

**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 LOYALTYONE, CO.**

Applicant

**FACTUM OF BANK OF MONTREAL
(THE STALKING HORSE PURCHASER AND THE DIP LENDER)**

**(In support of the Applicant's comeback motion,
returnable March 20, 2023)**

March 17, 2023

Torys LLP

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PART I – OVERVIEW

1. This factum is filed by Bank of Montreal (“**BMO**”), the Stalking Horse Purchaser under the Stalking Horse Purchase Agreement and the DIP Lender under the DIP Term Sheet, in support of the Applicant’s within motion for this Court’s entry of the ARIO and the SISP Approval Order (as each of those terms are defined in the affidavit of Shawn Stewart, dated March 10, 2023).

PART II – FACTS

2. BMO adopts the summary of facts set out in Part II of the Applicant’s Factum, dated March 17, 2023 (the “**Applicant’s Factum**”).

PART III – SUBMISSIONS

3. BMO further adopts and supports the Applicant’s submissions in Part III of the Applicant’s Factum.

4. BMO strongly believes in the long-term value of the Applicant’s AIR MILES rewards program. Since joining the AIR MILES program as a founding member in 1992, BMO has grown its relationship with the Applicant to become the largest partner of the AIR MILES program by revenue and Reward Miles generation.

5. BMO’s belief in the AIR MILES program led it to enter into the Stalking Horse Purchase Agreement and the DIP Term Sheet, and to develop and support the sale and investment solicitation process (“**SISP**”) that the Applicant seeks this Court’s approval of in the within motion. Collectively, the SISP, Stalking Horse Purchase Agreement and DIP Term Sheet would:

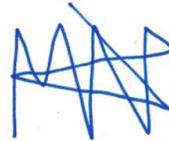
- (a) provide a viable path forward for the AIR MILES reward program in Canada;

- (b) preserve over US\$560 million of value that has accrued to over ten million collectors of AIR MILES Reward Miles across Canada;
- (c) continue the employment of most or all of the approximately 750 employees of the AIR MILES program; and
- (d) ensure that there is a fair and transparent process to maximize value for the Applicant's assets.

PART IV – CONCLUSION

6. For the reasons set forth above and in the Applicant's Factum, BMO supports the relief sought by the Applicant in the within motion.

ALL OF WHICH IS RESPECTFULLY SUBMITTED



David Bish / Scott Bomhof / Mike Noel

Lawyers for Bank of Montreal, the Stalking Horse
Purchaser and the DIP Lender

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Court File No.
CV-23-00696017-00CL

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Proceeding commenced at TORONTO

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