

COURT FILE NUMBER 2301-13913
COURT COURT OF KING'S BENCH OF ALBERTA
JUDICIAL CENTRE CALGARY
APPLICANT SEQUENT AI LTD.
RESPONDENTS GENESIS INTEGRATION INC. and
FUSION CINE SALES & RENTALS INC.
DOCUMENT **ORDER (APPROVAL OF ACTIVITIES AND
LIQUIDATION AGREEMENT)**



ADDRESS FOR SERVICE AND
CONTACT INFORMATION OF
PARTY FILING THIS DOCUMENT

McMillan LLP
TD Canada Trust Tower
#1700, 421-7th Avenue SW
Calgary, Alberta T2P 4K9

Attention: Adam Maerov/ Preet Saini
Telephone: 403.215.2752/403.531.4716
Fax: 403.531.4720
Email: adam.maerov@mcmillan.ca
preet.saini@mcmillan.ca
File No.: 302297

DATE ON WHICH ORDER WAS PRONOUNCED: November 24, 2023
LOCATION WHERE ORDER WAS PRONOUNCED: Calgary, Alberta
NAME OF JUSTICE WHO MADE THIS ORDER: The Honourable Justice B. Johnston

UPON the Application of KSV Restructuring Inc., in its capacity as the Court-appointed receiver and manager (the "**Receiver**") of Genesis Integration Inc. ("**Genesis**") and Fusion Cine Sale & Rentals Inc. ("**Fusion**") and together with Genesis collectively referred to as, the "**Debtors**", for an Order approving the liquidation transaction with Infinity Asset Solutions Inc. (the "**Infinity**") to market and sell the inventory, equipment and owned vehicles of the Debtors located in Vancouver, British Columbia, Mississauga Ontario, Ottawa, Ontario and Montreal, Quebec (the "**Assets**") through the liquidation process on the terms outlined in the liquidation services agreement (the "**Agreement**") dated November 8, 2023, a copy of which is attached as Appendix "B" to the First Report of the Receiver dated November 14, 2023 (the "**First Report**"), and vesting in each person who purchases any Assets from Infinity (each a "**Purchaser**"), the Debtors' right, title and interest in and to the Assets; **AND UPON**

having read the Receivership Order dated October 24, 2023 (the "**Receivership Order**"), the First Report of the Receiver, and the pleadings and proceedings filed herein; **AND UPON** hearing the submissions of counsel for the Receiver and any other interested party appearing at the application;

IT IS HEREBY ORDERED AND DECLARED THAT:

SERVICE

1. 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.

CAPITALIZED TERMS

2. Capitalized terms not otherwise defined herein shall have the respective meanings ascribed to them in the Agreement.

APPROVAL OF ACTIONS, ACTIVITIES, CONDUCT OF THE RECEIVER

3. The actions, activities and conduct of the Receiver to date as described in the First Report are hereby approved and ratified.

APPROVAL OF THE LIQUIDATION AGREEMENT AND LIQUIDATION PROCESS

4. The execution of the Agreement by the Receiver is hereby approved and the Receiver and Infinity are hereby authorized to implement the Agreement according to its terms.

5. Infinity is authorized to sell the Assets in accordance with the terms and conditions in the Agreement (the "**Liquidation Process**"), and to take all such steps and execute all such documents as may be necessary or desirable for the completion of the sale of the Assets in the Liquidation Process.

6. The sale of the Assets through the Liquidation Process, and specifically under the terms of the Agreement, is hereby approved and ratified and it is hereby declared that the sale of the Assets through the Liquidation Process is commercially reasonable and in the best interests of the Debtors and their stakeholders.

VESTING OF PROPERTY

7. Effective immediately upon the full payment of the purchase price to Infinity by a Purchaser, all of the Debtors' right, title and interest in and to the particular item of the Assets being purchased by such Purchaser shall vest absolutely in the name of the Purchaser (or its nominee), free and clear of and from any and all security interests (whether contractual, statutory, registered or otherwise), hypothecs, caveats, interests, mortgages, trusts or deemed trusts (whether contractual, statutory, registered or otherwise), liens, executions, levies, charges, or other financial or monetary claims, assignments, actions, taxes, judgments, writs of execution, options, agreements, disputes, debts, debentures, easements, covenants, encumbrances or other rights, limitations or restrictions of any nature whatsoever including, without limitation, any rights or interests of any creditors of the Debtors, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured, registered or otherwise and whether by payment, set off or otherwise, whether liquidated, unliquidated or contingent (collectively, the "**Claims**") including, without limiting the generality of the foregoing:

- (a) any encumbrances or charges created by the Receivership Order; and
- (b) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Alberta) or any other personal property registry system;

and, for greater certainty, this Court orders that all of the encumbrances affecting or relating to such Assets will thereupon be expunged and discharged as against such Assets.

8. Upon full payment of the purchase price to Infinity for the specific Assets being

purchased, all of the encumbrances affecting or relating to such Assets will thereupon be expunged and discharged and the Purchaser of such Assets (or its nominee) will be at liberty to thereafter register discharge statements at the Alberta Personal Property Registry, or any other personal property registry system, to effect the discharge of the encumbrances.

9. For the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Assets (to be held in an interest bearing trust account by the Receiver) shall stand in the place and stead of the Assets, and from and after the delivery of the purchase price to the Receiver all Claims and encumbrances shall attach to the net proceeds from the sale of the Assets with the same priority as they had with respect to the Assets immediately prior to the sale, as if the 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.

10. Each Purchaser (and its nominee, if any) shall, by virtue of the completion of their purchase of a particular item of the Assets, have no liability of any kind whatsoever in respect of any Claims against the Debtors.

11. The Debtors and all persons who claim by, through or under the Debtors in respect of the Assets, shall stand absolutely barred, estopped and foreclosed from and permanently enjoined from pursuing, asserting or claiming any and all right, title, estate, interest, royalty, rental and equity of redemption in respect of or to the Assets and, to the extent that any such persons or entities remain in the possession or control of any of the Assets, they shall forthwith deliver possession thereof to the Receiver.

12. Each Purchaser (or its nominee) shall be entitled to hold and enjoy the purchased Assets for its own use and benefit without any interference of or by the Debtors, or any person claiming by or through or against the Debtors.

13. 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 the Debtors and any bankruptcy order issued pursuant to any such applications or any other insolvency proceedings in respect of the Debtors; and
- (c) any assignment in bankruptcy made in respect of the Debtors

the vesting of each item of the Assets in each Purchaser (or its nominee) pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Debtors and shall not be void or voidable by creditors of the Debtors, nor shall it constitute nor be deemed to be a settlement, 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.

14. The Receiver, Infinity, and any other interested party, shall be at liberty to apply for further advice, assistance and directions as may be necessary in order to give full force and effect to the terms of this Order and to assist and aid the parties execute the Agreement.

MISCELLANEOUS MATTERS

15. This Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals regulatory and administrative bodies are hereby respectfully requested to make such orders as to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

16. This Order must be served only upon those interested parties attending or represented at the within application and service may be effected by facsimile, electronic mail, personal delivery or courier. Service is deemed to be effected the next business

day following the transmission or delivery of such documents.

17. Service of this Order on any party not attending this application is hereby dispensed with.

BB Johnston

Justice of the Court of King's Bench of Alberta