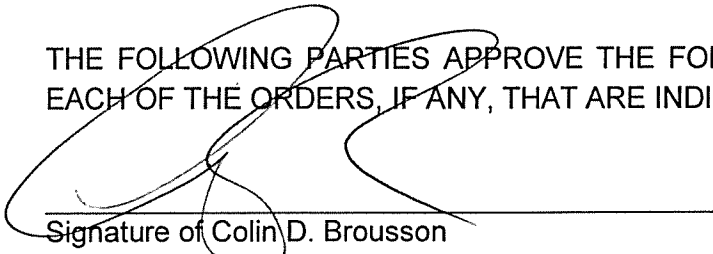
SEPARATION AGREEMENT

11. The Separation Agreement among Ardenton Capital Corporation and James Livingstone ("**Livingstone**") and Livingston Holdings Inc. ("**LHI**") forming Appendix "D" to the Fifth Report be and is hereby approved, and ACC be and is hereby is authorized and directed to enter into and carry out the terms of the Separation Agreement.
12. ACC is hereby authorized and directed to pay Livingstone: (i) his base Salary, pro-rated to the effective date of the Separation Agreement (the "**Effective Date**"), in the amount and manner set out in the Separation Agreement; and (ii) a lump sum payment for any accrued but unused vacation pay owing to him up to and including the Effective Date in the amount and manner set out in the Separation Agreement (the "**Payment Amounts**").
13. LHI shall continue to receive its compensation in accordance with the Separation Agreement up to and including the Effective Date, with such compensation continuing to be set-off against LHI's outstanding shareholder loan owing to ACC (the "**Director Compensation**").
14. The Monitor and the Petitioners are hereby authorized and directed to admit as Proven Claims for purposes of the Petitioners' Claims Procedure in these proceedings, as

applicable in accordance with the Separation Agreement, the claims of Livingstone and LHI set out in section 7 of the Separation Agreement, and that all other claims (whether filed or unfiled) of Livingstone and LHI against the Petitioners, save and except the Payment Amounts and the Director Compensation, be and are hereby disallowed and forever barred.

- 15. Endorsement of this Order by counsel appearing on this Notice of Application, except for counsel for the Monitor, is hereby dispensed with.

THE FOLLOWING PARTIES APPROVE THE FORM OF THIS ORDER AND CONSENT TO EACH OF THE ORDERS, IF ANY, THAT ARE INDICATED ABOVE AS BEING BY CONSENT:



Signature of Colin D. Brousson
DLA Piper (Canada) LLP
Lawyer for the Monitor

BY THE COURT *Maanish J.*

K. Madick

REGISTRAR

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Schedule "A"

(List of Counsel)

Name of Counsel	Party Represented
William E. J. Skelly	The Petitioners, Ardenton Capital Corporation and Ardenton Capital Bridging Inc.
Colin Brousson	The Monitor, KSV Restructuring Inc.
David Gruber and Sean Zweig	Ardenton Investors Committee