



**Report of
KSV Kofman Inc. as
Proposed Monitor of Guardian Financial
Corp. and those entities listed on Schedule
“A”**

August 30, 2020

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COURT FILE NO.: CV●

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 GUARDIAN
FINANCIAL CORP. AND THOSE ENTITIES LISTED ON SCHEDULE "A"

REPORT OF KSV KOFMAN INC.
AS PROPOSED MONITOR

AUGUST 30, 2020

1.0 Introduction

1. KSV Kofman Inc. ("KSV") understands that Guardian Financial Corp. and the entities listed on Schedule "A" (collectively, the "Company") intend to make an application to the Ontario Superior Court of Justice (Commercial List) (the "Court") under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "CCAA"), for an initial order (the "Initial Order") granting the Company protection under the CCAA and appointing KSV as the CCAA monitor in these proceedings ("Monitor").
2. The Company is seeking to extend the stay of proceedings over the limited partnerships listed in Schedule "B" (together, the "LPs" and the Company are referred to as the "CCAA Debtors"). KSV has consented to act as Monitor of the CCAA Debtors.
3. The principal purpose of these restructuring proceedings is to create a stabilized environment to allow the CCAA Debtors to operate, including preventing the Canadian Leases (as defined below) from being terminated, while the CCAA Debtors, in coordination with the Chapter 11 Debtors (as defined below), develop a plan to restructure the global business of Regus Corporation and its affiliates.
4. On August 17, 2020 (the "Filing Date"), RGN-National Business Centers, LLC ("RGN-National" or the "Foreign Representative"), H Work, LLC (f/k/a HQ Global Workplaces LLC) ("H Work") and RGN-Group Holdings, LLC ("Holdings") (collectively, the "Guarantor Debtors") filed voluntary petitions for relief pursuant to Chapter 11 of Title 11 of the United States Code (the "Bankruptcy Code") with the United States Bankruptcy Court for the District of Delaware (the "U.S. Court").

5. Prior to the Filing Date, RGN-Columbus IV, LLC (“Columbus”) filed a voluntary petition for relief under the Bankruptcy Code on July 30, 2020, RGN-Chapel Hill II, LLC (“Chapel”) filed a voluntary petition on August 2, 2020, RGN-Chicago XVI, LLC (“Chicago”) filed a voluntary petition on August 3, 2020 and RGN-Fort Lauderdale III, LLC (“Fort Lauderdale”) filed a voluntary petition on August 8, 2020. Collectively, Fort Lauderdale, Columbus, Chicago and Chapel are defined as the “SPE Debtors” and together with the Guarantor Debtors, the “Chapter 11 Debtors”. The proceedings involving the Chapter 11 Debtors are defined as the “Chapter 11 Proceedings”.
6. Each of the Chapter 11 Debtors elected for Subchapter V of the Bankruptcy Code to apply to the Chapter 11 cases. This subsection of the Bankruptcy Code allows small business debtors with non-contingent liabilities less than \$7.5 million (excluding debts owed to affiliates or insiders) to file for protection under Chapter 11 of the Bankruptcy Code.
7. On August 18, 2020, the U.S. Court heard the Chapter 11 Debtors’ first day motions and granted certain orders (the “First Day Orders”).
8. On August 24, 2020, the Court issued the following orders pursuant to Part IV of the CCAA:
 - a) the Initial Recognition Order (Foreign Main Proceeding), a copy of which is attached as Appendix “A”, which, *inter alia*, recognizes the Chapter 11 Proceedings as a “foreign main proceeding”, recognizes the Foreign Representative as the “foreign representative” as defined in section 45 of the CCAA, and stays all proceedings against the Guarantor Debtors; and
 - b) the Supplemental Order (Foreign Main Proceeding) (the “Supplemental Order”), a copy of which is attached as Appendix “B” (without schedules), which, *inter alia*, appoints KSV as Information Officer (in such capacity, the “Information Officer”) with respect to the Chapter 11 Debtors, grants a stay of proceedings as set out therein, and recognizes certain of the First Day Orders.
9. On August 29, 2020, the Foreign Representative sought an interim order under Section 49 of the CCAA extending the stay of proceedings to certain of the CCAA Debtors until they could bring an application for protection under the CCAA (the “August 29th Relief”). The Court refused the Foreign Representative’s request. Accordingly, on August 28, 2020, RGN Ontario II Limited Partnership (“RGN Ontario II”), an affiliate of the Company, filed a Notice of Intention to Make a Proposal (“NOI”) pursuant to Section 50.4(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (“BIA”) and KSV was appointed as proposal trustee (“Proposal Trustee”). There was urgency to file for this entity as the lease for this entity’s business was at risk of immediate termination by its landlord, who opposed the August 29th Relief.
10. KSV is filing this report (“Report”) as the proposed Monitor.

1.1 Purposes of this Report

1. The purposes of this Report are to:
 - a) provide KSV's qualifications to act as Monitor;
 - b) provide background information about the Company;
 - c) report on the CCAA Debtors' cash flow projection for the period August 31, 2020 to November 29, 2020 ("Cash Flow Forecast");
 - d) discuss the rationale for extending the stay of proceedings over the LPs for the purpose of preventing creditor actions against them due to the insolvency of the Chapter 11 Debtors and the Company's filing for CCAA protection; and
 - e) recommend that this Court grant the relief sought by the Company in its CCAA application materials.

1.2 Currency

1. All currency references in this Report are to US dollars.

1.3 Restrictions

1. In preparing this Report, KSV has relied upon unaudited financial information prepared by the CCAA Debtors' representatives and financial advisors, the CCAA Debtors' books and records and discussions with the CCAA Debtors' Canadian counsel.
2. KSV has not performed an audit or other verification of such information. An examination of the CCAA Debtors' financial forecasts as outlined in the *Chartered Professional Accountants of Canada Handbook* has not been performed. Future oriented financial information relied upon in this Report is based on the CCAA Debtors' assumptions regarding future events; actual results achieved may vary from this information and these variations may be material. KSV expresses no opinion or other form of assurance with respect to the accuracy of any financial information presented in this Report or relied upon by KSV in its preparation of this Report.

1.4 KSV's Qualifications to Act as Monitor

1. KSV is qualified to act as Monitor in these proceedings:
 - a) KSV is a trustee within the meaning of subsection 2(1) of the BIA. KSV is not subject to any of the restrictions to act as monitor set out in Section 11.7(2) of the CCAA;
 - b) KSV is familiar with the CCAA Debtors and the background to these proceedings, having been appointed on August 24, 2020 as Information Officer of the Chapter 11 Debtors and on August 28, 2020 as Proposal Trustee of RGN Ontario II pursuant to the NOI; and

- c) KSV's team has extensive experience acting as a monitor under the CCAA in a wide variety of industries, including dealing extensively with landlords (the primary arm's length stakeholders in these proceedings) in numerous industries.
2. KSV has consented to act as Monitor in these proceedings should the Court grant the Initial Order. A copy of KSV's consent to act as Monitor is attached as Appendix "C".

2.0 Background

1. The Chapter 11 Debtors are direct or indirect subsidiaries of Regus Corporation, a Delaware corporation, that, together with its affiliates (collectively, "IWG"), offers a network of on-demand office and co-working spaces, and ancillary services and support, to a variety of clients across several industries in over 1,000 locations in the United States and Canada.
2. IWG is a multinational corporation which operates over 3,300 locations across more than 110 countries. IWG's business model begins with entry into long-term commercial real property leases (each, a "Lease") with a property owner (each, a "Landlord") that provide IWG with unoccupied office space (the "Centres"). IWG develops and engineers each of the Centres to meet the needs of individuals, companies and organizations that contract for use of portions of the Centres. IWG markets its Centres under different brand names, each tailored to appeal to different types of clients and those clients' specialized needs. These clients (the "Occupants") enter into short-term licenses (each, an "Occupancy Agreement") to use portions of the Centres, which are customizable as to duration, configuration, services, and amenities. When operating successfully, the license payments from Occupants will exceed the combined cost of the underlying long-term lease, management cost and operating expenses of the Centre.
3. Generally, the lessee under each Lease is a special-purpose entity (an "SPE") formed for this specific purpose (each, a "Lease Holder"). In certain cases, the Lease Holder's obligations under the Lease are partially or fully guaranteed by another IWG entity, such as the Guarantor Debtors.
4. The Guarantor Debtors are guarantors, or co-liable as original tenant-assignor, of 653 Leases in total as of the Filing Date, including 85 Leases in respect of Centres located in Canada ("Guaranteed Canadian Leases"). The Guarantor Debtors do not carry on business in Canada. Of the 85 Guaranteed Canadian Leases, approximately 39 of them (the "Canadian Leases") provide, or may provide, that an insolvency filing by the Guarantor Debtors is an event of default which may allow the respective Landlord to terminate the lease with little or no notice.
5. A simplified organizational chart of IWG, including the Chapter 11 Debtors and the Company, is provided in Appendix "D".
6. IWG, through Canadian affiliates of the Chapter 11 Debtors, operates 137 Centres in Canada (the "Canadian Affiliates"). The Canadian Affiliates are not subject to the Chapter 11 Proceedings. The CCAA Debtors represent a subset of the companies holding the Leases in respect of the 137 Centres.

7. On August 25, 2020, the Chapter 11 Debtors sought approval from the U.S. Court of procedures (“Lease Procedures Motion”) that would require Landlords to give notice to the Chapter 11 Debtors before exercising any purported termination or “lock-out” right. The notice period was intended to allow for further discussions between the Landlords and the Chapter 11 Debtors (and/or the Canadian Affiliates) as to the terms of the leases and, absent a consensual resolution, an opportunity for the Chapter 11 Debtors to pursue further relief from the U.S. Court or this Court, including the ability of any particular Lease Holder (including the Canadian SPEs) to seek creditor protection themselves. The U.S. Court denied the motion on an interim basis, without prejudice to the Chapter 11 Debtors’ right to amend the relief or seek approval of it at a later date.
8. The denial of the Lease Procedures Motion precipitated the application by the CCAA Debtors pursuant to the CCAA.
9. Further information concerning the Chapter 11 Debtors’ background, their corporate structure, the business of the Canadian Affiliates and the events leading up to the Chapter 11 Proceedings is provided in the Affidavits of James S. Feltman, sworn: i) August 22, 2020, in support of the Foreign Representative’s motion to the Canadian Court (the “Feltman Affidavit”) for recognition of the Chapter 11 Proceedings; and ii) August 30, 2020 concerning the events leading up to these CCAA proceedings. Accordingly, that information is not repeated in this Report. All materials filed with the Canadian Court are available on KSV’s website at <https://www.ksvadvisory.com/insolvency-cases/case/rgn-national-business-centers>.

3.0 Cash Flow Forecast

1. The CCAA Debtors prepared the Cash Flow Forecast, which covers the period August 31, 2020 to November 29, 2020 (the “Period”). The Cash Flow Forecast and the CCAA Debtors’ statutory report on the cash flow prepared pursuant to Section 10(2)(b) of the CCAA is attached as Appendix “E”.
2. The Cash Flow Forecast was prepared on a consolidated basis in respect of the CCAA Debtors. The Cash Flow Forecast reflects funding from RGN Management Limited Partnership (“RGN Management LP”), an affiliate, with the equivalent amount being paid to landlords of the CCAA Debtors for rent and other service charges related to the Canadian Leases. The Cash Flow Forecast was prepared on an expedited basis given the urgency to commence these proceedings and, if required, will be updated prior to the comeback motion in these proceedings.
3. Should the CCAA Debtors require funding during these proceedings, the CCAA Debtors may bring an application to Court for approval of a debtor-in-possession loan facility, with such funding likely being provided by RGN Management LP or another affiliate. In the interim, to the extent that funding is required, it will be provided under an intercompany secured loan facility which is already in place between each of the CCAA Debtors and RGN Management LP.
4. Based on KSV’s review of the Cash Flow Forecast, the assumptions appear reasonable. KSV’s statutory report on the Cash Flow Forecast is attached as Appendix “F”.

4.0 Stay of Proceedings

1. As the Chapter 11 filings by the Guarantors may give rise to defaults under certain of the Canadian Leases with limited or no notice requirements by the respective landlords, the Company is seeking to extend the benefit of the stay of proceedings to the LPs in order to provide stability through the restructuring process and to avoid a situation where defaults arising due to the commencement of the Chapter 11 Proceedings or these proceedings are relied upon as the basis for contract terminations or other adverse steps.
2. Extending the stay of proceedings to the LPs reduces the risk that their operations will be disrupted. This is particularly important because the CCAA Debtors have approximately 3,900 Occupants. The termination of leases by landlords will disrupt the Occupants and could give rise to significant damage claims. It could also result in a loss of employment if the Canadian Affiliates are required to downsize their operations as a result of the closure of some or all of the business in Canada.
3. The relief being sought by the CCAA Debtors at this time is limited – primarily a stay of proceedings. As a result of the risks identified above, KSV believes that the relief being sought by the CCAA Debtors is in the best interest of the CCAA Debtors and their stakeholders, as:
 - a) it would allow the CCAA Debtors to coordinate their restructuring efforts with the Chapter 11 Debtors and, more generally, IWG;
 - b) it would allow for the preservation of the Canadian portion of the global business and its employees;
 - c) it does not prejudice the Landlords as rent is to be paid post-filing for the Canadian Leases in accordance with the terms of those Leases;
 - d) it avoids disruption to the businesses of the Occupants and minimizes damage claims by those Occupants against the CCAA Debtors should Landlords terminate any of the Canadian Leases;
 - e) if a Centre is involuntarily closed, the realizations upon a liquidation will likely be immaterial and unlikely to satisfy the applicable CCAA Debtors' liabilities, including potential claims arising from the closure;
 - f) it is far more practical and economic to include the CCAA Debtors in one proceeding than to commence proposal proceedings under the BIA for each entity individually, which is the likely result if the Court does not grant the relief sought; and
 - g) based on KSV's experience during this mandate, the CCAA Debtors and the Chapter 11 Debtors, are operating in good faith and with due diligence in an attempt to restructure their businesses in Canada and the US.

5.0 Creditor Notification

1. The proposed Initial Order requires the Monitor to:
 - a) publish without delay a notice in the national edition of *The Globe and Mail* newspaper containing the information prescribed under the CCAA; and
 - b) within five days of the issuance of the Initial Order to:
 - i. make the Initial Order publicly available in the manner prescribed under the CCAA;
 - ii. send, in the prescribed manner, a notice to every known creditor who has a claim against the Company of more than \$1,000 and known landlords of the CCAA Debtors advising that the order is publicly available; and
 - iii. prepare a list, showing the names and addresses of those creditors (other than employees), and the estimated amounts of those claims, and make it publicly available in the prescribed manner.
2. KSV intends to post the Initial Order and all motion materials on its website in accordance with the *E-Service Protocol*.

6.0 Conclusion and Recommendation

1. Based on the foregoing, KSV respectfully recommends that this Honourable Court make an order granting the relief sought by the Company in its CCAA application materials.

* * *

All of which is respectfully submitted,

A handwritten signature in blue ink that reads "KSV Kofman Inc." in a cursive, stylized font.

**KSV KOFMAN INC.
IN ITS CAPACITY AS PROPOSED MONITOR OF
GUARDIAN FINANCIAL CORP. AND THOSE ENTITIES LISTED ON SCHEDULE "A"
AND NOT IN ITS PERSONAL CAPACITY**

Schedule “A” – Additional Applicants

RGN Alberta IV GP Inc.
RGN Alberta GP Inc.
RGN Alberta X GP Inc.
RGN Alberta XIII GP Inc.
RGN Alberta XIV GP Inc.
RGN Alberta XVII GP Inc.
RGN British Columbia XX GP Inc.
RGN British Columbia XVI GP Inc.
RGN British Columbia XXV GP Inc.
RGN British Columbia XXIV GP Inc.
RGN Manitoba II GP Inc.
RGN Ontario II GP Inc.
RGN Ontario L GP Inc.
RGN Ontario LV GP Inc.
RGN Ontario LVI GP Inc.
RGN Ontario LVIII GP Inc.
RGN Ontario LXII GP Inc.
RGN Ontario XI GP Inc.
RGN Ontario XLI GP Inc.
RGN Ontario XLII GP Inc.
RGN Ontario XLV GP Inc.
RGN Ontario XLVI GP Inc.
RGN Ontario XLVII GP Inc.
RGN Ontario XLVIII GP Inc.
RGN Ontario XXI GP Inc.
RGN Ontario XXIV GP Inc.
RGN Ontario XXIX GP Inc.
RGN Ontario XXV GP Inc.
RGN Ontario XXVIII GP Inc.
RGN Ontario XXXI GP Inc.
RGN Ontario XXXII GP Inc.
RGN Ontario XXXIII GP Inc.
RGN Quebec V GP Inc.
RGN Quebec VI GP Inc.
RGN Quebec XIV GP Inc.
RGN Quebec XVI GP Inc.
RGN Services Limited

Schedule “B” – Limited Partnerships

RGN Alberta IV Limited Partnership
RGN Alberta Limited Partnership
RGN Alberta X Limited Partnership
RGN Alberta XIII Limited Partnership
RGN Alberta XIV Limited Partnership
RGN Alberta XVII Limited Partnership
RGN British Columbia XX Limited Partnership
RGN British Columbia XVI Limited Partnership
RGN British Columbia XXV Limited Partnership
RGN British Columbia XXIV Limited Partnership
RGN Manitoba II Limited Partnership
RGN Ontario L Limited Partnership
RGN Ontario LV Limited Partnership
RGN Ontario LVI Limited Partnership
RGN Ontario LVIII Limited Partnership
RGN Ontario LXII Limited Partnership
RGN Ontario XI Limited Partnership
RGN Ontario XLI Limited Partnership
RGN Ontario XLII Limited Partnership
RGN Ontario XLV Limited Partnership
RGN Ontario XLVI Limited Partnership
RGN Ontario XLVII Limited Partnership
RGN Ontario XLVIII Limited Partnership
RGN Ontario XXI Limited Partnership
RGN Ontario XXIV Limited Partnership
RGN Ontario XXIX Limited Partnership
RGN Ontario XXV Limited Partnership
RGN Ontario XXVIII Limited Partnership
RGN Ontario XXXI Limited Partnership
RGN Ontario XXXII Limited Partnership
RGN Ontario XXXIII Limited Partnership
RGN Quebec V Limited Partnership
RGN Quebec VI Limited Partnership
RGN Quebec XIV Limited Partnership
RGN Quebec XVI Limited Partnership

Appendix “A”

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE

)

MONDAY, THE 24TH

JUSTICE HAINEY

)

DAY OF AUGUST, 2020

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

AND IN THE MATTER OF H WORK, LLC, RGN-GROUP HOLDINGS, LLC, RGN-NATIONAL
BUSINESS CENTERS, LLC, RGN-FORT LAUDERDALE III, LLC, RGN-COLUMBUS IV, LLC,
RGN-CHICAGO XVI, LLC, AND RGN-CHAPEL HILL II, LLC

APPLICATION OF RGN-NATIONAL BUSINESS CENTERS, LLC
UNDER SECTION 46 OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
R.S.C. 1985, c. C-36, AS AMENDED

(Applicant)

INITIAL RECOGNITION ORDER
(FOREIGN MAIN PROCEEDING)

THIS APPLICATION, made by RGN-National Business Centers, LLC in its capacity as the foreign representative (the "**Foreign Representative**") of H Work, LLC (f/k/a HQ Global Workplaces LLC), RGN-Group Holdings, LLC, RGN-National Business Centres, LLC, RGN-Fort Lauderdale LII, LLC, RGN-Columbus IV, LLC, RGN-Chicago XVI, LLC, and RGN-Chapel Hill II, LLC (collectively, the "**Chapter 11 Debtors**", and each, a "**Chapter 11 Debtor**") pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") for an Order substantially in the form enclosed in the Application Record, proceeded on this day by way of video-conference due to the COVID-19 crisis.

ON READING the Notice of Application, the affidavit of James S. Feltman sworn August 22, 2020 (the "**Feltman Affidavit**"), the consent of KSV Kofman Inc. to act as the information officer and upon being provided with copies of the documents required by section 46 of the CCAA;

AND UPON BEING ADVISED by counsel for the Foreign Representative that in addition to this Initial Recognition Order, a Supplemental Order (Foreign Main Proceeding) is being sought;

AND UPON HEARING the submissions of counsel for the Foreign Representative and counsel for the proposed information officer, no other parties receiving notice of this Application.

SERVICE

1. **THIS COURT ORDERS** that the time for service and filing of the Notice of Application and the Application Record is hereby abridged and validated so that this Application is properly returnable today and hereby dispenses with further service thereof.

FOREIGN REPRESENTATIVE

2. **THIS COURT ORDERS AND DECLARES** that the Foreign Representative is the "foreign representative" as defined in section 45 of the CCAA of the Chapter 11 Debtors in respect of the cases commenced by the Chapter 11 Debtors in the United States Bankruptcy Court for the District of Delaware pursuant to chapter 11 of title 11 of the United States Code (the "**Foreign Proceeding**").

CENTRE OF MAIN INTEREST AND RECOGNITION OF FOREIGN PROCEEDING

3. **THIS COURT DECLARES** that the centre of its main interests for each of the Chapter 11 Debtors is the United States of America, and that the Foreign Proceeding is hereby recognized as a "foreign main proceeding" as defined in section 45 of the CCAA.

STAY OF PROCEEDINGS

4. **THIS COURT ORDERS** that until otherwise ordered by this Court:
- (a) all proceedings taken or that might be taken against any Chapter 11 Debtor under the *Bankruptcy and Insolvency Act* or the *Winding-up and Restructuring Act* are stayed;
 - (b) further proceedings in any action, suit or proceeding against any Chapter 11 Debtor are restrained; and
 - (c) the commencement of any action, suit or proceeding against any Chapter 11 Debtor is prohibited.

NO SALE OF PROPERTY

5. **THIS COURT ORDERS** that, except with leave of this Court, each of the Chapter 11 Debtors is prohibited from selling or otherwise disposing of:

- (a) outside the ordinary course of its business, any of its property in Canada that relates to the business; and
- (b) any of its other property in Canada.

GENERAL

6. **THIS COURT ORDERS** that within five (5) business days from the date of this Order, or as soon as practicable thereafter, the Foreign Representative, with the assistance of the Information Officer, shall (a) cause to be published a notice substantially in the form attached to this Order as Schedule "A" (the "**Notice**"), once a week for two consecutive weeks, in *The Globe & Mail (National Edition)* and *Le Devoir*, and (b) send a copy of the Notice by registered mail to each landlord under a Guaranteed Canadian Lease (as defined in the Feltman Affidavit) at the address contained in the books and records of the Chapter 11 Debtors.

7. **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 Chapter 11 Debtors and the Foreign Representative and their respective counsel and agents in carrying out the terms of this Order.

8. **THIS COURT ORDERS** that this Court is seized of these proceedings and any interested party may seek to vary or amend this Order or seek other relief by filing a motion with this Court on not less than seven (7) days notice to the Chapter 11 Debtors, the Foreign Representative, the Information Officer and their respective counsel, and to any other party or parties likely to be affected by the order sought, or upon such other notice, if any, as this Court may order.

9. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. from the date it is made without any need for entry and filing.

A handwritten signature in black ink, appearing to read "Hailey J.", is written over a horizontal line.

Schedule "A" – Notice of Recognition Order

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

**AND IN THE MATTER OF H WORK, LLC, RGN-GROUP HOLDINGS, LLC, RGN-NATIONAL
BUSINESS CENTERS, LLC, RGN-FORT LAUDERDALE III, LLC, RGN-COLUMBUS IV, LLC,
RGN-CHICAGO XVI, LLC, AND RGN-CHAPEL HILL II, LLC
(collectively, the "CHAPTER 11 DEBTORS")**

PLEASE BE ADVISED that this Notice is being published pursuant to an order of the Ontario Superior Court of Justice (Commercial List) (the "**Canadian Court**"), granted on August 24, 2020 (the "**Recognition Order**").

PLEASE TAKE NOTICE that the Chapter 11 Debtors commenced voluntary reorganization cases (the "**Chapter 11 Cases**") pursuant to chapter 11 of title 11 of the United States Code with the United States Bankruptcy Court for the District of Delaware (the "**US Court**"). In connection with the Chapter 11 Cases, the Chapter 11 Debtors have appointed RGN-National Business Centers, LLC as the foreign representative of the Chapter 11 Debtors (the "**Foreign Representative**"). The Foreign Representative's address is 3000 Kellway Drive, Suite 140, Carrollton (Dallas), Texas 75006.

AND TAKE NOTICE that pursuant to the Recognition Order issued by the Canadian Court under Part IV of the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36 (the "**CCAA**"), (i) RGN-National Business Centers, LLC was recognized as "foreign representative"; (ii) the Chapter 11 Cases were recognized as "foreign main proceedings"; (iii) a stay of proceedings against the Chapter 11 Debtors was granted; (iv) KSV Kofman Inc. was appointed as the Information Officer with respect to the proceedings in the Canadian Court; and (v) certain orders entered by the U.S. Court in the Chapter 11 Cases were recognized by the Canadian Court.

AND TAKE NOTICE that materials filed with and issued by the Canadian Court may be viewed online at: <https://www.ksvadvisory.com/insolvency-cases/case/rgn-national-business-centers>. If you wish to receive copies of such materials or obtain further information in respect of the matters set forth in this Notice, you may contact the Information Officer at:

KSV KOFMAN INC.
150 King Street West, Suite 2308
Toronto, Ontario, M5H 1J9
Attention: Mitch Vininsky
Email: mvininsky@ksvadvisory.com

PLEASE FINALLY TAKE NOTICE that Canadian counsel for the Foreign Representative is:

STIKEMAN ELLIOTT LLP
5300 Commerce Court West
199 Bay Street, Toronto ON M5L 1B9
Attention: Lee Nicholson
Email: leenicholson@stikeman.com

DATED AT TORONTO, ONTARIO this ● day of August 2020.

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C 36, AS AMENDED AND IN THE MATTER OF H WORK, LLC, RGN-GROUP HOLDINGS, LLC, RGN-NATIONAL BUSINESS CENTERS, LLC, RGN-FORT LAUDERDALE III, LLC, RGN-COLUMBUS IV, LLC, RGN-CHICAGO XVI, LLC, AND RGN-CHAPEL HILL II, LLC

APPLICATION OF RGN-NATIONAL BUSINESS CENTERS, LLC UNDER SECTION 46 OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED

Court File No.: CV-20-00646084-00CL

ONTARIO SUPERIOR COURT OF JUSTICE (COMMERCIAL LIST)	
Proceeding commenced at Toronto	
INITIAL RECOGNITION ORDER (FOREIGN MAIN PROCEEDING)	
STIKEMAN ELLIOTT LLP Barristers & Solicitors 5300 Commerce Court West 199 Bay Street Toronto, Canada M5L 1B9	
Ashley Taylor LSO#: 39932E Tel: (416) 869-5236 Email: ataylor@stikeman.com	
Lee Nicholson LSO #66412I Tel: (416) 869-5604 Email: leenicholson@stikeman.com	
Nicholas Avis LSO#: 76781Q Tel: (416) 869-5504 Email: navis@stikeman.com Fax: (416) 947-0866	
Lawyers for the Foreign Representative	

Appendix “B”

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE)	MONDAY, THE 24 TH
)	
JUSTICE HAINEY)	DAY OF AUGUST, 2020

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

AND IN THE MATTER OF H WORK, LLC, RGN-GROUP HOLDINGS, LLC, RGN-NATIONAL
BUSINESS CENTERS, LLC, RGN-FORT LAUDERDALE III, LLC, RGN-COLUMBUS IV, LLC,
RGN-CHICAGO XVI, LLC, AND RGN-CHAPEL HILL II, LLC

APPLICATION OF RGN-NATIONAL BUSINESS CENTERS, LLC
UNDER SECTION 46 OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
R.S.C. 1985, c. C-36, AS AMENDED

(Applicant)

SUPPLEMENTAL ORDER
(FOREIGN MAIN PROCEEDING)

THIS APPLICATION, made by RGN-National Business Centers, LLC in its capacity as the foreign representative (the "**Foreign Representative**") of H Work, LLC (f/k/a HQ Global Workplaces LLC), RGN-Group Holdings, LLC, RGN-National Business Centers, LLC, RGN-Fort Lauderdale LII, LLC, RGN-Columbus IV, LLC, RGN-Chicago XVI, LLC, and RGN-Chapel Hill II, LLC (collectively, the "**Chapter 11 Debtors**", and each, a "**Chapter 11 Debtor**") pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") for an Order substantially in the form enclosed in the Application Record, proceeded on this day by way of video-conference due to the COVID-19 crisis.

ON READING the Notice of Application, the affidavit of James S. Feltman sworn August 22, 2020 (the "**Kofman Affidavit**") and the consent of KSV Kofman Inc. to act as the Information Officer (as defined below);

AND UPON HEARING the submissions of counsel for the Foreign Representative and counsel for the proposed Information Officer, no other parties receiving notice of this Application.

SERVICE

1. **THIS COURT ORDERS** that the time for service and filing of the Notice of Application and the Application Record is hereby abridged and validated so that this Application is properly returnable today and hereby dispenses with further service thereof.

INITIAL RECOGNITION ORDER

2. **THIS COURT ORDERS** that any capitalized terms not otherwise defined herein shall have the meanings given to such terms in the Initial Recognition Order (Foreign Main Proceeding) dated August 24, 2020 (the "**Recognition Order**").

3. **THIS COURT ORDERS** that the provisions of this Supplemental Order shall be interpreted in a manner complementary and supplementary to the provisions of the Recognition Order, provided that in the event of a conflict between the provisions of this Supplemental Order and the provisions of the Recognition Order, the provisions of the Recognition Order shall govern.

RECOGNITION OF FOREIGN ORDERS

4. **THIS COURT ORDERS** that the following orders (collectively, the "**Foreign Orders**") of the United States Bankruptcy Court for the District of Delaware (the "**U.S. Court**") made in the Foreign Proceeding are hereby recognized and given full force and effect in all provinces and territories of Canada pursuant to section 49 of the CCAA:

- (a) *Order Approving Application Appointing Epiq Corporate Restructuring, LLC as Claims and Noticing Agent for the Debtors Pursuant to 28 U.S.C. 156(c);*
- (b) *Order Authorizing RGN-National Business Centers, LLC to Serve as Foreign Representative on Behalf of the Debtors' Estates; and*
- (c) *Order (I) Directing Joint Administration and (II) Authorizing the Filing of a Consolidated Creditor Matrix;*

(copies of each such Foreign Orders are attached hereto and marked as Schedules "A" through Schedule "C", respectively)

provided, however, that in the event of any conflict between the terms of the Foreign Orders and the Orders of this Court made in the within proceedings, the Orders of this Court shall govern with respect to Property (as defined below) in Canada.

APPOINTMENT OF INFORMATION OFFICER

5. **THIS COURT ORDERS** that KSV Kofman Inc. (the “**Information Officer**”) is hereby appointed as an officer of this Court, with the powers and duties set out herein and any other Order made in these proceedings.

NO PROCEEDINGS AGAINST THE CHAPTER 11 DEBTORS OR THE PROPERTY

6. **THIS COURT ORDERS** that until such date as this Court may order (the “**Stay Period**”) no proceeding or enforcement process in any court or tribunal in Canada (each, a “**Proceeding**”) shall be commenced or continued against or in respect of the Chapter 11 Debtors or affecting their business (the “**Business**”) or their current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situated including all proceeds thereof (the “**Property**”), except with leave of this Court, and any and all Proceedings currently under way against or in respect of any of the Chapter 11 Debtors or affecting the Business or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

7. **THIS COURT ORDERS** that during the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being “**Persons**” and each being a “**Person**”) against or in respect of the Chapter 11 Debtors, or affecting the Business or the Property, are hereby stayed and suspended except with leave of this Court, provided that nothing in this Order shall (a) prevent the assertion of or the exercise of rights and remedies outside of Canada, (b) empower any of the Chapter 11 Debtors to carry on any business in Canada which that Chapter 11 Debtor is not lawfully entitled to carry on, (c) affect such investigations or Proceedings by a regulatory body as are permitted by section 11.1 of the CCAA, (d) prevent the filing of any registration to preserve or perfect a security interest, or (e) prevent the registration of a claim for lien.

NO INTERFERENCE WITH RIGHTS

8. **THIS COURT ORDERS** that during the Stay Period, no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, lease, sublease, licence or permit in favour of or held by any of the Chapter 11 Debtors and affecting the Business in Canada, except with leave of this Court.

ADDITIONAL PROTECTIONS

9. **THIS COURT ORDERS** that during the Stay Period, all Persons having oral or written agreements with the Chapter 11 Debtors or statutory or regulatory mandates for the supply of goods and/or services in Canada, including without limitation all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services provided in respect of the Property or Business of the Chapter 11 Debtors, are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Chapter 11 Debtors, and that the Chapter 11 Debtors shall be entitled to the continued use in Canada of their current premises, telephone numbers, facsimile numbers, internet addresses and domain names.

10. **THIS COURT ORDERS** that during the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA, no Proceeding may be commenced or continued against any of the former, current or future directors or officers of the Chapter 11 Debtors with respect to any claim against the directors or officers that arose before the date hereof and that relates to any obligations of the Chapter 11 Debtors whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers for the payment or performance of such obligations.

11. **THIS COURT ORDERS** that no Proceeding shall be commenced or continued against or in respect of the Information Officer, except with leave of this Court. In addition to the rights and protections afforded to the Information Officer herein, or as an officer of this Court, the Information Officer shall have the benefit of all of the rights and protections afforded to a Monitor under the CCAA, and shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part.

OTHER PROVISIONS RELATING TO INFORMATION OFFICER

12. **THIS COURT ORDERS** that the Information Officer:

- (a) is hereby authorized to provide such assistance to the Foreign Representative in the performance of its duties as the Foreign Representative may reasonably request;
- (b) shall report to this Court periodically as it deems appropriate with respect to the status of these proceedings and the status of the Foreign Proceedings, which reports may include information relating to the Property, the Business, or such other matters as may be relevant to the proceedings herein;
- (c) shall have full and complete access to the Property, including the premises, books, records, data, including data in electronic form, and other financial documents of the Chapter 11 Debtors, to the extent that is necessary to perform its duties arising under this Order; and
- (d) shall be at liberty to engage independent legal counsel or such other persons as the Information Officer deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order.

13. **THIS COURT ORDERS** that the Chapter 11 Debtors and the Foreign Representative shall (a) advise the Information Officer of all material steps taken by the Chapter 11 Debtors or the Foreign Representative in these proceedings or in the Foreign Proceedings, (b) co-operate fully with the Information Officer in the exercise of its powers and discharge of its obligations, and (c) provide the Information Officer with the assistance that is necessary to enable the Information Officer to adequately carry out its functions.

14. **THIS COURT ORDERS** that the Information Officer shall not take possession of the Property and shall take no part whatsoever in the management or supervision of the management of the Business and shall not, by fulfilling its obligations hereunder, be deemed to have taken or maintained possession or control of the Business or Property, or any part thereof.

15. **THIS COURT ORDERS** that the Information Officer (a) shall post on its website all Orders of this Court made in these proceedings, all reports of the Information Officer filed herein, and such other materials as this Court may order from time to time, and (b) may post on its website any other materials that the Information Officer deems appropriate.

16. **THIS COURT ORDERS** that the Information Officer may provide any creditor of a Chapter 11 Debtor with information provided by the Chapter 11 Debtors in response to reasonable requests for information made in writing by such creditor addressed to the Information Officer. The Information Officer shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Information Officer has been advised by the Chapter 11 Debtors is privileged or confidential, the Information Officer shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Information Officer, the Foreign Representative and the relevant Chapter 11 Debtors may agree.

17. **THIS COURT ORDERS** that Canadian counsel to the Chapter 11 Debtors, the Information Officer and counsel to the Information Officer shall be paid by the Chapter 11 Debtors and/or the Canadian Affiliates (as defined in the Feltman Affidavit) their reasonable fees and disbursements and applicable taxes incurred in respect of these proceedings, both before and after the making of this Order, in each case at their standard rates and charges unless otherwise ordered by the Court on the passing of accounts. The Chapter 11 Debtors and/or the Canadian Affiliates are hereby authorized and directed to pay the accounts of Canadian counsel to the Chapter 11 Debtors, the Information Officer and counsel for the Information Officer forthwith upon receipt.

18. **THIS COURT ORDERS** that the Information Officer and its legal counsel shall pass their accounts from time to time, and for this purpose the accounts of the Information Officer and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice, and the accounts of the Information Officer and its counsel shall not be subject to approval in the Foreign Proceeding.

SERVICE AND NOTICE

19. **THIS COURT ORDERS** that the E-Service Protocol of the Commercial List (the "Protocol") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <https://www.ontariocourts.ca/scj/practice/practice-directions/toronto/eservice-commercial/>) shall be valid and effective service. Subject to Rule 17.05 of the *Rules of Civil Procedure* (Ontario), this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the *Rules of Civil Procedure* (Ontario). Subject to Rule 3.01(d) of the *Rules of Civil*

Procedure (Ontario) and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Protocol with the following URL: <https://www.ksvadvisory.com/insolvency-cases/case/rgn-national-business-centers>.

20. **THIS COURT ORDERS** that if the service or distribution of documents in accordance with the Protocol is not practicable, the Chapter 11 Debtors, the Foreign Representative and the Information Officer are at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the Chapter 11 Debtors' creditors or other interested parties at their respective addresses as last shown on the records of the applicable Chapter 11 Debtor and that any such service or distribution by courier, personal delivery or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

21. **THIS COURT ORDERS** that the Foreign Representative, the Chapter 11 Debtors and the Information Officer and their respective counsel are at liberty to serve or distribute this Order, and other materials and orders as may be reasonably required in these proceedings, including any notices, or other correspondence, by forwarding true copies thereof by electronic message to the Chapter 11 Debtors' creditors or other interested parties and their advisors. For greater certainty, any such distribution or service shall be deemed to be in satisfaction of a legal or judicial obligation, and notice requirements within the meaning of clause 3(c) of the *Electronic Commerce Protection Regulations*, Reg. 81000-2-175 (SOR/DORS).

GENERAL

22. **THIS COURT ORDERS** that the Information Officer may from time to time apply for advice and directions in the discharge of its powers and duties hereunder.

23. **THIS COURT ORDERS** that nothing in this Order shall prevent the Information Officer from acting as an interim receiver, a receiver, a receiver and manager, a monitor, a proposal trustee, or a trustee in bankruptcy of any Chapter 11 Debtor, the Business or the Property.

24. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States of

America, to give effect to this Order and to assist the Chapter 11 Debtors, the Foreign Representative, the Information Officer, and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Chapter 11 Debtors, the Foreign Representative, and the Information Officer, the latter as an officer of this Court, as may be necessary or desirable to give effect to this Order, or to assist the Chapter 11 Debtors, the Foreign Representative, and the Information Officer and their respective agents in carrying out the terms of this Order.

25. **THIS COURT ORDERS** that each of the Chapter 11 Debtors, the Foreign Representative and the Information Officer shall be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order.

26. **THIS COURT ORDERS** that the Guidelines for Court-to-Court Communications in Cross-Border Cases developed by the American Law Institute adopted by this Court and the U.S. Court and attached as Schedule "D" hereto is adopted by this Court for the purposes of these recognition proceedings.

27. **THIS COURT ORDERS** that this Court is seized of these proceedings and that any interested party may seek to vary or amend this Order or seek other relief by filing a motion with this Court on not less than seven (7) days notice to the Chapter 11 Debtors, the Foreign Representative, the Information Officer and their respective counsel, and to any other party or parties likely to be affected by the order sought, or upon such other notice, if any, as this Court may order.

28. **THIS COURT ORDERS** that this Order and all of its provisions are effective as of 12:01 a.m. from the date it is made without any need for entry and filing.

A handwritten signature in black ink, appearing to read "Harvey", with a large, stylized flourish extending from the end of the name.

Appendix “C”

Court File No. _____

**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
GUARDIAN FINANCIAL CORP. AND THE OTHER ENTITIES LISTED ON SCHEDULE "A"**

(Applicants)

MONITOR'S CONSENT TO ACT

KSV KOFMAN INC. hereby consents to act as the Monitor of the Applicants in the within proceedings.

Dated this 30th day of August, 2020.

**KSV KOFMAN INC. IN ITS CAPACITY AS
PROPOSED MONITOR OF THE
APPLICANTS AND NON IN ITS PERSONAL
CAPACITY.**



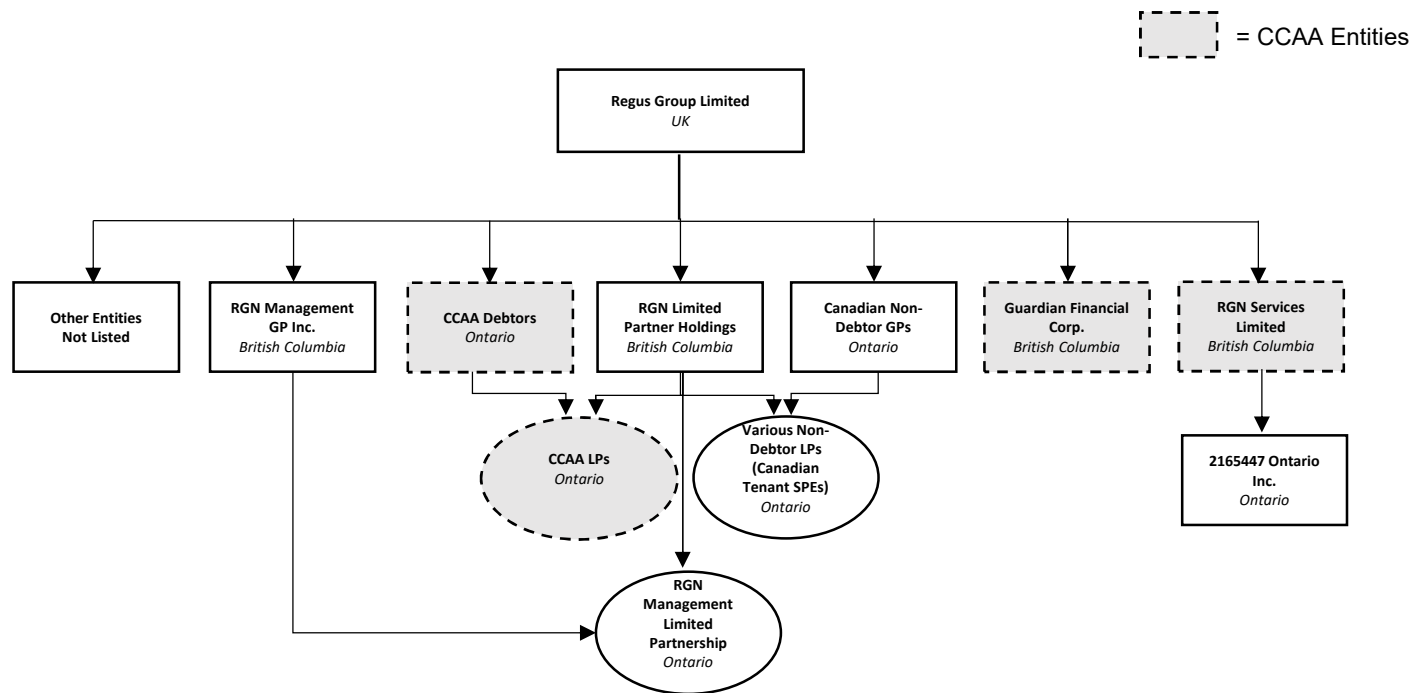
Per _____

Bobby Kofman
President and Managing Director

Schedule “A” – Additional Applicants

RGN Alberta IV GP Inc.
RGN Alberta GP Inc.
RGN Alberta X GP Inc.
RGN Alberta XIII GP Inc.
RGN Alberta XIV GP Inc.
RGN Alberta XVII GP Inc.
RGN British Columbia XX GP Inc.
RGN British Columbia XVI GP Inc.
RGN British Columbia XXV GP Inc.
RGN British Columbia XXVI GP Inc.
RGN Manitoba II GP Inc.
RGN Ontario II GP Inc.
RGN Ontario L GP Inc.
RGN Ontario LV GP Inc.
RGN Ontario LVI GP Inc.
RGN Ontario LVIII GP Inc.
RGN Ontario LXII GP Inc.
RGN Ontario XI GP Inc.
RGN Ontario XLI GP Inc.
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RGN Ontario XXIX GP Inc.
RGN Ontario XXV GP Inc.
RGN Ontario XXVIII GP Inc.
RGN Ontario XXXI GP Inc.
RGN Ontario XXXII GP Inc.
RGN Ontario XXXIII GP Inc.
RGN Quebec V GP Inc.
RGN Quebec VI GP Inc.
RGN Quebec XIV GP Inc.
RGN Quebec XVI GP Inc.
RGN Services Limited

Appendix “D”



*all ownership is 100% unless otherwise noted

Appendix “E”

Guardian Financial Corp and Other CCAA Debtors

Projected Statement of Cash Flow

For the Period Ending November 29, 2020

(Unaudited; C\$000)

	Notes	Weeks Ending													Total
		06-Sep-20	13-Sep-20	20-Sep-20	27-Sep-20	04-Oct-20	11-Oct-20	18-Oct-20	25-Oct-20	01-Nov-20	08-Nov-20	15-Nov-20	22-Nov-20	29-Nov-20	
<i>Receipts</i>	1														
Receipt from RGN Management LP	2	2,353	-	-	-	2,463	-	-	-	2,451	-	-	-	2,464	9,731
<i>Disbursements</i>															
Rent	3	1,327	-	-	-	1,387	-	-	-	1,375	-	-	-	1,388	5,477
Property service charges	3	1,026	-	-	-	1,076	-	-	-	1,076	-	-	-	1,076	4,254
<i>Total Operating Disbursements</i>		2,353	-	-	-	2,463	-	-	-	2,451	-	-	-	2,464	9,731
<i>Net Cash Flow</i>		-	-	-	-	-	-	-	-	-	-	-	-	-	-

The Monitor, counsel to the Monitor and counsel to the CCAA Debtors are contemplated to be paid their reasonable fees and disbursements by the CCAA Debtors and/or Canadian Affiliates. It is presently contemplated that these professionals will be paid by RGN Management Limited Partnership, which is not a CCAA Debtor.

Guardian Financial Corp and Other CCAA Debtors

Notes to Projected Statement of Cash Flow

For the Period Ending November 29, 2020

(Unaudited; \$C)

Purpose and General Assumptions

1. The purpose of the projection is to present a cash flow forecast of the CCAA Debtors for the period from August 31 to November 29, 2020 (the "Period") in respect of their proceedings under the *Companies' Creditors Arrangement Act* ("CCAA").

The cash flow projection has been prepared based on hypothetical and most probable assumptions.

Hypothetical Assumptions

2. Represents funding from RGN Management Limited Partnership ("RGN"), an affiliated entity not subject to the CCAA proceedings. All customer receipts are remitted to RGN and in turn, RGN provides funding to these entities.

Probable Assumptions

3. Rent and property service charges paid at the end of each month.

**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 GUARDIAN FINANCIAL CORP. AND OTHER ENTITIES LISTED ON
SCHEDULE "A"
MANAGEMENT'S REPORT ON CASH FLOW STATEMENT
(paragraph 10(2)(b) of the CCAA)**

Guardian Financial Corp. and those other entities listed on Schedules "A" and "B" hereto (collectively, the "**CCAA Debtors**") have developed the assumptions and prepared the attached statement of projected cash flow as of the 30th day August, 2020 for the period August 31, 2020 to November 29, 2020 ("**Cash Flow**"). All such assumptions are disclosed in the notes to the Cash Flow.

The hypothetical assumptions are reasonable and consistent with the purpose of the Cash Flow as described in Note 1 to the Cash Flow, and the probable assumptions are suitably supported and consistent with the plans of the CCAA Entities and provide a reasonable basis for the Cash Flow.

Since the Cash Flow is based on assumptions regarding future events, actual results will vary from the information presented and the variations may be material.

The Cash Flow has been prepared solely for the purpose outlined in Note 1 using a set of hypothetical and probable assumptions set out therein. Consequently, readers are cautioned that the Cash Flow may not be appropriate for other purposes.

Dated at Toronto, Ontario this 30th day of August, 2020.



Wayne Berger

Guardian Financial Corp. on behalf of the CCAA Debtors

Schedule “A” – Additional Applicants

RGN Alberta IV GP Inc.
RGN Alberta GP Inc.
RGN Alberta X GP Inc.
RGN Alberta XIII GP Inc.
RGN Alberta XIV GP Inc.
RGN Alberta XVII GP Inc.
RGN British Columbia XX GP Inc.
RGN British Columbia XVI GP Inc.
RGN British Columbia XXV GP Inc.
RGN British Columbia XXIV GP Inc.
RGN Manitoba II GP Inc.
RGN Ontario II GP Inc.
RGN Ontario L GP Inc.
RGN Ontario LV GP Inc.
RGN Ontario LVI GP Inc.
RGN Ontario LVIII GP Inc.
RGN Ontario LXII GP Inc.
RGN Ontario XI GP Inc.
RGN Ontario XLI GP Inc.
RGN Ontario XLII GP Inc.
RGN Ontario XLV GP Inc.
RGN Ontario XLVI GP Inc.
RGN Ontario XLVII GP Inc.
RGN Ontario XLVIII GP Inc.
RGN Ontario XXI GP Inc.
RGN Ontario XXIV GP Inc.
RGN Ontario XXIX GP Inc.
RGN Ontario XXV GP Inc.
RGN Ontario XXVIII GP Inc.
RGN Ontario XXXI GP Inc.
RGN Ontario XXXII GP Inc.
RGN Ontario XXXIII GP Inc.
RGN Quebec V GP Inc.
RGN Quebec VI GP Inc.
RGN Quebec XIV GP Inc.
RGN Quebec XVI GP Inc.
RGN Services Limited

Schedule “B” – Limited Partnerships

RGN Alberta IV Limited Partnership
RGN Alberta Limited Partnership
RGN Alberta X Limited Partnership
RGN Alberta XIII Limited Partnership
RGN Alberta XIV Limited Partnership
RGN Alberta XVII Limited Partnership
RGN British Columbia XX Limited Partnership
RGN British Columbia XVI Limited Partnership
RGN British Columbia XXV Limited Partnership
RGN British Columbia XXIV Limited Partnership
RGN Manitoba II Limited Partnership
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RGN Ontario LVI Limited Partnership
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RGN Ontario LXII Limited Partnership
RGN Ontario XI Limited Partnership
RGN Ontario XLI Limited Partnership
RGN Ontario XLII Limited Partnership
RGN Ontario XLV Limited Partnership
RGN Ontario XLVI Limited Partnership
RGN Ontario XLVII Limited Partnership
RGN Ontario XLVIII Limited Partnership
RGN Ontario XXI Limited Partnership
RGN Ontario XXIV Limited Partnership
RGN Ontario XXIX Limited Partnership
RGN Ontario XXV Limited Partnership
RGN Ontario XXVIII Limited Partnership
RGN Ontario XXXI Limited Partnership
RGN Ontario XXXII Limited Partnership
RGN Ontario XXXIII Limited Partnership
RGN Quebec V Limited Partnership
RGN Quebec VI Limited Partnership
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Appendix “F”

**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
GUARDIAN FINANCIAL CORP. AND OTHER ENTITIES LISTED ON SCHEDULE "A"
MONITOR'S REPORT ON CASH FLOW STATEMENT
(paragraph 23(1)(b) of the CCAA)**

The attached statement of projected cash-flow of Guardian Financial Corp. and those other entities listed on Schedules "A" and "B" hereto (collectively, the "CCAA Debtors"), as of the 30th day August, 2020, consisting of a weekly projected cash flow statement for the period August 31, 2020 to November 29, 2020 ("Cash Flow") has been prepared by the management of the CCAA Debtors for the purpose described in Note 1, using the probable and hypothetical assumptions set out in the notes to the Cash Flow.

Our review consisted of inquiries, analytical procedures and discussions related to information supplied by the management and representatives of the CCAA Debtors. Since hypothetical assumptions need not be supported, our procedures with respect to them were limited to evaluating whether they were consistent with the purpose of the Cash Flow. We have also reviewed the support provided by management for the probable assumptions and the preparation and presentation of the Cash Flow.

Based on our review, nothing has come to our attention that causes us to believe that, in all material respects:

- a) the hypothetical assumptions are not consistent with the purpose of the Cash Flow;
- b) as at the date of this report, the probable assumptions developed by management are not suitably supported and consistent with the plans of the CCAA Debtors or do not provide a reasonable basis for the Cash Flow, given the hypothetical assumptions; or
- c) the Cash Flow does not reflect the probable and hypothetical assumptions.

Since the Cash Flow is based on assumptions regarding future events, actual results will vary from the information presented even if the hypothetical assumptions occur, and the variations may be material. Accordingly, we express no assurance as to whether the Cash Flow will be achieved. We express no opinion or other form of assurance with respect to the accuracy of any financial information presented in this report or relied upon in preparing this report.

The Cash Flow has been prepared solely for the purpose described in Note 1 and readers are cautioned that it may not be appropriate for other purposes.

Dated at Toronto this 30th day of August 2020.

A handwritten signature in blue ink that reads "KSV Kofman Inc." in a cursive, stylized font.

**KSV KOFMAN INC.
IN ITS CAPACITY AS PROPOSED CCAA MONITOR OF
GUARDIAN FINANCIAL CORP. AND OTHER ENTITIES LISTED ON SCHEDULE "A"
AND NOT IN ITS PERSONAL CAPACITY**

Schedule “A” – Additional Applicants

RGN Alberta IV GP Inc.
RGN Alberta GP Inc.
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RGN Quebec XVI GP Inc.
RGN Services Limited

Schedule “B” – Limited Partnerships

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RGN Ontario LV Limited Partnership
RGN Ontario LVI Limited Partnership
RGN Ontario LVIII Limited Partnership
RGN Ontario LXII Limited Partnership
RGN Ontario XI Limited Partnership
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