

UNITED STATES BANKRUPTCY COURT  
DISTRICT OF DELAWARE

*In re:*

XCHANGE TECHNOLOGY GROUP LLC, *et al.*,

Debtors in a Foreign Proceeding.

Chapter 15

Case No. 13-12809 (KG)

(Jointly Administered)

Re Docket No. 1

**ORDER GRANTING RECOGNITION AND RELATED RELIEF**

**THIS MATTER** was brought before the Court by Duff & Phelps Canada Restructuring Inc., the court-appointed receiver (the “**Receiver**”) and authorized foreign representative of Xchange Technology Group LLC and certain of its direct and indirect subsidiaries, BlueRange Technology Corp., BlueRange Technology Inc., IT Xchange Corp., IT Xchange Financial Services LLC, I.T. Xchange Inc., and Partstock Computer LLC (collectively, the “**XTG Debtors**”). The XTG Debtors are in a proceeding (the “**Canadian Proceeding**”) under Canada's *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended, pending before the Ontario Superior Court of Justice, Commercial List (the “**Ontario Court**”).

The Receiver filed *Verified Petitions for Recognition of Foreign Proceeding and Related Relief* on October 29, 2013 (the “**Chapter 15 Petitions**”),<sup>1</sup> commencing the above-captioned cases (the “**Chapter 15 Cases**”) under chapter 15 of title 11 of the United States Code (as amended, the “**Bankruptcy Code**”) and seeking the entry of an order (i) recognizing the Canadian Proceeding as a “foreign nonmain proceeding” under section 1517 of the Bankruptcy Code, (ii) applying sections 362 and 365(e) of the Bankruptcy Code in these Chapter 15 Cases, and (iii) giving full force and effect in the United States to the Order of the Ontario Court dated October 29, 2013, including any extensions or

<sup>1</sup> Capitalized terms used but not defined herein shall have the definitions ascribed to them in the Chapter 15 Petitions.

amendments thereof authorized by the Ontario Court, attached hereto as Exhibit 1 (the “**Receivership Order**”).

At a hearing held on November 25, 2013, the Court considered and reviewed the Chapter 15 Petitions and the other pleadings and exhibits submitted by the Receiver in support thereof. Any other objections to the Chapter 15 Petitions that have not been withdrawn or resolved have been overruled.

After due deliberation and sufficient cause appearing therefore, the Court finds and concludes as follows:

(A) This Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334, 11 U.S.C. § 1501, and the *Amended Standing Order of Reference from the United States District Court for the District of Delaware dated as of February 29, 2012*.

(B) This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(P) and the Court may enter a final order consistent with Article III of the United States Constitution.

(C) Venue is proper in this District pursuant to 28 U.S.C. § 1410(3).

(D) The Receiver is a “person” within the meaning of 11 U.S.C. § 101(41) and is the duly appointed “foreign representative” of the XTG Debtors within the meaning of 11 U.S.C. § 101(24).

(E) The Chapter 15 Cases were properly commenced pursuant to 11 U.S.C. §§ 1504 and 1509, and the Chapter 15 Petitions meet the requirements of 11 U.S.C. §§ 1504 and 1515.

(F) The Canadian Proceeding is a foreign proceeding within the meaning of 11 U.S.C. § 101(23).

(G) The Canadian Proceeding is entitled to recognition by this Court pursuant to 11 U.S.C. § 1517.

(H) The Canadian Proceeding is pending in Ontario, Canada, where each of the XTG Debtors has an “establishment” within the meaning of 11 U.S.C. § 1502(2), and as such constitutes a “foreign nonmain proceeding” pursuant to 11 U.S.C. § 1502(5) and is entitled to recognition as a foreign nonmain proceeding pursuant to 11 U.S.C. § 1517(b)(1).

(I) The Receiver is entitled, as additional relief pursuant to 11 U.S.C. § 1521, the application of 11 U.S.C. §§ 362 and 365(e) in the Chapter 15 Cases and all relief afforded foreign main proceedings automatically upon recognition pursuant to 11 U.S.C. § 1520.

(J) The relief granted herein is necessary and appropriate, in the interest of the public and international comity, and consistent with the public policy of the United States.


NOW, THEREFORE, IT IS HEREBY ORDERED AS FOLLOWS:

1. The Canadian Proceeding is hereby recognized as a foreign nonmain proceeding pursuant to section 1517(b)(1) of the Bankruptcy Code.
2. The Receivership Order (and any amendments or extensions thereof as may be granted from time to time by the Ontario Court) is hereby given full force and effect in the United States pursuant to sections 1507 and 1521 of the Bankruptcy Code.
3. To the extent not inconsistent with the Receivership Order, sections 362 and 365(e) of the Bankruptcy Code apply in the Chapter 15 Cases, and all of the relief afforded foreign main proceedings automatically upon recognition pursuant to section 1520 of the Bankruptcy Code is hereby granted as additional relief, pursuant to section 1521 of the Bankruptcy Code. Notwithstanding the foregoing, nothing in this paragraph 3 shall limit, abridge, or otherwise affect the rights afforded to Callidus pursuant to paragraphs 22-24 of the Receivership Order or the XTG Debtors' authorizations to make all necessary payments as may be or may come due and owing under the Loan Agreement.
4. All other prior relief granted in this Court's *Order Granting Provisional Relief in Aid of Canadian Proceeding* pursuant to section 1519(a) of the Bankruptcy Code is hereby extended on a final basis pursuant to section 1521(a)(6) of the Bankruptcy Code.
5. This Court shall retain jurisdiction with respect to the enforcement, amendment or modification of this Order, any request for additional relief or any adversary proceeding brought in and through these Chapter 15 Cases, 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.

6. The Chapter 15 Petitions and supporting papers shall be available upon request at the offices of Allen & Overy LLP, 1221 Avenue of the Americas, New York, New York 10020 to the attention of Jonathan Cho, (212) 610-6300, jonathan.cho@allenoverly.com.

7. Notwithstanding Bankruptcy Rule 7062, made applicable to these Chapter 15 Cases by Bankruptcy Rule 1018, the terms and conditions of this Order shall be immediately effective and enforceable upon its entry, and upon its entry, this Order shall become final and appealable.

Dated: Wilmington, Delaware  
November 25, 2013

  
United States Bankruptcy Judge

**EXHIBIT 1**

THIS IS TO CERTIFY THAT THIS DOCUMENT, EACH PAGE OF WHICH IS STAMPED WITH THE SEAL OF THE SUPERIOR COURT OF JUSTICE AT TORONTO, IS A TRUE COPY OF THE DOCUMENT ON FILE IN THIS OFFICE.

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Court File No. CV-13-10310-00CL

DATED AT TORONTO THIS 29<sup>th</sup> DAY OF OCT 20 13  
FAIT A TORONTO LE 29<sup>th</sup> JOUR DE OCT 20 13

ONTARIO

**SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

**THE HONOURABLE MR.**

)

**TUESDAY, THE 29<sup>th</sup> DAY**

)

**JUSTICE MORAWETZ**

)

**OF OCTOBER, 2013**

**BETWEEN:**

**CALLIDUS CAPITAL CORPORATION**

Applicant

- and -

**XCHANGE TECHNOLOGY GROUP LLC, IT XCHANGE FINANCIAL  
SERVICES LLC, IT XCHANGE CORP., BLUERANGE TECHNOLOGY CORP.,  
BLUERANGE TECHNOLOGY INC., PARTSTOCK COMPUTER LLC and  
IT XCHANGE INC.**

Respondents

**ORDER**

THIS APPLICATION, made by the Applicant for an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "BIA") and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the "CJA") appointing Duff & Phelps Canada Restructuring Inc. as receiver (the "Receiver") without security, of all of the assets, undertakings and properties of Xchange Technology Group LLC, It Xchange Financial Services LLC, It Xchange Corp., Bluerange Technology Corp., Bluerange Technology Inc., Partstock Computer LLC and It Xchange Inc. (the "Debtors") acquired for, or used in relation to businesses carried on by the Debtors, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Affidavit of Craig Boyer sworn October 25, 2013 and the Report of Duff & Phelps Canada Restructuring Inc. dated October 25, 2013 (the "Report") and on hearing

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DATED AT TORONTO THIS 13 DAY OF NOVEMBER 2013  
FAIT À TORONTO LE 13 JOUR DE NOVEMBRE 2013

the submission of counsel for Callidus Capital Corporation ("Callidus"), counsel for Duff & Phelps Canada Restructuring Inc., the proposed receiver, and counsel for the Debtors, and on reading the consent of Duff & Phelps Canada Restructuring Inc. to act as the Receiver,

### SERVICE

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

### APPOINTMENT

2. THIS COURT ORDERS that pursuant to section 243(1) of the BIA and section 101 of the CJA, Duff & Phelps Canada Restructuring Inc. is hereby appointed Receiver, without security, of all of the assets, undertakings and properties of the Debtors acquired for, or used in relation to businesses carried on by the Debtors, including all proceeds thereof (the "Property").

### RECEIVER'S POWERS

3. THIS COURT ORDERS that the Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:

- a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
- b) to receive, preserve, and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;
- c) to manage, operate, and carry on the businesses of the Debtors, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease

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DATED AT TORONTO THIS 29 DAY OF NOV  
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Debtors;

- to carry on all or any part of the businesses, or cease to perform any contracts of the
- d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;
  - e) to purchase or lease such equipment, inventories, supplies, premises or other assets to continue the businesses of the Debtors or any part or parts thereof;
  - f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtors and to exercise all remedies of the Debtors in collecting such monies, including, without limitation, to enforce any security held by the Debtors;
  - g) to settle, extend or compromise any indebtedness owing to the Debtors;
  - h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtors, for any purpose pursuant to this Order;
  - i) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Debtors, the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;
  - j) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business with Court approval and in each such case notice under subsection 63(4) of the Ontario *Personal Property Security Act* shall not be required, and in each case the Ontario *Bulk Sales Act* shall not apply;

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DATED AT TORONTO THIS 27 DAY OF OCTOBER 2013

k) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;

- l) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;
- m) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtors;
- n) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtors, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtors;
- o) to exercise any shareholder, partnership, joint venture or other rights which the Debtors may have; and
- p) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations,

and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined below), including the Debtors, and without interference from any other Person.

#### THE STALKING HORSE OFFER

4. THIS COURT ORDERS that the Receiver shall be authorized and directed to accept the Asset Purchase Agreement dated October 25, 2013 (the "Stalking Horse Offer") signed by 2393134 Ontario Inc. (the "Purchaser") pursuant to which the Purchaser has agreed to purchase all of the right, title and interest of the Debtors in and to the assets specified in the Stalking Horse Offer (the "Purchased Assets"). If the Receiver does not receive and accept at or before the Bid

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DATED AT TORONTO THIS 29th DAY OF OCT 2013

Deadline (as defined below) a Superior Bid (as defined below) in accordance with the Sale Process, the Receiver is entitled to take all actions or steps necessary to complete the transaction thereunder in accordance with its terms, without further approval of this Court, however the Receiver shall apply for the appropriate Vesting Orders. If the Receiver does receive a Superior Bid at or before the Bid Deadline in accordance with the Sale Process, the Receiver shall apply to the Court for approval of the Superior Bid. A "Superior Bid" shall be an offer to purchase the Purchased Assets which the Receiver, acting in its sole discretion, considers at least equivalent to the Stalking Horse Offer, provided that no offer shall qualify as a Superior Bid unless it meets the following minimum criteria:

- a) the offer must be an irrevocable offer;
- b) the offer must be accompanied by a cash deposit which is at least equal to 15% of the aggregate purchase price payable under the offer;
- c) the offer must be for a purchase price at least equal to the Purchase Price, payable in cash on Closing, and otherwise on terms no less favourable and no more burdensome or conditional than the Stalking Horse Offer;
- d) the offer must not contain any contingency relating to due diligence or financing or any other material conditions precedent to the offeror's obligation to complete the transaction that are not otherwise contained in the Stalking Horse Offer;
- e) the offer must be made by an offeror which can demonstrate the financial ability to complete the transaction; and
- f) the offer must contemplate a closing date of no later than December 31, 2013.

## SALES PROCESS

5. The Receiver shall undertake the marketing and sale of the Property, including soliciting offers, and negotiating the terms and conditions of sale, in accordance with the Sales Process and timetable outlined in paragraph 7.2 of the Duff & Phelps Report (the "Sale Process")

## DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

6. THIS COURT ORDERS that (i) the Debtors, (ii) all of their current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons

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DATED AT TORONTO THIS 21 DAY OF OCT 2013

acting on their instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being "Persons" and each being a "Person") shall forthwith advise the

Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property to the Receiver upon the Receiver's request.

7. THIS COURT ORDERS that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtors, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "Records") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 7 or in paragraph 8 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

8. THIS COURT ORDERS that if any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer or other system and

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providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

**NO PROCEEDINGS AGAINST THE RECEIVER**

9. THIS COURT ORDERS that no proceeding or enforcement process in any court or tribunal (each, a "Proceeding"), shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Court.

**NO PROCEEDINGS AGAINST THE DEBTORS OR THE PROPERTY**

10. THIS COURT ORDERS that no Proceeding against or in respect of the Debtors or the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of the Debtors or the Property are hereby stayed and suspended pending further Order of this Court.

**NO EXERCISE OF RIGHTS OR REMEDIES**

11. THIS COURT ORDERS that all rights and remedies against the Debtors, the Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that this stay and suspension does not apply in respect of right of Callidus pursuant to paragraph 23 of this Order or in respect of any "eligible financial contract" as defined in the BIA, and further provided that nothing in this paragraph shall (i) empower the Receiver or the Debtors to carry on any business which the Debtors is not lawfully entitled to carry on, (ii) exempt the Receiver or the Debtors from compliance with statutory or regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

**NO INTERFERENCE WITH THE RECEIVER**

12. THIS COURT ORDERS that no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Debtors, without written consent of the Receiver or leave of this Court.

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**CONTINUATION OF SERVICES**

13. ~~THIS COURT ORDERS~~ that all Persons having oral or written agreements with the Debtors or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the 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 Receiver, and that the Receiver shall be entitled to the continued use of the Debtors' current telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Receiver in accordance with normal payment practices of the Debtors or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

**RECEIVER TO HOLD FUNDS**

14. THIS COURT ORDERS that all funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from the sale of all or any of the Property, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "Post Receivership Accounts") and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further Order of this Court.

**EMPLOYEES**

15. THIS COURT ORDERS that all employees of the Debtors shall remain the employees of the Debtors until such time as the Receiver, on the Debtors' behalf, may terminate the employment of such employees. The Receiver shall not be liable for any employee-related liabilities, including any successor employer liabilities as provided for in section 14.06(1.2) of the BIA, other than such amounts as the Receiver may specifically agree in writing to pay, or in

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**Protection Program Act.**

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## LIMITATION ON ENVIRONMENTAL LIABILITIES

17. THIS COURT ORDERS that nothing herein contained shall require the Receiver to occupy or to take control, care, charge, possession or management (separately and/or collectively, "Possession") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, or the *Ontario Occupational Health and Safety Act* and regulations thereunder (the "Environmental Legislation"), provided however that nothing herein shall exempt the Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Receiver shall not, as a result of this Order or anything done in

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DATED AT TORONTO THIS 29 DAY OF OCT 2013

pursuance of the Receiver's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

## LIMITATION ON THE RECEIVER'S LIABILITY

18. THIS COURT ORDERS that the Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*. Nothing in this Order shall derogate from the protections afforded the Receiver by section 14.06 of the BIA or by any other applicable legislation.

## RECEIVER'S ACCOUNTS

19. THIS COURT ORDERS that the Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, and that the Receiver and counsel to the Receiver shall be entitled to and are hereby granted a charge (the "Receiver's Charge") on the Property, as security for such fees and disbursements, both before and after the making of this Order in respect of these proceedings, and that the Receiver's Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

20. THIS COURT ORDERS that the Receiver and its legal counsel shall pass its accounts from time to time, and for this purpose the accounts of the Receiver and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

21. THIS COURT ORDERS that prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including legal fees and disbursements, incurred at the normal rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against their remuneration and disbursements when and as approved by this Court.

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DATED AT TORONTO THIS 22<sup>nd</sup> DAY OF NOVEMBER 2013  
FAIT À TORONTO LE 22<sup>nd</sup> JOUR DE NOVEMBRE 2013

**FUNDING OF THE RECEIVERSHIP**

22. THIS COURT ORDERS that the Debtors or the Receiver on behalf of the Debtors and not in its personal capacity is hereby authorized and empowered to continue to obtain and borrow, repay and re-borrow, additional monies under an Amended and Restated Loan Agreement dated October 11, 2012 among the Debtors and Callidus (as later amended from time to time, the "Loan Agreement"), subject to and in accordance with blocked account agreements between the Debtors, Callidus, Bank of Montreal and any other financial institution used by the Debtors in their cash management system (the "Blocked Account Agreements"), in order to finance the Debtors' operating expenses and the reasonable fees and disbursements of the Receiver and its legal counsel, all on the terms and subject to the conditions set forth in the Loan Agreement and the Blocked Account Agreements or such other terms and conditions as Callidus shall agree.

23. THIS COURT ORDERS that the Debtors or the Receiver on behalf of the Debtors and not in its personal capacity is hereby authorized and directed to pay all of its indebtedness, interest, fees, liabilities and obligations to Callidus under and pursuant to the Loan Agreement and in accordance with the Blocked Account Agreements when the same become due notwithstanding any other provision of this Order, provided that Callidus shall reimburse the Receiver any monies received by Callidus which it may not have been entitled to pursuant to any liens, charges, security interests or other claims having priority over Callidus' security.

24. THIS COURT ORDERS that, in addition to advances in accordance with availability under the Loan Agreement, the Receiver on behalf of the Debtors be at liberty and it is hereby empowered to borrow monies from Callidus in excess of availability under the Loan Agreement (hereafter "Overadvances") on the terms and at the rate of interest set out in the Loan Agreement for such period or periods of time as the Receiver may arrange with Callidus, for the purpose of payment of the Debtors operating expenses and the reasonable fees and disbursements of the Receiver and its legal counsel.

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GENERAL

DATED AT TORONTO THIS 25<sup>th</sup> DAY OF OCTOBER 2013.

THIS COURT ORDERS that the Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

26. THIS COURT ORDERS that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtors.

27. 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 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 and 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.

28. THIS COURT ORDERS that the Receiver 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, and that the Receiver is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

29. THIS COURT ORDERS that the Applicant shall have its costs of this application, up to and including entry and service of this Order, provided for by the terms of the Applicant's security or, if not so provided by the Applicant's security, then on a substantial indemnity basis to be paid by the Receiver from the Debtors' estates with such priority and at such time as this Court may determine.

30. THIS COURT ORDERS that any interested party may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to the Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

THIS IS TO CERTIFY THAT THIS  
DOCUMENT, EACH PAGE OF  
WHICH IS SIGNATURED WITH THE  
SEAL OF THE SUPERIOR COURT  
OF JUSTICE AT TORONTO, IS A  
TRUE COPY OF THE DOCUMENT  
ON FILE IN THIS OFFICE

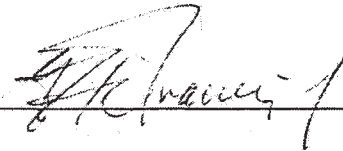
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31/296  
DATED AT TORONTO ON 31/296 THIS COURT ORDERS that confidential appendices 1, 2, 3 and 5 to the Report be and  
fait à Toronto le 31/296 are hereby sealed pending further Order of this Court.

ENREGISTRÉ AU GREFFE DE TORONTO  
CHIFFRE NO.  
LE / DANS LE REGISTRE NO.

OCT 29 2013



CALLIDUS CAPITAL CORPORATION  
Applicant

-and-

XCHANGE TECHNOLOGY GROUP LLC  
Respondents

Court File No. CV-13-10310-00CL

**ONTARIO**  
**SUPERIOR COURT OF JUSTICE**  
**PROCEEDING COMMENCED AT**  
**TORONTO**

**ORDER**

**DICKINSON WRIGHT LLP**

Barristers & Solicitors

199 Bay Street, Suite 2200

P.O. box 447 Commerce Court Postal Station

Toronto, ON M5L 1G4

**JOHN LESLIE**

LSUC Registration No. 29956P

Email: [jleslie@dickinsonwright.com](mailto:jleslie@dickinsonwright.com)

Tel: (416) 646-3801

**LISA S. CORNE**

LSUC Registration No. 27674M

EMAIL: [lcorne@dickinsonwright.com](mailto:lcorne@dickinsonwright.com)

Tel: (416) 646-4608

Fax: (416) 865-1398

Lawyers for the applicant