

Tel Aviv-Jaffa District Court

LF 44348-04-16

Application no. 33

Before His Honor Judge Eitan Orenstein, President

In re: **The Companies Law, 5759-1999**

The Law

and in re: **Urbancorp Inc., Canadian company no. 2471774**

The Company

and in re: **Adv. Guy Gissin - the Company's functionary**

acting by his attorneys, of Gissin & Co., Advocates, 38B Ha'Barzel Street, Tel Aviv 69710, Tel. 03-7467777, Fax. 03-7467700

The Functionary

- and in re:**
- 1. The Fuller Landau Group Inc. (as proposal trustee of Alan Saskin)**
 - 2. The Webster Trust**
 - 3. TCC / Urbancorp Bay Stadium LP**
 - 4. Urbancorp Management Inc.**

acting by their attorneys, of Gornitzky & Co., Law Firm, 45 Rothschild Boulevard, Tel Aviv 6578403, Tel. 03-7109191, Fax. 03-5606555

The Applicants

and in re: **The Official Receiver - Corporations Department**

acting by Adv. Gali Atron, of 2 Ha'Shlosha Street, Tel Aviv 61090, Tel. 072-3729952, Fax. 02-6462502

The Official Receiver

The Official Receiver's Position on the Joining Application

In accordance with the Honorable Court's decision of February 28, 2017, the Official Receiver respectfully files his position on the above application, as follows:

1. In the Functionary's reply consent was given to the joining of the First Applicant as a party to the proceedings; hence, we will below refer to the Second to Fourth Applicants.
2. Firstly, we would note that in our opinion, it might be relevant that the Second to Fourth Applicants do not hold the direct right to receive the residual value (if any) of the Company's assets. We do not have information about the financial position of the company Urbancorp Holdco Inc. (the Company's direct shareholder), its creditors and the like, and in fact the true standing of the Second to Fourth Applicants is "very tenuous", after payment of all the debts of the Company and of its shareholder. Hence, the Second to Fourth Applicants' connection to these proceedings might be weaker than that of the direct shareholders.
3. Nonetheless, we do not see any impediment to allowing the application and joining the Second to Fourth Respondents as a party to these proceedings, even by virtue of their "very tenuous" standing, even though we believe that there was room to hone the issue of the Second to Fourth Applicants' standing in the direct shareholder as aforesaid.
4. In such regard we would note, with regard to that stated in paragraph 5 of the application to the effect that the object of the joining application is *inter alia* "so that the Applicants can, if they so wish, file a response / replies to any application and/or proposed arrangement in this case"; that the mere joining of the Second to Fourth Applicants as a party to the proceedings certainly does not vest them with "automatic" standing in any application filed in the framework of these proceedings, and the Honorable Court has jurisdiction to determine who are the necessary parties for any matter and any issue brought before it.
5. We will now consider the conditions set by the Functionary for the purpose of the Second to Fourth Applicants joining the proceedings.

Address for the service of court pleadings

6. Indeed, the Applicants do not need their attorneys in this application to continue representing them in every application and matter that is heard in the framework of these proceedings in the future, and they may choose to be represented by other attorneys if they wish.
7. Nonetheless, the Official Receiver believes that their application to join these proceedings requires them to provide a clear and accessible address for the service of court pleadings for any matter connected with these proceedings, even if this address is not actually the office of their attorneys herein.

Since the Second to Fourth Applicants are applying to be a present party in the proceedings, they must be a present party in the proceedings. The "presence" cannot only operate in one direction, such that these proceedings will be accessible to the Second to Fourth Applicants. This presence must also operate in the other direction - such that the Second to Fourth Applicants will be accessible to these proceedings.

8. Hence, the Official Receiver believes that the joining application gives rise to the need for clarification of a clear fixed and accessible address for the service of court pleadings.

Consent to application of the Israeli law and jurisdiction

9. In this matter, the Official Receiver believes that the Functionary's request is unnecessary.
10. In our opinion, the Second to Fourth Applicants' recognition of the Israeli law and jurisdiction to the settlement, arrangement and insolvency of the Company **derives** from the joining application, and *a fortiori* given the passage of almost a whole year from the date on which it was commenced.
11. It is presumed that were it not for recognition as aforesaid by the Second to Fourth Applicants, another application would have been filed by them, and at another time.

Avoidance of a conflict of interest and clarification of the Applicants' representation financing arrangements

12. Unlike the two above issues, the Official Receiver believes that the information requested by the Functionary on these matters is not relevant to the joining application, and is not necessary in or derive from this application.
13. In his opinion, insofar as the information requested becomes relevant and necessary for the purpose of clarification issues that are heard in other applications in the framework of these proceedings, there will be room to consider the need to obtain it against the background of such applications.

(Signed)

Gali Atron, Adv.
Corporations Department
The Official Receiver