

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:

XENTEL INC., *et al.*¹

Debtors in a Foreign Proceeding.

Chapter 15

Case No. 13-10888 (KG)

Jointly Administered

Related Docket No. 29

**ORDER (I) RECOGNIZING THE CANADIAN SALE ORDER,
(II) AUTHORIZING AND APPROVING THE SALE OF DEBTORS' ASSETS FREE
AND CLEAR OF ALL LIENS, CLAIMS, ENCUMBRANCES,
AND OTHER INTERESTS, AND (III) GRANTING RELATED RELIEF**

Upon the motion of iMarketing Solutions Group, Inc. ("IMSG"), as authorized foreign representative (the "Foreign Representative") of Xentel Inc. ("Xentel"), Wellesley Corporation Inc. ("Wellesley"); GWE Consulting Group (USA) Inc. ("GWE"); US Billing Inc. ("US Billing"); American Graphics & Design Inc. ("AG&D"); Courtesy Health Watch Inc. ("CHW"); and Target Outreach Inc. ("Target" and, together with, Xentel, Wellesley, GWE, US Billing, AG&D and CHW, the "Debtors") in proceedings (the "Canadian Proceedings") under Canada's *Companies' Creditors Arrangement Act* (R.S.C. 1985 c. 36) (the "CCAA"), pending before the Ontario Superior Court of Justice (Commercial List) (the "Ontario Court"), for Entry of an Order (I) Recognizing the Canadian Sale Order, (II) Authorizing and Approving the Sale of Debtors' Assets Free and Clear of Liens, Claims, Encumbrances, and Other Interests, and (III) Granting Related Relief, filed on November 1, 2013 (the "Motion"), seeking entry of an Order, pursuant to sections 105(a), 363, 1501, 1507, 1520, 1521, 1525 and 1527 of title 11 of the United States

¹ The Debtors in these chapter 15 cases, along with the last four digits of each Debtor's federal taxpayer-identification number, are: Xentel Inc. (6267); Wellesley Corporation Inc. (4092); GWE Consulting Group (USA) Inc. (2629); US Billing Inc. (7752); American Graphics & Design Inc. (7772); Courtesy Health Watch Inc. (1403); and Target Outreach Inc. (9046). The Debtors' main corporate address is 481 University Ave., Toronto, Canada M5G 2E9.

Code, (11 U.S.C. §§ 101 *et. seq.* as amended, the "Bankruptcy Code"), Rules 2002, 6004, and 6006 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), and Rule 6004-1 of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (the "Local Rules"); (i) recognizing the Approval and Vesting Order sought by the Debtors from the Ontario Court on October 25, 2013 ("Canadian Sale Order"); (ii) authorizing and approving the sale (the "Sale") of substantially all of the Debtors' assets (the "Assets"), pursuant to the terms and conditions of that certain Asset Purchase Agreement (the "APA") between the Debtors and IMKT Direct Solutions Corporation and iMarketing Acquisition, LLC (collectively, the "Purchaser"), free and clear of all liens, claims (as defined in section 101(5)) of the Bankruptcy Code), encumbrances, obligations, liabilities, contractual commitments or interests of any kind or nature whatsoever (collectively, the "Liens"), to Purchaser, and (iii) granting related relief; and ^{as there being no} ~~the Court having considered any~~ objections filed to the Motion; and the Court having scheduled a hearing ("Hearing") for November 22, 2013, at 10:00 a.m. to consider the Motion and any objections thereto; and good cause having been demonstrated for granting the relief sought in the Motion; based on the foregoing, this Court finds and concludes as follows:

(A) This Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(N) and (P). Venue is proper in this District pursuant to 28 U.S.C. § 1410 (1) and (3).

(B) Notice of the Hearing was sufficient and no further notice of, or hearing on, the Motion is necessary or required.

(C) The relief sought by the Foreign Representative is authorized under Bankruptcy Code sections 1520 and 1521.

(D) The relief requested by the Motion and the entry of this Order is in the best interest of the Debtors, their estates, and the creditors and other parties in interest.

(E) The Foreign Representative has demonstrated that the terms of the Sale are fair and reasonable and were entered into in good faith by the Debtors and the Purchaser.

(F) The transaction contemplated by the APA are undertaken by the Debtors and the Purchaser without collusion and in good faith, as that term is defined in section 363(m) of the Bankruptcy Code.

NOW, THEREFORE, IT IS HEREBY ORDERED AS FOLLOWS:

1. The Motion is GRANTED.
2. All objections, if any, to the Motion or the relief requested therein that ~~have not been withdrawn, waived, or settled as announced to this Court at the Hearing, or by stipulation filed with this Court,~~ ^{**COUNSEL TO THE FOREIGN REPRESENTATIVE CERTIFIED**} and all reservations of rights included therein, are hereby overruled on the merits, except as expressly provided herein.
3. The Canadian Sale Order is hereby recognized and affirmed in all respects, and shall be fully enforceable pursuant to its terms.
4. The APA, and the transactions contemplated thereby, are hereby approved. Pursuant to sections 105, 363, 1507, 1520 and 1521 of the Bankruptcy Code, the Foreign Representative and the Debtors are authorized to enter into and perform all of their obligations under the APA and consummate the Sale, pursuant to and in accordance with the terms and conditions of the APA, the Canadian Sale Order and this Order, and to take any and all actions necessary and appropriate to implement the APA, the Canadian Sale Order and this Order.

5. The Purchaser is a good faith purchaser within the meaning of section 363(m) of the Bankruptcy Code and, as such, is entitled to the full protections of section 363(m) of the Bankruptcy Code.

6. The Debtors' transfer of the Assets to the Purchaser pursuant to the terms and conditions of the APA shall be free and clear of all Liens pursuant to section 363(f) of the Bankruptcy Code. The Debtors may sell the Assets free and clear of any Liens because one or more of the standards set forth in section 363(f) of the Bankruptcy Code has been satisfied.

Parties who did not object to or withdrew their objections to the Motion or the Sale of the Assets are deemed to have ^{waived any objection} consented to the Motion and the Sale of the Assets. Parties who ~~did object~~ fall within one or more of the other subsections of section 363(f) of the Bankruptcy Code and are adequately protected by having their Liens attach to the proceeds ultimately attributable to the Assets against or in which such Liens are asserted, subject to the terms of such Liens, with the same validity, force, and effect, and in the same order of priority that such Liens have against such Assets or their proceeds as of the closing of the Sale, subject to any rights, claims, and defenses the Debtors or their estates, as applicable, may possess with respect thereto or as otherwise provided herein. The term "Liens" as used in this Order shall not include liens securing tax obligations assumed by the Purchaser pursuant to the terms of the APA.

7. If any Person or entity that has filed financing statements, mortgages, mechanic's Liens, *lis pendens* or other documents or agreements evidencing Liens against or in the Assets shall not have delivered to the Debtors prior to the closing of the Sale, in proper form for filing and executed by the appropriate parties, termination statements, instruments of satisfaction, or releases of all Liens that the Person or entity has with respect to the Assets, then (i) the Debtors or the Purchaser are hereby authorized to execute and file such statements,

instruments, releases, and other documents on behalf of the person or entity with respect to the Assets, (ii) the Purchaser is hereby authorized to file, register, or otherwise record a certified copy of this Order, which, once filed, registered, or otherwise recorded, shall constitute conclusive evidence of the release of all Liens of any kind or nature against or in the Assets; and (iii) the Purchaser may seek relief in this Court or any other court of appropriate jurisdiction to compel the appropriate parties to execute termination statements, instruments of satisfaction, and releases of all Liens with respect to the Assets. This Order is deemed to be in recordable form sufficient to be placed in the filing or recording system of each and every federal, state, or local government agency, department, or office. Notwithstanding the foregoing, the provisions of this Order authorizing the sale and assignment of the Assets free and clear of Liens shall be self-executing, and neither the Debtors nor the Purchaser shall be required to execute or file releases, termination statements, assignments, consents, or other instruments in order to effectuate, consummate, and implement the provisions of this Order.

8. Notwithstanding Bankruptcy Rules 6004(h), 6006(d), and 6006(g), this Order shall not be stayed after the entry of this Order and shall be effective immediately upon entry.

9. This Court shall retain jurisdiction with respect to the enforcement, amendment or modification of this Order, any request for additional relief, and any request by an entity for relief from the provisions of this Order, for cause shown, that is properly commenced and within the jurisdiction of this Court.

Dated: Nov. 20, 2013
Wilmington, Delaware


HONORABLE KEVIN GROSS
UNITED STATES BANKRUPTCY JUDGE