

Court File No.: 31-2551574  
Estate File No.: 31-2551574

**ONTARIO**  
**SUPERIOR COURT OF JUSTICE**  
**(COMMERCIAL LIST)**  
**(IN BANKRUPTCY AND INSOLVENCY)**

**IN THE MATTER OF THE *BANKRUPTCY AND INSOLVENCY ACT*,**  
**R.S.C. 1985, c. B-3, AS AMENDED**

**AND IN THE MATTER OF THE PROPOSAL OF WISP INTERNET SERVICES INC.,**  
**OF THE TOWNSHIP OF SCUGOG, IN THE PROVINCE OF ONTARIO**

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**MOTION RECORD**

---

January 20, 2020

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**the Proposal Trustee**

**TO: SERVICE LIST**

**ONTARIO**  
**SUPERIOR COURT OF JUSTICE**  
**(COMMERCIAL LIST)**  
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**OF THE TOWNSHIP OF SCUGOG, IN THE PROVINCE OF ONTARIO**

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# TAB 1

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**OF THE TOWNSHIP OF SCUGOG, IN THE PROVINCE OF ONTARIO**

**NOTICE OF MOTION**

Dodick Landau Inc. in its capacity as proposal trustee (“**Proposal Trustee**”), will make a motion to a judge presiding over the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) on January 28, 2020, at 10:00 a.m., or as soon as after that time as the motion can be heard, at 330 University Avenue, Toronto, Ontario.

**PROPOSED METHOD OF HEARING:** The motion will be heard orally.

**THE MOTION IS FOR:**

1. An order substantially in the form attached to Tab 3 of the Motion Record:
  - (a) abridging and validating the timing and method of service of this Notice of Motion and Motion Record herein and declaring that this motion is properly returnable on Tuesday, January 28, 2020, and dispensing with further service thereof;
  - (b) approving the proposal made by WISP Internet Service Inc. (“**WISP**”) pursuant to

the *Bankruptcy and Insolvency Act*, R.S.C., 1985, c. B-3 (“**BIA**”);

- (c) authorizing WISP and the Proposal Trustee to take all steps and actions necessary or appropriate to implement the proposal in accordance with its terms;
- (d) approving the First Report of the Proposal Trustee dated September 24, 2019, the Report on Proposal of the Proposal Trustee dated November 18, 2019, and the Second Report of the Proposal Trustee dated January 17, 2020 and the conduct and activities of the Proposal Trustee as described therein; and
- (e) such further and other relief as this Honourable Court may deem just.

**THE GROUNDS FOR THIS MOTION ARE:**

*General Overview*

1. WISP is in the business of delivering high-speed internet services to customers in rural communities in Ontario. WISP delivers its services through a network of communication towers located throughout Ontario.
2. On August 29, 2019, WISP filed a Notice of Intention to Make a Proposal (“**NOI**”) pursuant to the BIA.
3. On September 24, 2019, WISP sought and obtained approval of the Court to extend the time for filing its proposal and the stay of proceedings up to and including November 12, 2019.
4. On November 12, 2019, WISP filed a proposal with the Official Receiver. Based on feedback received from its general unsecured creditor group, WISP filed an amended

proposal with the Official Receiver on November 29, 2019.

5. On November 19, 2019, the Proposal Trustee gave notice to WISP, the Superintendent of Bankruptcy and to every known creditor affected by the proposal of a meeting of creditors to consider the proposal, scheduled to be held on December 3, 2019.
6. On December 3, 2019, a meeting of the creditors of WISP was held in Bowmanville, Ontario and presided over by the Proposal Trustee. At the meeting of creditors, further amendments were made to the proposal at the request of creditors. This further amended proposal (the “**Revised Amended Proposal**”) was accepted by a requisite majority of creditors comprising of approximately 74 percent in number and 75 percent in value of the creditors entitled to vote.
7. The Revised Amended Proposal was filed with the Official Receiver on December 11, 2019.
8. On December 5, 2019, the Proposal Trustee, through counsel, obtained the court date for the hearing of a motion to approve the Revised Amended Proposal. On January 3, 2020, the Proposal Trustee sent a notice of the hearing to WISP, every creditor who has proved a claim, and to the Official Receiver in accordance with s. 58 of the BIA.

*WISP's Revised Amended Proposal*

9. Capitalized terms not otherwise defined herein have the meanings ascribed to them in the Revised Amended Proposal.
10. The Revised Amended Proposal accepted by WISP's creditors provides, among other

things, that:

- (a) the Crown claims described at s. 60(1.1) of the BIA will be paid in full within six months of the date on which the Revised Amended Proposal is approved by this Court (the “**Court Approval Date**”);
  - (b) secured creditors will be paid within 12 months following the Effective Date and the payment of secured creditors shall be made outside of the Revised Amended Proposal;
  - (c) Preferred Claims will be paid in full, without interest, in priority to general unsecured claims;
  - (d) commencing on the first business day of the 13<sup>th</sup> month following the month of the Court Approval Date and for a nine-year period following, WISP will pay Proposal Payments to the Proposal Trustee up to \$2,250,000 for the benefit of the general unsecured creditor group, less administrative fees and expenses;
  - (e) distributions will be made to unsecured creditors twice per year. The exact timing of the two payments will be at the discretion of the Proposal Trustee based on the receipt of sufficient funds from WISP;
  - (f) all distributions are subject to the Superintendent’s Levy in accordance with the BIA;
2. In accordance with the Revised Amended Proposal, the Proposal Trustee is required make distributions in the following order of priority:



- (a) to pay Administrative Fees and Expenses;
  - (b) to establish a bankruptcy reserve of \$25,000 to be held in trust by the Proposal Trustee to fund the Administrative Costs of the company in the event of bankruptcy;
  - (c) to pay proven claims of Preferred Creditors other than those with Employee Preferred Claims who will be paid out of operating funds;
  - (d) to pay proven claims of General Unsecured Creditors.
11. Pursuant to the terms of the Revised Amended Proposal, those General Unsecured Creditors with Tower Agreements with WISP will have their agreements amended in accordance with Schedule A of the Revised Amended Proposal, and will receive increased rental payments in accordance with the Revised Amended Proposal.
12. General Unsecured Creditors with Unbuilt Tower Agreements will have their agreements terminated and shall be deemed to have entered into an Option Agreement granting WISP the option of building a tower on the owner's lands, in return for additional Option Payments.
13. At the request of certain creditors present at the meeting of creditors on December 3, 2019, WISP has also agreed to provide General Unsecured Creditors with an option to acquire their *pro rata* share of WISP's issued shares in accordance with Schedule F of the Revised Amended Proposal, up to 20% of WISP's issued shares and subject to a unanimous shareholders' agreement substantially in the form attached as Appendix "D" to the Second Report of the Proposal Trustee.

14. The Revised Amended Proposal is conditional upon Court approval.

*The Proposal Trustee Respectfully Requests that this Court Approve the Revised Amended Proposal*

15. The Revised Amended Proposal complies with the general scheme for proposals set out in the BIA. The terms of the Revised Amended Proposal are reasonable and for the general benefit of the creditors of WISP.

16. The Proposal Trustee has analyzed the net expected recovery to the General Unsecured Creditors based on the estimated value of the assets of WISP as at October 26, 2019, as set out in the Report on Proposal. The Proposal Trustee is of the view that the creditors of WISP will derive a greater benefit under the terms of the Revised Amended Proposal than would likely be realized in a bankruptcy of WISP.

17. The relief sought is appropriate under the circumstances. All statutory requirements for the approval of the Revised Amended Proposal by this Court have been met.

18. The BIA and this Court's equitable and statutory jurisdiction thereunder.

19. Rules 1.04, 2.03, 3.02, 16, 37 and 40 of the Rules of Civil Procedure, R.R.O. 1990, Reg. 194, as amended; and

20. Such further and other grounds as counsel may advise and this Honourable Court may permit.

**THE FOLLOWING DOCUMENTARY EVIDENCE** will be used at the hearing of the motion:

1. The First Report of the Proposal Trustee dated September 24, 2019;

2. The Report on Proposal of the Proposal Trustee dated November 18, 2019;
3. The Second Report of the Proposal Trustee, dated January 17, 2020;
4. Such further and other evidence as counsel may advise and this court may permit.

January 20, 2020

**BRAUTI THORNING LLP**  
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**Lawyers for the Dodick Landau Inc., the  
Proposal Trustee**

**TO: SERVICE LIST**

# TAB 2

Court File No. 31-2551574  
Estate No. 31-2551574

ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST

IN THE MATTER OF THE PROPOSAL OF  
WISP INTERNET SERVICES INC.  
OF THE TOWNSHIP OF SKUGOG  
IN THE PROVINCE OF ONTARIO

FIRST REPORT TO COURT OF PROPOSAL TRUSTEE

DATED SEPTEMBER 24, 2019

INTRODUCTION

1. On August 29, 2019 (the "**Filing Date**"), Wisp Internet Services Inc. ("**WISP**" or the "**Debtor**") filed with the Official Receiver a Notice of Intention ("**NOI**") to make a proposal to its creditors and named Dodick Landau Inc. ("**DLI**") as Proposal Trustee (the "**Proposal Trustee**"). Attached as **Appendix "A"** is the Certificate of Filing of the NOI.
2. Wisp provides wireless internet, television, home networking and home security services to communities in rural Ontario. Its head office is located at 180 Mary Street, Port Perry, Ontario, L9L 1C4. A further overview of the Debtor's business operations and financial difficulties which led to the filing of the NOI is set out in the Affidavit of Christopher Doyle sworn September 24, 2019 (the "**Doyle Affidavit**"), served and filed with the Court in support of the Debtor's motion for the relief set out herein.
3. All capitalized terms used in this Report but not otherwise defined shall have the meaning ascribed to such terms in the Doyle Affidavit.

4. This first report (the “**Report**”) of the Proposal Trustee is made in connection with the motion of the Debtor to:
  - i. abridge the time for service of the Notice of Motion, the Motion Record and this Report and dispensing with service on any other person other than those served;
  - ii. extend the time for filing a proposal, and extend the stay of proceedings granted upon the filing of the NOI, for a period of 45-days to, and including, November 12, 2019; and
  - iii. approve the activities of the Proposal Trustee as set out in this Report.

#### **DISCLAIMER**

5. In preparing this Report, the Proposal Trustee has relied upon certain unaudited, draft and/or internal financial information, the Company’s books and records, discussions with the management of the Company (“**Management**”) and information from other third-party sources (collectively, the “**Information**”). Except as described in this Report:
  - i. the Proposal Trustee has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with Generally Accepted Assurance Standards pursuant to the Canadian Institute of Chartered Accountants Handbook and, accordingly, the Proposal Trustee expresses no opinion or other form of assurance in respect of the Information;
  - ii. some of the information referred to in this Report consists of forecasts and projections. An examination or review of the financial forecast and projections, as outlined in the Canadian Institute of Chartered Accountants handbook, has not been performed; and

- iii. the Proposal Trustee has prepared this Report in its capacity as a Court appointed officer and has made a copy of this Report available on the Proposal Trustee's website at [www.dodick.ca](http://www.dodick.ca) for purposes of the Company's motion returnable September 27, 2019. Parties using this Report, other than for the purpose of the motion, are cautioned that it may not be appropriate for their purposes.
6. Future oriented financial information referred to in this Report was prepared based on Management's estimates and assumptions. Readers are cautioned that since projections are based upon assumptions about future events and conditions that are not ascertainable, the actual results will vary from the projections, even if the assumptions materialize, and the variations could be significant.
7. Unless otherwise stated, all monetary amounts contained herein are in Canadian dollars.

### **EXTENSION OF STAY OF PROCEEDINGS**

8. The Debtor is seeking an extension of the time for the filing of the proposal to and including November 12, 2019, for a total of 45 days.
9. The stay extension is required to provide the Debtor with the necessary time to be able canvass its creditors and negotiate a viable proposal.
10. The Proposal Trustee is of the view that the Debtor is acting in good faith and with due diligence in formulating and implementing a restructuring plan that would preserve its business and assets for the benefit of their stakeholders. Without the extension, the Debtor is not in a position to make a viable proposal to its creditors and will become bankrupt to the detriment of its stakeholders. In contrast, no creditor will be materially prejudiced if the extension applied for is granted. If the extension applied for is granted, the Debtor would likely have sufficient time to canvass its creditors and be able to make a viable proposal to its creditors.

## OVERVIEW OF THE DEBTOR'S WEEKLY CASH FLOW FORECAST

11. The Debtor, with the assistance of the Proposal Trustee, has prepared a thirteen-week cash flow forecast for the period of August 29, 2019 to November 30, 2019 ("**Cash Flow Forecast**"). A copy of the Cash Flow Forecast is attached hereto as **Appendix "B"** to this Report. The Cash Flow Forecast has been prepared by Management of the Debtor for the purpose of this motion, using probable and hypothetical assumptions set out in notes 1 to 10 attached to the Cash Flow Forecast. The Cash Flow Forecast reflects receipts and disbursements to be received or paid over the thirteen-week forecast period in Canadian dollars.
12. The Cash Flow Forecast projects that the Debtor will have sufficient liquidity to fund its expenses and the Proposal proceeding throughout the proposed extension of the stay of proceedings under the assumption that no tower rent will have to be paid until after a proposal is approved by the creditors and the Court.
13. The Proposal Trustee's review of the Cash Flow Forecast consisted of inquiries, analytical procedures and discussion related to information supplied to the Proposal Trustee by certain of the Management and employees of the Debtor. Since hypothetical assumptions need not be supported, the Proposal Trustee's procedures with respect to them were limited to evaluating whether they were consistent with the purpose of the Cash Flow Forecast. The Proposal Trustee has also reviewed the support provided by Management of the Debtor for the probable assumptions, and the preparation and presentation of the Cash Flow Forecast.
14. Based on the Proposal Trustee's review, nothing has come to its attention to cause it to believe that, in all material respects:
  - i. the hypothetical assumptions are not consistent with the purpose of the Cash Flow Forecast;



- ii. as at the date of this Report, the probable assumptions developed by Management are not suitably supported and consistent with the plans of the Debtor or do not provide a reasonable basis for the Cash Flow Forecast, given the hypothetical assumptions; or
  - iii. the Cash Flow Forecast does not reflect the probable and hypothetical Assumptions.
15. As described in the Disclaimer above, since the Cash Flow Forecast 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, the Proposal Trustee expresses no assurance as to whether the Cash Flow Forecast will be achieved. In addition, the Proposal Trustee expresses no opinion or other form of assurance with respect to the accuracy of financial information presented in the Cash Flow Forecast.
16. The Cash Flow Forecast has been prepared solely for the purpose described above, and readers are cautioned that it may not be appropriate for other purposes.

#### **CONCLUSION AND RECOMMENDATION**

17. The Proposal Trustee is of the view that the granting of the stay extension, will allow the Debtor sufficient time to canvass its creditors and negotiate a viable proposal.
18. Based on the foregoing, the Proposal Trustee respectfully recommends that the Court make an order granting the relief being requested by the Debtor pursuant to the BIA.

All of which is respectfully submitted this 24<sup>th</sup> day of September, 2019.

**DODICK LANDAU INC.**

Trustee re the Proposal of WISP Internet Services Inc.  
and not in its personal capacity.

Per:



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Rahn Dodick, CA, CPA, CIRP, LIT  
President

# **APPENDIX "A"**



Industry Canada  
Office of the Superintendent  
of Bankruptcy Canada

Industrie Canada  
Bureau du surintendant  
des faillites Canada

District of        Ontario  
Division No.     09 - Toronto  
Court No.        31-2551574  
Estate No.       31-2551574

In the Matter of the Notice of Intention to make a  
proposal of:

**Wisp Internet Services Inc.**  
Insolvent Person

**DODICK LANDAU INC.**  
Licensed Insolvency Trustee

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Date of the Notice of Intention:                          August 29, 2019

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CERTIFICATE OF FILING OF A NOTICE OF INTENTION TO MAKE A PROPOSAL  
Subsection 50.4 (1)

I, the undersigned, Official Receiver in and for this bankruptcy district, do hereby certify that the aforementioned insolvent person filed a Notice of Intention to Make a Proposal under subsection 50.4 (1) of the *Bankruptcy and Insolvency Act*.

Pursuant to subsection 69(1) of the Act, all proceedings against the aforementioned insolvent person are stayed as of the date of filing of the Notice of Intention.

Date: August 29, 2019, 14:31

E-File/Dépôt Electronique

Official Receiver

151 Yonge Street, 4th Floor, Toronto, Ontario, Canada, M5C2W7, (877)376-9902

Canada

# **APPENDIX "B"**

**WISP Internet Services Inc.**  
**Weekly Cash Flow Forecast**  
**For the period from August 29, 2019 to November 30, 2019**

Week Ending	Notes	Aug-29-19 to 7-Sep-19	14-Sep-19	21-Sep-19	28-Sep-19	05-Oct-19	12-Oct-19	19-Oct-19	26-Oct-19	02-Nov-19	09-Nov-19	16-Nov-19	23-Nov-19	30-Nov-19	TOTAL
<b>Receipts</b>															
Recurring Revenue	2	45,884	45,884	45,884	45,884	48,131	48,280	48,429	48,578	48,727	48,876	49,025	49,174	49,323	622,080
Non recurring Revenue	3	13,052	7,289	7,289	7,289	13,052	7,289	7,289	7,289	13,052	7,289	7,289	7,289	7,289	112,040
<b>Total Receipts</b>		<b>58,936</b>	<b>53,173</b>	<b>53,173</b>	<b>53,173</b>	<b>61,183</b>	<b>55,569</b>	<b>55,718</b>	<b>55,867</b>	<b>61,778</b>	<b>56,164</b>	<b>56,313</b>	<b>56,462</b>	<b>56,611</b>	<b>734,119</b>
<b>Disbursements</b>															
Direct Cost of sales	4	15,405	12,580	12,580	12,580	15,405	12,580	12,580	12,580	15,405	12,580	12,580	12,580	12,580	172,014
Indirect Cost of sales	5	10,355	14,570	7,240	12,599	10,419	14,630	7,304	12,666	10,279	14,830	7,319	12,681	5,685	140,578
Payroll	6	12,857	9,252	9,252	9,252	12,857	9,252	20,719	9,252	12,857	9,252	22,667	9,252	9,252	155,970
Occupancy Costs	7	5,855	1,000	3,500	1,000	5,705	250	2,750	250	5,705	250	2,750	250	250	29,515
G&A Expenses	8	800	2,050	50	2,050	800	2,050	50	2,050	9,929	3,050	50	50	13,553	36,531
<b>Total Disbursements</b>		<b>45,272</b>	<b>39,452</b>	<b>32,622</b>	<b>37,481</b>	<b>45,185</b>	<b>38,762</b>	<b>43,403</b>	<b>36,798</b>	<b>54,174</b>	<b>39,962</b>	<b>45,366</b>	<b>34,813</b>	<b>41,319</b>	<b>534,609</b>
<b>Net Cash flow from Operations</b>		<b>13,664</b>	<b>13,721</b>	<b>20,551</b>	<b>15,692</b>	<b>15,997</b>	<b>16,807</b>	<b>12,315</b>	<b>19,068</b>	<b>7,605</b>	<b>16,203</b>	<b>10,948</b>	<b>21,649</b>	<b>15,292</b>	<b>199,510</b>
<b>Bank Balance</b>															
Opening Cash Balance		7,076	20,740	34,460	55,011	70,703	86,700	103,507	115,821	134,890	142,494	158,697	169,645	191,294	7,076
Add: Net Cash Flow from Operations		13,664	13,721	20,551	15,692	15,997	16,807	12,315	19,068	7,605	16,203	10,948	21,649	15,292	199,510
<b>Closing Cash Balance from Operations</b>		<b>20,740</b>	<b>34,460</b>	<b>55,011</b>	<b>70,703</b>	<b>86,700</b>	<b>103,507</b>	<b>115,821</b>	<b>134,890</b>	<b>142,494</b>	<b>158,697</b>	<b>169,645</b>	<b>191,294</b>	<b>206,586</b>	<b>206,586</b>
Less: Restructuring Professional Fees & Disbursements	9	5,000	6,500	10,000	10,000	6,500	5,000	10,000	5,000	6,500	5,000	15,000	5,000	-	89,500
<b>Closing Cash Balance</b>		<b>15,740</b>	<b>22,960</b>	<b>33,511</b>	<b>39,203</b>	<b>48,700</b>	<b>60,507</b>	<b>62,821</b>	<b>76,890</b>	<b>77,994</b>	<b>89,197</b>	<b>85,145</b>	<b>101,794</b>	<b>117,086</b>	<b>117,086</b>

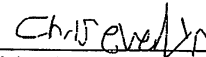
This statement of forecast cash flow of WISP Internet Services Inc. is prepared in accordance with section 50.4 (2) of the Bankruptcy and Insolvency Act and should be read in conjunction with the accompanying notes and Trustee's report on cash flow statement dated this the 6th day of September, 2019.

Dodick Landau Inc.



Per: \_\_\_\_\_  
Rahn Dodick, CPA, CA, CIRP, LIT

WISP Internet Services Inc.



Per: \_\_\_\_\_  
Chris Evelyn  
President

**WISP Internet Services Inc. (“WISP” or the “Company”)**  
Major Assumptions  
Cash Flow Forecast  
For the Period August 29, 2019 to November 30, 2019 (the “Period”)

1. WISP’s financial projections have been prepared for the purpose of meeting the requirements of the Bankruptcy and Insolvency Act. The Projection is based on the hypotheses that WISP will continue operations in the normal course and will generate sufficient cash flow to meet its ongoing operational needs.

Receipts:

2. Wisp sells high-speed internet access to rural Ontario residents. Wisp’s recurring revenue projections for the purposes of this cash flow are based on the Company’s existing number of internet subscribers at the average monthly billing per customer. A price increase for older subscribers, which goes into effect at the beginning of October, 2019, has been incorporated as well. The cash flow forecast assumes that the Company will add new subscribers each week based on its historic growth patterns. Recurring revenue also includes receipts from customers who pay a monthly rental fee for their internet equipment.
3. Non recurring revenue projections includes one-time payments by new subscribers who elect to purchase their internet equipment rather than pay the monthly rental fee noted above, as well as forecast receipts for special customer installations which are at times required by new subscribers in order to be able to receive internet into their homes.

Disbursements:

4. Direct cost of sales includes the hardware cost associated with the installation of internet into the homes of new subscribers as well as the cost special customer installations as required by new subscribers. Installation costs are forecast based on the Company’s historical installation costs. Also included in direct cost of sales is the cost of the Company’s primary internet feed, which it purchases from a master distributor. Lastly, included in this line item are regular purchases of hardware for subscribers who opt to rent their equipment rather than buy it.
5. Indirect cost of sales includes merchant fees for processing customer credit card payments, the Company’s customer management software, a bi-weekly payment for the Company’s help desk and sales support team, vehicle expenses, equipment lease costs and other rental costs. Tower rental costs are not included in this cash flow as the new restructured tower rental payments are forecast to start after the proposal is approved by the creditors and the Court which is outside the cash flow forecast period.
6. Payroll includes amounts for salaried and hourly employees who are paid weekly. Other payroll costs include source deduction remittances to Canada Revenue Agency (“CRA”) by the 15<sup>th</sup> of the following month, employee benefits and WSIB payments in the Period.

7. Occupancy expenses include WISP's insurance costs, utilities and office rents.
8. General and administrative expense include general office expenses, book keeping costs, and monthly HST remittances to CRA.
9. Professional fees include fees for the Company's legal counsel, the Proposal Trustee and its legal counsel for the Period.
10. The opening cash balance as of August 29, 2019 is \$7,076.



Court No. 31-2551574

Estate No. 31-2551574

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In the matter of the proposal of  
Wisp Internet Services Inc.  
of the town of Port Perry, in the Province of Ontario

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First Report to Court of Proposal Trustee

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Dodick Landau Inc. - Licensed Insolvency Trustee

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4646 Dufferin St., Suite 6  
Toronto ON M3H 5S4  
Phone: (416) 736-4357 Fax: (416) 649-7725

# TAB 3

Court File No. 31-2551574  
Estate File No. 31-2551574

IN THE MATTER OF THE PROPOSAL OF  
WISP INTERNET SERVICES INC.  
OF THE TOWNSHIP OF SCUGOG  
IN THE PROVINCE OF ONTARIO

REPORT OF TRUSTEE ON PROPOSAL

November 18, 2019

INTRODUCTION

1. On August 29, 2019 (the "**Date of Filing**"), Wisp Internet Services Inc. ("**WISP**" or the "**Company**") filed with the Official Receiver a Notice of Intention to Make a Proposal ("**NOI**") to its creditors and named Dodick Landau Inc. ("**DLI**") as Proposal Trustee (the "**Proposal Trustee**").
2. On September 24, 2019, in accordance with Section 50.4(9) of the Bankruptcy and Insolvency Act (the "**BIA**"), the Debtor sought and obtained approval from the Superior Court of Justice (the "**Court**") to extend the time for filing the Proposal, and the stay of proceedings up to and including November 12, 2019.
3. On November 12, 2019, pursuant to section 62 of the Bankruptcy and Insolvency Act (the "**BIA**" or the "**Act**"), WISP filed with the Official Receiver a proposal (the "**Proposal**").
4. The purpose of this report ("**Report**") is to provide information to the creditors of WISP (the "**Creditors**") to assist in their evaluation of the Proposal.
5. The Proposal has been developed to effect a restructuring of the indebtedness of the Company in the manner contemplated herein and as permitted by the Act in the expectation that all Creditors will derive a greater benefit from the restructuring and the continued operation of the business and affairs of the Company than would result from a bankruptcy of the Company.

6. **A meeting of the Creditors to consider the Proposal will be held at Tyrone Community Centre, located at 2716 Concession Road 7, Tyrone, Ontario, L1C 5W2, on December 3, 2019 at 11:00 a.m. (the “Creditors’ Meeting”). Details relating to the filing of claims, and other documents, prior to the Creditors’ Meeting, are outlined in the Report and will be mailed to each known creditor of WISP, or their duly appointed representative.**

#### **DISCLAIMER**

7. In preparing this Report, the Proposal Trustee has relied upon certain unaudited, draft and/or internal financial information, the Company’s books and records, discussions with the Company’s management (“**Management**”), Creditors and information from other third-party sources (collectively, the “**Information**”). Except as described in this Report:
- i) the Proposal Trustee has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with Generally Accepted Assurance Standards pursuant to the Canadian Institute of Chartered Accountants Handbook and, accordingly, the Proposal Trustee expresses no opinion or other form of assurance in respect of the Information;
  - ii) some of the information referred to in this Report consists of forecasts and projections. An examination or review of the financial forecast and projections, as outlined in the Canadian Institute of Chartered Accountants handbook, has not been performed; and
  - iii) the Proposal Trustee has prepared this Report in its capacity as a Court appointed officer and has made a copy of this Report available on DLI’s website at [\*\*www.dodick.ca\*\*](http://www.dodick.ca). Parties using this Report, other than for the purpose of evaluating the Proposal, are cautioned that it may not be appropriate for their purposes. DLI will continue to maintain on its website copies of any court orders, reports and other material public filings it considers relevant to this proceeding.
8. Future oriented financial information referred to in this Report was prepared based on Management’s estimates and assumptions. Readers are cautioned that since projections are based upon assumptions about future events and conditions that are not ascertainable, the actual results will vary from the projections, even if the assumptions materialize, and the variations could be significant.

9. The capitalized terms not defined in this report are defined in the Proposal and this Report should only be read in conjunction with the Proposal. While this Report summarizes key aspects of the Proposal, Creditors are advised to carefully read the Proposal in full. Should there be any discrepancy between the summary contained in this Report and the Proposal, the Proposal shall govern.
10. Unless otherwise stated, all monetary amounts contained herein are in Canadian dollars.

## **BACKGROUND**

### *Operations*

11. WISP was incorporated on April 27, 2009 under the laws of Ontario. WISP's registered office address is 4510 Concession Rd #5, Newtonville, Ontario and its registered mailing address is 180 Mary Street, Suite #10, Port Perry, Ontario. The Company's books and records are maintained at the Mary Street location.
12. WISP is in the business of delivering high-speed internet services to customers in rural communities in Ontario (the "**Business**"). WISP delivers its services through a network of communication towers strategically located throughout Ontario (the "**Towers**"). WISP's network currently includes 89 active Towers servicing approximately 2,100 customers.
13. Most Towers are built on private lands. In a typical arrangement, WISP will enter into a written agreement (each, a "**Tower Agreement**") with a landowner which provides, among other things, that:
  - i) the landowner will pay WISP a fixed fee to build a Tower on the landowner's lands;
  - ii) the landowner will grant WISP an exclusive right to access the lands for the purpose of building and maintaining the Tower and related equipment and use the Tower for the purpose of delivering high-speed internet services to Wisp's subscribers in the area; and
  - iii) WISP will pay to the landowner a monthly rent for the use of the tower and land for a period of twenty-years and will provide free internet access to the landowner throughout the term of the agreement.

14. WISP is currently a party to 105 Tower Agreements. The Tower Agreements can be divided into two groups:
- i) Tower Agreements in respect of lands on which WISP has built a Tower ("**Built Tower Agreements**"). WISP is currently a party to 52 Built Tower Agreements. These creditors are classified as Unsecured Creditor Group 1; and
  - ii) Tower Agreements in respect of lands on which WISP has yet to build a Tower ("**Unbuilt Tower Agreements**"). WISP is currently a party to 53 Unbuilt Tower Agreements. These creditors are classified as Unsecured Creditor Group 2.
15. WISP has ongoing rental obligations under both the Built Tower Agreements and the Unbuilt Tower Agreements. Wisp is proposing to restructure the Built and Unbuilt Tower Agreements.
16. In addition to the towers that are subject to Tower Agreements, WISP's network includes approximately an additional 35 towers that are either owned by WISP, with WISP paying rent to the landowners under land lease agreements ("**Land Leases**"), or are owned by third-parties, with WISP renting space on their towers ("**Tower Space Leases**"). Wisp is not proposing to restructure the Land or Tower Space Leases.

#### *Financial Results*

17. WISP has been unable to provide the Proposal Trustee with recent financial statements due to incomplete books and records. WISP has hired a Chartered Professional Accountant ("**CPA**") to update its books and records and to complete missing Canada Revenue Agency ("**CRA**") filings to ensure that WISP is compliant with its obligations to CRA. The Proposal Trustee has spoken with the CPA who has advised that she expects this work to be completed by end of December 2019. The Proposal Trustee has undertaken a review of WISP's cash flows commencing from the filing of the NOI. The Proposal Trustee's findings are summarized below.

## CAUSES OF FINANCIAL DIFFICULTIES

### *Storm Damage*

18. According to Management, in the spring of 2018, a series of storms caused significant damage to many of WISP's Towers, panels and equipment, resulting in nearly 75% of WISP's network temporarily going offline. The total cost of the damage was in the range of \$1.5 - \$2 million.
19. According to Management, WISP made an insurance claim in respect of the storm damage but, to date, has only received approximately \$175,000 in insurance proceeds. As a result, WISP did not have sufficient financial resources to repair and bring its network back online. During that time Wisp received funds from owners of lands to build new towers on their properties, as well as through high interest loans from various individuals. Wisp utilized these funds to finance the repairs to its tower network.
20. Further, in the aftermath of the network outage, according to Management, WISP lost nearly 25% of its customer base. This loss of revenue, combined with the significant cost to repair the tower network, caused a liquidity crisis for WISP and, as a result, Wisp ceased paying rent under the Built and Unbuilt Tower Agreements beginning on or around September 2018.

### *High Tower Rent*

21. As of August 29, 2019, WISP's monthly revenues were approximately \$200,000 and its monthly expenses were approximately \$240,000.
22. WISP's largest monthly expense is in respect of rental payments under the Tower Agreements. WISP's current customer base and revenue stream are not sufficient to support its current rental obligations under the Tower Agreements.
23. These problems are compounded by WISP's obligations under the Unbuilt Tower Agreements. As indicated above, WISP owes monthly rent to landowners but does not yet derive the benefit of a revenue-generating Tower under the Unbuilt Tower Agreements. Further, in its present financial circumstances, WISP does not yet have sufficient cash to fund the construction of additional Towers.

### *CRA Account Freeze*

24. In addition to the above issues, WISP has a deemed trust claim payable to CRA of \$292,575 which resulted in the CRA freezing WISP's bank account on or about May 22, 2019. The filing of the NOI lifts this freeze until such time as WISP is able to make a proposal that is approved by its creditors and the Court, after which the lifting of the freeze will remain in effect as long as WISP is not in default of the terms of its Proposal, which includes the Company paying CRA's deemed trust claim in full.

### **Secured and Unsecured Debt**

#### *Secured Creditors*

25. At the Date of Filing, Management has advised that Secured Creditors are owed approximately \$100,000 and the debt is owed to five known creditors, four of which are equipment leasing companies.

#### *Crown Claims*

26. The Proposal Trustee is now in receipt of a proof of claim filed by CRA. According to the proof of claim, at the Date of Filing, the Company was indebted to CRA for unremitted employee source deductions in the amount of \$292,575, inclusive of penalties and interest of \$55,142, ("**CRA Deemed Trust Claim**"). As of the date of this Report, the Company is current in remitting post-filing employee source deductions, and filing its returns, to CRA.

#### *Preferred Creditors*

27. As of the Date of Filing, Management has estimated that there are no Preferred Creditors' Claims.

#### *General Unsecured Creditors*

28. According to Management, WISP's General Unsecured Creditors' debt totaled approximately \$16.9 million at the Date of Filing the majority of which are comprised of damage claims associated with the restructuring of the Built and Unbuilt Tower Agreements in the Proposal ("**Damage Claims**"). To ensure that the claims process is accessible for General Unsecured Creditors with Tower Agreements, the Company, with the assistance of the Proposal Trustee, has calculated the Damage Claims for each landowner with a Built or Unbuilt Tower



Agreement and provided that calculation to the landowner, together with their Creditor package (the “**Illustrative Claim**”). Creditors agreeing with the Illustrative Claim may use it to prove their claim in the Proposal. A Creditor may file a claim for other amounts or using a different calculation if they are not in agreement with the Illustrative Claim as calculated by the Company. There are approximately 225 known General Unsecured Creditors including creditors with Built Tower Agreements, Unbuilt Tower Agreements, private lenders and unsecured trade creditors, and includes indebtedness to CRA for pre-NOI unremitted HST totalling approximately \$572,000.

## THE PROPOSAL

### *Class*

29. For the purpose of this Proposal, the Creditors of the Company are comprised of a single class of Creditors having Preferred Creditor Claims and/or General Unsecured Creditor Claims (the “**Class 1**”). Class 1 includes those who are in Unsecured Creditor Group 1 and Unsecured Creditor Group 2.
30. For greater certainty, the Creditors entitled to vote in Class 1 consist of Secured Creditors (to the extent of the amount of their Deficiency Claims), General Unsecured Creditors (i.e., creditors holding claims without priority under the BIA), Preferred Creditors pursuant to the BIA, and Her Majesty in right of Canada and any province for all amounts other than Crown Priority Claims (e.g. CRA Deemed Trust Claim). A General Unsecured Creditor may have a claim both in Unsecured Creditor Group 1 or Unsecured Creditor Group 2 as well as a claim as a general Unsecured Creditor. In such a case the Creditor has one vote in respect of the aggregate amount of its Claim.

### *Treatment of Claims*

31. Crown Priority Claims consist of all proven pre-filing claims of CRA, or any province, contemplated by section 60(1.1) of the BIA, including unremitted source deductions. According to the Proposal, Crown Priority Claims will be paid in full within six (6) months of the Court Approval Date, and will be paid in addition to the Funded Proposal Payments, to the Proposal Trustee and then remitted by the Proposal Trustee to CRA. As described above, according to Management, post-filing source deduction remittances and returns are current.

32. Secured Creditors shall be paid within 12 months following the Effective Date. The payment of Claims of Secured Creditors shall be made outside of this Proposal. Secured Creditors may only vote on questions relating to this Proposal as a General Unsecured Creditor in respect of the amount equal to such Secured Creditor's Proven Deficiency Claim.
33. Preferred claims are those claims set out in Section 136(1) of the BIA ("**Preferred Claims**").
34. Employee Preferred Claims, shall be paid in full, without interest, in priority to General Unsecured Claims out of additional operating funds to be delivered by the Company to the Proposal Trustee and shall be remitted by the Proposal Trustee to the entitled claimants, if any.
35. Any other proven Preferred Claims, if any, shall be paid in full, without interest, out of Funded Proposal Payments, in priority to General Unsecured Claims.
36. Proven General Unsecured Creditor Claims, after satisfaction of any priority claims, shall be paid *pro rata* out of the Funded Proposal Payments as set out below.

#### *Funding the Proposal*

37. Upon the full satisfaction of the Crown Claims and Preferred Claims, if any, the Company will cause to be paid to the Proposal Trustee, between months 13 and 120, cash instalments in the amount of \$62,500 every calendar quarter.
38. The Proposal Payments will be made over a nine (9) year period until an amount is paid to the Proposal Trustee equal to \$2,250,000 ("**Funded Proposal Payment**") less the Administrative Fees and Expenses. In addition to the Funded Proposal Payment, Unsecured Creditor Group 1 and Unsecured Creditor Group 2 will receive monthly Rental or Option Payments as discussed further herein.
39. The Company's obligation to commence funding the Funded Proposal Payments shall commence on the first Business Day of the 13<sup>th</sup> months following the month in which the Company obtains the Approval Order.

#### *Distribution*

40. Interim distributions of Funded Proposal Payments will be made to General Unsecured Creditors twice per year. The timing of the two annual dividend payments will be at the

discretion of the Proposal Trustee, when there are sufficient funds received from the Company and held in trust to make a distribution.

41. All distributions are subject to the Superintendent's Levy in accordance with the BIA.
42. The Funded Proposal Payments will be distributed by the Proposal Trustee in the following order of priority:
- i) *Administrative Fees and Expenses* - To fund all administrative fees and expenses of the Proposal Trustee, including the legal fees of the Proposal Trustee and the Company;
  - ii) *Bankruptcy Reserve* - To establish a reserve of \$25,000 to be held in trust by the Proposal Trustee, which amount shall be used to fund the administrative costs of the bankruptcy of the Company in the event that the Proposal is annulled and the Company becomes bankrupt, failing which such amount shall be distributed to the Creditors;
  - iii) *Proven Claims of Preferred Creditors* – To pay all Proven Preferred Claims other than Employee Preferred Claims, if any, which will be paid without interest; and
  - iv) *Proven Claims of General Unsecured Creditors* – The remainder will be distributed to all General Unsecured Creditors on account of Proven Unsecured Creditors and (ii) the Secured Creditors on account of Proven Deficiency Claims, without regard to whether the claims are claims of Secured or Unsecured Creditors.

*Unsecured Creditor Group 1*

43. All Tower Agreements shall be amended as outlined in the Proposal. In addition to being paid *pro rata* (equal) with other General Unsecured Creditors from the Funded Proposal Payment as set out below, under the Proposal this creditor group shall receive rental payments of \$200 per month commencing on the first month after the Effective Date ("**Rental Payments**"). Rental Payments shall increase to \$250 per month after all Funded Proposal Payments have been paid by the Company to the Proposal Trustee (after 120 months) and shall increase by

\$50 per month on the 5<sup>th</sup> and 10<sup>th</sup> anniversary of such date until the 20<sup>th</sup> anniversary of the Effective Date.

44. These property owners will also continue to receive free internet throughout the term of their Tower Agreement, which has a current value of approximately \$110 per month.

*General Unsecured Creditor Group 2*

45. All Unbuilt Tower Agreements shall be terminated. Each property owner shall be deemed to have entered into an option agreement granting the Company an option to build a Tower on the property owners lands in the future ("**Option Agreement**"). In addition to being paid *pro rata* (equal) Proposal payments with other General Unsecured Creditors, these creditors shall receive payments under the Option Agreements of \$200 per month on the first month after the Effective Date ("**Option Payments**"). Option Payments shall increase to \$250 per month after all Funded Proposal Payments have been paid by the Company to the Proposal Trustee (after 120 months) and shall increase by \$50 per month on the 5<sup>th</sup> and 10<sup>th</sup> anniversary of such date until the 20<sup>th</sup> anniversary of the Effective Date.
46. The Option Agreement shall not restrict a property owner's rights to enter into a new tower agreement with a third party. However, in the event a third party proposes to build a Tower on the property owner's lands, the Company shall have a right of first refusal to exercise, within 30 days' notice by the property owners, Wisp's right to build a tower on the owner's property. Once it has exercised its right, Wisp will be required to fund the construction of a tower on the landowner's property within a reasonable period of time, otherwise, it will lose such right. If Wisp decides not to exercise its right of first refusal to build a tower after receiving proper notice from the landowner, it will no longer be obliged to continue to pay the Option Payment to the landowner to maintain the option.

*Reporting by the Company*

47. During the Proposal period, the Company shall provide to the Proposal Trustee every three months commencing on first day of the month following the month in which the Approval Order is issued, a report containing the information set out below:
- i) a cash flow statement for the Company's actual cash flow for the business for the prior three months, a cash flow forecast for the business for the following three months and

a variance of actual as compared to forecast for the previous three months each calendar quarter;

- ii) evidence of the Company's filing and remittance of source deductions and HST; and
- iii) internally generated quarterly financial statements in addition to its annual financial statements and corporate tax return prepared by a CPA.

48. The Proposal Trustee shall monitor the Company's receipts and disbursements during the Performance of the Proposal and shall report to the Inspectors (discussed below) on any material variances in the Company's cash flows and business operations. The Proposal Trustee shall use its professional judgment in determining whether a variance is material, acting as it would under the Act in deciding whether to file a material adverse change report. The Proposal Trustee shall be entitled to rely on the legal advice of its counsel in making such determination.

*Minutes of Board Meetings*

49. Creditors will be entitled to receive, on request, a copy of the minutes of any meeting of the Company's board of directors.

*Inspectors*

50. At the meeting of the General Unsecured Creditors to be held to consider the Proposal, the Creditors may appoint one (1) or more but not exceeding five (5) persons to act as Inspectors whose powers will be limited to:
- i) advising the Proposal Trustee from time to time with respect to any matter that the Proposal Trustee may refer to them;
  - ii) advising the Proposal Trustee concerning any dispute which may arise as to the validity of Claims of Unsecured Creditors; and
  - iii) authorizing an extension of the time and/or the amount of payments due from the Company to the Proposal Trustee, or for payments due from the Proposal Trustee to the General Unsecured Creditors.
51. The powers of the Inspectors may be exercised by a majority of them.

52. The Company shall meet with the Inspectors on a quarterly basis throughout the Proposal period, with such meetings to be chaired by the Proposal Trustee and held via conference call.
53. The Company shall report to the Proposal Trustee and the Inspectors regarding its quarterly receipts and disbursements prior to each meeting as described above.
54. The Proposal Trustee may, in accordance with the BIA, apply to the Court regarding any decision, direction or act of the Inspectors and the Court may confirm, reverse or modify the decision, direction or act and make such order as it thinks just.

#### **OVERVIEW OF WISP WEEKLY CASH FLOW FORECAST**

55. Within 10-days from the filing of the NOI, WISP, with the assistance of the Proposal Trustee, prepared a cash flow forecast for the period from August 29, 2019 to November 30, 2019 ("**Cash Flow Forecast**"). A copy of the Cash Flow Forecast is attached hereto as **Appendix "A"** to this Report. The Cash Flow Forecast was prepared by Management of WISP in support of its insolvency proceedings, using probable and hypothetical assumptions set out in notes 1 to 10 attached to the Cash Flow Forecast. The Cash Flow Forecast reflects receipts and disbursements to be received or paid over the 13-week forecast period in Canadian dollars. An updated cash flow forecast for the period beyond November 30, 2019 is being prepared by the Company.
56. The Cash Flow Forecast projected that WISP will have sufficient liquidity to fund its expenses and the Proposal proceeding.
57. A critical assumption made in the Cash Flow Forecast is that WISP is expected to be able to operate within its available cash flow throughout the Proposal proceeding and not require interim financing.
58. The Cash Flow Variance, contained in **Appendix "B"**, shows that the forecast cash flow relative to the actual cash flow for the period from August 29, 2019 to October 26, 2019 included a negative net cash flow variance of approximately \$46,000 in the period. This negative net cash flow variance is primarily due to lower receipts in the period and higher professional fees than forecast. According to Management the lower receipts, relates primarily to fewer new subscribers than forecast which is partially due to WISP having a staffing shortage preventing the Company from being able to complete as many new

customer installations as requested.

59. The Proposal Trustee's review of the Cash Flow Forecast consisted of inquiries, analytical procedures and discussion related to information supplied to the Proposal Trustee by management of WISP. The Proposal Trustee's procedures with respect to hypothetical assumptions were limited to evaluating whether they were consistent with the purpose of the Cash Flow Forecast. The Proposal Trustee has also reviewed the support provided by management of WISP for the probable assumptions, and the preparation and presentation of the Cash Flow Forecast.
60. Based on the Proposal Trustee's review, nothing has come to its attention to cause it to believe that, in all material respects:
- i) the hypothetical assumptions are not consistent with the purpose of the Cash Flow Forecast;
  - ii) as at the date of this Report, the probable assumptions developed by management are not suitably supported and consistent with the plans of WISP or do not provide a reasonable basis for the Cash Flow Forecast, given the hypothetical assumptions; or
  - iii) the Cash Flow Forecast does not reflect the probable and hypothetical Assumptions.
61. As described in the Disclaimer above, since the Cash Flow Forecast 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, the Proposal Trustee expresses no assurance or opinion as to whether the Cash Flow Forecast will be achieved.
62. The Cash Flow Forecast has been prepared solely for the purpose described above, and readers are cautioned that it may not be appropriate for other purposes.

**LIQUIDATION ANALYSIS / ESTIMATED RECOVERY IN BANKRUPTCY***Liquidation Analysis*

63. In the event that the Proposal is not accepted by the Creditors or the Court and WISP is deemed bankrupt, the following liquidation analysis represents the estimated value of WISP's assets should its assets be sold out of bankruptcy.
64. The Proposal Trustee has relied on Management in determining the estimated liquidation values of the assets. The liquidation analysis was prepared at a point in time, being October 26, 2019. However, the value of the cash-on-hand and accounts receivable are changing as receivables are collected. Accordingly, in the event that the Company were to become bankrupt, the realizable value of the assets at that time may be different than presented herein.

**Summary of Estimated Liquidation Value  
As at October 26, 2019  
(000's)**

	Notes	Total
<b>Receipts</b>		
Cash		27,000
Accounts Receivable	1	150,000
Furniture		7,500
Machinery and equipment	2	416,000
Customer List	3	400,000
<b>Total Receipts</b>		<b>1,000,500</b>
<b>Disbursements</b>		
Administrative costs	4	10,625
<b>Total Disbursements</b>		<b>10,625</b>
<b>Net Cash Flow from Liquidation</b>		<b>\$ 989,875</b>

*Notes:*

- Accounts Receivable collections are assumed to be 100% collectible as the balance is net of all known bad debts.*
- Machinery and Equipment is based on the assumption that the equipment, which is located on Towers, will be sold in place and the new internet provider is able to enter into a rental agreement with the landowner. In the event that a going concern sale cannot be completed by a bankruptcy trustee and the equipment will need to be removed from the Towers its liquidation value would be significantly lower.*



3. *The value for the customer list is also based on the assumption that a going concern sale is completed. In the event that this is not possible the customer list's liquidation value would also be significantly lower.*
4. *Administrative costs consist of the retention of Management for a period of six weeks to assist with the ongoing operation of the Business until a sale to a third party can be completed.*

### Estimated Recovery – Bankruptcy vs. Proposal Scenario

65. The following chart (which is rounded to the nearest thousand dollars) sets out the net expected recovery to General Unsecured Creditors under a Bankruptcy/Liquidation scenario (“**Bankruptcy Scenario**”) and the Proposal scenario (“**Proposal Scenario**”). As can be seen below, the net estimated recovery to General Unsecured Creditors in the Bankruptcy Scenario is **3.3%** versus approximately **12.5%** under the Proposal Scenario.

<u>Estimated Recovery in a Liquidation Scenario</u>		<u>Estimated Recovery in a Proposal Scenario</u>	
Liquidation Value of Assets (based on a liquidation as calculated above)	990	Funded Proposal Payment (note 1)	2,250
Less: Crown Priority Claims - Deemed Trust Portion (note 2)	(237)	Less: Crown Priority Claims - Deemed Trust Portion (note 2)	n/a
Less: Secured Creditor Claim (note 3)	(110)	Less: Secured Creditor Claim (note 3)	n/a
Less: Employee Preferred Claims	n/a	Less: Employee Preferred Claims	n/a
Less: Estimated Professional fees and expenses (note 4)	(60)	Less: Estimated Professional fees and expenses (note 4)	(75)
Less: Superintendent's Levy (note 5)	(29)	Less: Superintendent's Levy (note 5)	(63)
Less: Ordinary Preferred Claims (note 5)	-	Less: Ordinary Preferred Claims (note 5)	-
Net amount available for General Unsecured Creditors	<u>554</u>	Net amount available for General Unsecured Creditors	<u>2,113</u>
Estimated Claims of General Unsecured Creditors	<u>16,946</u>	Estimated Claims of General Unsecured Creditors	<u>16,946</u>
Estimated Recovery to CRA for Crown Priority Claims	<u>100%</u>	Estimated Recovery to CRA for Crown Priority Claims from the Funded Proposal Payments	<u>n/a</u>
Estimated Recovery to Unsecured Creditors	<u>3.3%</u>	Estimated Recovery to General Unsecured Creditors	<u>12.5%</u>
		Estimated Recovery to General Unsecured Creditors before professional fees and superintendent's levy	<u>13.3%</u>

#### Notes:

1. *In addition to Creditors receiving their pro-rata share of the Funded Proposal Payments, creditors with Built and Unbuilt Tower Agreements will also be receiving monthly rental or option payments. In the event that the Proposal fails and WISP is liquidated in a bankruptcy, these payments may or may not continue depending on whether a going concern sale of all the assets can be completed by a bankruptcy trustee and whether the buyer wishes to*

*maintain these rental/option arrangements. Furthermore, if a new owner does require the tower network and is not just purchasing the subscriber base for its own network, it will likely not assume all Tower or Option Agreements.*

*According to the terms of the Proposal, in the event that the Proposal fails or the Company defaults in making a rental payment and does not remedy that default within 30-days from receipt of notice of default by the landowner, the tower and shed (defined as the "Works" in the Tower Agreements) shall transfer to the landowner, however, all equipment on the tower and in the shed shall remain the property of the Company. Practically, in a bankruptcy sale, a new owner will be required to enter into a new rental agreement with the landowner, otherwise, he will be required to remove his equipment from the tower and the shed.*

- 2. In the Bankruptcy Scenario, CRA's deemed trust for Crown Priority Claims only extends over the employee portion of deductions, not the employer contributions or the interest and penalties. In the Bankruptcy Scenario, the liability for employer contributions and interest and penalties would be a General Unsecured Claim. In the Proposal Scenario, CRA will receive 100% of its deemed trust entitlement, as it will be paid from funds derived from the Company's operations following Court Approval of this Proposal and paid by the Company to the Proposal Trustee from time to time.*
- 3. In the Bankruptcy Scenario, Secured Creditors will be paid from the Liquidation Value of the Company's assets while in the Proposal Scenario, Secured Creditors will be paid from funds derived from the Company's operations within 12 months of Court Approval.*
- 4. In a bankruptcy this amount represents a provision for the estimated professional fees to administer and sell the assets of the Company in a bankruptcy proceeding. In the case of the Proposal proceeding, professional fees include administering the Proposal before and after Court approval, which includes ongoing cash flow monitoring.*
- 5. The Superintendent's Levy is applicable to payments made to Preferred and General Unsecured Creditors in both the Bankruptcy and the Proposal Scenarios and is calculated as 5% of up to \$1.0 million of distributions and 1.25% of distributions over \$1.0 million and up to \$2.0 million. There is no levy on distributions over \$2.0 million in a Proposal.*

## **INFORMAL CREDITORS' MEETING**

66. On October 10, 2019, the Company invited its Creditors to an information meeting to discuss its NOI filing, to review draft proposed terms of its proposal, and to seek feedback from Creditors in advance of WISP finalizing the terms of its Proposal. The Company considered the feedback and recommendations provided by the Creditors at this meeting and incorporated the majority of the recommendations made by the creditors in its final Proposal.

## CREDITORS' MEETING/VOTING PROCEDURE AND CLASS OF CREDITORS

### *Creditors' Meeting/Voting Procedure*

67. The primary purpose of the Creditors' Meeting is to permit Creditors to vote on the acceptance or rejection of the Proposal. For the Proposal to be accepted, at least two-thirds (66.67%) of creditors by dollar value, and more than 50% of creditors by number, must vote in favour of the Proposal at the meeting either in person, by proxy or by mailing a voting letter to the Proposal Trustee in advance of the meeting. Only Creditors who actually vote are counted for the purpose of determining whether the necessary thresholds have been reached. Creditors related to WISP may not vote for the Proposal.
68. **To be eligible to vote on the Proposal, Creditors must have filed with the Proposal Trustee, before the Creditors' Meeting, an unsecured proof of claim form, as applicable, signed and witnessed as required and accompanied by proof which may include, a calculation of the claim amount, a statement of account or an affidavit in support of the claim. Those Creditors who do not intend to have a personal representative at the meeting, to be held on December 3, 2019, may complete and submit the voting letter which is enclosed in the creditor package prior to the Creditors' Meeting indicating their vote for or against the acceptance of the Proposal. A form of proxy is also available and included in the Creditor Package should a Creditor wish to appoint a proxy to represent them at the meeting. If the Proposal is not accepted by the required majorities of unsecured creditors, the Company will be deemed bankrupt.**
69. If the Proposal is accepted by the required statutory majorities referenced above, the Proposal Trustee will then make an application to the Court for approval of the Proposal. If the Court provides such approval ("**Approval Order**"), the Proposal will be binding on all Creditors and such Creditors, and their respective heirs, executors, administrators, successors and assigns, shall have no further Claim against the Company other than for the distributions provided in the Proposal.

### *Class of Creditors*

70. For purposes of considering, and voting on, the Proposal, and receiving a distribution pursuant to the Proposal, the Creditors are grouped into one class.

71. The Proposal does not compromise or otherwise affect certain creditor claims, specifically:
- a) claims for goods and/or services delivered to the Company on or after the Date of Filing, August 29, 2019, including Administrative Fees and Expenses;
  - b) Crown Claims; and
  - c) Proven Claims of Secured and Preferred Creditors (to the extent of their priority), if any, payable in priority to all claims of General Unsecured Creditors in accordance with the scheme of distribution set forth in the BIA.
72. Distributions to Creditors will be made as described in the "Distribution" section of this Report.

### **ALTERNATIVES TO THE PROPOSAL**

73. At the Creditors' Meeting, the Creditors are being asked by the Proposal Trustee to choose between two alternatives, namely accepting the Proposal, or rejecting the Proposal, which would result in the Company being deemed bankrupt.
74. For the reasons described above, the Proposal Trustee is of the view that the Proposal Scenario will produce a more favourable and certain result for the Creditors of WISP than would a sale of the assets in a bankruptcy.

### **CONDUCT OF WISP**

#### *Preference Transactions and Transfers at Undervalue*

75. The Proposal Trustee has not undertaken a detailed review for possible preference transactions or transfers at undervalue. The Proposal contemplates that Creditors will have the same rights to review the Company's transactions as are granted under sections 95 to 98 of the BIA to creditors in a bankruptcy proceeding.
76. Inspectors may authorize a review of these transactions by the Proposal Trustee on behalf of the Creditors. If either preferential transactions or transfers at undervalue are found to have taken place, it is possible that some of these transactions could be found to be void if Court proceedings were to be initiated by the Proposal Trustee.

### *Conduct Post-Filing*

77. Pursuant to Section 50(10) of the BIA, the Proposal Trustee is required to monitor the affairs of the Company until the Proposal is approved by the Court.
78. During the NOI Period, the Company worked diligently with the Proposal Trustee to prepare its Proposal, as well as to manage costs and continue operations. WISP is working diligently to complete the Proposal. WISP continues to operate its business and meeting its liquidity needs in order to be able to successfully implement the Proposal.

### **CREDITORS' CLAIMS**

79. To date, there have been two proven claims received by the Proposal Trustee including one from the CRA for \$865,032.74, which represents \$292,575.36 for unremitted payroll source deductions, \$12,316.76 on account of Corporate Tax and \$560,140.62 for HST. The corporate tax and HST claims are Unsecured Claims within the Proposal.

### **PREVIOUS BUSINESS DEALINGS WITH WISP**

80. The Proposal Trustee has not had any business dealings with WISP prior to its appointment as Proposal Trustee and is not in a conflict of interest.

### **SUMMARY COMMENTS/RECOMMENDATION**

81. For the reasons set out in this Report, it is the Proposal Trustee's opinion that:
  - a. the Proposal (excluding the Rental Payments and Option Payments, where applicable), will allow for a greater recovery to the General Unsecured Creditors of the Company than they would receive in a liquidation of the Company's assets in a bankruptcy proceeding; and
  - b. acceptance of the Proposal is in the best interest of the Creditors. If the Proposal is rejected by the Creditors, the Company will be deemed automatically bankrupt and it is uncertain what the actual realizable values of the assets will ultimately be in a bankruptcy.
81. Accordingly, the Proposal Trustee recommends that the Creditors vote in favour of the Proposal.

Yours very truly,

**DODICK LANDAU INC.**

Trustee *re* the Proposal of WISP Internet Services Inc.  
and not in its personal or corporate capacity.

Per:

A handwritten signature in blue ink, consisting of several fluid, connected strokes that form a stylized name.

---

Rahn Dodick, CPA, CA, CIRP, LIT


# APPENDIX "A"

**WISP Internet Services Inc.**  
**Weekly Cash Flow Forecast**  
**For the period from August 29, 2019 to November 30, 2019**

Week Ending	Notes	Aug-29-19 to 7-Sep-19	14-Sep-19	21-Sep-19	28-Sep-19	05-Oct-19	12-Oct-19	19-Oct-19	26-Oct-19	02-Nov-19	09-Nov-19	16-Nov-19	23-Nov-19	30-Nov-19	TOTAL
<b>Receipts</b>															
1	Recurring Revenue	41,995	41,995	41,995	41,995	44,228	44,364	44,499	44,635	44,770	44,906	45,042	45,177	45,313	570,913
3	Non recurring Revenue	13,052	7,289	7,289	13,052	7,289	7,289	7,289	7,289	13,062	7,289	7,289	7,289	7,289	112,040
	<b>Total Receipts</b>	<b>55,046</b>	<b>49,283</b>	<b>49,283</b>	<b>49,283</b>	<b>51,517</b>	<b>51,652</b>	<b>51,788</b>	<b>51,923</b>	<b>57,832</b>	<b>52,194</b>	<b>52,330</b>	<b>52,465</b>	<b>52,601</b>	<b>682,953</b>
<b>Disbursements</b>															
4	Direct Cost of sales	15,405	12,580	12,580	12,580	15,405	12,580	12,580	12,580	15,405	12,580	12,580	12,580	12,580	172,014
5	Indirect Cost of sales	10,256	14,473	7,143	12,502	10,321	14,532	7,206	12,568	10,180	14,731	7,219	12,581	5,585	136,299
6	Payroll	9,990	6,385	6,385	6,385	9,990	6,385	17,852	6,385	9,990	6,385	18,826	6,385	6,385	117,728
7	Occupancy Costs	5,855	1,000	3,500	5,705	5,705	250	2,750	250	5,705	250	2,750	250	250	29,515
8	GSA Expenses	800	2,050	50	2,050	800	2,050	50	2,050	8,190	3,050	50	50	11,356	32,996
	<b>Total Disbursements</b>	<b>42,308</b>	<b>36,488</b>	<b>29,658</b>	<b>34,517</b>	<b>42,221</b>	<b>35,797</b>	<b>40,438</b>	<b>33,633</b>	<b>49,469</b>	<b>36,996</b>	<b>41,425</b>	<b>31,646</b>	<b>36,156</b>	<b>491,152</b>
	<b>Net Cash flow from Operations</b>	<b>12,738</b>	<b>12,795</b>	<b>19,625</b>	<b>14,767</b>	<b>15,059</b>	<b>15,855</b>	<b>11,350</b>	<b>18,091</b>	<b>8,363</b>	<b>15,199</b>	<b>10,905</b>	<b>20,619</b>	<b>16,445</b>	<b>191,801</b>
<b>Bank Balance</b>															
	Opening Cash Balance	7,076	19,814	32,610	52,335	67,002	82,060	97,915	109,265	127,356	135,709	150,908	161,812	182,431	7,076
	Add: Net Cash Flow from Operations	12,739	12,795	19,625	14,767	15,059	15,855	11,350	18,091	8,363	15,199	10,905	20,619	16,445	191,801
	<b>Closing Cash Balance from Operations</b>	<b>19,814</b>	<b>32,610</b>	<b>52,335</b>	<b>67,002</b>	<b>82,060</b>	<b>97,915</b>	<b>109,265</b>	<b>127,356</b>	<b>135,709</b>	<b>150,908</b>	<b>161,812</b>	<b>182,431</b>	<b>198,877</b>	<b>198,877</b>
	Less: Restructuring Professional Fees & Disbursements	5,000	6,500	10,000	10,000	6,500	5,000	10,000	5,000	6,500	5,000	15,000	5,000	5,000	89,500
	<b>Closing Cash Balance</b>	<b>14,814</b>	<b>26,110</b>	<b>42,335</b>	<b>57,002</b>	<b>75,560</b>	<b>92,915</b>	<b>99,265</b>	<b>122,356</b>	<b>129,209</b>	<b>145,908</b>	<b>146,812</b>	<b>177,431</b>	<b>193,877</b>	<b>109,377</b>

This statement of forecast cash flow of WISP Internet Services Inc. is prepared in accordance with section 50.1 (2) of the Bankruptcy and Insolvency Act and should be read in conjunction with the accompanying notes and Trustee's report on cash flow statement filed this the 6th day of September, 2019.

Dudrick Landau Inc. WISP Internet Services Inc.

Per:  Per: 

Rahn Dudrick, CPA, CA, CFP, LIT Chris Evelyn  
President



**WISP Internet Services Inc. (“WISP” or the “Company”)**  
Major Assumptions  
Cash Flow Forecast  
For the Period August 29, 2019 to November 30, 2019 (the “Period”)

1. WISP’s financial projections have been prepared for the purpose of meeting the requirements of the Bankruptcy and Insolvency Act. The Projection is based on the hypotheses that WISP will continue operations in the normal course and will generate sufficient cash flow to meet its ongoing operational needs.

Receipts:

2. Wisp sells high-speed internet access to rural Ontario residents. Wisp’s recurring revenue projections for the purposes of this cash flow are based on the Company’s existing number of internet subscribers at the average monthly billing per customer. A price increase for older subscribers, which goes into effect at the beginning of October, 2019, has been incorporated as well. The cash flow forecast assumes that the Company will add new subscribers each week based on its historic growth patterns and assumes an amount for bad debt for customer credit cards that can not be processed. Recurring revenue also includes receipts from customers who pay a monthly rental fee for their internet equipment.
3. Non recurring revenue projections includes one-time payments by new subscribers who elect to purchase their internet equipment rather than pay the monthly rental fee noted above, as well as forecast receipts for special customer installations which are at times required by new subscribers in order to be able to receive internet into their homes.

Disbursements:

4. Direct cost of sales includes the hardware cost associated with the installation of internet into the homes of new subscribers as well as the cost special customer installations as required by new subscribers. Installation costs are forecast based on the Company’s historical installation costs. Also included in direct cost of sales is the cost of the Company’s primary internet feed, which it purchases from a master distributor. Lastly, included in this line item are regular purchases of hardware for subscribers who opt to rent their equipment rather than buy it.
5. Indirect cost of sales includes merchant fees for processing customer credit card payments, the Company’s customer management software, a bi-weekly payment for the Company’s help desk and sales support team, vehicle expenses, equipment lease costs and other rental costs. Tower rental costs are not included in this cash flow as the new restructured tower rental payments are forecast to start after the proposal is approved by the creditors and the Court which is outside the cash flow forecast period.

6. Payroll includes amounts for salaried and hourly employees who are paid weekly. Other payroll costs include source deduction remittances to Canada Revenue Agency ("CRA") by the 15<sup>th</sup> of the following month, employee benefits and WSIB payments in the Period.
7. Occupancy expenses include WISP's insurance costs, utilities and office rents.
8. General and administrative expense include general office expenses, book keeping costs, and monthly HST remittances to CRA.
9. Professional fees include fees for the Company's legal counsel, the Proposal Trustee and its legal counsel for the Period.
10. The opening cash balance as of August 29, 2019 is \$7,076.

# **APPENDIX “B”**

**WISP Internet Services Inc.**

Variance Analysis for the period from August 29, 2019 to October 26, 2019

(Unaudited; \$C)

	Note	Projected	Actual	Variance
<b>Total Receipts</b>	1	415,540	378,558	(36,982)
<b>Disbursements</b>				
Direct Cost of sales	2	106,290	77,423	(28,867)
Indirect Cost of sales		89,003	100,223	11,220
Payroll		69,757	66,768	(2,989)
Occupancy Costs	3	20,310	38,198	17,888
G&A Expenses		9,900	12,347	2,447
<b>Total Disbursements</b>		295,259	294,960	(300)
<b>Net Cash flow from Operations</b>		120,281	83,598	36,682
<b>Cash Balance</b>				
Opening Cash Balance		7,076	8,792	(1,716)
Add: Net Cash Flow from Operations		120,281	83,598	(36,682)
Closing Cash Balance from Operations		127,356	92,390	(38,399)
Less: Restructuring Professional Fees & Disbursements	4	58,000	65,142	(7,142)
<b>Closing Cash Balance</b>		69,356	27,248	(45,541)

**Notes**

1. The decrease in revenue is primarily attributed to WISP being able to complete fewer new customer installations than forecast due to staffing shortages. New customers result in one time installation revenue equal to approximately \$500 per install as well as a monthly subscriber fee going forward.
2. The decrease in cost of sales is due to lower direct material purchases on account of the lower than forecast new customer installations.
3. The increase is primarily due to higher insurance cost in the period than forecast. This difference is due to higher upfront payments than forecast and should be offset by lower payments in future periods.
4. Professional fees in the period are higher than forecast primarily due to the informal creditors meeting which took place in the period and which cost was not included in the original forecast.

# TAB 4

Court File No. 31-2551574  
Estate No. 31-2551574

ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST

IN THE MATTER OF THE PROPOSAL OF  
WISP INTERNET SERVICES INC.  
OF THE TOWNSHIP OF SKUGOG  
IN THE PROVINCE OF ONTARIO

SECOND REPORT TO COURT OF PROPOSAL TRUSTEE

DATED JANUARY 17, 2020

INTRODUCTION

1. On August 29, 2019 (the "**Filing Date**"), Wisp Internet Services Inc. ("**WISP**", the "**Company**" or the "**Debtor**") filed with the Official Receiver a Notice of Intention ("**NOI**") to make a proposal to its creditors and named Dodick Landau Inc. ("**DLI**") as Proposal Trustee (the "**Proposal Trustee**"). Attached as **Appendix "A"** is the Certificate of Filing of the NOI.
2. On September 24, 2019, in accordance with Section 50.4(9) of the *Bankruptcy and Insolvency Act* (Canada) (the "**BIA**"), the Debtor sought and obtained approval from the Ontario Superior Court of Justice (Commercial List) (the "**Court**") to extend the time for filing the Proposal, and the stay of proceedings herein, to and including November 12, 2019.
3. On November 12, 2019, pursuant to section 62 of the Act BIA, WISP filed with the Official Receiver a proposal (the "**Proposal**"). On November 29, 2019, on account of feedback received from its General Unsecured Creditors, WISP filed with the Official Receiver an amended proposal (the "**Amended Proposal**"). On December 3, 2019, during the meeting of creditors a further and final amendment

was made to the Amended Proposal ("**Revised Amended Proposal**"). The Revised Amended Proposal was filed with the Official Receiver on December 11, 2019 and a copy is attached hereto as **Appendix "B"**.

4. On November 19, 2019, the Proposal Trustee gave notice to the debtor, the division office and to every known creditor (whose names and addresses appear in such notice) of the calling of a meeting of creditors to be held on December 3, 2019 to consider the Proposal. With such notice was included a condensed statement of the assets and liabilities of WISP, a list of creditors affected by the Proposal and having claims of \$250 or more and showing the amount of their claims, a copy of the Proposal, proof of claim form, proxy and voting letter, as well as the Trustee's Report on Proposal ("**Trustee's Report to Creditors**"). A copy of the complete notice and creditors' package is attached hereto as **Appendix "C"**.
5. Prior to the creditors' meeting, the Proposal Trustee made a detailed inquiry into the liabilities of the Company, the Company's assets and the causes of the Company's insolvency.
6. The Trustee's Report to Creditors included background information on WISP, causes of its financial difficulties, information on secured and unsecured debt, a description of the Proposal, a liquidation analysis, as well as information on the conduct of the Company. Therefore, the Proposal Trustee has not duplicated this information in this Report to Court (the "**Report**") and would refer the Court to the Trustee's Report to Creditors included in the Creditors' Package (Appendix "C") for this information.
7. At the meeting of the creditors on December 3, 2019, the requisite majority of creditors voted in favour of the Revised Amended Proposal.
8. The Revised Amended Proposal has been developed to effect a restructuring of the business and affairs of the Company with the expectation that all existing creditors will derive a greater benefit from the restructuring and the continued operation of the business and affairs of the Company than would result from a bankruptcy of the Company.

9. The purpose of the Report is to support the Proposal Trustee's request for the Court to grant orders:
- i. approving the Revised Amended Proposal; and
  - ii. authorizing the Proposal Trustee and the Company to take all steps necessary to implement the Revised Amended Proposal.

## DISCLAIMER

10. In preparing this Report, the Proposal Trustee has relied upon certain unaudited, draft and/or internal financial information, the Company's books and records, discussions with the management of the Company ("**Management**") and information from other third-party sources (collectively, the "**Information**"). Except as described in this Report:
- i. the Proposal Trustee has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with Generally Accepted Assurance Standards pursuant to the Canadian Institute of Chartered Accountants Handbook and, accordingly, the Proposal Trustee expresses no opinion or other form of assurance in respect of the Information;
  - ii. some of the information referred to in this Report consists of forecasts and projections. An examination or review of the financial forecast and projections, as outlined in the Canadian Institute of Chartered Accountants handbook, has not been performed; and
  - iii. the Proposal Trustee has prepared this Report in its capacity as a Court appointed officer and has made a copy of this Report available on the Proposal Trustee's website at [www.dodick.ca](http://www.dodick.ca) for purposes of the Company's motion returnable January 28, 2020. Parties using this Report, other than for the purpose of the motion, are cautioned that it may not be appropriate for their purposes.



11. Future oriented financial information referred to in this Report was prepared based on Management's estimates and assumptions. Readers are cautioned that since projections are based upon assumptions about future events and conditions that are not ascertainable, the actual results will vary from the projections, even if the assumptions materialize, and the variations could be significant.
12. Unless otherwise stated, all monetary amounts contained herein are in Canadian dollars.

### **MEETING OF CREDITORS**

13. As described above, on November 19, 2019, the Proposal Trustee gave notice to the Company, to the division office and to every known creditor affected by the Proposal of the calling of a meeting of creditors (the "**Creditors' Meeting**") to be held on December 3, 2019 to consider the Proposal. The Creditors' Meeting to consider the Proposal was held at 2716 Concession Road 7, Tyrone, Ontario, L1C 5W2 on December 3, 2019, and was presided over by Mr. Rahn Dodick of Dodick Landau Inc.
14. Details relating to the filing of claims, and other documents, were outlined in the creditor package mailed to each known creditor of the Company, or their duly appointed representative on November 19, 2019.
15. Mr. Dodick acted as the chair (the "**Chair**"), Naomi Lieberman acted as the secretary, and Ms. Brenda McKnight and Ms. Janet Moore acted as the scrutineers (the "**Scrutineers**"), of the Creditors' Meeting.
16. The Scrutineers reported that a quorum was present at the Creditors' Meeting and accordingly, the Chair declared that the Creditors' Meeting was properly constituted.
17. At the Creditors' Meeting the Chair advised that the Company's Proposal had been amended to include the changes outlined below. Copies of the Amended Proposal, blacklined against the Proposal, were available for creditors review at the Creditors' Meeting and the amendments were reviewed by the Chair during the Creditors' Meeting. All the amendments in the Amended Proposal are considered

enhancements to the Proposal for the general benefit of the creditor group. The Amended Proposal was filed on November 29, 2019 and contained the changes outlined below:

- i. The Tower Agreements fixed term was reduced from 20 years to 10 years, and shall be automatically renewed for two additional 5 year terms, unless the Property Owner provides notice to the contrary. On or before the 9<sup>th</sup> anniversary and 14<sup>th</sup> anniversary of the Effective Date each Property Owner shall have the right to terminate their Tower Agreement by providing 12 months' written notice to WISP;
- ii. Rental Payments shall be adjusted annually based on WISP's customer base measured on each anniversary of the Effective Date. Annual rent adjustments shall be calculated as follows:
  - a. if WISP has a customer base of 3,000 active customers on the anniversary of the Effective Date, Rental Payments shall increase from \$200 per month to \$250 per month for the next calendar year; and
  - b. thereafter, Rental Payments shall be adjusted annually (upward or downward) in the amount of \$50 per 750 additional active customers.
- iii. General Unsecured Creditors with a Proven Claim shall receive, in addition to their pro rata share of \$2,250,000, an option to acquire their pro rata share of the pool of shares of WISP to be made available to General Unsecured Creditors which includes up to 20% of the Company's shares. A draft of the Unanimous Shareholders Agreement was prepared by the Debtor's legal counsel and provided to the Proposal Trustee on January 15, 2020 for inclusion in its motion materials and is attached as **Appendix "D"**. The Proposal Trustee is of the view that the proposed agreement is consistent with the terms of the Revised Amended Proposal.

**Results of the Vote on Acceptance of the Proposal**

18. A creditor, in attendance at the Creditors' Meeting, requested a further amendment to the Amended Proposal, which was accepted by the Company. This further amendment incorporated the following statement to paragraph 11 of the Amended Proposal: "From December 4, 2019 WISP covenants to not grant any security interest in the Works as defined in the applicable Tower Agreement."
19. A motion to consider a resolution to approve the Revised Amended Proposal was proposed at the Creditors' Meeting (the "**Resolution**"). The Resolution tabled at the meeting was as follows:
- "Be and it is hereby resolved to accept the Revised Amended Proposal of WISP Internet Services Inc. dated December 3, 2019, and, if approved, the Proposal Trustee and WISP Internet Services Inc. to take all necessary steps to implement the terms of the Revised Amended Proposal."
20. The resolution was tabled and the motion to consider the resolution was made by the Creditors. The Scrutineers tabulated the results of the vote, and the Chair reported the results at the Creditors' Meeting.
21. The Creditors, or their proxy holders, at the Creditors' Meeting voted on the Resolution to approve the Revised Amended Proposal as follows:

	For		Against	
	#	\$	#	\$
Creditors having a voting claim voting in person, by proxy or by voting letter	70	\$9,723,482	25	\$3,277,489
Percentage of the total votes	73.68%	74.79%	26.32%	25.21%

22. In summary, a majority in number representing in excess of two-thirds in value of the Creditors holding proven claims and voting in person or by proxy at the Creditors' Meeting, or by voting letter in advance of the Creditors' Meeting, voted in favour of the Resolution to approve the Revised Amended Proposal. Copies of the minutes of the Creditors' Meeting (with only voting register appendix) are attached as **Appendix "E"**.
23. By January 7, 2020, the Proposal Trustee sent the Notice of Hearing of Application for Court Approval of Amended Proposal (Form 40.1) (the "**Notice**") to the Debtor and to all known creditors of the Debtor. Attached hereto as **Appendix "F"** is a true copy of the Affidavit of Mailing of Brenda McKnight, together with a copy of the Notice.

### ***Approval of the Proposal***

24. The BIA requires the Revised Amended Proposal be approved by the Court following approval by the requisite majorities of Creditors by class. As such, the Proposal Trustee requests that the Court issue an order approving the Revised Amended Proposal.
25. The Proposal Trustee is not aware of the Company having committed any of the offences set out in sections 198-200 of the BIA.

### **TOWER AGREEMENTS**

26. Subsequent to obtaining creditor approval of its Proposal, two landowners, subject to Tower Agreements, wrongfully took possession of their Towers and entered into arrangements of internet access with another provider. These actions have been disruptive to WISP's operations as a minority of its customers were temporarily cut off from WISP's internet service for a period of time and costs have been incurred by WISP to ensure services could resume to these customers. These two incidents are detailed below.

**DCI**

27. DCI is a party to a Tower Agreement with WISP ("**DCI Tower Agreement**"), which is dated April 19, 2018, in connection with a tower built on DCI's property in December 2018 ("**DCI Tower**") and includes WISP's exclusive right to its use. DCI wrote to WISP on December 4, 2019, advising that it: (i) had "automatically" taken possession and ownership of the DCI Tower; (ii) had entered into an arrangement of internet access with another provider; and (iii) if WISP attempted to enter the property, "authorities would be contacted immediately".
28. As of December 4, 2019 DCI had disconnected WISP's equipment from the DCI Tower such that WISP could no longer provide internet access to a group of its customers and had allowed one of WISP's competitors to access and "plug-in" to the DCI Tower in breach of the DCI Tower Agreement.
29. On December 4, 2019, WISP's legal counsel wrote to DCI advising that DCI had breached the stay of proceedings and demanding that DCI immediately reconnect WISP's access to the DCI tower. On December 5, 2019, DCI responded with a letter confirming their position refusing to grant WISP access to the DCI Tower.
30. On December 6, 2019, WISP sought and was granted an interim and interlocutory Order directing DCI to provide WISP access and exclusive rights to use the DCI Tower pending the return of the Proposal Trustee's motion for Court approval of the Revised Amended Proposal. A copy of the Order and related Endorsement of Justice Pattillo is attached as **Appendix "G"**.
31. DCI has complied with the Court order and WISP restored service to its affected customers by December 7, 2019.

**Stonedge**

32. Stonedge Farms Ltd. ("**Stonedge**") is a party to a Tower Agreement with WISP ("**Stonedge Tower Agreement**") dated June 5, 2017, in connection with a tower built on Stonedge's property in 2017 ("**Stonedge Tower**") and includes WISP's

exclusive right to use of the Stonedge Tower.

33. On or about December 27, 2019, Stonedge disconnected WISP's equipment from the Stonedge Tower such that WISP could no longer provide internet access to certain of its active clients and had allowed one of WISP's competitors to access and "plug-in" to the Stonedge Tower in breach of the Stonedge Tower Agreement.
34. On December 27, 2019, WISP's legal counsel wrote to Stonedge advising that Stonedge was in breach of the stay of proceedings and demanding that Stonedge immediately reconnect WISP's access to the Stonedge tower. Access was not restored.
35. On January 6, 2020, WISP sought and received an interim and interlocutory Order directing Stonedge to provide WISP access and exclusive rights to use the Stonedge Tower and service WISP's customers pending the return of the Proposal Trustee's motion for Court approval of the Revised Amended Proposal. In addition, the Court permitted WISP to reserve the right to seek costs it had incurred as a result of Stonedge disconnecting the Stonedge Tower. A copy of the Order of Justice Conway and related Endorsement is attached as **Appendix "H"**.
36. Stonedge has complied with the Court's order and WISP restored internet service to its affected customers by January 7, 2020.
37. As a result of the temporary disconnections of the DCI and Stonedge Towers, WISP was required to provide credits and refunds to certain affected customers totaling approximately \$10,000, and a nominal number of customers chose to cancel service amounting to approximately \$1,000 per month in lost subscriptions.

## **CONDUCT OF THE DEBTOR**

### *Preference Transactions and Transfers at Undervalue*

38. The Revised Amended Proposal contemplates that Creditors will have the same rights to review the Company's transactions as are granted under sections 95 to 98 of the BIA to creditors in a bankruptcy proceeding.

39. Inspectors may authorize a review of these transactions by the Proposal Trustee on behalf of the Creditors. If either preferential transactions or transfers at undervalue are found to have taken place, it is possible that some of these transactions could be found to be void if Court proceedings were to be initiated by the Proposal Trustee. The Proposal Trustee will be discussing with the Inspectors appointed at the Creditors' Meeting whether they would like the Proposal Trustee to carry out any investigations.

*Conduct Post-Filing*

40. Pursuant to Section 50(10) of the BIA, the Proposal Trustee is required to monitor the affairs of the Company until the Revised Amended Proposal is approved by the Court.
41. During the NOI period, the Company worked diligently with the Proposal Trustee to prepare its Revised Amended Proposal, as well as to manage costs and continue operations. The Company is working diligently to discharge its obligations under the Revised Amended Proposal. The Company continues to actively solicit new business to improve its cash flow and meet its liquidity needs in order to be able to successfully implement the Revised Amended Proposal. The Company is current on its post-filing HST and payroll filings and remittances to the Canada Revenue Agency.
42. During the Proposal period, the Company shall provide to the Proposal Trustee every three months commencing on first day of the month following the month in which the Approval Order is issued, a report containing the information set out below:
- i. a cash flow statement for the Company's actual cash flow for the business for the prior three months, a cash flow forecast for the business for the following three months and a variance of actual as compared to forecast for the previous three months each calendar quarter;
  - ii. evidence of the Company's filing and remittance of source deductions and HST;  
and

iii. internally generated quarterly financial statements in addition to its annual financial statements and corporate tax return prepared by a CPA.

43. The Proposal Trustee shall monitor the Company's receipts and disbursements during the Performance of the Proposal and shall report to the Inspectors, on any material variances in the Company's cash flows and business operations. The Proposal Trustee shall use its professional judgment in determining whether a variance is material, acting as it would under the BIA in deciding whether to file a material adverse change report. The Proposal Trustee shall be entitled to rely on the legal advice of its counsel in making such determination.

#### **OVERVIEW OF THE DEBTOR'S WEEKLY CASH FLOW FORECAST**

44. The Debtor, with the assistance of the Proposal Trustee, has prepared a twelve-week cash flow forecast for the period of January 5, 2020 to March 28, 2020 ("**Cash Flow Forecast**"). A copy of the Cash Flow Forecast is attached hereto as **Appendix "I"** to this Report. The Cash Flow Forecast has been prepared by Management of the Debtor for the purpose of this motion using probable and hypothetical assumptions set out in notes 1 to 12 attached to the Cash Flow Forecast. The Cash Flow Forecast reflects receipts and disbursements to be received or paid over the twelve-week forecast period in Canadian dollars.

45. The Cash Flow Forecast projects that the Debtor will have sufficient liquidity to fund its expenses after the Proposal approval motion and through the end of Q1 of 2020.

46. The Cash Flow Variance, also contained in Appendix "I", showing the forecast cash flow relative to the actual cash flow for the period from August 29, 2019 to November 30, 2019 included a negative net cash flow variance of approximately \$89,000 in that period. The negative net cash flow variance is primarily due to lower receipts in the period and higher professional fees than forecast. According to Management, the lower receipts relate in part to fewer new subscribers than forecast which is partially attributed to WISP having a staff shortage preventing the



Company from being able to complete as many new customer installations as requested, as well as an accumulation of expired customer credit cards which the Company is in the process of remedying by obtaining the updated credit card information from those customers.

47. The Proposal Trustee's review of the Cash Flow Forecast consisted of inquiries, analytical procedures and discussion related to information supplied to the Proposal Trustee by certain of the Management and employees of the Debtor. Since any hypothetical assumptions need not be supported, the Proposal Trustee's procedures with respect to them were limited to evaluating whether they were consistent with the purpose of the Cash Flow Forecast. The Proposal Trustee has reviewed the support provided by Management of the Debtor for the probable assumptions, and the preparation and presentation of the Cash Flow Forecast.
48. Based on the Proposal Trustee's review, nothing has come to its attention to cause it to believe that, in all material respects:
  - i. the hypothetical assumptions are not consistent with the purpose of the Cash Flow Forecast;
  - ii. as at the date of this Report, the probable assumptions developed by Management are not suitably supported and consistent with the plans of the Debtor or do not provide a reasonable basis for the Cash Flow Forecast, given the hypothetical assumptions; or
  - iii. the Cash Flow Forecast does not reflect the probable and hypothetical Assumptions.
49. As described in the Disclaimer above, since the Cash Flow Forecast 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, the Proposal Trustee expresses no assurance as to whether the Cash Flow Forecast will be achieved. In addition, the Proposal Trustee expresses

no opinion or other form of assurance with respect to the accuracy of financial information presented in the Cash Flow Forecast.

50. The Cash Flow Forecast has been prepared solely for the purpose described above, and readers are cautioned that it may not be appropriate for other purposes.

### **CONCLUSION AND RECOMMENDATION**

51. The Proposal Trustee is of the opinion that the liabilities and the assets of the Company, and their estimated realizable value, are as set out in the Trustee's Report to Creditors.
52. That the Proposal Trustee is also of the opinion that:
- i. The causes of the insolvency of the debtor are as set out in this Report and the Trustee's Report to Creditors;
  - ii. The conduct of the debtor is not subject to censure; and
  - iii. There are no known facts, as described in section 173 of the BIA, which may be proved against the Debtor.
53. It is the Proposal Trustee's further opinion that the Revised Amended Proposal is of general benefit to the creditors of the Company and will allow for a greater recovery to them than they would receive in a liquidation of the Company. Therefore, the Proposal Trustee respectfully recommends that the Court grant an order approving the Revised Amended Proposal and authorizing the Proposal Trustee to take all steps necessary to implement the Revised Amended Proposal.
54. The Trustee forwarded a copy of this Report to the Official Receiver on this day.

All of which is respectfully submitted this 17<sup>th</sup> day of January, 2020.

**DODICK LANDAU INC.**

Proposal Trustee re the Proposal of WISP Internet Services Inc. and not in its personal or corporate capacity.

Per:

A handwritten signature in blue ink, consisting of stylized, overlapping loops and lines, positioned above a horizontal line.

---

Rahn Dodick, CA, CPA, CIRP, LIT  
President

## **APPENDIX "A"**



Industry Canada

Office of the Superintendent  
of Bankruptcy Canada

Industrie Canada

Bureau du surintendant  
des faillites Canada

District of        Ontario  
Division No.    09 - Toronto  
Court No.        31-2551574  
Estate No.      31-2551574

In the Matter of the Notice of Intention to make a  
proposal of:

**Wisp Internet Services Inc.**  
Insolvent Person

**DODICK LANDAU INC.**  
Licensed Insolvency Trustee

---

Date of the Notice of Intention:                    August 29, 2019

---

CERTIFICATE OF FILING OF A NOTICE OF INTENTION TO MAKE A PROPOSAL  
Subsection 50.4 (1)

I, the undersigned, Official Receiver in and for this bankruptcy district, do hereby certify that the aforementioned insolvent person filed a Notice of Intention to Make a Proposal under subsection 50.4 (1) of the *Bankruptcy and Insolvency Act*.

Pursuant to subsection 69(1) of the Act, all proceedings against the aforementioned insolvent person are stayed as of the date of filing of the Notice of Intention.

---

Date: August 29, 2019, 14:31

E-File/Dépôt Electronique

Official Receiver

151 Yonge Street, 4th Floor, Toronto, Ontario, Canada, M5C2W7, (877)376-9902

**Canada**

## **APPENDIX "B"**

Court File No.: 31-2551574  
Estate File No.: 31-2551574

ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)  
(IN BANKRUPTCY AND INSOLVENCY)

IN THE MATTER OF THE *BANKRUPTCY AND INSOLVENCY ACT*,  
R.S.C. 1985, c. B-3, AS AMENDED

AND IN THE MATTER OF THE PROPOSAL OF  
WISP INTERNET SERVICES INC.,  
OF THE TOWNSHIP OF SCUGOG, IN THE PROVINCE OF ONTARIO

**REVISED AMENDED PROPOSAL**

**WISP INTERNET SERVICES INC.** (the "Debtor") hereby submits the following Proposal under the provisions of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3.

**Purpose of Proposal**

The purpose of this Proposal is to effect a restructuring of the indebtedness of the Debtor in the manner contemplated herein and as permitted by the Act, in the expectation that Creditors will generally derive a greater benefit from the Proposal and the continued operation of the business and affairs of the Debtor than would result from a bankruptcy of the Debtor.

**Effect of Proposal**

This Proposal restructures the indebtedness of the Debtor and provides the essential terms on which all Claims will be fully and finally resolved and settled. During the Proposal period, and provided that an Event of Default has not occurred and is continuing hereunder, all Creditors will be stayed from commencing or continuing any proceeding or exercising any remedy against the Debtor or any of its property or assets in respect of a Claim including, without limitation, any proceeding or remedy to recover payment of any monies, to recover or enforce any judgment against the Debtor in respect of a Claim or to commence any formal legal proceedings against it other than as provided for under this Proposal.

**Definitions**

1. In this Proposal:

"Act" means the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3;

"Administrative Fees and Expenses" means the proper fees and expenses of the Proposal Trustee incidental to the NOI and the preparation and facilitation of the Proposal and any amendments thereto, including, without limitation, fees incurred by the Proposal Trustee in the administration of the Funded Proposal Payments, and the legal fees and expenses incurred by the Proposal Trustee and the Debtor before and following execution, acceptance and approval of this Proposal and in connection with the NOI and the preparation of this Proposal, as well as advice to the Debtor in connection therewith;

"Approval Order" means the Order of the Court approving this Proposal;

"Bankruptcy Reserve" means a reserve amount of \$25,000 to be held by the Proposal Trustee

as security for the administrative costs of the bankruptcy of the Debtor, in the event that the Debtor becomes bankrupt;

**"Business Day"** means any day, other than Saturday or Sunday, on which banks are ordinarily open for business in Toronto, Ontario;

**"Certificate of Full Performance"** means the certificate that the Proposal Trustee issues to the Debtor and to the Official Receiver pursuant to Section 65.3 of the Act;

**"CRA"** means Canada Revenue Agency;

**"Claims"** means claims that are proved and allowed for any and all debts and liabilities, present and future, including contingent and unliquidated claims of the Debtor to which the Debtor was subject at the Filing Date as defined herein, and "Claim" has a corresponding meaning;

**"Court"** means the Ontario Superior Court of Justice (Commercial List);

**"Creditors"** means Secured Creditors and General Unsecured Creditors;

**"Crown Claims"** means those claims set out in paragraph 3 of this Proposal;

**"Date of the Proposal"** means November 12, 2019, the date on which the Proposal was filed with the office of the Official Receiver;

**"Debtor"** means WISP Internet Services Inc.;

**"Deficiency Claim"** means the value of the Claim of a Secured Creditor which is in excess of the value of the Secured Property in respect of that Claim;

**"Effective Date"** means 10 calendar days from the date of the Approval Order, unless the Approval Order is appealed, in which case the Effective Date means the later of: (i) one Business Day after the full and final determination of the appeal; and (ii) the expiry of any further appeal periods;

**"Employee Preferred Claim"** means a Claim by a current or former employee of the Debtor, or such portion of such Claim, that would be payable in priority under Subsection 136(1) of the Act;

**"Event of Default"** means an event described in paragraph 43 hereof;

**"Filing Date"** means August 29, 2019, the date on which the NOI was filed;

**"Funded Proposal Payments"** means funds which will be advanced to the Proposal Trustee for distribution pursuant to paragraphs 8 to 10 hereof, as more particularly described in paragraphs 23 and 24 hereof;

**"General Unsecured Creditors"** means those persons with Claims, except for those Claims:

- i. That have been finally and conclusively disallowed pursuant to the provisions of the Act by the Proposal Trustee or the Court (as may be applicable);
- ii. That may be contingent or unliquidated and found by the Proposal Trustee or the Court (as may be applicable) not to be provable; and



iii. that are Claims by Secured Creditors;

**"Inspectors"** means the inspectors described in paragraphs 33 to 39 hereof;

**"ITA"** means the *Income Tax Act* (Canada);

**"Levy"** means the levy payable to the Superintendent of Bankruptcy pursuant to Section 147 and Rule 123(2) of the Act;

**"NOI"** means the Debtor's Notice of Intention to File a Proposal pursuant to the Act;

**"Option Agreement"** means an agreement between the Debtor and a Property Owner who is part of Unsecured Creditor Group 2 pursuant to which the Debtor has an option to build a Tower, as more particularly described in Schedule "C" hereto;

**"Option Payment"** means any payment by the Debtor to a Property Owner pursuant to an Option Agreement;

**"Performance of the Proposal"** means the payment of the money pursuant to the provisions of paragraphs 8 to 10, 23 and 24 hereof;

**"Preferred Claim"** means any claim that is afforded priority under Section 136(1) of the Act;

**"Preferred Creditor"** means any Unsecured Creditor holding a Preferred Claim, solely in respect to that Preferred Claim;

**"Property Owner"** means the owner of lands on which the Debtor has built, or has contracted to build, a Tower pursuant to a Tower Agreement;

**"Proposal"** means this Proposal, dated November 12, 2019;

**"Proposal Trustee"** means Dodick Landau Inc., or its duly appointed successor or successors;

**"Proven"**, as used in relation to any Claim, means such Claim as finally accepted or determined by the Proposal Trustee in accordance with the provisions of the Act and this Proposal, subject to all rights of appeal under the Act, the determination of that Claim pursuant to such appeals and/or any applicable appeal periods having expired;

**"Released Parties"** means the Debtor and each and every present and former director and officer of the Debtor, and each and every of their respective successors and assigns;

**"Rental Payment"** means any payment by the Debtor to a Property Owner pursuant to a Tower Agreement;

**"Secured Creditors"** means persons holding a mortgage, hypothec, pledge, charge, lien or privilege on or against the property of the Debtor or any part thereof as security for a Claim;

**"Share Pool"** means the total pool of shares of the Debtor to be made available for purchase by General Unsecured Creditors, as more particularly described in Schedule "F" hereto;

**"Tower"** means the communications tower and shed, including all associated panels and equipment, which are the subject of a Tower Agreement;

**"Tower Agreement"** means an agreement between WISP and a Property Owner governing the ownership and use of a Tower;

**"Unsecured Creditor Group 1"** means all Property Owners who have a Tower on their lands, including those Property Owners who purported to terminate their Tower Agreements before or after the Filing Date, to the extent of their Claim as it relates to the Debtor's failure to perform its obligations under any Tower Agreement;

**"Unsecured Creditor Group 2"** means all Property Owners who (i) are party to a Tower Agreement with the Debtor and (ii) do not have a built Tower on their lands, to the extent of their Claim as it relates to the Debtor's failure to perform its obligations under any Tower Agreement; and

**"Unsecured Creditor Group 3"** means all other General Unsecured Creditors who are not part of Unsecured Creditor Group 1 or Unsecured Creditor Group 2, including private lenders and trade creditors, and also including those in Unsecured Creditor Group 1 and Unsecured Creditor Group 2 who have additional Claims against the Debtor.

#### **Classification of Creditors**

2. For the purpose of this Proposal, the Creditors of the Debtor shall be comprised of a single class, consisting of Creditors having Preferred Claims and Unsecured Claims. For greater certainty, Preferred Creditors entitled to vote pursuant to the Act shall vote in this class; Secured Creditors holding Deficiency Claims are entitled to vote in this class to the extent of such claims; and claims of Her Majesty in Right of Canada and any province for all amounts other than Crown Claims shall vote in this class.

#### **Crown Claims**

3. The Debtor covenants and agrees to, within six months after the Effective Date, pay in full all amounts that were outstanding at the Filing Date of a kind that could be subject to a demand under: (i) Subsection 224(1.2) of the ITA; (ii) any provision of the *Canada Pension Plan* or of the *Employment Insurance Act* that refers to s.224(1.2) of the *ITA* and provides for the collection of a contribution, as defined in the *Canada Pension Plan*, or an employee's premium, or employer's premium, as defined in the *Employment Insurance Act*, and of any related interest, penalty or other amounts; or (iii) under any substantially similar provision of provincial legislation, including all amounts contemplated by Section 60(1.1) of the Act. This payment of Crown Claims (if any) will be made in addition to the Funded Proposal Payments and in priority to the Claims of Secured Creditors and General Unsecured Creditors.

#### **Secured Creditors**

4. The Debtor covenants and agrees to, within 12 months following the Effective Date, satisfy the Claims of Secured Creditors. The payment of Claims of Secured Creditors shall be made outside of this Proposal and Secured Creditors may only vote on questions relating to this Proposal as a General Unsecured Creditor in respect of the amount equal to such Secured Creditor's Proven Deficiency Claim.

#### **Employee Preferred Claims and Wages**

5. All Proven Employee Preferred Claims shall be paid out of funds to be delivered by the Debtor to the Proposal Trustee in addition to the Funded Proposal Payments and shall be remitted by the Proposal Trustee to the entitled claimants immediately after the Court Approval Date and in priority to the

**Unsecured Claims.**

6. The Debtor shall continue to pay employees, not to include independent contractors, all wages, salaries, commissions or compensation for services rendered before, and after, the Court Approval Date.

**Preferred Claims (other than Employee Preferred Claims)**

7. Proven Preferred Claims, other than Employee Preferred Claims, shall be paid in full, out of the Funded Proposal Payments, without interest, in priority to Proven Unsecured Claims.

**Proposal for General Unsecured Creditors**

8. The Debtor covenants and agrees to, between months 13 and 120 following the Effective Date, make monthly Funded Proposal Payments to the Proposal Trustee and the Proposal Trustee will make two dividend payments each year to General Unsecured Creditors on a *pro rata* basis in respect of their Claims. The timing of the two annual dividend payments will be at the discretion of the Proposal Trustee.
9. The total amount of the Funded Proposal Payments will be \$2,250,000 and will be in addition to any Rental Payments described in Schedule "A" hereto or any Option Payments or Rental Payments described in Schedule "C" hereto.
10. Subject to paragraphs 25 and 26 hereof, General Unsecured Creditors with a Proven Claim shall receive, in full and complete satisfaction of all debts and liabilities of the Debtor:
  - a. their *pro rata* share of \$2,250,000, less the Administrative Fees and Expenses; and
  - b. an option to acquire their *pro rata* share of the Share Pool.

**Proposal for Unsecured Creditor Group 1**

11. Tower Agreements shall be amended in accordance with Schedule "A" hereto. From December 4, 2019, the Debtor covenants not to grant any security interest in the Works (as defined in the applicable Tower Agreements).
12. Each Property Owner's Claim for voting and dividend purposes shall equal:
  - a. Rent Payment arrears owing, plus
  - b. the present value of the future revenue stream (discount rate of 5%) under the Property Owner's current Tower Agreement, less
  - c. the present value of the future revenue stream (discount rate of 5%) of the Rental Payments under the Property Owner's Tower Agreement, as amended pursuant to Schedule "A" hereto.
13. For an illustrative example, see Schedule "B" hereto.
14. The dividend in respect of each Property Owner's Claim will be paid *pro rata* with other General Unsecured Creditors as set out in paragraphs 8 to 10 hereof.

**Proposal for Unsecured Creditor Group 2**

15. Tower Agreements shall be terminated and Option Agreements shall become effective in accordance with Schedule "C" hereto.
16. Each Property Owner's Claim for voting and dividend purposes shall equal:
- a. the amount paid to the Debtor to have a Tower built, plus
  - b. the value of internet service from the commencement of the Tower Agreement and for the period of the Option Agreement (at \$110 per month), plus
  - c. Rent Payment arrears owing, plus
  - d. the present value of the future revenue stream (with a discount rate of 5%) under the Property Owner's current Tower Agreement, less
  - e. the present value of the future revenue stream (discount rate of 5%) of the Option Payments under the Property Owner's Option Agreement, less
  - f. Rental Payments made to date.
17. For an illustrative example, see Schedule "D" hereto.
18. The dividend in respect of each Property Owner's Claim will be paid *pro rata* with other General Unsecured Creditors as set out in paragraphs 8 to 10 hereof.

**Proposal for Unsecured Creditor Group 3**

19. Each Creditor with a Proven Claim not related to a Tower Agreement shall be entitled to receive dividends in respect of their Proven Claim in accordance with paragraph 8 to 10 hereof.
20. Creditors may have Claims both:
- a. in respect of Tower Agreements, which Claims fall under Unsecured Creditor Group 1 or Unsecured Creditor Group 2; and
  - b. as a General Unsecured Creditor, which Claims fall under Unsecured Creditor Group 3.
- In such cases, the Proven Claim of the Creditor shall be the aggregate of the Proven Claims from each Group and the Creditor shall have one vote in respect of such aggregate Proven Claim.
21. Each Creditor with a Claim under a contract that purports to create a return of more than 60% per annum shall have their Claim for voting and dividend equal:
- a. the principal amount owing under the agreement, plus
  - b. accrued interest up to the Filing Date calculated at the rate of 60% per annum, less
  - c. payments made by the Debtor.
22. The dividend in respect of each Creditor in Unsecured Creditor Group 3 shall be paid *pro rata* with other General Unsecured Creditors as set out in paragraphs 8 to 10 hereof. For an illustrative example, see Schedule "E" hereto.

**Funding the Proposal**

23. Upon the full satisfaction of the Crown Priority Claims, Employee Preferred Claims and Secured Claims, the Debtor will cause to be paid to the Proposal Trustee cash instalments in the amount of \$62,500.00 every calendar quarter for nine (9) years until an amount is paid to the Proposal Trustee equal to \$2,250,000.
24. The Debtor's obligation to commence funding of the Funded Proposal Payments shall commence on the first Business Day of the 13th month following the month in which the Debtor obtains the Approval Order.

**Dividend Distributions**

25. All distributions made pursuant to this Proposal shall be without interest or penalty and subject to deduction for the Levy and the Proposal Trustee shall remit the amount of the Levy to the Superintendent of Bankruptcy contemporaneous with the distributions to the General Unsecured Creditors. The Proposal Trustee shall make dividend distributions twice per year, the exact timing of which shall be at its own discretion, when there is sufficient funds held in trust from the funds received from the Debtor. The Proposal Trustee shall not be required to send a notice under Section 149(1) of the Act.
26. Subject to the terms and conditions of this Proposal, and the payment of the Levy (as applicable), the Funded Proposal Payments shall be distributed by the Proposal Trustee in the following order of priority:
  - a. first, to the Administrative Fees and Expenses;
  - b. second, to establish the Bankruptcy Reserve, to be held in trust by the Proposal Trustee, which amount shall be used to fund the administrative costs of the bankruptcy of the Debtor in the event that the Debtor becomes bankrupt, failing which such amount shall be distributed in accordance with the distribution scheme of this Proposal;
  - c. third, to Proven Claims of Preferred Creditors other than Employee Preferred Claims (if any), which will have been paid, without interest; and
  - d. fourth, the balance shall be distributed pro rata among all of (i) the General Unsecured Creditors on account of Proven Unsecured Claims and (ii) the Secured Creditors on account of Proven Deficiency Claims, without regard to whether the Claims are the Claims of Secured Creditors or Unsecured Creditors.

**Payment of Post-Filing Goods & Services**

27. During the Proposal period, the Debtor shall pay for all post-filing goods and services in full in the ordinary course of business.

**Post-Filing Crown Claims**

28. During the Proposal period, the Debtor shall remit and pay all post-filing Crown Claims as and when due.

**Administrative Fees and Expenses**

29. Payment of all proper Administrative Fees and Expenses, on and incidental to the proceedings

arising out of the proposal, or in the bankruptcy, if any, will be made in priority to all claims, including Crown Claims, if any. The Proposal Trustee will be at liberty to withdraw and pay such Administrative Fees and Expenses at any time and from time-to-time subject to final approval by the Registrar in Bankruptcy upon completion of the Proposal. The Proposal Trustee's disbursements will be charged in addition to its fees based on the actual costs incurred and/or as allowed by tariff.

#### **Reporting by the Debtor**

30. During the Proposal period, the Debtor shall provide to the Proposal Trustee every three months commencing on first Business Day of the month following the month in which the Approval Order is issued, a report containing the information set out below:
- a. a cash flow statement for the Debtor's actual cash flow for the business for the prior three months, a cash flow forecast for the business for the following three months and a variance of actual as compared to forecast for the previous three months each calendar quarter;
  - b. evidence of the Debtor's filing and remittance of source deductions and HST; and
  - c. internally generated quarterly financial statements in addition to its annual financial statements and corporate tax return prepared by a Certified Public Accountant.
31. The Proposal Trustee shall monitor the Debtor's receipts and disbursements during the Performance of the Proposal and shall report to the Inspectors on any material variances in the Debtor's cash flows and business operations. The Proposal Trustee shall use its professional judgment in determining whether a variance is material, acting as it would under the Act in deciding whether to file a material adverse change report. The Proposal Trustee shall be entitled to rely on the legal advice of its counsel in making such determination.

#### **Minutes of Board Meetings**

32. Creditors will be entitled to receive, on request, a copy of the minutes of any meeting of the Debtor's board of directors.

#### **Inspectors**

33. At the meeting of the General Unsecured Creditors to be held to consider the Proposal, or any subsequent meeting of General Unsecured Creditors, the said General Unsecured Creditors may appoint one (1) or more but not exceeding five (5) persons to act as Inspectors whose powers will be limited to:
- a. advising the Proposal Trustee from time to time with respect to any matter that the Proposal Trustee may refer to them;
  - b. advising the Proposal Trustee concerning any dispute which may arise as to the validity of Claims of Unsecured Creditors; and
  - c. authorizing an extension of the time and/or the amount of payments due from the Debtor to the Proposal Trustee pursuant to paragraphs 23 and 24 hereof, or for payments due from the Proposal Trustee to the General Unsecured Creditors pursuant to paragraphs 8 to 10 hereof.
34. The powers of the Inspectors may be exercised by a majority of them.
35. The Debtor shall meet with the Inspectors on a quarterly basis throughout the Proposal period, with
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such meetings to be chaired by the Proposal Trustee and held via conference call.

36. The Debtor shall report to the Proposal Trustee and the Inspectors regarding its quarterly receipts and disbursements prior to each meeting as described above.
37. The Inspectors at any meeting may fill any vacancy on the board of Inspectors.
38. The Proposal Trustee may, in accordance with the Act, apply to the Court regarding any decision, direction or act of the Inspectors and the Court may confirm, reverse or modify the decision, direction or act and make such order as it thinks just.
39. The authority and term of office of the Inspectors will terminate upon the issuance of the Certificate of Full Performance.

#### **Creditor Approval**

40. The Proposal Trustee shall call a meeting of the General Unsecured Creditors to seek creditor approval for the Proposal in the requisite majority in number and value of the class, as set out in the Act, as described in the Proposal. The performance of this Proposal by the Debtor shall be conditional upon approval of the Creditors. If the Creditors do not approve the Proposal, the Proposal Trustee shall report on the result of the vote as required under Section 57 of the Act and the Debtor shall be deemed bankrupt.

#### **Court Approval**

41. In the event the Proposal is approved by the Creditors, the Proposal Trustee shall, within five (5) days of such approval, apply to the Court for a hearing to seek the Approval Order. The performance of this Proposal by the Debtor shall be conditional upon the issuance of the Approval Order. In the event that the Court does not approve the Proposal, the Debtor shall be deemed bankrupt.

#### **Release**

42. Upon issuance of the Certificate of Full Performance, the Released Parties shall be released and discharged by all Creditors from all Claims which any Creditor may have or have been entitled to assert against any of the Released Parties for which they would be by law liable in their capacity as directors for the payment of such Claims, provided that this provision shall not release or discharge any of the Released Parties from any Claims that are set out in Section 50(14) of the Act.

#### **Events of Default**

43. The following events will constitute "Events of Default" for purposes of Section 63 of the Act and otherwise under this Proposal:
  - a. the non-payment by the Debtor of any of its obligations hereunder within thirty (30) days after written notice has been given by the Proposal Trustee that such payment is past due; and
  - b. the breach or failure by the Debtor to observe and perform any other covenant and provision of this Proposal which is not remedied within thirty (30) days after written notice thereof has been given to the Debtor by the Proposal Trustee.

#### **Amendment**

44. This Proposal may be amended by the Debtor with the consent of the Proposal Trustee at any time

prior to the conclusion of the meeting of General Unsecured Creditors called to consider the Proposal, provided that any amendment made pursuant to this paragraph shall not reduce the rights and benefits given to the Creditors under the Proposal before any such amendment, and provided further that any and all amendments shall be deemed to be effective as of the Date of the Proposal.

#### **Interest on Funds Paid Under Proposal**

45. Interest, if any, on funds held by the Proposal Trustee on account of the Proposal shall first be applied to Administrative Fees and Expenses, then to the funds payable under paragraphs 8 to 10 of the Proposal. Upon Performance of the Proposal, any surplus interest that, when combined with the funds paid under the Proposal, exceeds the sum of (i) the funds payable under the Proposal, and (ii) the Administrative Fees and Expenses, shall be paid to the Debtor following issuance of the Certificate of Full Performance.

#### **Performance of the Proposal**

46. Upon the Debtor making the Funded Proposal Payments in accordance with the Proposal, the Debtor, its successors and assigns and its directors and officers, shall be deemed to have satisfied the terms of the Proposal and the Proposal Trustee shall provide the Certificate of Full Performance. The Proposal Trustee shall be entitled to be discharged after making all distributions to the Creditors pursuant to the terms of this Proposal, providing a certificate of full performance to the Debtor and the Official Receiver pursuant to Section 65.3 of the Act, and completing all ancillary duties related to this Proposal.

#### **Section References**

47. In this Proposal, a reference to a section, clause or paragraph shall, unless otherwise stated, refer to a section, clause or paragraph of the Proposal.

#### **Interpretation not Affected by Headings**

48. The division of the Proposal into sections, clauses and paragraphs, and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of the Proposal.

#### **Currency**

49. Unless otherwise stated herein, all references to currency in this Proposal are to lawful money of Canada.

#### **Numbers**

50. In this Proposal, where the context requires a word importing the similar number will include the plural and vice versa.

#### **Failure to File Proofs of Claim Prior to Distribution**

51. Any Creditor who does not file a proof of claim with the Proposal Trustee in accordance with the Act prior to the date of distribution as set out in paragraphs 8 to 10 hereof in accordance with this Proposal shall forever be barred from making a Claim in this Proposal or sharing in any dividend hereunder, but the Debtor shall nevertheless be released from any Claims of such Creditor.



**Preferences and Transfers at an Undervalue**

52. Creditors will have the same rights to review the Debtor's transactions as are granted under sections 95 to 98 of the Act to creditors in a bankruptcy proceeding. Inspectors may authorize a review of these transactions by the Proposal Trustee on behalf of the Creditors.

**Proposal Trustee**

53. The Proposal Trustee is acting solely in its capacity as proposal trustee under the Act and not in its personal capacity and no officer, director, employee or agent of the Proposal Trustee shall incur any obligations or liabilities in connection with this Proposal or in connection with the business or liabilities of the Debtor.


**Foreign Currency Obligations**

54. For the purposes of this Proposal, Claims denominated in a currency other than Canadian dollars, will be converted to Canadian dollars at the closing spot rate of the exchange of the Bank of Canada on the Filing Date.

**DATED** at the City of Toronto, in the Province of Ontario, this 3<sup>rd</sup> day of December, 2019.

**WISP INTERNET SERVICES INC.**

Per:



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**Patrick Christopher Doyle, President**

## SCHEDULE "A"

### Tower Agreements for Unsecured Creditor Group 1

1. Any Property Owner who purported to terminate their Tower Agreement before or after the Filing Date shall have their Tower Agreement treated as remaining in force.
2. The Tower Agreements shall have an initial term of 10 years starting on the first Business Day of the 1st month after the Effective Date and shall be automatically renewed for two additional terms of 5 years each unless the Property Owner provides notice to the contrary in accordance with paragraph 3 of this Schedule "A".
3. On or before the 9th anniversary and 14th anniversary of the Effective Date, each Property Owner shall have the right to terminate their Tower Agreement by providing 12 months' written notice (by email) to the Debtor of such termination. Rental Payments shall cease on the date the termination becomes effective (i.e. on the 10th or 15th anniversary of the Effective Date, as the case may be).
4. Rental Payments for all Towers shall be a minimum of \$200 per month starting on the first Business Day of the 1st month after the Effective Date.
5. Unless the Property Owner has provided notice in accordance paragraph 3 of this Schedule "A", Rental Payments shall be adjusted annually on the first Business Day of the month following the anniversary of the Effective Date based on the Debtor's customer base measured on each anniversary of the Effective Date. Annual rent adjustments shall be calculated as follows:
  - a. if the Debtor has a customer base of 3,000 active customers, Rental Payments shall increase from \$200 per month to \$250 per month for the next calendar year;
  - b. thereafter, Rental Payments shall be adjusted annually (upward or downward) in the amount of \$50 per 750 active customers. For example:

<u>Average Number of Active Customers</u>	<u>Monthly Rental Payments</u>
<u>2,999 and fewer</u>	<u>\$200</u>
<u>3,000-3,749</u>	<u>\$250</u>
<u>3,750-4,499</u>	<u>\$300</u>
<u>4,500-5,249</u>	<u>\$350</u>
  - c. For greater certainty, under no circumstance shall Rental Payments decrease below \$200 per month.
6. The Tower Agreements shall terminate on the 20<sup>th</sup> anniversary of the Effective Date, unless terminated earlier in accordance with this Schedule "A" or renewed by the parties.
7. Property Owners will continue to receive free internet throughout the term of their Tower Agreement.
8. The Debtor shall continue to have the exclusive right to use the Tower while in good standing under the Proposal.
9. If the Debtor defaults in making a Rental Payment, the Property Owner shall promptly notify by email the Proposal Trustee and the Debtor. The Debtor shall have 30 days from the date of such notice to cure the default, failing which the Debtor's interest in the Works (as defined in the applicable Tower Agreement) shall automatically transfer to the Property Owner.

**SCHEDULE "B"**

**Illustrative Example - Unsecured Creditor Group 1**

Wifi Internet Services Inc.  
 Proposal  
 Unimex of Oregon - Group 1 Escrow Item  
 Description of contract: Split over on Owner's property.

\*Owner\* = Owner of Land  
 \*Provider\* = Wifi Internet Services Inc.  
 \*MOI\* = Month of Initiation to Make a Proposal  
 \*N\* = Number of months prior to filing the MOI when no rent was paid to Owner

**Discrepancy**

Original Contract	2018 Contract	2018 Contract
Payment by Owner to Provider at start of contract (incl. MOI)	\$ 33,900	\$ 67,800 (N)
Original total rent to be paid by Provider to Owner over 20 years	\$ 120,000	\$ 160,000 (N)
Original monthly rent to be paid by Provider to Owner over 20 years	\$ 500	\$ 750 (N)
Rent paid by Provider to Owner prior to MOI	\$ 14,500	\$ 6,750 (N)
Interest provided by Provider to Owner (at rate of 5% (10) up to the date of the MOI)	\$ 4,510	\$ 2,310 (10% of 110 = 11)

Owner's Claims in Proposal		
Rent payments remaining	199	219 (24%) - (22%) = 22 = 11
Unpaid rent arrears up to date of MOI	\$ 4,000	\$ 3,000 (N = 11 months = 0)
Present value of future unpaid rent remaining in original contract (at discount rate of 5% applied)	\$ 67,540	\$ 107,500 (PV of monthly rent (2) over remaining months of rental contract (7) at 5% discount rate = 0)
Less: Present value of new rent payable (\$200 per month, discount rate of 5% applied)	\$ 32,377	\$ 42,842 (PV of new monthly rent (\$200 years 1-10, \$150 years 11-15 and \$300 years 16-20) over remaining months of rental contract (7) at 5% discount rate = 0)
<b>Total Claims of Owner by Proposal</b>	<b>\$ 29,642</b>	<b>\$ 22,302 (24 - 2 = 2)</b>

Proposal		
Total estimated proposal payments made to Owner in years 3 to 10	\$ 3,035	\$ 10,319 (16% = 1 = 0)
Plus: Total new rent paid by Provider to Owner over 20 years beginning in month 13	\$ 57,000	\$ 57,000 (3200/mch for years 1-10 years, \$280/mch for years 11-15 and \$300/mch for years 16-20 = 0)
Plus: Total estimated value of continued increased service provided by Provider to Owner beginning in month 1 (average value \$110/mch over 20 years)	\$ 26,400	\$ 28,400 (\$110/mch for 20 years = 0)
Plus: Rent already paid by Provider to Owner	\$ 14,500	\$ 6,750 (0)
Plus: Interest service already provided to Owner (average value \$110/mch)	\$ 4,510	\$ 2,310 (0)
Total cash/service received, and to be received, following approval of the Proposal	\$ 107,445	\$ 107,779 (24 - 2 = 2)
Total cash/service received, and to be received, as a percentage of original payment by Owner	317%	157% (0/1)

**Note**  
 Depending on the start date of the original contract, by the end of the term of the Proposal and New rental period, the Owners are estimated to receive between 1.5 and 3.2 times their original payments.

**SCHEDULE "C"**

**Tower Agreements for Unsecured Creditor Group 2**

1. All Tower Agreements in respect of Towers that have not been built shall be terminated.
2. Each Property Owner shall be deemed to have entered into an Option Agreement with the Debtor granting the Debtor an option to build a Tower on the Property Owner's lands in the future.
3. The Option Agreements shall have an initial term of 10 years starting on the first Business Day of the 1st month after the Effective Date and shall be automatically renewed for two additional terms of 5 years each unless the Property Owner provides notice to the contrary in accordance with paragraph 4 of this Schedule "B".
4. On or before the 9th anniversary and 14th anniversary of the Effective Date, each Property Owner shall have the right to terminate their Option Agreement by providing at least 12 months' written notice (by email) to the Debtor of such termination. Option Payments shall cease on the date the termination becomes effective (i.e. on the 10th or 15th anniversary of the Effective Date, as the case may be).
5. The Debtor covenants and agrees to pay each Property Owner a minimum of \$200 per month under the Option Agreement starting on the first Business Day of the 1st month after the Effective Date. Unless the Property Owner has provided notice in accordance paragraph 4 of this Schedule "C", Option Payments shall be adjusted be adjusted annually on the first Business Day of the month following the anniversary of the Effective Date based on the Debtor's customer base measured on each anniversary of the Effective Date. Annual Option Payments shall be calculated as follows:
  - a. if the Debtor has a customer base of 3,000 active customers, Option Payments shall increase from \$200 per month to \$250 per month for the next calendar year;
  - b. thereafter, Option Payments shall be adjusted annually (upward or downward) in the amount of \$50 per 750 active customers. For example:

<b>Average Number of Active Customers</b>	<b>Monthly Rental Payments</b>
<u>2,999 and fewer</u>	<u>\$200</u>
<u>3,000-3,749</u>	<u>\$250</u>
<u>3,750-4,499</u>	<u>\$300</u>
<u>4,500-5,249</u>	<u>\$350</u>

- c. For greater certainty, under no circumstance shall Option Payments decrease below \$200 per month.
6. The Option Agreement shall not restrict a Property Owner's right to enter into a new tower agreement with a third party. However, in the event a third party proposes to build a Tower on the Property Owner's lands, the Debtor shall have a right of first refusal to exercise, within 30 days' notice (by email) from the Property Owner, its option to build a Tower on the terms set out in paragraph 2 of this Schedule "C" to the Proposal. If the Debtor declines to exercise its option, then the Option Agreement shall terminate immediately with no further obligation to make any payments on account of the Option Agreement.
7. If the Debtor exercises its option and builds a Tower, then the Option Agreement shall convert to a Tower Agreement on the terms set out in Schedule "A" to the Proposal. The term of a converted agreement shall equal the number of years remaining on the Option Agreement at the time of conversion to a Tower Agreement. For greater certainty, the cumulative term of an Option

**Agreement and Tower Agreement shall not exceed 20 years from the Effective Date.**

**SCHEDULE "D"**

**Illustrative Example - Unsecured Creditor Group 2**

Wisp Internet Services Inc.

Proposal

Unsecured Creditor - Group 2 Illustration

Description of claimant: Owner paid Provider in 2018 to build a tower but, to date, tower was not built on Owner's property.

\*Owner\* = Owner of land

\*Provider\* = Wisp Internet Services Inc.

\*NOI\* = Notice of Intention to Make a Proposal

\*L2\* = Number of months prior to filing the NOI when no rent was paid to Owner

**Illustration**

Original Contract	2018 Contract	
Payment by Owner to Provider at Inception (incl. MST)	\$ 67,800	[A]
Original total rent to be paid by Provider to Owner over 20 years	\$ 180,000	[B]
Original monthly rent to be paid to Provider over 20 years	\$ 750	[C]
Rent already paid by Provider to Owner	\$ 2,250	[D]

Owner's Claim to Proposal		
Rental payments remaining	225	$[(B/C)-(D/C)-L2 = E]$
Payment by Owner to Provider at Inception (incl. MST) to build tower	\$ 67,800	[A]
Plus: Unpaid rent arrears up to date of NOI	\$ 9,000	$[C \times 12 \text{ months} = F]$
Plus: Internet service up to date of NOI	\$ 1,650	$[(D/C \times 12) \times \$110 = G]$
Plus: Present value of future unpaid rent remaining in Original Contract (discount rate of 5% applied)	\$ 109,174	$[PV \text{ of monthly rent } (C) \text{ over remaining months of rental contract } (E) \text{ at } 5\% \text{ discount rate} = H]$
Plus: Present value of future Internet service	\$ 16,041	$[PV \text{ of Internet service at } \$110/\text{month over remaining months of rental contract } (E) \text{ at } 5\% \text{ discount rate} = I]$
Less: Present value of new option payments (discount rate of 5% applied)	\$ 44,391	$[PV \text{ of new monthly rent } (\$200 \text{ years } 1-10, \$250 \text{ years } 11-15 \text{ and } \$500 \text{ years } 16-20) \text{ over remaining months of rental contract } (E) \text{ at } 5\% \text{ discount rate} = J]$
Less: Rent paid to date	\$ 2,250	[D]
Total Claim of Owner to Proposal	\$ 157,224	$[A+G+H+I+J+D=K]$

Proposal		
Total estimated proposal payments made to Owner (years 2 to 10)	\$ 22,011	$[(K \times L) = M]$
Plus: Total new option payments by Provider to Owner over 20 years beginning in month 13	\$ 57,000	$[\$200/\text{mth for years } 1-10 \text{ years, } \$250/\text{mth for years } 11-15 \text{ and } \$500/\text{mth for years } 16-20 = N]$
Plus: Rent already paid by Provider to Owner	\$ 2,250	[C]
Total cash received, and to be received, following approval of the Proposal	\$ 81,261	[M]
Total cash received, and to be received, as a percentage of original payment made by Owner	120%	[M/A]

**Note**

Depending on the start date of the original contract, by the end of the term of the proposal and new option, the Owner in this illustration is estimated to receive approximately 120% of his/her original investment.



**SCHEDULE "E"**

**Illustrative Example - Unsecured Creditor Group 3**

Wisp Internet Services Inc.  
 Proposal  
 Unsecured Creditor - Group 3 Illustration  
 Description of claimant in Illustration: Private Lender

"Creditor" = Lensed Wisp \$100,000 in 2017.

"Provider" = Wisp Internet Services Inc.

<u>Illustration</u>		
	<u>2017 Loan</u>	
<i>Creditor's Claim in Proposal</i>		
Loan made to Provider	\$ 100,000	(A)
Less: Repayments received prior to date of NOI	\$ -25,222	(B)
Plus: Accrued interest at 60% per annum until date of NOI	\$ 96,821	(C)
Total Creditor Claim admitted in Proposal	<u>\$ 171,599</u>	{A+B+C}
<i>Proposal</i>		
Total estimated proposal payments made to Owner (years 2 to 10)	<u>\$ 24,024</u>	{14% x D = E}
Total cash received, and to be received, as a percentage of original payment by Owner	<u>49%</u>	{(-D+C)/A}

**SCHEDULE "F"****Option to Purchase Shares of the Debtor**

1. The number of available shares in the Share Pool shall be a maximum of 20% of the Debtor's total issued shares. The Debtor's total number of issued shares as at the 2nd anniversary of the Effective Date shall not exceed 10,000. The purchase price for the shares offered shall be \$0.10 per share.
2. Each General Unsecured Creditor shall have the right to purchase a percentage of shares from the Share Pool equal to their *pro rata* share of Proven Claims against the Debtor. For example, a Creditor with 5% of Proven Claims shall have an option to purchase 5% of the shares in the Share Pool (1% of the Debtor's total issued shares, if every General Unsecured Creditor exercised their right).
3. Creditors shall exercise their option to purchase shares by providing written confirmation of their election (by email) to the Debtor and the Proposal Trustee at least 30 days' prior to the 2nd anniversary of the Effective Date.
4. Creditors shall have the option to pay for the shares by either: (i) cheque made payable to the Debtor; or (ii) deducting the purchase price from the next dividend payment owing to the Creditor pursuant to this Proposal.
5. Shares acquired under this Schedule "F" shall be subject to a unanimous shareholder agreement, a copy of which shall be circulated to Creditors at least 90 days' before the 2nd anniversary of the Effective Date. No Creditor shall be entitled to acquire shares without becoming party to the unanimous shareholder agreement.
6. Notwithstanding paragraph 7, below, if the majority shareholder of the Debtor chooses to enter into a transaction to sell more all or part of the shares of the Debtor to a third-party purchaser, then each Creditor who acquired shares under this Schedule "F" shall sell, transfer or exchange, as the case may be, all or part of their shares (on the same percentage basis) to such purchaser under the same terms and conditions as have been agreed to by the majority shareholder in respect of his shares.
7. The unanimous shareholders agreement shall neither abridge nor extend the rights granted to shareholders pursuant to the *Business Corporations Act (Ontario)*.

## **APPENDIX "C"**

# DODICK LANDAU

November 15, 2019

## **CREDITOR PACKAGE**

### **To the Creditors of Wisp Internet Services Inc. (“Wisp” or the “Company”)**

Please be advised that on November 12, 2019, Dodick Landau Inc., in its capacity as Proposal Trustee (the **“Proposal Trustee”**) of the Estate of Wisp Internet Services Inc., filed with the Official Receiver a proposal in the name, and on behalf, of Wisp Internet Services Inc. (the **“Proposal”**).

The reason you are receiving this letter and the enclosed creditor information (**“Creditor Package”**) is because Wisp advised the Proposal Trustee that you are a creditor of Wisp and may be eligible to vote in the Proposal. The purpose of the Creditor Package is to provide you with the information you require to evaluate, and vote on, the Proposal.

Enclosed in this Creditor Package are the following documents:

- 1) Notice of Proposal to Creditors;
- 2) Proposal;
- 3) Trustee’s Report on Proposal;
- 4) Statement of Affairs;
- 5) Proof of Claim form with instructions;
- 6) Proxy;
- 7) Voting Letter

**A Meeting of the Creditors to consider the Proposal will be held at the following location on December 3, 2019 at 11:00 a.m.**

- **Tyrone Community Centre  
2716 Concession Road 7, Tyrone, Ontario L1C 5W2**

# DODICK LANDAU

**In order to be eligible to attend and vote on the Proposal at the meeting of creditors, creditors must have filed, with the Proposal Trustee, before the meeting a Proof of Claim form signed, witnessed and accompanied by a statement of account which provides sufficient details for the amount being claimed. We encourage creditors to complete and submit their proof of claim forms to the office of the Proposal Trustee, attention Ms. Brenda McKnight prior to December 3, 2019 (the day of the meeting of creditors) in order to ensure the Proposal Trustee has sufficient time to review and process the proofs of claim in advance of the meeting of creditors. If a creditor is unable to send to the office of the Proposal Trustee their proof of claim form in advance of the meeting of creditors, we encourage the creditor to attend on December 3, 2019, at 10:00 a.m., one hour before the meeting start time, in order to ensure the Proposal Trustee will have sufficient time to review and register the creditor's proof of claim form for voting at the meeting. If a proof of claim is not provided to the Proposal Trustee in advance of the meeting of creditors, that creditor will not be eligible to vote at the meeting of creditors.**

Those creditors who are unable to attend the meeting on December 3, 2019 in person, or do not intend to have a personal representative attend the meeting on their behalf as their proxy, may complete and submit to the office of the Proposal Trustee (along with their completed proof of claim form) prior to the date of the meeting, a completed voting letter indicating their vote for or against the acceptance of the Proposal. In this case the creditor's vote will be counted as if they were present in person at the meeting.

The Proposal Trustee intends to provide to those creditors with damage claims its draft calculation of their claims. However, it is the sole responsibility of each Creditor to prove their claims. By providing a draft calculation to the Creditor, the Proposal Trustee is assisting the Creditor to complete the Creditor's claim. However, the Proposal Trustee has no obligation to do so. If the Creditor is in agreement with the calculation provided by the Proposal Trustee, it may append the calculation to its claim form as proof of its claim and submit the completed proof of claim to the office of the Proposal Trustee. If the creditor is not in agreement with the Proposal Trustee's draft calculation, the creditor will be required to submit its own calculation as proof for its claim for review by the Proposal Trustee.


Completed proofs of claim, and other documents may be returned to the Proposal Trustee to the attention of Brenda McKnight by fax (416-649-7725) or electronic mail ([brenda.mcknight@dodick.ca](mailto:brenda.mcknight@dodick.ca)). Should you need further assistance, you may contact our office by telephone at 416-645-0542.

# DODICK LANDAU

To access further information pertaining to the Wisp proceedings, including an electronic copy of the Creditor Package, please visit the Trustee's website (<http://dodick.ca/public-documents/>).

**DODICK LANDAU INC.,**  
Proposal Trustee of the estate of Wisp Internet Services Inc.  
and not in its personal or  
corporate capacity.

Per:



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Rahn Dodick, CPA, CA, CIRP, LIT

# NOTICE OF PROPOSAL



District of: Ontario  
Division No. 09 - Toronto  
Court No. 31-2551574  
Estate No. 31-2551574

FORM 92  
Notice of Proposal to Creditors  
(Section 51 of the Act)

In the matter of the proposal of  
Wisp Internet Services Inc.  
of the Township of Skugog, in the Province of Ontario

Take notice that Wisp Internet Services Inc. of the town of Port Perry in the Province of Ontario has lodged with us a proposal under the Bankruptcy and Insolvency Act.

A copy of the proposal, a condensed statement of the debtor's assets, and liabilities, and a list of the creditors affected by the proposal and whose claims amount to \$250 or more are enclosed herewith.

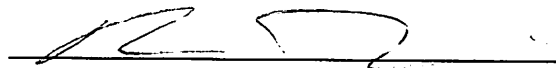
A general meeting of the creditors will be held at Tyrone Community Centre, 2716 Concession Road 7, Tyrone, ON on the 3rd day of December 2019 at 11:00 AM.

The creditors or any class of creditors qualified to vote at the meeting may by resolution accept the proposal either as made or as altered or modified at the meeting. If so accepted and if approved by the court the proposal is binding on all the creditors or the class of creditors affected.

Proofs of claim, proxies and voting letters intended to be used at the meeting must be lodged with us prior to the commencement of the meeting.

Dated at the city of Toronto in the Province of Ontario, this 18th day of November 2019.

Dodick Landau Inc. - Licensed Insolvency Trustee

  
4646 Dufferin St., Suite 6  
Toronto ON M3H 5S4  
Phone: (416) 736-4357 Fax: (416) 649-7725

# PROPOSAL

Court File No.: 31-2551574  
Estate File No.: 31-2551574

ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)  
(IN BANKRUPTCY AND INSOLVENCY)

IN THE MATTER OF THE *BANKRUPTCY AND INSOLVENCY ACT*,  
R.S.C. 1985, c. B-3, AS AMENDED

AND IN THE MATTER OF THE PROPOSAL OF  
WISP INTERNET SERVICES INC.,  
OF THE TOWNSHIP OF SCUGOG, IN THE PROVINCE OF ONTARIO

**PROPOSAL**

**WISP INTERNET SERVICES INC. (the "Debtor")** hereby submits the following Proposal under the provisions of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3.

**Purpose of Proposal**

The purpose of this Proposal is to effect a restructuring of the indebtedness of the Debtor in the manner contemplated herein and as permitted by the Act, in the expectation that Creditors will generally derive a greater benefit from the Proposal and the continued operation of the business and affairs of the Debtor than would result from a bankruptcy of the Debtor.

**Effect of Proposal**

This Proposal restructures the indebtedness of the Debtor and provides the essential terms on which all Claims will be fully and finally resolved and settled. During the Proposal period, and provided that an Event of Default has not occurred and is continuing hereunder, all Creditors will be stayed from commencing or continuing any proceeding or exercising any remedy against the Debtor or any of its property or assets in respect of a Claim including, without limitation, any proceeding or remedy to recover payment of any monies, to recover or enforce any judgment against the Debtor in respect of a Claim or to commence any formal legal proceedings against it other than as provided for under this Proposal.

**Definitions**

1. In this Proposal:

**"Act"** means the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3;

**"Administrative Fees and Expenses"** means the proper fees and expenses of the Proposal Trustee incidental to the NOI and the preparation and facilitation of the Proposal and any amendments thereto, including, without limitation, fees incurred by the Proposal Trustee in the administration of the Funded Proposal Payments, and the legal fees and expenses incurred by the Proposal Trustee and the Debtor before and following execution, acceptance and approval of this Proposal and in connection with the NOI and the preparation of this Proposal, as well as advice to the Debtor in connection therewith;

**"Approval Order"** means the Order of the Court approving this Proposal;

**"Bankruptcy Reserve"** means a reserve amount of \$25,000 to be held by the Proposal Trustee

as security for the administrative costs of the bankruptcy of the Debtor, in the event that the Debtor becomes bankrupt;

**“Business Day”** means any day, other than Saturday or Sunday, on which banks are ordinarily open for business in Toronto, Ontario;

**“Certificate of Full Performance”** means the certificate that the Proposal Trustee issues to the Debtor and to the Official Receiver pursuant to Section 65.3 of the Act;

**“CRA”** means Canada Revenue Agency;

**“Claims”** means claims that are proved and allowed for any and all debts and liabilities, present and future, including contingent and unliquidated claims of the Debtor to which the Debtor was subject at the Filing Date as defined herein, and “Claim” has a corresponding meaning;

**“Court”** means the Ontario Superior Court of Justice (Commercial List);

**“Creditors”** means Secured Creditors and General Unsecured Creditors;

**“Crown Claims”** means those claims set out in paragraph 3 of this Proposal;

**“Date of the Proposal”** means November 12, 2019, the date on which the Proposal was filed with the office of the Official Receiver;

**“Debtor”** means WISP Internet Services Inc.;

**“Deficiency Claim”** means the value of the Claim of a Secured Creditor which is in excess of the value of the Secured Property in respect of that Claim;

**“Effective Date”** means 10 calendar days from the date of the Approval Order, unless the Approval Order is appealed, in which case the Effective Date means the later of: (i) one Business Day after the full and final determination of the appeal; and (ii) the expiry of any further appeal periods;

**“Employee Preferred Claim”** means a Claim by a current or former employee of the Debtor, or such portion of such Claim, that would be payable in priority under Subsection 136(1) of the Act;

**“Event of Default”** means an event described in paragraph 43 hereof;

**“Filing Date”** means August 29, 2019, the date on which the NOI was filed;

**“Funded Proposal Payments”** means funds which will be advanced to the Proposal Trustee for distribution pursuant to paragraphs 8 to 10 hereof, as more particularly described in paragraphs 23 and 24 hereof;

**“General Unsecured Creditors”** means those persons with Claims, except for those Claims:

- i. That have been finally and conclusively disallowed pursuant to the provisions of the Act by the Proposal Trustee or the Court (as may be applicable);
- ii. That may be contingent or unliquidated and found by the Proposal Trustee or the Court (as may be applicable) not to be provable; and
- iii. that are Claims by Secured Creditors;

**“Inspectors”** means the inspectors described in paragraphs 33 to 39 hereof;

**“ITA”** means the *Income Tax Act* (Canada);

**“Levy”** means the levy payable to the Superintendent of Bankruptcy pursuant to Section 147 and Rule 123(2) of the Act;

**“NOI”** means the Debtor’s Notice of Intention to File a Proposal pursuant to the Act;

**“Option Agreement”** means an agreement between the Debtor and a Property Owner who is part of Unsecured Creditor Group 2 pursuant to which the Debtor has an option to build a Tower, as more particularly described in Schedule “C” hereto;

**“Option Payment”** means any payment by the Debtor to a Property Owner pursuant to an Option Agreement;

**“Performance of the Proposal”** means the payment of the money pursuant to the provisions of paragraphs 8 to 10, 23 and 24 hereof;

**“Preferred Claim”** means any claim that is afforded priority under Section 136(1) of the Act;

**“Preferred Creditor”** means any Unsecured Creditor holding a Preferred Claim, solely in respect to that Preferred Claim;

**“Property Owner”** means the owner of lands on which the Debtor has built, or has contracted to build, a Tower pursuant to a Tower Agreement;

**“Proposal”** means this Proposal, dated November 12, 2019;

**“Proposal Trustee”** means Dodick Landau Inc., or its duly appointed successor or successors;

**“Proven”**, as used in relation to any Claim, means such Claim as finally accepted or determined by the Proposal Trustee in accordance with the provisions of the Act and this Proposal, subject to all rights of appeal under the Act, the determination of that Claim pursuant to such appeals and/or any applicable appeal periods having expired;

**“Released Parties”** means the Debtor and each and every present and former director and officer of the Debtor, and each and every of their respective successors and assigns;

**“Rental Payment”** means any payment by the Debtor to a Property Owner pursuant to a Tower Agreement;

**“Secured Creditors”** means persons holding a mortgage, hypothec, pledge, charge, lien or privilege on or against the property of the Debtor or any part thereof as security for a Claim;

**“Tower”** means the communications tower and shed, including all associated panels and equipment, which are the subject of a Tower Agreement;

**“Tower Agreement”** means an agreement between WISP and a Property Owner governing the ownership and use of a Tower;

**“Unsecured Creditor Group 1”** means all Property Owners who have a Tower on their lands,

including those Property Owners who purported to terminate their Tower Agreements before or after the Filing Date, to the extent of their Claim as it relates to the Debtor's failure to perform its obligations under any Tower Agreement;

**"Unsecured Creditor Group 2"** means all Property Owners who (i) are party to a Tower Agreement with the Debtor and (ii) do not have a built Tower on their lands, to the extent of their Claim as it relates to the Debtor's failure to perform its obligations under any Tower Agreement; and

**"Unsecured Creditor Group 3"** means all other General Unsecured Creditors who are not part of Unsecured Creditor Group 1 or Unsecured Creditor Group 2, including private lenders and trade creditors, and also including those in Unsecured Creditor Group 1 and Unsecured Creditor Group 2 who have additional Claims against the Debtor.

#### **Classification of Creditors**

2. For the purpose of this Proposal, the Creditors of the Debtor shall be comprised of a single class, consisting of Creditors having Preferred Claims and Unsecured Claims. For greater certainty, Preferred Creditors entitled to vote pursuant to the Act shall vote in this class; Secured Creditors holding Deficiency Claims are entitled to vote in this class to the extent of such claims; and claims of Her Majesty in Right of Canada and any province for all amounts other than Crown Claims shall vote in this class.

#### **Crown Claims**

3. The Debtor covenants and agrees to, within six months after the Effective Date, pay in full all amounts that were outstanding at the Filing Date of a kind that could be subject to a demand under: (i) Subsection 224(1.2) of the ITA; (ii) any provision of the *Canada Pension Plan* or of the *Employment Insurance Act* that refers to s.224(1.2) of the *ITA* and provides for the collection of a contribution, as defined in the *Canada Pension Plan*, or an employee's premium, or employer's premium, as defined in the *Employment Insurance Act*, and of any related interest, penalty or other amounts; or (iii) under any substantially similar provision of provincial legislation, including all amounts contemplated by Section 60(1.1) of the Act. This payment of Crown Claims (if any) will be made in addition to the Funded Proposal Payments and in priority to the Claims of Secured Creditors and General Unsecured Creditors.

#### **Secured Creditors**

4. The Debtor covenants and agrees to, within 12 months following the Effective Date, satisfy the Claims of Secured Creditors. The payment of Claims of Secured Creditors shall be made outside of this Proposal and Secured Creditors may only vote on questions relating to this Proposal as a General Unsecured Creditor in respect of the amount equal to such Secured Creditor's Proven Deficiency Claim.

#### **Employee Preferred Claims and Wages**

5. All Proven Employee Preferred Claims shall be paid out of funds to be delivered by the Debtor to the Proposal Trustee in addition to the Funded Proposal Payments and shall be remitted by the Proposal Trustee to the entitled claimants immediately after the Court Approval Date and in priority to the Unsecured Claims.

6. The Debtor shall continue to pay employees, not to include independent contractors, all wages, salaries, commissions or compensation for services rendered before, and after, the Court Approval Date.

**Preferred Claims (other than Employee Preferred Claims)**

7. Proven Preferred Claims, other than Employee Preferred Claims, shall be paid in full, out of the Funded Proposal Payments, without interest, in priority to Proven Unsecured Claims.

**Proposal for General Unsecured Creditors**

8. The Debtor covenants and agrees to, between months 13 and 120 following the Effective Date, make monthly Funded Proposal Payments to the Proposal Trustee and the Proposal Trustee will make two dividend payments each year to General Unsecured Creditors on a *pro rata* basis in respect of their Claims. The timing of the two annual dividend payments will be at the discretion of the Proposal Trustee.
9. The total amount of the Funded Proposal Payments will be \$2,250,000 and will be in addition to any Rental Payments described in Schedule "A" hereto or any Option Payments or Rental Payments described in Schedule "C" hereto.
10. Subject to paragraphs 25 and 26 hereof, General Unsecured Creditors with a Proven Claim shall receive their *pro rata* share of \$2,250,000, less the Administrative Fees and Expenses, in full and complete satisfaction of all debts and liabilities of the Debtor.

**Proposal for Unsecured Creditor Group 1**

11. Tower Agreements shall be amended in accordance with Schedule "A" hereto.
12. Each Property Owner's Claim for voting and dividend purposes shall equal:
  - a. Rent Payment arrears owing, plus
  - b. the present value of the future revenue stream (discount rate of 5%) under the Property Owner's current Tower Agreement, less
  - c. the present value of the future revenue stream (discount rate of 5%) of the Rental Payments under the Property Owner's Tower Agreement, as amended pursuant to Schedule "A" hereto.
13. For an illustrative example, see Schedule "B" hereto.
14. The dividend in respect of each Property Owner's Claim will be paid *pro rata* with other General Unsecured Creditors as set out in paragraphs 8 to 10 hereof.

**Proposal for Unsecured Creditor Group 2**

15. Tower Agreements shall be terminated and Option Agreements shall become effective in accordance with Schedule "C" hereto.
16. Each Property Owner's Claim for voting and dividend purposes shall equal:
  - a. the amount paid to the Debtor to have a Tower built, plus

## 6

- b. the value of internet service from the commencement of the Tower Agreement and for the period of the Option Agreement (at \$110 per month), plus
  - c. Rent Payment arrears owing, plus
  - d. the present value of the future revenue stream (with a discount rate of 5%) under the Property Owner's current Tower Agreement, less
  - e. the present value of the future revenue stream (discount rate of 5%) of the Option Payments under the Property Owner's Option Agreement, less
  - f. Rental Payments made to date.
17. For an illustrative example, see Schedule "D" hereto.
18. The dividend in respect of each Property Owner's Claim will be paid *pro rata* with other General Unsecured Creditors as set out in paragraphs 8 to 10 hereof.

**Proposal for Unsecured Creditor Group 3**

19. Each Creditor with a Proven Claim not related to a Tower Agreement shall be entitled to receive dividends in respect of their Proven Claim in accordance with paragraph 8 to 10 hereof.
20. Creditors may have Claims both:
- a. in respect of Tower Agreements, which Claims fall under Unsecured Creditor Group 1 or Unsecured Creditor Group 2; and
  - b. as a General Unsecured Creditor, which Claims fall under Unsecured Creditor Group 3.
- In such cases, the Proven Claim of the Creditor shall be the aggregate of the Proven Claims from each Group and the Creditor shall have one vote in respect of such aggregate Proven Claim.
21. Each Creditor with a Claim under a contract that purports to create a return of more than 60% per annum shall have their Claim for voting and dividend equal:
- a. the principal amount owing under the agreement, plus
  - b. accrued interest up to the Filing Date calculated at the rate of 60% per annum, less
  - c. payments made by the Debtor.
22. The dividend in respect of each Creditor in Unsecured Creditor Group 3 shall be paid *pro rata* with other General Unsecured Creditors as set out in paragraphs 8 to 10 hereof. For an illustrative example, see Schedule "E" hereto.

**Funding the Proposal**

23. Upon the full satisfaction of the Crown Priority Claims, Employee Preferred Claims and Secured Claims, the Debtor will cause to be paid to the Proposal Trustee cash instalments in the amount of \$62,500.00 every calendar quarter for nine (9) years until an amount is paid to the Proposal Trustee equal to \$2,250,000.



24. The Debtor's obligation to commence funding of the Funded Proposal Payments shall commence on the first Business Day of the 13th month following the month in which the Debtor obtains the Approval Order.

#### **Dividend Distributions**

25. All distributions made pursuant to this Proposal shall be without interest or penalty and subject to deduction for the Levy and the Proposal Trustee shall remit the amount of the Levy to the Superintendent of Bankruptcy contemporaneous with the distributions to the General Unsecured Creditors. The Proposal Trustee shall make dividend distributions twice per year, the exact timing of which shall be at its own discretion, when there is sufficient funds held in trust from the funds received from the Debtor. The Proposal Trustee shall not be required to send a notice under Section 149(1) of the Act.
26. Subject to the terms and conditions of this Proposal, and the payment of the Levy (as applicable), the Funded Proposal Payments shall be distributed by the Proposal Trustee in the following order of priority:
- a. first, to the Administrative Fees and Expenses;
  - b. second, to establish the Bankruptcy Reserve, to be held in trust by the Proposal Trustee, which amount shall be used to fund the administrative costs of the bankruptcy of the Debtor in the event that the Debtor becomes bankrupt, failing which such amount shall be distributed in accordance with the distribution scheme of this Proposal;
  - c. third, to Proven Claims of Preferred Creditors other than Employee Preferred Claims (if any), which will have been paid, without interest; and
  - d. fourth, the balance shall be distributed pro rata among all of (i) the General Unsecured Creditors on account of Proven Unsecured Claims and (ii) the Secured Creditors on account of Proven Deficiency Claims, without regard to whether the Claims are the Claims of Secured Creditors or Unsecured Creditors.

#### **Payment of Post-Filing Goods & Services**

27. During the Proposal period, the Debtor shall pay for all post-filing goods and services in full in the ordinary course of business.

#### **Post-Filing Crown Claims**

28. During the Proposal period, the Debtor shall remit and pay all post-filing Crown Claims as and when due.

#### **Administrative Fees and Expenses**

29. Payment of all proper Administrative Fees and Expenses, on and incidental to the proceedings arising out of the proposal, or in the bankruptcy, if any, will be made in priority to all claims, including Crown Claims, if any. The Proposal Trustee will be at liberty to withdraw and pay such Administrative Fees and Expenses at any time and from time-to-time subject to final approval by the Registrar in Bankruptcy upon completion of the Proposal. The Proposal Trustee's disbursements will be charged in addition to its fees based on the actual costs incurred and/or as allowed by tariff.

**Reporting by the Debtor**

30. During the Proposal period, the Debtor shall provide to the Proposal Trustee every three months commencing on first Business Day of the month following the month in which the Approval Order is issued, a report containing the information set out below:
- a. a cash flow statement for the Debtor's actual cash flow for the business for the prior three months, a cash flow forecast for the business for the following three months and a variance of actual as compared to forecast for the previous three months each calendar quarter;
  - b. evidence of the Debtor's filing and remittance of source deductions and HST; and
  - c. internally generated quarterly financial statements in addition to its annual financial statements and corporate tax return prepared by a Certified Public Accountant.
31. The Proposal Trustee shall monitor the Debtor's receipts and disbursements during the Performance of the Proposal and shall report to the Inspectors on any material variances in the Debtor's cash flows and business operations. The Proposal Trustee shall use its professional judgment in determining whether a variance is material, acting as it would under the Act in deciding whether to file a material adverse change report. The Proposal Trustee shall be entitled to rely on the legal advice of its counsel in making such determination.

**Minutes of Board Meetings**

32. Creditors will be entitled to receive, on request, a copy of the minutes of any meeting of the Debtor's board of directors.

**Inspectors**

33. At the meeting of the General Unsecured Creditors to be held to consider the Proposal, or any subsequent meeting of General Unsecured Creditors, the said General Unsecured Creditors may appoint one (1) or more but not exceeding five (5) persons to act as Inspectors whose powers will be limited to:
- a. advising the Proposal Trustee from time to time with respect to any matter that the Proposal Trustee may refer to them;
  - b. advising the Proposal Trustee concerning any dispute which may arise as to the validity of Claims of Unsecured Creditors; and
  - c. authorizing an extension of the time and/or the amount of payments due from the Debtor to the Proposal Trustee pursuant to paragraphs 23 and 24 hereof, or for payments due from the Proposal Trustee to the General Unsecured Creditors pursuant to paragraphs 8 to 10 hereof.
34. The powers of the Inspectors may be exercised by a majority of them.
35. The Debtor shall meet with the Inspectors on a quarterly basis throughout the Proposal period, with such meetings to be chaired by the Proposal Trustee and held via conference call.
36. The Debtor shall report to the Proposal Trustee and the Inspectors regarding its quarterly receipts and disbursements prior to each meeting as described above.
37. The Inspectors at any meeting may fill any vacancy on the board of Inspectors.

38. The Proposal Trustee may, in accordance with the Act, apply to the Court regarding any decision, direction or act of the Inspectors and the Court may confirm, reverse or modify the decision, direction or act and make such order as it thinks just.
39. The authority and term of office of the Inspectors will terminate upon the issuance of the Certificate of Full Performance.

#### **Creditor Approval**

40. The Proposal Trustee shall call a meeting of the General Unsecured Creditors to seek creditor approval for the Proposal in the requisite majority in number and value of the class, as set out in the Act, as described in the Proposal. The performance of this Proposal by the Debtor shall be conditional upon approval of the Creditors. If the Creditors do not approve the Proposal, the Proposal Trustee shall report on the result of the vote as required under Section 57 of the Act and the Debtor shall be deemed bankrupt.

#### **Court Approval**

41. In the event the Proposal is approved by the Creditors, the Proposal Trustee shall, within five (5) days of such approval, apply to the Court for a hearing to seek the Approval Order. The performance of this Proposal by the Debtor shall be conditional upon the issuance of the Approval Order. In the event that the Court does not approve the Proposal, the Debtor shall be deemed bankrupt.

#### **Release**

42. Upon issuance of the Certificate of Full Performance, the Released Parties shall be released and discharged by all Creditors from all Claims which any Creditor may have or have been entitled to assert against any of the Released Parties for which they would be by law liable in their capacity as directors for the payment of such Claims, provided that this provision shall not release or discharge any of the Released Parties from any Claims that are set out in Section 50(14) of the Act.

#### **Events of Default**

43. The following events will constitute “Events of Default” for purposes of Section 63 of the Act and otherwise under this Proposal:
- a. the non-payment by the Debtor of any of its obligations hereunder within thirty (30) days after written notice has been given by the Proposal Trustee that such payment is past due; and
  - b. the breach or failure by the Debtor to observe and perform any other covenant and provision of this Proposal which is not remedied within thirty (30) days after written notice thereof has been given to the Debtor by the Proposal Trustee.

#### **Amendment**

44. This Proposal may be amended by the Debtor with the consent of the Proposal Trustee at any time prior to the conclusion of the meeting of General Unsecured Creditors called to consider the Proposal, provided that any amendment made pursuant to this paragraph shall not reduce the rights and benefits given to the Creditors under the Proposal before any such amendment, and provided further that any and all amendments shall be deemed to be effective as of the Date of the Proposal.

**Interest on Funds Paid Under Proposal**

45. Interest, if any, on funds held by the Proposal Trustee on account of the Proposal shall first be applied to Administrative Fees and Expenses, then to the funds payable under paragraphs 8 to 10 of the Proposal. Upon Performance of the Proposal, any surplus interest that, when combined with the funds paid under the Proposal, exceeds the sum of (i) the funds payable under the Proposal, and (ii) the Administrative Fees and Expenses, shall be paid to the Debtor following issuance of the Certificate of Full Performance.

**Performance of the Proposal**

46. Upon the Debtor making the Funded Proposal Payments in accordance with the Proposal, the Debtor, its successors and assigns and its directors and officers, shall be deemed to have satisfied the terms of the Proposal and the Proposal Trustee shall provide the Certificate of Full Performance. The Proposal Trustee shall be entitled to be discharged after making all distributions to the Creditors pursuant to the terms of this Proposal, providing a certificate of full performance to the Debtor and the Official Receiver pursuant to Section 65.3 of the Act, and completing all ancillary duties related to this Proposal.

**Section References**

47. In this Proposal, a reference to a section, clause or paragraph shall, unless otherwise stated, refer to a section, clause or paragraph of the Proposal.

**Interpretation not Affected by Headings**

48. The division of the Proposal into sections, clauses and paragraphs, and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of the Proposal.

**Currency**

49. Unless otherwise stated herein, all references to currency in this Proposal are to lawful money of Canada.

**Numbers**

50. In this Proposal, where the context requires a word importing the similar number will include the plural and vice versa.

**Failure to File Proofs of Claim Prior to Distribution**

51. Any Creditor who does not file a proof of claim with the Proposal Trustee in accordance with the Act prior to the date of distribution as set out in paragraphs 8 to 10 hereof in accordance with this Proposal shall forever be barred from making a Claim in this Proposal or sharing in any dividend hereunder, but the Debtor shall nevertheless be released from any Claims of such Creditor.

**Preferences and Transfers at an Undervalue**

52. Creditors will have the same rights to review the Debtor's transactions as are granted under sections 95 to 98 of the Act to creditors in a bankruptcy proceeding. Inspectors may authorize a review of these transactions by the Proposal Trustee on behalf of the Creditors.

53. The Proposal Trustee is acting solely in its capacity as proposal trustee under the Act and not in its personal capacity and no officer, director, employee or agent of the Proposal Trustee shall incur any obligations or liabilities in connection with this Proposal or in connection with the business or liabilities of the Debtor.

**Foreign Currency Obligations**

54. For the purposes of this Proposal, Claims denominated in a currency other than Canadian dollars, will be converted to Canadian dollars at the closing spot rate of the exchange of the Bank of Canada on the Filing Date.

DATED at the City of Toronto, in the Province of Ontario, this 12<sup>th</sup> day of November, 2019.

**WISP INTERNET SERVICES INC.**

Per:



**Patrick Christopher Doyle, President**

**SCHEDULE "A"****Tower Agreements for Unsecured Creditor Group 1**

1. Any Property Owner who purported to terminate their Tower Agreement before or after the Filing Date shall have their Tower Agreement treated as remaining in force.
2. Rental Payments for all Towers shall be \$200 per month starting on the first Business Day of the 1st month after the Effective Date. Rental Payments shall increase to \$250 per month on the first Business Day of the month after the Proposal Trustee has issued the Certificate of Full Performance and shall increase by a further \$50 on the 5th and 10th anniversary of such date until the 20<sup>th</sup> anniversary of the Effective Date.
3. The Tower Agreements shall terminate on the 20<sup>th</sup> anniversary of the Effective Date, unless renewed by the parties.
4. Property Owners will continue to receive free internet throughout the term of their Tower Agreement.
5. The Debtor shall continue to have the exclusive right to use the Tower while in good standing under the Proposal.
6. If the Debtor defaults in making a Rental Payment, the Property Owner shall promptly notify by email the Proposal Trustee and the Debtor. The Debtor shall have 30 days from the date of such notice to cure the default, failing which the Debtor's interest in the Works (as defined in the applicable Tower Agreement) shall automatically transfer to the Property Owner.

**SCHEDULE "B"**

**Illustrative Example - Unsecured Creditor Group 1**

Wisp Internet Services Inc.

Proposal

Unsecured Creditors - Group 1 Illustrations

Description of claimant: Built tower on Owner's property.

"Owner" = Owner of land

"Provider" = Wisp Internet Services Inc.

"NOI" = Notice of Intention to Make a Proposal

"12" = Number of months prior to filing the NOI when no rent was paid to Owner

**Illustrations**

	2016 Contract	2018 Contract	
<b>Original Contract</b>			
Payment by Owner to Provider at start of contract (incl. NST)	\$ 33,900	\$ 67,800 [A]	
Original total rent to be paid by Provider to Owner over 20 years	\$ 120,000	\$ 180,000 [B]	
Original monthly rent to be paid by Provider to Owner over 20 years	\$ 500	\$ 750 [C]	
Rent paid by Provider to Owner prior to NOI	\$ 14,500	\$ 6,750 [D]	
Internet service provided by Provider to Owner (Value=\$110/mth) up to the date of the NOI	\$ 4,510	\$ 2,310 [(D/C)*12] = 110 = E]	
<b>Owner's Claim in Proposal</b>			
Rental payments remaining	199	219 [(B/C) - (D/C) - 12 = F]	
Unpaid rent arrears up to date of NOI	\$ 6,000	\$ 9,000 [C x 12 months = G]	
Present value of future unpaid rent remaining in original contract (discount rate of 5% applied)	\$ 67,540	\$ 107,589 [PV of monthly rent (C) over remaining months of rental contract (F) at 5% discount rate = H]	
Less: Present value of new rent payable (\$200 per month, discount rate of 5% applied)	<u>\$ 37,573</u>	<u>\$ 42,882</u> [PV of new monthly rent (\$200 years 1-10, \$250 years 11-15 and \$300 years 16-20) over remaining months of rental contract (F) at 5% discount rate = I]	
<b>Total Claim of Owner in Proposal</b>	<u>\$ 35,967</u>	<u>\$ 73,707</u> [H - I = J]	
<b>Proposal</b>			
Total estimated proposal payments made to Owner in years 2 to 10	\$ 5,035	\$ 10,319 [14% x J = K]	
Plus: Total new rent paid by Provider to Owner over 20 years beginning in month 13	\$ 57,000	\$ 57,000 and \$300/mth for years 16-20 = L]	
Plus: Total estimated value of continued Internet service provided by Provider to Owner beginning in month 1 (Average value=\$110/mth over 20 years)	\$ 26,400	\$ 26,400 [\$110/mth for 20 years = M]	
Plus: Rent already paid by Provider to Owner	\$ 14,500	\$ 6,750 [D]	
Plus: Internet service already provided to Owner (Average value=\$110/mth)	\$ 4,510	\$ 2,310 [E]	
<b>Total cash/service received, and to be received, following approval of the Proposal</b>	<u>\$ 107,445</u>	<u>\$ 102,779</u> [K+L+M+D+E = N]	
<b>Total cash/service received, and to be received, as a percentage of original payment by Owner</b>	<u>317%</u>	<u>152%</u> [N/A]	

**Note**

Depending on the start date of the original contract, by the end of the term of the Proposal and new rental period, the Owners are estimated to receive between: 1.5 and 8.2 times their original payments.



**SCHEDULE "C"****Tower Agreements for Unsecured Creditor Group 2**

1. All Tower Agreements in respect of Towers that have not been built shall be terminated.
2. Each Property Owner shall be deemed to have entered into an Option Agreement with the Debtor granting the Debtor an option to build a Tower on the Property Owner's lands in the future.
3. The Debtor covenants and agrees to pay each Property Owner \$200 per month under the Option Agreement starting on the first Business Day of the 1st month after the Effective Date. Option Payments shall increase to \$250 per month on the first Business Day of the month after the Proposal Trustee has issued the Certificate of Full Performance and shall increase by a further \$50 on the 5th and 10th anniversary of such date until the 20th anniversary of the Effective Date.
4. The Option Agreement shall not restrict a Property Owner's right to enter into a new tower agreement with a third party. However, in the event a third party proposes to build a Tower on the Property Owner's lands, the Debtor shall have a right of first refusal to exercise, within 30 days' notice (by email) from the Property Owner, its option to build a Tower on the terms set out in paragraph 2 of this Schedule "C" to the Proposal. If the Debtor declines to exercise its option, then the Option Agreement shall terminate immediately with no further obligation to make any payments on account of the Option Agreement.
5. If the Debtor exercises its option and builds a Tower, then the Option Agreement shall convert to a Tower Agreement on the terms set out in Schedule "A" to the Proposal. The term of a converted agreement shall equal the number of years remaining on the Option Agreement at the time of conversion to a Tower Agreement. For greater certainty, the cumulative term of an Option Agreement and Tower Agreement shall not exceed 20 years from the Effective Date.

**SCHEDULE "D"**

**Illustrative Example - Unsecured Creditor Group 2**

Wisp Internet Services Inc.

Proposal

Unsecured Creditor - Group 2 Illustration

Description of claimant: Owner paid Provider in 2018 to build a tower but, to date, tower was not built on Owner's property.

"Owner" = Owner of land

"Provider" = Wisp Internet Services Inc.

"NOI" = Notice of Intention to Make a Proposal

"12" = Number of months prior to filing the NOI when no rent was paid to Owner

Illustration

	2018 Contract	
<i>Original Contract</i>		
Payment by Owner to Provider at Inception (incl. HST)	\$ 67,800	[A]
Original total rent to be paid by Provider to Owner over 20 years	\$ 180,000	[B]
Original monthly rent to be paid to Provider over 20 years	\$ 750	[C]
Rent already paid by Provider to Owner	\$ 2,250	[D]

<i>Owner's Claim in Proposal</i>		
Rental payments remaining	225	$[(B/C)-(D/C)-12 = E]$
Payment by Owner to Provider at Inception (incl. HST) to build tower	\$ 67,800	[A]
Plus: Unpaid rent arrears up to date of NOI	\$ 9,000	$[C \times 12 \text{ months} = F]$
Plus: Internet service up to date of NOI	\$ 1,650	$[(D/C \times 12) \times \$110 = G]$
Plus: Present value of future unpaid rent remaining in Original Contract (discount rate of 5% applied)	\$ 109,374	$[PV \text{ of monthly rent } (C) \text{ over remaining months of rental contract } (E) \text{ at } 5\% \text{ discount rate} = H]$
Plus: Present value of future internet service	\$ 16,041	$[PV \text{ of Internet service at } \$110/\text{mth} \text{ over remaining months of rental contract } (E) \text{ at } 5\% \text{ discount rate} = I]$
Less: Present value of new option payments (discount rate of 5% applied)	-\$ 44,391	$[PV \text{ of new monthly rent } (\$200 \text{ years } 1-10, \$250 \text{ years } 11-15 \text{ and } \$300 \text{ years } 16-20) \text{ over remaining months of rental contract } (E) \text{ at } 5\% \text{ discount rate} = J]$
Less: Rent paid to date	-\$ 2,250	[D]
Total Claim of Owner in Proposal	\$ 157,224	$[A+F+G+H+I+J+D=K]$

<i>Proposal</i>		
Total estimated proposal payments made to Owner (years 2 to 10)	\$ 22,011	$[14\% \times K = L]$
Plus: Total new option payments by Provider to Owner over 20 years beginning in month 13	\$ 57,000	$[\$200/\text{mth} \text{ for years } 1-10 \text{ years, } \$250/\text{mth} \text{ for years } 11-15 \text{ and } \$300/\text{mth} \text{ for years } 16-20 = M]$
Plus: Rent already paid by Provider to Owner	\$ 2,250	[C]
Total cash received, and to be received, following approval of the Proposal	\$ 81,261	[N]
Total cash received, and to be received, as a percentage of original payment made by Owner	120%	[N/A]

*Note*

Depending on the start date of the original contract, by the end of the term of the proposal and new option, the Owner in this illustration is estimated to receive approximately 120% of his/her original investment.

**SCHEDULE "E"**

**Illustrative Example - Unsecured Creditor Group 3**

Wisp Internet Services Inc.

Proposal

Unsecured Creditor - Group 3 Illustration

Description of claimant in illustration: Private Lender

"Creditor" = Loaned Wisp \$100,000 in 2017.

"Provider" = Wisp Internet Services Inc.

<u>Illustration</u>	<u>2017 Loan</u>	
<i>Creditor's Claim in Proposal</i>		
Loan made to Provider	\$ 100,000	[A]
Less: Repayments received prior to date of NOI	-\$ 25,222	[B]
Plus: Accrued interest at 60% per annum until date of NOI	<u>\$ 96,821</u>	[C]
Total Creditor Claim admitted in Proposal	<u>\$ 171,599</u>	[A+B+C-D]
<i>Proposal</i>		
Total estimated proposal payments made to Owner (years 2 to 10)	<u>\$ 24,024</u>	[14% x D = E]
Total cash received, and to be received, as a percentage of original payment by Owner	<u>49%</u>	[(-B+E)/A]

# REPORT ON PROPOSAL

Court File No. 31-2551574  
Estate File No. 31-2551574

**IN THE MATTER OF THE PROPOSAL OF  
WISP INTERNET SERVICES INC.  
OF THE TOWNSHIP OF SCUGOG  
IN THE PROVINCE OF ONTARIO**

**REPORT OF TRUSTEE ON PROPOSAL**

**November 18, 2019**

**INTRODUCTION**

1. On August 29, 2019 (the **"Date of Filing"**), Wisp Internet Services Inc. (**"WISP"** or the **"Company"**) filed with the Official Receiver a Notice of Intention to Make a Proposal (**"NOI"**) to its creditors and named Dodick Landau Inc. (**"DLI"**) as Proposal Trustee (the **"Proposal Trustee"**).
2. On September 24, 2019, in accordance with Section 50.4(9) of the Bankruptcy and Insolvency Act (the **"BIA"**), the Debtor sought and obtained approval from the Superior Court of Justice (the **"Court"**) to extend the time for filing the Proposal, and the stay of proceedings up to and including November 12, 2019.
3. On November 12, 2019, pursuant to section 62 of the Bankruptcy and Insolvency Act (the **"BIA"** or the **"Act"**), WISP filed with the Official Receiver a proposal (the **"Proposal"**).
4. The purpose of this report (**"Report"**) is to provide information to the creditors of WISP (the **"Creditors"**) to assist in their evaluation of the Proposal.
5. The Proposal has been developed to effect a restructuring of the indebtedness of the Company in the manner contemplated herein and as permitted by the Act in the expectation that all Creditors will derive a greater benefit from the restructuring and the continued operation of the business and affairs of the Company than would result from a bankruptcy of the Company.

6. **A meeting of the Creditors to consider the Proposal will be held at Tyrone Community Centre, located at 2716 Concession Road 7, Tyrone, Ontario, L1C 5W2, on December 3, 2019 at 11:00 a.m. (the “Creditors’ Meeting”). Details relating to the filing of claims, and other documents, prior to the Creditors’ Meeting, are outlined in the Report and will be mailed to each known creditor of WISP, or their duly appointed representative.**

#### **DISCLAIMER**

7. In preparing this Report, the Proposal Trustee has relied upon certain unaudited, draft and/or internal financial information, the Company’s books and records, discussions with the Company’s management (“**Management**”), Creditors and information from other third-party sources (collectively, the “**Information**”). Except as described in this Report:
  - i) the Proposal Trustee has not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the Information in a manner that would wholly or partially comply with Generally Accepted Assurance Standards pursuant to the Canadian Institute of Chartered Accountants Handbook and, accordingly, the Proposal Trustee expresses no opinion or other form of assurance in respect of the Information;
  - ii) some of the information referred to in this Report consists of forecasts and projections. An examination or review of the financial forecast and projections, as outlined in the Canadian Institute of Chartered Accountants handbook, has not been performed; and
  - iii) the Proposal Trustee has prepared this Report in its capacity as a Court appointed officer and has made a copy of this Report available on DLI’s website at [\*\*www.dodick.ca\*\*](http://www.dodick.ca). Parties using this Report, other than for the purpose of evaluating the Proposal, are cautioned that it may not be appropriate for their purposes. DLI will continue to maintain on its website copies of any court orders, reports and other material public filings it considers relevant to this proceeding.
8. Future oriented financial information referred to in this Report was prepared based on Management’s estimates and assumptions. Readers are cautioned that since projections are based upon assumptions about future events and conditions that are not ascertainable, the actual results will vary from the projections, even if the assumptions materialize, and the variations could be significant.



9. The capitalized terms not defined in this report are defined in the Proposal and this Report should only be read in conjunction with the Proposal. While this Report summarizes key aspects of the Proposal, Creditors are advised to carefully read the Proposal in full. Should there be any discrepancy between the summary contained in this Report and the Proposal, the Proposal shall govern.
10. Unless otherwise stated, all monetary amounts contained herein are in Canadian dollars.

## **BACKGROUND**

### *Operations*

11. WISP was incorporated on April 27, 2009 under the laws of Ontario. WISP's registered office address is 4510 Concession Rd #5, Newtonville, Ontario and its registered mailing address is 180 Mary Street, Suite #10, Port Perry, Ontario. The Company's books and records are maintained at the Mary Street location.
12. WISP is in the business of delivering high-speed internet services to customers in rural communities in Ontario (the "**Business**"). WISP delivers its services through a network of communication towers strategically located throughout Ontario (the "**Towers**"). WISP's network currently includes 89 active Towers servicing approximately 2,100 customers.
13. Most Towers are built on private lands. In a typical arrangement, WISP will enter into a written agreement (each, a "**Tower Agreement**") with a landowner which provides, among other things, that:
  - i) the landowner will pay WISP a fixed fee to build a Tower on the landowner's lands;
  - ii) the landowner will grant WISP an exclusive right to access the lands for the purpose of building and maintaining the Tower and related equipment and use the Tower for the purpose of delivering high-speed internet services to Wisp's subscribers in the area; and
  - iii) WISP will pay to the landowner a monthly rent for the use of the tower and land for a period of twenty-years and will provide free internet access to the landowner throughout the term of the agreement.

14. WISP is currently a party to 105 Tower Agreements. The Tower Agreements can be divided into two groups:
  - i) Tower Agreements in respect of lands on which WISP has built a Tower ("**Built Tower Agreements**"). WISP is currently a party to 52 Built Tower Agreements. These creditors are classified as Unsecured Creditor Group 1; and
  - ii) Tower Agreements in respect of lands on which WISP has yet to build a Tower ("**Unbuilt Tower Agreements**"). WISP is currently a party to 53 Unbuilt Tower Agreements. These creditors are classified as Unsecured Creditor Group 2.
15. WISP has ongoing rental obligations under both the Built Tower Agreements and the Unbuilt Tower Agreements. Wisp is proposing to restructure the Built and Unbuilt Tower Agreements.
16. In addition to the towers that are subject to Tower Agreements, WISP's network includes approximately an additional 35 towers that are either owned by WISP, with WISP paying rent to the landowners under land lease agreements ("**Land Leases**"), or are owned by third-parties, with WISP renting space on their towers ("**Tower Space Leases**"). Wisp is not proposing to restructure the Land or Tower Space Leases.

#### *Financial Results*

17. WISP has been unable to provide the Proposal Trustee with recent financial statements due to incomplete books and records. WISP has hired a Chartered Professional Accountant ("**CPA**") to update its books and records and to complete missing Canada Revenue Agency ("**CRA**") filings to ensure that WISP is compliant with its obligations to CRA. The Proposal Trustee has spoken with the CPA who has advised that she expects this work to be completed by end of December 2019. The Proposal Trustee has undertaken a review of WISP's cash flows commencing from the filing of the NOI. The Proposal Trustee's findings are summarized below.

## CAUSES OF FINANCIAL DIFFICULTIES

### *Storm Damage*

18. According to Management, in the spring of 2018, a series of storms caused significant damage to many of WISP's Towers, panels and equipment, resulting in nearly 75% of WISP's network temporarily going offline. The total cost of the damage was in the range of \$1.5 - \$2 million.
19. According to Management, WISP made an insurance claim in respect of the storm damage but, to date, has only received approximately \$175,000 in insurance proceeds. As a result, WISP did not have sufficient financial resources to repair and bring its network back online. During that time Wisp received funds from owners of lands to build new towers on their properties, as well as through high interest loans from various individuals. Wisp utilized these funds to finance the repairs to its tower network.
20. Further, in the aftermath of the network outage, according to Management, WISP lost nearly 25% of its customer base. This loss of revenue, combined with the significant cost to repair the tower network, caused a liquidity crisis for WISP and, as a result, Wisp ceased paying rent under the Built and Unbuilt Tower Agreements beginning on or around September 2018.

### *High Tower Rent*

21. As of August 29, 2019, WISP's monthly revenues were approximately \$200,000 and its monthly expenses were approximately \$240,000.
22. WISP's largest monthly expense is in respect of rental payments under the Tower Agreements. WISP's current customer base and revenue stream are not sufficient to support its current rental obligations under the Tower Agreements.
23. These problems are compounded by WISP's obligations under the Unbuilt Tower Agreements. As indicated above, WISP owes monthly rent to landowners but does not yet derive the benefit of a revenue-generating Tower under the Unbuilt Tower Agreements. Further, in its present financial circumstances, WISP does not yet have sufficient cash to fund the construction of additional Towers.

### *CRA Account Freeze*

24. In addition to the above issues, WISP has a deemed trust claim payable to CRA of \$292,575 which resulted in the CRA freezing WISP's bank account on or about May 22, 2019. The filing of the NOI lifts this freeze until such time as WISP is able to make a proposal that is approved by its creditors and the Court, after which the lifting of the freeze will remain in effect as long as WISP is not in default of the terms of its Proposal, which includes the Company paying CRA's deemed trust claim in full.

### **Secured and Unsecured Debt**

#### *Secured Creditors*

25. At the Date of Filing, Management has advised that Secured Creditors are owed approximately \$100,000 and the debt is owed to five known creditors, four of which are equipment leasing companies.

#### *Crown Claims*

26. The Proposal Trustee is now in receipt of a proof of claim filed by CRA. According to the proof of claim, at the Date of Filing, the Company was indebted to CRA for unremitted employee source deductions in the amount of \$292,575, inclusive of penalties and interest of \$55,142, ("**CRA Deemed Trust Claim**"). As of the date of this Report, the Company is current in remitting post-filing employee source deductions, and filing its returns, to CRA.

#### *Preferred Creditors*

27. As of the Date of Filing, Management has estimated that there are no Preferred Creditors' Claims.

#### *General Unsecured Creditors*

28. According to Management, WISP's General Unsecured Creditors' debt totaled approximately \$16.9 million at the Date of Filing the majority of which are comprised of damage claims associated with the restructuring of the Built and Unbuilt Tower Agreements in the Proposal ("**Damage Claims**"). To ensure that the claims process is accessible for General Unsecured Creditors with Tower Agreements, the Company, with the assistance of the Proposal Trustee, has calculated the Damage Claims for each landowner with a Built or Unbuilt Tower

Agreement and provided that calculation to the landowner, together with their Creditor package (the “**Illustrative Claim**”). Creditors agreeing with the Illustrative Claim may use it to prove their claim in the Proposal. A Creditor may file a claim for other amounts or using a different calculation if they are not in agreement with the Illustrative Claim as calculated by the Company. There are approximately 225 known General Unsecured Creditors including creditors with Built Tower Agreements, Unbuilt Tower Agreements, private lenders and unsecured trade creditors, and includes indebtedness to CRA for pre-NOI unremitted HST totalling approximately \$572,000.

## THE PROPOSAL

### *Class*

29. For the purpose of this Proposal, the Creditors of the Company are comprised of a single class of Creditors having Preferred Creditor Claims and/or General Unsecured Creditor Claims (the “**Class 1**”). Class 1 includes those who are in Unsecured Creditor Group 1 and Unsecured Creditor Group 2.
30. For greater certainty, the Creditors entitled to vote in Class 1 consist of Secured Creditors (to the extent of the amount of their Deficiency Claims), General Unsecured Creditors (i.e., creditors holding claims without priority under the BIA), Preferred Creditors pursuant to the BIA, and Her Majesty in right of Canada and any province for all amounts other than Crown Priority Claims (e.g. CRA Deemed Trust Claim). A General Unsecured Creditor may have a claim both in Unsecured Creditor Group 1 or Unsecured Creditor Group 2 as well as a claim as a general Unsecured Creditor. In such a case the Creditor has one vote in respect of the aggregate amount of its Claim.

### *Treatment of Claims*

31. Crown Priority Claims consist of all proven pre-filing claims of CRA, or any province, contemplated by section 60(1.1) of the BIA, including unremitted source deductions. According to the Proposal, Crown Priority Claims will be paid in full within six (6) months of the Court Approval Date, and will be paid in addition to the Funded Proposal Payments, to the Proposal Trustee and then remitted by the Proposal Trustee to CRA. As described above, according to Management, post-filing source deduction remittances and returns are current.

32. Secured Creditors shall be paid within 12 months following the Effective Date. The payment of Claims of Secured Creditors shall be made outside of this Proposal. Secured Creditors may only vote on questions relating to this Proposal as a General Unsecured Creditor in respect of the amount equal to such Secured Creditor's Proven Deficiency Claim.
33. Preferred claims are those claims set out in Section 136(1) of the BIA ("**Preferred Claims**").
34. Employee Preferred Claims, shall be paid in full, without interest, in priority to General Unsecured Claims out of additional operating funds to be delivered by the Company to the Proposal Trustee and shall be remitted by the Proposal Trustee to the entitled claimants, if any.
35. Any other proven Preferred Claims, if any, shall be paid in full, without interest, out of Funded Proposal Payments, in priority to General Unsecured Claims.
36. Proven General Unsecured Creditor Claims, after satisfaction of any priority claims, shall be paid *pro rata* out of the Funded Proposal Payments as set out below.

#### *Funding the Proposal*

37. Upon the full satisfaction of the Crown Claims and Preferred Claims, if any, the Company will cause to be paid to the Proposal Trustee, between months 13 and 120, cash instalments in the amount of \$62,500 every calendar quarter.
38. The Proposal Payments will be made over a nine (9) year period until an amount is paid to the Proposal Trustee equal to \$2,250,000 ("**Funded Proposal Payment**") less the Administrative Fees and Expenses. In addition to the Funded Proposal Payment, Unsecured Creditor Group 1 and Unsecured Creditor Group 2 will receive monthly Rental or Option Payments as discussed further herein.
39. The Company's obligation to commence funding the Funded Proposal Payments shall commence on the first Business Day of the 13<sup>th</sup> months following the month in which the Company obtains the Approval Order.

#### *Distribution*

40. Interim distributions of Funded Proposal Payments will be made to General Unsecured Creditors twice per year. The timing of the two annual dividend payments will be at the

discretion of the Proposal Trustee, when there are sufficient funds received from the Company and held in trust to make a distribution.

41. All distributions are subject to the Superintendent's Levy in accordance with the BIA.
42. The Funded Proposal Payments will be distributed by the Proposal Trustee in the following order of priority:
  - i) *Administrative Fees and Expenses* - To fund all administrative fees and expenses of the Proposal Trustee, including the legal fees of the Proposal Trustee and the Company;
  - ii) *Bankruptcy Reserve* - To establish a reserve of \$25,000 to be held in trust by the Proposal Trustee, which amount shall be used to fund the administrative costs of the bankruptcy of the Company in the event that the Proposal is annulled and the Company becomes bankrupt, failing which such amount shall be distributed to the Creditors;
  - iii) *Proven Claims of Preferred Creditors* – To pay all Proven Preferred Claims other than Employee Preferred Claims, if any, which will be paid without interest; and
  - iv) *Proven Claims of General Unsecured Creditors* – The remainder will be distributed to all General Unsecured Creditors on account of Proven Unsecured Creditors and (ii) the Secured Creditors on account of Proven Deficiency Claims, without regard to whether the claims are claims of Secured or Unsecured Creditors.

#### *Unsecured Creditor Group 1*

43. All Tower Agreements shall be amended as outlined in the Proposal. In addition to being paid *pro rata* (equal) with other General Unsecured Creditors from the Funded Proposal Payment as set out below, under the Proposal this creditor group shall receive rental payments of \$200 per month commencing on the first month after the Effective Date ("**Rental Payments**"). Rental Payments shall increase to \$250 per month after all Funded Proposal Payments have been paid by the Company to the Proposal Trustee (after 120 months) and shall increase by

\$50 per month on the 5<sup>th</sup> and 10<sup>th</sup> anniversary of such date until the 20<sup>th</sup> anniversary of the Effective Date.

44. These property owners will also continue to receive free internet throughout the term of their Tower Agreement, which has a current value of approximately \$110 per month.

*General Unsecured Creditor Group 2*

45. All Unbuilt Tower Agreements shall be terminated. Each property owner shall be deemed to have entered into an option agreement granting the Company an option to build a Tower on the property owners lands in the future ("**Option Agreement**"). In addition to being paid *pro rata* (equal) Proposal payments with other General Unsecured Creditors, these creditors shall receive payments under the Option Agreements of \$200 per month on the first month after the Effective Date ("**Option Payments**"). Option Payments shall increase to \$250 per month after all Funded Proposal Payments have been paid by the Company to the Proposal Trustee (after 120 months) and shall increase by \$50 per month on the 5<sup>th</sup> and 10<sup>th</sup> anniversary of such date until the 20<sup>th</sup> anniversary of the Effective Date.
46. The Option Agreement shall not restrict a property owner's rights to enter into a new tower agreement with a third party. However, in the event a third party proposes to build a Tower on the property owner's lands, the Company shall have a right of first refusal to exercise, within 30 days' notice by the property owners, Wisp's right to build a tower on the owner's property. Once it has exercised its right, Wisp will be required to fund the construction of a tower on the landowner's property within a reasonable period of time, otherwise, it will lose such right. If Wisp decides not to exercise its right of first refusal to build a tower after receiving proper notice from the landowner, it will no longer be obliged to continue to pay the Option Payment to the landowner to maintain the option.

*Reporting by the Company*

47. During the Proposal period, the Company shall provide to the Proposal Trustee every three months commencing on first day of the month following the month in which the Approval Order is issued, a report containing the information set out below:
- i) a cash flow statement for the Company's actual cash flow for the business for the prior three months, a cash flow forecast for the business for the following three months and



a variance of actual as compared to forecast for the previous three months each calendar quarter;

- ii) evidence of the Company's filing and remittance of source deductions and HST; and
  - iii) internally generated quarterly financial statements in addition to its annual financial statements and corporate tax return prepared by a CPA.
48. The Proposal Trustee shall monitor the Company's receipts and disbursements during the Performance of the Proposal and shall report to the Inspectors (discussed below) on any material variances in the Company's cash flows and business operations. The Proposal Trustee shall use its professional judgment in determining whether a variance is material, acting as it would under the Act in deciding whether to file a material adverse change report. The Proposal Trustee shall be entitled to rely on the legal advice of its counsel in making such determination.

#### *Minutes of Board Meetings*

49. Creditors will be entitled to receive, on request, a copy of the minutes of any meeting of the Company's board of directors.

#### *Inspectors*

50. At the meeting of the General Unsecured Creditors to be held to consider the Proposal, the Creditors may appoint one (1) or more but not exceeding five (5) persons to act as Inspectors whose powers will be limited to:
- i) advising the Proposal Trustee from time to time with respect to any matter that the Proposal Trustee may refer to them;
  - ii) advising the Proposal Trustee concerning any dispute which may arise as to the validity of Claims of Unsecured Creditors; and
  - iii) authorizing an extension of the time and/or the amount of payments due from the Company to the Proposal Trustee, or for payments due from the Proposal Trustee to the General Unsecured Creditors.
51. The powers of the Inspectors may be exercised by a majority of them.

52. The Company shall meet with the Inspectors on a quarterly basis throughout the Proposal period, with such meetings to be chaired by the Proposal Trustee and held via conference call.
53. The Company shall report to the Proposal Trustee and the Inspectors regarding its quarterly receipts and disbursements prior to each meeting as described above.
54. The Proposal Trustee may, in accordance with the BIA, apply to the Court regarding any decision, direction or act of the Inspectors and the Court may confirm, reverse or modify the decision, direction or act and make such order as it thinks just.

### **OVERVIEW OF WISP WEEKLY CASH FLOW FORECAST**

55. Within 10-days from the filing of the NOI, WISP, with the assistance of the Proposal Trustee, prepared a cash flow forecast for the period from August 29, 2019 to November 30, 2019 ("**Cash Flow Forecast**"). A copy of the Cash Flow Forecast is attached hereto as **Appendix "A"** to this Report. The Cash Flow Forecast was prepared by Management of WISP in support of its insolvency proceedings, using probable and hypothetical assumptions set out in notes 1 to 10 attached to the Cash Flow Forecast. The Cash Flow Forecast reflects receipts and disbursements to be received or paid over the 13-week forecast period in Canadian dollars. An updated cash flow forecast for the period beyond November 30, 2019 is being prepared by the Company.
56. The Cash Flow Forecast projected that WISP will have sufficient liquidity to fund its expenses and the Proposal proceeding.
57. A critical assumption made in the Cash Flow Forecast is that WISP is expected to be able to operate within its available cash flow throughout the Proposal proceeding and not require interim financing.
58. The Cash Flow Variance, contained in **Appendix "B"**, shows that the forecast cash flow relative to the actual cash flow for the period from August 29, 2019 to October 26, 2019 included a negative net cash flow variance of approximately \$46,000 in the period. This negative net cash flow variance is primarily due to lower receipts in the period and higher professional fees than forecast. According to Management the lower receipts, relates primarily to fewer new subscribers than forecast which is partially due to WISP having a staffing shortage preventing the Company from being able to complete as many new

- customer installations as requested.
59. The Proposal Trustee's review of the Cash Flow Forecast consisted of inquiries, analytical procedures and discussion related to information supplied to the Proposal Trustee by management of WISP. The Proposal Trustee's procedures with respect to hypothetical assumptions were limited to evaluating whether they were consistent with the purpose of the Cash Flow Forecast. The Proposal Trustee has also reviewed the support provided by management of WISP for the probable assumptions, and the preparation and presentation of the Cash Flow Forecast.
60. Based on the Proposal Trustee's review, nothing has come to its attention to cause it to believe that, in all material respects:
- i) the hypothetical assumptions are not consistent with the purpose of the Cash Flow Forecast;
  - ii) as at the date of this Report, the probable assumptions developed by management are not suitably supported and consistent with the plans of WISP or do not provide a reasonable basis for the Cash Flow Forecast, given the hypothetical assumptions;  
or
  - iii) the Cash Flow Forecast does not reflect the probable and hypothetical Assumptions.
61. As described in the Disclaimer above, since the Cash Flow Forecast 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, the Proposal Trustee expresses no assurance or opinion as to whether the Cash Flow Forecast will be achieved.
62. The Cash Flow Forecast has been prepared solely for the purpose described above, and readers are cautioned that it may not be appropriate for other purposes.

**LIQUIDATION ANALYSIS / ESTIMATED RECOVERY IN BANKRUPTCY***Liquidation Analysis*

63. In the event that the Proposal is not accepted by the Creditors or the Court and WISP is deemed bankrupt, the following liquidation analysis represents the estimated value of WISP's assets should its assets be sold out of bankruptcy.
64. The Proposal Trustee has relied on Management in determining the estimated liquidation values of the assets. The liquidation analysis was prepared at a point in time, being October 26, 2019. However, the value of the cash-on-hand and accounts receivable are changing as receivables are collected. Accordingly, in the event that the Company were to become bankrupt, the realizable value of the assets at that time may be different than presented herein.

**Summary of Estimated Liquidation Value  
As at October 26, 2019  
(000's)**

	Notes	Total
<b>Receipts</b>		
Cash		27,000
Accounts Receivable	1	150,000
Furniture		7,500
Machinery and equipment	2	416,000
Customer List	3	400,000
<b>Total Receipts</b>		<b>1,000,500</b>
<b>Disbursements</b>		
Administrative costs	4	10,625
<b>Total Disbursements</b>		<b>10,625</b>
<b>Net Cash Flow from Liquidation</b>		<b>\$ 989,875</b>

*Notes:*

- Accounts Receivable collections are assumed to be 100% collectible as the balance is net of all known bad debts.*
- Machinery and Equipment is based on the assumption that the equipment, which is located on Towers, will be sold in place and the new internet provider is able to enter into a rental agreement with the landowner. In the event that a going concern sale cannot be completed by a bankruptcy trustee and the equipment will need to be removed from the Towers its liquidation value would be significantly lower.*

3. *The value for the customer list is also based on the assumption that a going concern sale is completed. In the event that this is not possible the customer list's liquidation value would also be significantly lower.*
4. *Administrative costs consist of the retention of Management for a period of six weeks to assist with the ongoing operation of the Business until a sale to a third party can be completed.*

### **Estimated Recovery – Bankruptcy vs. Proposal Scenario**

65. The following chart (which is rounded to the nearest thousand dollars) sets out the net expected recovery to General Unsecured Creditors under a Bankruptcy/Liquidation scenario ("**Bankruptcy Scenario**") and the Proposal scenario ("**Proposal Scenario**"). As can be seen below, the net estimated recovery to General Unsecured Creditors in the Bankruptcy Scenario is **3.3%** versus approximately **12.5%** under the Proposal Scenario.

<u>Estimated Recovery in a Liquidation Scenario</u>		<u>Estimated Recovery in a Proposal Scenario</u>	
Liquidation Value of Assets (based on a liquidation as calculated above)	990	Funded Proposal Payment (note 1)	2,250
Less: Crown Priority Claims - Deemed Trust Portion (note 2)	(237)	Less: Crown Priority Claims - Deemed Trust Portion (note 2)	n/a
Less: Secured Creditor Claim (note 3)	(110)	Less: Secured Creditor Claim (note 3)	n/a
Less: Employee Preferred Claims	n/a	Less: Employee Preferred Claims	n/a
Less: Estimated Professional fees and expenses (note 4)	(60)	Less: Estimated Professional fees and expenses (note 4)	(75)
Less: Superintendent's Levy (note 5)	(29)	Less: Superintendent's Levy (note 5)	(63)
Less: Ordinary Preferred Claims (note 5)	-	Less: Ordinary Preferred Claims (note 5)	-
Net amount available for General Unsecured Creditors	<u>554</u>	Net amount available for General Unsecured Creditors	<u>2,113</u>
Estimated Claims of General Unsecured Creditors	<u>16,946</u>	Estimated Claims of General Unsecured Creditors	<u>16,946</u>
Estimated Recovery to CRA for Crown Priority Claims	<u>100%</u>	Estimated Recovery to CRA for Crown Priority Claims from the Funded Proposal Payments	<u>n/a</u>
Estimated Recovery to Unsecured Creditors	<u>3.3%</u>	Estimated Recovery to General Unsecured Creditors	<u>12.5%</u>
		Estimated Recovery to General Unsecured Creditors before professional fees and superintendent's levy	<u>13.3%</u>

#### **Notes:**

1. *In addition to Creditors receiving their pro-rata share of the Funded Proposal Payments, creditors with Built and Unbuilt Tower Agreements will also be receiving monthly rental or option payments. In the event that the Proposal fails and WISP is liquidated in a bankruptcy, these payments may or may not continue depending on whether a going concern sale of all the assets can be completed by a bankruptcy trustee and whether the buyer wishes to*

*maintain these rental/option arrangements. Furthermore, if a new owner does require the tower network and is not just purchasing the subscriber base for its own network, it will likely not assume all Tower or Option Agreements.*

*According to the terms of the Proposal, in the event that the Proposal fails or the Company defaults in making a rental payment and does not remedy that default within 30-days from receipt of notice of default by the landowner, the tower and shed (defined as the "Works" in the Tower Agreements) shall transfer to the landowner, however, all equipment on the tower and in the shed shall remain the property of the Company. Practically, in a bankruptcy sale, a new owner will be required to enter into a new rental agreement with the landowner, otherwise, he will be required to remove his equipment from the tower and the shed.*

- 2. In the Bankruptcy Scenario, CRA's deemed trust for Crown Priority Claims only extends over the employee portion of deductions, not the employer contributions or the interest and penalties. In the Bankruptcy Scenario, the liability for employer contributions and interest and penalties would be a General Unsecured Claim. In the Proposal Scenario, CRA will receive 100% of its deemed trust entitlement, as it will be paid from funds derived from the Company's operations following Court Approval of this Proposal and paid by the Company to the Proposal Trustee from time to time.*
- 3. In the Bankruptcy Scenario, Secured Creditors will be paid from the Liquidation Value of the Company's assets while in the Proposal Scenario, Secured Creditors will be paid from funds derived from the Company's operations within 12 months of Court Approval.*
- 4. In a bankruptcy this amount represents a provision for the estimated professional fees to administer and sell the assets of the Company in a bankruptcy proceeding. In the case of the Proposal proceeding, professional fees include administering the Proposal before and after Court approval, which includes ongoing cash flow monitoring.*
- 5. The Superintendent's Levy is applicable to payments made to Preferred and General Unsecured Creditors in both the Bankruptcy and the Proposal Scenarios and is calculated as 5% of up to \$1.0 million of distributions and 1.25% of distributions over \$1.0 million and up to \$2.0 million. There is no levy on distributions over \$2.0 million in a Proposal.*

#### **INFORMAL CREDITORS' MEETING**

66. On October 10, 2019, the Company invited its Creditors to an information meeting to discuss its NOI filing, to review draft proposed terms of its proposal, and to seek feedback from Creditors in advance of WISP finalizing the terms of its Proposal. The Company considered the feedback and recommendations provided by the Creditors at this meeting and incorporated the majority of the recommendations made by the creditors in its final Proposal.

## CREDITORS' MEETING/VOTING PROCEDURE AND CLASS OF CREDITORS

### *Creditors' Meeting/Voting Procedure*

67. The primary purpose of the Creditors' Meeting is to permit Creditors to vote on the acceptance or rejection of the Proposal. For the Proposal to be accepted, at least two-thirds (66.67%) of creditors by dollar value, and more than 50% of creditors by number, must vote in favour of the Proposal at the meeting either in person, by proxy or by mailing a voting letter to the Proposal Trustee in advance of the meeting. Only Creditors who actually vote are counted for the purpose of determining whether the necessary thresholds have been reached. Creditors related to WISP may not vote for the Proposal.
68. **To be eligible to vote on the Proposal, Creditors must have filed with the Proposal Trustee, before the Creditors' Meeting, an unsecured proof of claim form, as applicable, signed and witnessed as required and accompanied by proof which may include, a calculation of the claim amount, a statement of account or an affidavit in support of the claim. Those Creditors who do not intend to have a personal representative at the meeting, to be held on December 3, 2019, may complete and submit the voting letter which is enclosed in the creditor package prior to the Creditors' Meeting indicating their vote for or against the acceptance of the Proposal. A form of proxy is also available and included in the Creditor Package should a Creditor wish to appoint a proxy to represent them at the meeting. If the Proposal is not accepted by the required majorities of unsecured creditors, the Company will be deemed bankrupt.**
69. If the Proposal is accepted by the required statutory majorities referenced above, the Proposal Trustee will then make an application to the Court for approval of the Proposal. If the Court provides such approval ("**Approval Order**"), the Proposal will be binding on all Creditors and such Creditors, and their respective heirs, executors, administrators, successors and assigns, shall have no further Claim against the Company other than for the distributions provided in the Proposal.

### *Class of Creditors*

70. For purposes of considering, and voting on, the Proposal, and receiving a distribution pursuant to the Proposal, the Creditors are grouped into one class.

71. The Proposal does not compromise or otherwise affect certain creditor claims, specifically:
- a) claims for goods and/or services delivered to the Company on or after the Date of Filing, August 29, 2019, including Administrative Fees and Expenses;
  - b) Crown Claims; and
  - c) Proven Claims of Secured and Preferred Creditors (to the extent of their priority), if any, payable in priority to all claims of General Unsecured Creditors in accordance with the scheme of distribution set forth in the BIA.
72. Distributions to Creditors will be made as described in the "Distribution" section of this Report.

### **ALTERNATIVES TO THE PROPOSAL**

73. At the Creditors' Meeting, the Creditors are being asked by the Proposal Trustee to choose between two alternatives, namely accepting the Proposal, or rejecting the Proposal, which would result in the Company being deemed bankrupt.
74. For the reasons described above, the Proposal Trustee is of the view that the Proposal Scenario will produce a more favourable and certain result for the Creditors of WISP than would a sale of the assets in a bankruptcy.

### **CONDUCT OF WISP**

#### *Preference Transactions and Transfers at Undervalue*

75. The Proposal Trustee has not undertaken a detailed review for possible preference transactions or transfers at undervalue. The Proposal contemplates that Creditors will have the same rights to review the Company's transactions as are granted under sections 95 to 98 of the BIA to creditors in a bankruptcy proceeding.
76. Inspectors may authorize a review of these transactions by the Proposal Trustee on behalf of the Creditors. If either preferential transactions or transfers at undervalue are found to have taken place, it is possible that some of these transactions could be found to be void if Court proceedings were to be initiated by the Proposal Trustee.



*Conduct Post-Filing*

77. Pursuant to Section 50(10) of the BIA, the Proposal Trustee is required to monitor the affairs of the Company until the Proposal is approved by the Court.
78. During the NOI Period, the Company worked diligently with the Proposal Trustee to prepare its Proposal, as well as to manage costs and continue operations. WISP is working diligently to complete the Proposal. WISP continues to operate its business and meeting its liquidity needs in order to be able to successfully implement the Proposal.

**CREDITORS' CLAIMS**

79. To date, there have been two proven claims received by the Proposal Trustee including one from the CRA for \$865,032.74, which represents \$292,575.36 for unremitted payroll source deductions, \$12,316.76 on account of Corporate Tax and \$560,140.62 for HST. The corporate tax and HST claims are Unsecured Claims within the Proposal.

**PREVIOUS BUSINESS DEALINGS WITH WISP**

80. The Proposal Trustee has not had any business dealings with WISP prior to its appointment as Proposal Trustee and is not in a conflict of interest.

**SUMMARY COMMENTS/RECOMMENDATION**

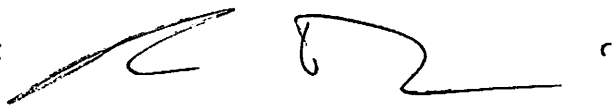
81. For the reasons set out in this Report, it is the Proposal Trustee's opinion that:
- a. the Proposal (excluding the Rental Payments and Option Payments, where applicable), will allow for a greater recovery to the General Unsecured Creditors of the Company than they would receive in a liquidation of the Company's assets in a bankruptcy proceeding; and
  - b. acceptance of the Proposal is in the best interest of the Creditors. If the Proposal is rejected by the Creditors, the Company will be deemed automatically bankrupt and it is uncertain what the actual realizable values of the assets will ultimately be in a bankruptcy.
81. Accordingly, the Proposal Trustee recommends that the Creditors vote in favour of the Proposal.

Yours very truly,

**DODICK LANDAU INC.**

Trustee *re* the Proposal of WISP Internet Services Inc.  
and not in its personal or corporate capacity.

Per:

A handwritten signature in black ink, appearing to be 'R. Dodick', written over a horizontal line.

Rahn Dodick, CPA, CA, CIRP, LIT

# **APPENDIX "A"**

**WISP Internet Services Inc.**  
**Weekly Cash Flow Forecast**  
 for the period from August 20, 2019 to November 30, 2019

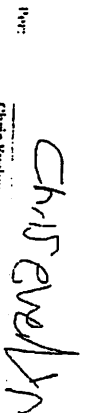
	Aug-20-19	14-Sep-19	21-Sep-19	28-Sep-19	05-Oct-19	12-Oct-19	19-Oct-19	26-Oct-19	02-Nov-19	09-Nov-19	16-Nov-19	23-Nov-19	30-Nov-19	TOTAL
<b>Receipts</b>														
Recurring Revenue	41,995	41,995	41,995	41,995	41,995	44,228	44,364	44,489	44,635	44,770	44,906	45,042	45,177	45,313
Non recurring Revenue	13,052	7,289	7,289	7,289	13,052	7,289	7,289	7,289	7,289	7,289	7,289	7,289	7,289	7,289
<b>Total Receipts</b>	<b>55,046</b>	<b>49,283</b>	<b>49,283</b>	<b>49,283</b>	<b>57,280</b>	<b>51,652</b>	<b>51,788</b>	<b>51,788</b>	<b>51,923</b>	<b>52,057</b>	<b>52,194</b>	<b>52,330</b>	<b>52,466</b>	<b>52,601</b>
<b>Disbursements</b>														
Direct Cost of sales	15,405	12,580	12,580	12,580	15,405	12,580	12,580	12,580	12,580	15,405	12,580	12,580	12,580	12,580
Indirect Cost of sales	10,258	14,473	7,143	12,502	10,321	14,532	7,206	12,568	10,180	10,180	14,731	7,219	12,581	5,585
Payroll	9,990	6,385	6,385	6,385	9,990	6,385	6,385	6,385	9,990	6,385	6,385	6,385	6,385	6,385
Operating Costs	5,855	1,000	3,500	1,000	5,705	250	2,750	250	5,705	250	2,750	250	2,750	250
CRA Expenses	800	2,050	50	2,050	800	2,050	50	2,050	8,190	3,050	3,050	50	50	250
<b>Total Disbursements</b>	<b>42,308</b>	<b>36,488</b>	<b>29,658</b>	<b>34,517</b>	<b>42,221</b>	<b>35,797</b>	<b>40,438</b>	<b>33,832</b>	<b>32,956</b>	<b>49,669</b>	<b>36,986</b>	<b>41,425</b>	<b>31,846</b>	<b>36,156</b>
<b>Net Cash Flow from Operations</b>	<b>12,739</b>	<b>12,795</b>	<b>19,625</b>	<b>14,767</b>	<b>15,059</b>	<b>15,855</b>	<b>11,350</b>	<b>18,091</b>	<b>8,353</b>	<b>15,199</b>	<b>10,905</b>	<b>20,619</b>	<b>16,445</b>	<b>161,801</b>
<b>Bank Balance</b>														
<b>Opening Cash Balance</b>	7,076	19,814	32,610	52,235	67,002	82,080	97,915	109,265	127,356	135,709	150,908	161,812	182,431	182,431
Add: Net Cash Flows from Operations	12,739	12,795	19,625	14,767	15,059	15,855	11,350	18,091	8,353	15,199	10,905	20,619	16,445	7,076
Closing Cash Balance from Operations	19,814	32,610	52,235	67,002	82,080	97,915	109,265	127,356	135,709	150,908	161,812	182,431	198,877	198,877
Less: Restructuring Professional Fees & Disbursements	5,000	6,500	10,000	10,000	6,500	5,000	10,000	5,000	6,500	5,000	15,000	5,000		
<b>Closing Cash Balance</b>	<b>14,814</b>	<b>21,110</b>	<b>30,735</b>	<b>35,502</b>	<b>44,080</b>	<b>54,915</b>	<b>56,765</b>	<b>69,356</b>	<b>71,209</b>	<b>81,408</b>	<b>77,312</b>	<b>92,931</b>	<b>109,377</b>	<b>109,377</b>

This statement of forecast cash flow of WISP Internet Services Inc. is prepared in accordance with section 504 (c) of the Bankruptcy and Insolvency Act and should be read in conjunction with the accompanying notes and Trustee's report on cash flow statement dated this the 6th day of September, 2019.

Dwight Landin Inc.

WISP Internet Services Inc.

Per: 

Per:   
 Chris Evelyn  
 President

**WISP Internet Services Inc. (“WISP” or the “Company”)**  
Major Assumptions  
Cash Flow Forecast  
For the Period August 29, 2019 to November 30, 2019 (the “Period”)

1. WISP’s financial projections have been prepared for the purpose of meeting the requirements of the Bankruptcy and Insolvency Act. The Projection is based on the hypotheses that WISP will continue operations in the normal course and will generate sufficient cash flow to meet its ongoing operational needs.

Receipts:

2. Wisp sells high-speed internet access to rural Ontario residents. Wisp’s recurring revenue projections for the purposes of this cash flow are based on the Company’s existing number of internet subscribers at the average monthly billing per customer. A price increase for older subscribers, which goes into effect at the beginning of October, 2019, has been incorporated as well. The cash flow forecast assumes that the Company will add new subscribers each week based on its historic growth patterns and assumes an amount for bad debt for customer credit cards that can not be processed. Recurring revenue also includes receipts from customers who pay a monthly rental fee for their internet equipment.
3. Non recurring revenue projections includes one-time payments by new subscribers who elect to purchase their internet equipment rather than pay the monthly rental fee noted above, as well as forecast receipts for special customer installations which are at times required by new subscribers in order to be able to receive internet into their homes.

Disbursements:

4. Direct cost of sales includes the hardware cost associated with the installation of internet into the homes of new subscribers as well as the cost special customer installations as required by new subscribers. Installation costs are forecast based on the Company’s historical installation costs. Also included in direct cost of sales is the cost of the Company’s primary internet feed, which it purchases from a master distributor. Lastly, included in this line item are regular purchases of hardware for subscribers who opt to rent their equipment rather than buy it.
5. Indirect cost of sales includes merchant fees for processing customer credit card payments, the Company’s customer management software, a bi-weekly payment for the Company’s help desk and sales support team, vehicle expenses, equipment lease costs and other rental costs. Tower rental costs are not included in this cash flow as the new restructured tower rental payments are forecast to start after the proposal is approved by the creditors and the Court which is outside the cash flow forecast period.

6. Payroll includes amounts for salaried and hourly employees who are paid weekly. Other payroll costs include source deduction remittances to Canada Revenue Agency ("CRA") by the 15<sup>th</sup> of the following month, employee benefits and WSIB payments in the Period.
7. Occupancy expenses include WISP's insurance costs, utilities and office rents.
8. General and administrative expense include general office expenses, book keeping costs, and monthly HST remittances to CRA.
9. Professional fees include fees for the Company's legal counsel, the Proposal Trustee and its legal counsel for the Period.
10. The opening cash balance as of August 29, 2019 is \$7,076.

# **APPENDIX "B"**

**WISP Internet Services Inc.**

Variance Analysis for the period from August 29, 2019 to October 26, 2019

(Unaudited; \$C)

	Note	Projected	Actual	Variance
<b>Total Receipts</b>	1	415,540	378,558	(36,982)
<b>Disbursements</b>				
Direct Cost of sales	2	106,290	77,423	(28,867)
Indirect Cost of sales		89,003	100,223	11,220
Payroll		69,757	66,768	(2,989)
Occupancy Costs	3	20,310	38,198	17,888
G&A Expenses		9,900	12,347	2,447
<b>Total Disbursements</b>		295,259	294,960	(300)
<b>Net Cash flow from Operations</b>		120,281	83,598	36,682
<b>Cash Balance</b>				
Opening Cash Balance		7,076	8,792	(1,716)
Add: Net Cash Flow from Operations		120,281	83,598	(36,682)
Closing Cash Balance from Operations		127,356	92,390	(38,399)
Less: Restructuring Professional Fees & Disbursements	4	58,000	65,142	(7,142)
<b>Closing Cash Balance</b>		69,356	27,248	(45,541)

**Notes**

1. The decrease in revenue is primarily attributed to WISP being able to complete fewer new customer installations than forecast due to staffing shortages. New customers result in one time installation revenue equal to approximately \$500 per install as well as a monthly subscriber fee going forward.
2. The decrease in cost of sales is due to lower direct material purchases on account of the lower than forecast new customer installations.
3. The increase is primarily due to higher insurance cost in the period than forecast. This difference is due to higher upfront payments than forecast and should be offset by lower payments in future periods.
4. Professional fees in the period are higher than forecast primarily due to the informal creditors meeting which took place in the period and which cost was not included in the original forecast.



# STATEMENT OF AFFAIRS

District of: Ontario  
 Division No. 09 - Toronto  
 Court No. 31-2551574  
 Estate No. 31-2551574

Original  Amended

\_Form 78\_  
 Statement of Affairs (Business Proposal) made by an entity  
 (Subsection 49(2) and Paragraph 158(d) of the Act / Subsections 50(2) and 62(1) of the Act)

In the matter of the proposal of  
 Wisp Internet Services Inc.  
 of the Township of Skugog, in the Province of Ontario

To the debtor:

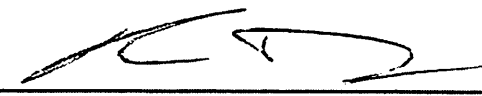
You are required to carefully and accurately complete this form and the applicable attachments showing the state of your affairs on the date of the filing of your proposal (or notice of intention, if applicable), on the 29th day of August 2019. When completed, this form and the applicable attachments will constitute the Statement of Affairs and must be verified by oath or solemn declaration.

LIABILITIES (as stated and estimated by the officer)	
1. Unsecured creditors as per list "A" .....	16,945,681.09
Balance of secured claims as per list "B" .....	0.00
Total unsecured creditors .....	16,945,681.09
2. Secured creditors as per list "B" .....	399,423.10
3. Preferred creditors as per list "C" .....	0.00
4. Contingent, trust claims or other liabilities as per list "D" estimated to be reclaimable for .....	0.00
Total liabilities .....	17,345,104.19
Surplus .....	NIL

ASSETS (as stated and estimated by the officer)	
1. Inventory .....	0.00
2. Trade fixtures, etc. ....	10,000.00
3. Accounts receivable and other receivables, as per list "E"	
Good .....	150,000.00
Doubtful .....	0.00
Bad .....	0.00
Estimated to produce .....	150,000.00
4. Bills of exchange, promissory note, etc., as per list "F" ...	0.00
5. Deposits in financial institutions .....	0.00
6. Cash .....	0.00
7. Livestock .....	0.00
8. Machinery, equipment and plant .....	816,306.31
9. Real property or immovable as per list "G" .....	0.00
10. Furniture .....	7,500.00
11. RRSFs, RRIFs, life insurance, etc. ....	0.00
12. Securities (shares, bonds, debentures, etc.) .....	0.00
13. Interests under wills .....	0.00
14. Vehicles .....	2.00
15. Other property, as per list "H" .....	0.00
If debtor is a corporation, add:	
Amount of subscribed capital .....	0.00
Amount paid on capital .....	0.00
Balance subscribed and unpaid .....	0.00
Estimated to produce .....	0.00
Total assets .....	983,808.31
Deficiency .....	16,361,295.88

I, Patrick Christopher Doyle aka Chris Evelyn, of the town of Newtonville in the Province of Ontario, do swear (or solemnly declare) that this statement and the attached lists are to the best of my knowledge, a full, true and complete statement of my affairs on the 12th day of November 2019 and fully disclose all property of every description that is in my possession or that may devolve on me in accordance with the Act.

SWORN (or SOLEMNLY DECLARED)  
 before me at the city of Toronto in the Province of Ontario, on this 12th day of November 2019.



Rahn Dodick, Commissioner of Oaths  
 For the Province of Ontario  
 Expires June 1, 2020



Patrick Christopher Doyle aka Chris Evelyn

**Rahn Dodick, a Commissioner, etc.,  
 Province of Ontario, for Dodick  
 Landon Inc. and Dodick Landon  
 Partnership. Expires June 1, 2020.**

District of: Ontario  
 Division No. 09 - Toronto  
 Court No. 31-2551574  
 Estate No. 31-2551574

FORM 78 -- Continued

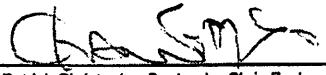
List "A"  
 Unsecured Creditors

Wisp Internet Services Inc.

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
1	1665989 Ontario Ltd. Attn: Chad Boyd	c/o Chad Boyd . ...	153,578.00	0.00	153,578.00
2	1747594 Ontario Inc. Attn: Jason & Shannon Johnston	... ...	1,400.00	0.00	1,400.00
3	2211124 Ontario Inc. Attn: Samir Dalal	... ...	1.00	0.00	1.00
4	2265080 Ontario Inc. Attn: John Haight	... ...	90,645.00	0.00	90,645.00
5	2265080 Ontario Inc. Attn: John Haight	... ...	137,418.00	0.00	137,418.00
6	2294573 Ontario Inc. Attn: Samir Dalal	... ...	3,900.00	0.00	3,900.00
7	2294573 Ontario Inc.-Royce Avenue (Orillia) LP Attn: Samir Dalal	... ...	2,700.00	0.00	2,700.00
8	407 ETR Express Toll Route Attn: Marion Richardson/Collections	... ...	1.00	0.00	1.00
9	Aaron Greggain	... ...	106,953.00	0.00	106,953.00
10	Adam Gallagher	... ...	36,322.00	0.00	36,322.00
11	Alderville First Nations Attn: Joanne Smoke	... ...	5,000.00	0.00	5,000.00
12	Alliance	... ...	50,000.00	0.00	50,000.00
13	Alma Mechanical	... ...	22,000.00	0.00	22,000.00
14	Andrew Callan	... ...	170,247.00	0.00	170,247.00
15	Andrew Paul Murdoch	... ...	116,478.00	0.00	116,478.00
16	Angus McDonald	... ...	600.00	0.00	600.00
17	Anthony Mallette	... ...	101,808.00	0.00	101,808.00
18	Bell Mobility - Corporate 526319461	... ...	10,000.00	0.00	10,000.00
19	Bernie Rhebergen	... ...	100,535.00	0.00	100,535.00
20	BFS Capital	... ...	160,000.00	0.00	160,000.00
21	Bill Bursay	... ...	3,000.00	0.00	3,000.00
22	Bill Lannox	... ...	37,000.00	0.00	37,000.00
23	Bill Weisflock	... ...	101,874.00	0.00	101,874.00
24	Blaire Vivian	... ...	60,509.00	0.00	60,509.00

12-Nov-2019

Date


 Patrick Christopher Doyle aka Chris Evelyn

District of: Ontario  
 Division No. 09 - Toronto  
 Court No. 31-2551574  
 Estate No. 31-2551574

FORM 78 - Continued

List "A"  
 Unsecured Creditors

Wisp Internet Services Inc.

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
25	Blake Bradley	...	54,620.00	0.00	54,620.00
26	Bob's Car Care	Diana and Bob Barrett	103,847.00	0.00	103,847.00
27	Brad Steinhaur	...	110,659.00	0.00	110,659.00
28	Brad Steinhaur	...	103,847.00	0.00	103,847.00
29	Brian & Cynthia Wray	...	60,495.00	0.00	60,495.00
30	Brian Milner	...	40,379.00	0.00	40,379.00
31	Canrack Installations Inc. Attn: Tom Connell	...	36,322.00	0.00	36,322.00
32	Case Jansen	...	17,900.00	0.00	17,900.00
33	Casey Farms	...	244,969.00	0.00	244,969.00
34	Casey Farms	...	89,693.00	0.00	89,693.00
35	Cass Howorth	...	28,088.00	0.00	28,088.00
36	Christina Hunt	...	109,666.00	0.00	109,666.00
37	Christopher Doyle Evelyn	...	26,355.00	0.00	26,355.00
38	CRA - Tax - Ontario 809254428RC0001	...	12,316.76	0.00	12,316.76
39	CRA - Tax - Ontario 809254428RT0001	...	433,445.00	0.00	433,445.00
40	Craig Nicholson	...	75,874.00	0.00	75,874.00
41	Danette & Francis Duquette	...	14,400.00	0.00	14,400.00
42	Daniel & Tao Miskin	...	153,578.00	0.00	153,578.00
43	Darlene Cook	...	10,000.00	0.00	10,000.00
44	Darlene Cook	...	36,748.00	0.00	36,748.00
45	Darryl & Morgan Donneral	...	123,852.00	0.00	123,852.00
46	Dave O'Neil	...	65,296.00	0.00	65,296.00
47	David and Penelope Nielsen	...	45,437.00	0.00	45,437.00
48	De Lang Landen	...	25,000.00	0.00	25,000.00

12-Nov-2019

Date



Patrick Christopher Doyle aka Chris Evelyn

District of: Ontario  
 Division No. 09 - Toronto  
 Court No. 31-2551574  
 Estate No. 31-2551574

FORM 7B -- Continued

List "A"  
 Unsecured Creditors

Wisp Internet Services Inc.

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
49	De Lang Landen	...	600.00	0.00	600.00
50	Dean Pilgrim	...	36,564.00	0.00	36,564.00
51	Debra Lennox	...	77,219.00	0.00	77,219.00
52	Deckplus Investments Inc.	...	36,564.00	0.00	36,564.00
53	Diana Barrett	...	60,495.00	0.00	60,495.00
54	Direction Printing	...	1,500.00	0.00	1,500.00
55	Dogs Camp Inc. Attn: Glen Kowarsky	...	73,661.00	0.00	73,661.00
56	Dominic Joseph Morrissey	...	1.00	0.00	1.00
57	Doug and Diane Nichols	...	123,852.00	0.00	123,852.00
58	Doug Kerswill	...	149,921.00	0.00	149,921.00
59	Doug Kruppa	...	60,437.00	0.00	60,437.00
60	Doug Rock	...	154,308.00	0.00	154,308.00
61	Duane Paquette	...	155,037.00	0.00	155,037.00
62	Edpro Energy	...	1.00	0.00	1.00
63	Elaine Tucker	...	152,704.00	0.00	152,704.00
64	elexicon Energy (formerly Veridian Connections Inc.) Attn: Jackie Hone 9108020206	...	1.00	0.00	1.00
65	EmergiTEL SC-19-1359-0000	...	11,616.88	0.00	11,616.88
66	Enbridge Gas Distribution - Ontario Attn: Back Office Collections Department	...	1.00	0.00	1.00
67	Enbridge Gas Distribution - Ontario Attn: Back Office Collections Department 910025724975	...	1.00	0.00	1.00
68	Enviro Tech	...	10,122.00	0.00	10,122.00
69	Equirex Leasing Corp. ZVPU1604	...	1,570.77	0.00	1,570.77
70	Eric Vanetten	...	137,767.00	0.00	137,767.00
71	Erin Bradley	...	120,462.00	0.00	120,462.00

12-Nov-2019

Date

  
 Patrick Christopher Doyle aka Chris Evelyn

District of: Ontario  
 Division No. 09 - Toronto  
 Court No. 31-2551574  
 Estate No. 31-2551574

FORM 78 -- Continued

List "A"  
 Unsecured Creditors

Wisp Internet Services Inc.

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
72	Escott Properties formerly Feet Up Property	...	2,500.00	0.00	2,500.00
73	Fleetcar AN816	...	12,479.97	0.00	12,479.97
74	Frontier Networks WIS-ON	...	62,968.61	0.00	62,968.61
75	George Murison	...	151,385.00	0.00	151,385.00
76	Golden Beach Cottages	Kelly Caruzo ...	46,051.00	0.00	46,051.00
77	Gord and Stephanie Tuer	...	36,026.00	0.00	36,026.00
78	Gord and Stephanie Tuer	...	93,605.00	0.00	93,605.00
79	Gord and Stephine Tuer	...	18,721.00	0.00	18,721.00
80	Gould Leasing Ltd. 9278	...	2,950.53	0.00	2,950.53
81	Graham Cotter	...	78,153.00	0.00	78,153.00
82	Grant Soural	...	72,938.00	0.00	72,938.00
83	Home Depot c/o Citi Cards Canada (Acct 603529) xxxxxxxx2481	...	33,081.16	0.00	33,081.16
84	Howard Valensky	...	70,000.00	0.00	70,000.00
85	Howard Valensky & Marie Lang	...	154,439.00	0.00	154,439.00
86	Hydro One Networks Inc. Attn: Collection Department	...	1.00	0.00	1.00
87	Hydro One Networks Inc. Attn: Collection Department	...	1.00	0.00	1.00
88	Hydro One Networks Inc. Attn: Collection Department	...	1.00	0.00	1.00
89	Hydro One Telecom 20023692	...	2,514.25	0.00	2,514.25
90	Ian and Eileen Rowsell	...	58,029.00	0.00	58,029.00
91	Image Papers	...	85,059.00	0.00	85,059.00
92	Image Papers	...	71,302.00	0.00	71,302.00
93	Indian River Family Resort Attn: Gerry Murison	...	35,909.00	0.00	35,909.00
94	Jack Devos	...	168,273.00	0.00	168,273.00
95	James Casey	...	157,146.00	0.00	157,146.00

12-Nov-2019

Date

  
 Patrick Christopher Doyle aka Chris Evelyn

District of: Ontario  
 Division No. 09 - Toronto  
 Court No. 31-2551574  
 Estate No. 31-2551574

FORM 78 -- Continued

List "A"  
 Unsecured Creditors

Wisp Internet Services Inc.

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
96	James Casey	.. ...	157,146.00	0.00	157,146.00
97	James Casey	.. ...	157,146.00	0.00	157,146.00
98	James Casey	.. ...	137,462.00	0.00	137,462.00
99	James Martyn	.. ...	60,523.00	0.00	60,523.00
100	Janet Iruen	.. ...	351,003.00	0.00	351,003.00
101	Janice and Lyle Gallagher	.. ...	43,544.00	0.00	43,544.00
102	Jeff P. Armitage Inc.- Mail and Email	.. ...	127,896.00	0.00	127,896.00
103	Jennifer Whiteley	.. ...	44,851.00	0.00	44,851.00
104	JHI Consulting	.. ...	34,875.00	0.00	34,875.00
105	Joe and Alison Inatomasi	.. ...	167,547.00	0.00	167,547.00
106	Joe Caravaggio	.. ...	35,620.00	0.00	35,620.00
107	Joe Outram	.. ...	155,767.00	0.00	155,767.00
108	John Cooney	.. ...	68,328.00	0.00	68,328.00
109	Justin Bell	.. ...	600.00	0.00	600.00
110	Keith and Lisa Horsefield	.. ...	149,921.00	0.00	149,921.00
111	Kelly and Joanne Walker	.. ...	111,223.00	0.00	111,223.00
112	Kelly Scott	.. ...	72,839.00	0.00	72,839.00
113	Ken Allan Haggert & Roma Ala Haggert	.. ...	172,320.00	0.00	172,320.00
114	KGP Co. (Hutton)	Canadian Legal Service .. ...	7,068.12	0.00	7,068.12
115	Kimberly Redwood	.. ...	151,385.00	0.00	151,385.00
116	Kleurvision	.. ...	2,492.54	0.00	2,492.54
117	Kristen Schultz	.. ...	250.00	0.00	250.00
118	LandoMill Farms Ltd. Attn: Daryl Donnerel	.. ...	23,323.00	0.00	23,323.00
119	Lawrence Alfred Wright & Barbara Anne Wright	.. ...	60,565.00	0.00	60,565.00

12-Nov-2019

Date

  
 Patrick Christopher Doyle aka Chris Evelyn

District of: Ontario  
 Division No. 09 - Toronto  
 Court No. 31-2551574  
 Estate No. 31-2551574

FORM 78 -- Continued

List "A"  
 Unsecured Creditors

Wisp Internet Services Inc.

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
120	Lee and Christa Garfield	.. ...	151,385.00	0.00	151,385.00
121	Lindsay Mallon	.. ...	250.00	0.00	250.00
122	Lisa and Ian Quest	.. ...	149,189.00	0.00	149,189.00
123	Lisa and Ian Quest	.. ....	149,189.00	0.00	149,189.00
124	Lisa and Ian Quest	.. ...	275,000.00	0.00	275,000.00
125	Lowe's Business Accounts xxxxxx0361	.. ...	5,000.00	0.00	5,000.00
126	Luke Hunter	.. ...	151,385.00	0.00	151,385.00
127	Mack Lawyers	.. ...	10,000.00	0.00	10,000.00
128	Manulife Financial Attn: Lianne Hietanen, Legal Shared Services Specialist	.. ...	8,000.00	0.00	8,000.00
129	Mark and Kelly Connor	.. ...	101,808.00	0.00	101,808.00
130	Mark and Kelly Connor	.. ...	60,551.00	0.00	60,551.00
131	Mark Seaton	.. ...	156,496.00	0.00	156,496.00
132	Marvin Nelson	.. ...	78,913.00	0.00	78,913.00
133	Michael Sternberg	.. ...	600.00	0.00	600.00
134	Michelle German	.. ...	125,772.00	0.00	125,772.00
135	Mike Doering	.. ...	60,633.00	0.00	60,633.00
136	Mike Gibson & Jim Gibson	.. ...	157,224.00	0.00	157,224.00
137	Mike Newman	.. ...	172,265.00	0.00	172,265.00
138	Millenium 3 Corporation	c/o Cass Howorth .. ...	151,385.00	0.00	151,385.00
139	Miller Waste Systems Inc. - Durham Division	.. ...	1,000.00	0.00	1,000.00
140	MNP Accounting	.. ...	20,000.00	0.00	20,000.00
141	Mulock Farms Ltd. Attn: Carl Mulock	.. ...	170,247.00	0.00	170,247.00
142	Mulock Farms Ltd. Attn: Carl Mulock	.. ...	170,247.00	0.00	170,247.00
143	Mulock Farms Ltd. Attn: Carl Mulock	.. ...	170,247.00	0.00	170,247.00

12-Nov-2019

Date



Patrick Christopher Doyle aka Chris Evelyn



District of: Ontario  
 Division No. 09 - Toronto  
 Court No. 31-2551574  
 Estate No. 31-2551574

FORM 78 - Continued

List "A"  
 Unsecured Creditors

Wisp Internet Services Inc.

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
144	Mulock Farms Ltd. Attn: Carl Mulock	..	170,247.00	0.00	170,247.00
145	Mulock Farms Ltd. Attn: Carl Mulock	..	170,247.00	0.00	170,247.00
146	Mulock Farms Ltd. Attn: Carl Mulock	..	170,247.00	0.00	170,247.00
147	Mulock Farms Ltd. Attn: Carl Mulock	..	170,247.00	0.00	170,247.00
148	Mulock Farms Ltd. Attn: Carl Mulock	..	170,247.00	0.00	170,247.00
149	Nancy Jansen	..	36,144.00	0.00	36,144.00
150	Netcom	..	2,200.00	0.00	2,200.00
151	Netcom	..	2,200.00	0.00	2,200.00
152	Netcom	..	2,200.00	0.00	2,200.00
153	NewKL Inc.	c/o Ken Lai	73,707.00	0.00	73,707.00
154	Nick Fletcher	..	29,000.00	0.00	29,000.00
155	Northwood Transfer Station	..	5,000.00	0.00	5,000.00
156	Olivia Zotti	..	44,851.00	0.00	44,851.00
157	Orillia Power Corporation	..	1.00	0.00	1.00
158	Orillia Power Corporation	..	1.00	0.00	1.00
159	Oshawa PUC Networks Inc. Attn: Suzanne Neal	..	1.00	0.00	1.00
160	Pam Shields	..	94,985.00	0.00	94,985.00
161	Pat McClean	..	833.33	0.00	833.33
162	Patricia & Steve Thompson	..	36,084.00	0.00	36,084.00
163	Patrick Busby	..	149,189.00	0.00	149,189.00
164	Paul Nickkanen	..	118,507.00	0.00	118,507.00
165	Paul Ogborne & Viky Ogborne	..	60,606.00	0.00	60,606.00
166	Paula Weisflock	..	171,599.00	0.00	171,599.00
167	Pinnacle Park & Trailer Camping Association	..	50,660.00	0.00	50,660.00

12-Nov-2019

Date



Patrick Christopher Doyle aka Chris Evelyn

District of: Ontario  
 Division No. 09 - Toronto  
 Court No. 31-2551574  
 Estate No. 31-2551574

FORM 78 – Continued

List "A"  
 Unsecured Creditors

Wisp Internet Services Inc.

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
168	Plooto Inc.	..	60,000.00	0.00	60,000.00
169	Preston Clarke	..	600.00	0.00	600.00
170	Richie Tripp	..	250.00	0.00	250.00
171	Rick Divineco	..	113,124.00	0.00	113,124.00
172	Robb and Marie Heinzman	..	35,967.00	0.00	35,967.00
173	Robert & Elaine Ritter	..	73,520.00	0.00	73,520.00
174	Robert & Elizabeth Tremeeer	..	149,189.00	0.00	149,189.00
175	Robert & Patricia Irvén	..	587,931.00	0.00	587,931.00
176	Robert Half Technologies	..	20,300.00	0.00	20,300.00
177	Roy Althouse & Eric Thomson - Mail and Email Attn: roy.althouse@gmail.com	..	54,992.00	0.00	54,992.00
178	Sam and Carmen Conforti	..	26,532.00	0.00	26,532.00
179	SBA Canada	..	7,308.07	0.00	7,308.07
180	Scott Malcolm (send email and mail)	..	72,839.00	0.00	72,839.00
181	Scott Stone	..	55,800.00	0.00	55,800.00
182	Scott Stone	Stonedge Farms Ltd. ..	73,377.00	0.00	73,377.00
183	Seagrave Building Systems Ltd.	Paul Kowalczyk ..	148,601.00	0.00	148,601.00
184	Sean Dickinson and Christy Thompson	..	65,325.00	0.00	65,325.00
185	Sentinel Solar	..	4,594.00	0.00	4,594.00
186	Sharlene and Nino Zotti	..	44,000.00	0.00	44,000.00
187	Sofia Zotti	..	45,827.00	0.00	45,827.00
188	Spectrum Telecom	..	50,000.00	0.00	50,000.00
189	Steve Mothe	..	45,827.00	0.00	45,827.00
190	Stuart Robichaud	..	149,189.00	0.00	149,189.00

12-Nov-2019

Date



Patrick Christopher Doyle aka Chris Evelyn

District of: Ontario  
 Division No. 09 - Toronto  
 Court No. 31-2551574  
 Estate No. 31-2551574

FORM 78 – Continued

List "A"  
 Unsecured Creditors

Wisp Internet Services Inc.

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
191	Sunrise Tourist Corp.	.. ...	45,680.00	0.00	45,680.00
192	Sunspace Modular Enclosures	.. ...	109,666.00	0.00	109,666.00
193	Suzanne Shaw	.. ...	35,735.00	0.00	35,735.00
194	Swift Fox Systems Inc. 84343	.. ...	58,545.14	0.00	58,545.14
195	Tammy Miltello	.. ...	100,757.00	0.00	100,757.00
196	TD Canada Trust Attn: CC&R Insolvency and Credit Counselling	.. ...	4,000.00	0.00	4,000.00
197	TD Canada Trust Attn: CC&R Insolvency and Credit Counselling	.. ...	5,000.00	0.00	5,000.00
198	Ted Martin	.. ...	2,273.00	0.00	2,273.00
199	Telacor Attn: Lucas Balemba 9056709982	.. ...	40,278.42	0.00	40,278.42
200	The Rappl Farm	c/o Klaus & Rosa Rappl .. ...	164,649.00	0.00	164,649.00
201	The Rappl Farm	.. ...	82,564.00	0.00	82,564.00
202	The Vigneux Family Trust	.. ...	152,847.00	0.00	152,847.00
203	Thomas Vlug	.. ...	153,578.00	0.00	153,578.00
204	Tim & Heather Miller	.. ...	112,327.00	0.00	112,327.00
205	Tim and Heather Miller	.. ...	60,466.00	0.00	60,466.00
206	Timothy Coutsothanassis	.. ...	113,124.00	0.00	113,124.00
207	Tracey Schindler	.. ...	108,189.00	0.00	108,189.00
208	Traci Rummey	.. ...	0.00	0.00	0.00
209	Trenton Distributors	.. ...	24,573.48	0.00	24,573.48
210	Tricor Lease & Finance Corp. Attn: Roy Watters 900050077	.. ...	1,605.00	0.00	1,605.00
211	Tricor Lease & Finance Corp. Attn: Roy Watters 900050088	.. ...	1,605.00	0.00	1,605.00
212	Turris Communication	.. ...	2,371.70	0.00	2,371.70

12-Nov-2019

Date

  
 Patrick Christopher Doyle aka Chris Evelyn

District of: Ontario  
 Division No. 09 - Toronto  
 Court No. 31-2551574  
 Estate No. 31-2551574

FORM 78 – Continued

List "A"  
 Unsecured Creditors

Wisp Internet Services Inc.

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
213	Vandermeer Holdings Limited	...	91,654.00	0.00	91,654.00
214	Victor Evelyn	...	10,122.67	0.00	10,122.67
215	Victoria Ogborne	...	171,599.00	0.00	171,599.00
216	Warren and Patricia Wakefield	...	8,962.00	0.00	8,962.00
217	Warren Wakefield	...	101,808.00	0.00	101,808.00
218	Wayne Weisflock	...	162,972.00	0.00	162,972.00
219	Wayne Weisflock	...	85,551.00	0.00	85,551.00
220	Weisflock Contracting	...	46,345.23	0.00	46,345.23
221	Wietske L. Wotten Attn: Wilma Wotten	...	60,565.00	0.00	60,565.00
222	Will and Jill Spires	...	600.00	0.00	600.00
223	William Cockburn	...	116,200.00	0.00	116,200.00
224	William Scotsman (formerly Modspace)	CMI Credit Mediators ...	12,197.46	0.00	12,197.46
225	Xerox Canada Ltd. 1-LN4X1H	...	20,000.00	0.00	20,000.00
<b>Total:</b>			<b>16,945,681.09</b>	<b>0.00</b>	<b>16,945,681.09</b>

12-Nov-2019

Date



Patrick Christopher Doyle aka Chris Evelyn

District of: Ontario  
 Division No. 09 - Toronto  
 Court No. 31-2551574  
 Estate No. 31-2551574

FORM 78 - Continued

List "B"  
 Secured Creditors

Wisp Internet Services Inc.

No.	Name of creditor	Address	Amount of claim	Particulars of security	When given	Estimated value of security	Estimated surplus from security	Balance of claim
1	ADD Capital Corp. Attn: Mike F. 14115	...	1.00	Business Assets - Machinery - Tower Equipment	16-May-2018	1.00	5,045.38	
				Business Assets - Machinery - Customer Base	10-May-2015	0.00	400,000.00	
				Business Assets - Machinery - Solar Equipment	16-May-2018	0.00	77,500.00	
				Furniture - Computer Equipment	16-May-2018	0.00	5,000.00	
				Furniture - Office Furniture	16-May-2018	0.00	2,500.00	
				Motor Vehicles - Automobile - 2017 - Ford - F150 Super - .	10-May-2015	0.00	1.00	
				Motor Vehicles - Automobile - 2013 - Dodge - Ram 1500	10-May-2015	0.00		
				Business Assets - Trade Fixtures - Tools & Other Hardware	16-May-2018	0.00		
				Business Assets - Machinery - Heavy Equipment	16-May-2018	0.00		
				Business Assets - Machinery - Installation Supplies	16-May-2018	0.00		
				Business Assets - Machinery - N & N 20' Car EQ Trailer	16-May-2018	0.00	790.83	
2	ADD Capital Corp. Attn: Mike F. 14122	...	1.00	Business Assets - Machinery - Heavy Equipment	01-Nov-2019	1.00		
3	ADD Capital Corp. Attn: Mike F. 15707	...	1.00	Business Assets - Machinery - Heavy Equipment	01-Nov-2019	1.00		
4	ADD Capital Corp. Attn: Mike F. 15776	...	1.00	Business Assets - Machinery - Heavy Equipment	01-Nov-2019	1.00		
5	Auto Credit Acceptance Corp	...	2,100.00	Business Assets - Machinery - Heavy Equipment	01-Nov-2019	2,100.00		
6	Auto Credit Acceptance Corp	...	2,700.00	Business Assets - Machinery - Heavy Equipment	01-Nov-2019	2,700.00		

12-Nov-2019

Date



Patrick Christopher Doyle aka Chris Evelyn

District of: Ontario  
 Division No. 09 - Toronto  
 Court No. 31-2551574  
 Estate No. 31-2551574

FORM 78 -- Continued

List "B"  
 Secured Creditors

Wisp Internet Services Inc.

No.	Name of creditor	Address	Amount of claim	Particulars of security	When given	Estimated value of security	Estimated surplus from security	Balance of claim
7	CRA - Tax - Ontario 809254428RP0001		289,731.00	Debts Due - Business - Accounts Receivable -	01-Nov-2019	150,000.00		
				Business Assets - Machinery - Tower Equipment	01-Jun-2019	129,731.00		
				Business Assets - Machinery - Installation Supplies	01-Jun-2019	10,000.00		
				Business Assets - Machinery - CPE Units	10-May-2015	0.00	85,000.00	
				Motor Vehicles - Automobile - 2013 - Dodge - Ram 1500	01-Jun-2019	0.00		
				Motor Vehicles - Automobile - 2017 - Ford - F150 Super -	01-Jun-2019	0.00		
				Business Assets - Machinery - Customer Base	01-Nov-2019	0.00		
				Business Assets - Machinery - Solar Equipment	01-Jun-2019	0.00		
				Furniture - Computer Equipment	01-Jun-2019	0.00		
				Furniture - Office Furniture	01-Jun-2019	0.00		
				Business Assets - Machinery - N & N 20' Car EQ Trailer	01-Jan-2019	0.00		
				Business Assets - Machinery - Antennas, EPMP 2000 with attachments	11-Nov-2019	0.00		
				Business Assets - Machinery - Heavy Equipment	01-Jun-2019	0.00		

12-Nov-2019

Date



Patrick Christopher Doyle aka Chris Evelyn

District of: Ontario  
 Division No. 09 - Toronto  
 Court No. 31-2551574  
 Estate No. 31-2551574

FORM 78 -- Continued

List "B"  
 Secured Creditors

Wisp Internet Services Inc.

No.	Name of creditor	Address	Amount of claim	Particulars of security	When given	Estimated value of security	Estimated surplus from security	Balance of claim
8	Fundthrough Inc.	...	25,222.62	Business Assets - Trade Fixtures - Tools & Other Hardware Business Assets - Machinery - Tower Equipment Business Assets - Machinery - N & N 20' Car EQ Trailer Business Assets - Machinery - Antennas, EPMP 2000 with attachments Motor Vehicles - Automobile - 2017 - Ford - F150 Super - Motor Vehicles - Automobile - 2013 - Dodge - Ram 1500 Business Assets - Machinery - Customer Base Business Assets - Machinery - Heavy Equipment Business Assets - Machinery - Installation Supplies Business Assets - Machinery - Solar Equipment	21-Jun-2019 21-Jun-2019 21-Jun-2019 21-Jun-2019 21-Jun-2019 21-Jun-2019 21-Jun-2019 21-Jun-2019 21-Jun-2019 21-Jun-2019	10,000.00 15,222.62 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00		
9	Meridian OneCap Credit Corp. Attn: Michael.Lolas@meridianonecap.ca 607133/442534	...	72,806.31	Business Assets - Machinery - Antennas, EPMP 2000 with attachments	22-Feb-2018	72,806.31		
10	Summit Credit Corporation Attn: Collections Department 10171	...	6,650.00	Business Assets - Machinery - Heavy Equipment	01-Nov-2019	6,650.00	13,547.00	
11	The Leasing Formula Ltd.	...	209.17	Business Assets - Machinery - N & N 20' Car EQ Trailer	06-Jun-2018	209.17		
Total:			399,423.10			399,423.10	589,384.21	0.00

12-Nov-2019

Date



Patrick Christopher Doyle aka Chris Evelyn

District of: Ontario  
 Division No. 09 - Toronto  
 Court No. 31-2551574  
 Estate No. 31-2551574

FORM 78 – Continued

List "C"  
 Preferred Creditors for Wages, Rent, etc.

Wisp Internet Services Inc.

No.	Name of creditor	Address and occupation	Nature of claim	Period during which claim accrued	Amount of claim	Amount payable in full	Difference ranking for dividend
<b>Total:</b>					0.00	0.00	0.00

12-Nov-2019

Date



Patrick Christopher Doyle aka Chris Evelyn



District of: Ontario  
 Division No. 09 - Toronto  
 Court No. 31-2551574  
 Estate No. 31-2551574

FORM 78 -- Continued

List "D"  
 Contingent or Other Liabilities

Wisp Internet Services Inc.

No.	Name of creditor or claimant	Address and occupation	Amount of liability or claim	Amount expected to rank for dividend	Date when liability incurred	Nature of liability
Total:			0.00	0.00		

12-Nov-2019

Date



Patrick Christopher Doyle aka Chris Evelyn

District of: Ontario  
 Division No. 09 - Toronto  
 Court No. 31-2551574  
 Estate No. 31-2551574

FORM 78 -- Continued

List "E"  
 Debts Due to the Debtor

Wisp Internet Services Inc.

No.	Name of debtor	Address and occupation	Nature of debt	Amount of debt (good, doubtful, bad)	Folio of ledgers or other book where particulars to be found	When contracted	Estimated to produce	Particulars of any securities held for debt
1	Accounts Receivable		Accounts Receivable	150,000.00 0.00 0.00		01-Jun-2019	150,000.00	
Total:				150,000.00 0.00 0.00			150,000.00	

12-Nov-2019

Date



Patrick Christopher Doyle aka Chris Evelyn

District of: Ontario  
 Division No. 09 - Toronto  
 Court No. 31-2551574  
 Estate No. 31-2551574

FORM 78 -- Continued

List "F"

Bills of Exchange, Promissory Notes, Lien Notes, Chattel  
 Mortgages, etc., Available as Assets

Wisp Internet Services Inc.

No.	Name of all promissory, acceptors, endorsers, mortgagors, and guarantors	Address	Occupation	Amount of bill or note, etc.	Date when due	Estimated to produce	Particulars of any property held as security for payment of bill or note, etc.
Total:				0.00		0.00	

12-Nov-2019

Date



Patrick Christopher Doyle aka Chris Evelyn

District of: Ontario  
 Division No. 09 - Toronto  
 Court No. 31-2551574  
 Estate No. 31-2551574

FORM 78 – Continued

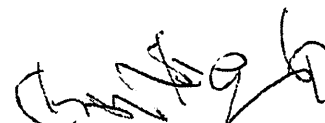
List "G"  
 Real Property or Immovables Owned by Debtor

Wisp Internet Services Inc.

Description of property	Nature of debtor interest	In whose name does title stand	Total value	Particulars of mortgages, hypothecs, or other encumbrances (name, address, amount)	Equity or surplus
Total:			0.00		0.00

12-Nov-2019

Date



Patrick Christopher Doyle aka Chris Evelyn

District of: Ontario  
 Division No. 09 - Toronto  
 Court No. 31-2551574  
 Estate No. 31-2551574

FORM 78 – Concluded

List "H"  
 Property

Wisp Internet Services Inc.

## FULL STATEMENT OF PROPERTY

Nature of property	Location	Details of property	Original cost	Estimated to produce
(a) Stock-in-trade			0.00	0.00
(b) Trade fixtures, etc.		Tools & Other Hardware	0.00	10,000.00
(c) Cash in financial institutions			0.00	0.00
(d) Cash on hand			0.00	0.00
(e) Livestock			0.00	0.00
(f) Machinery, equipment and plant		Installation Supplies	0.00	10,000.00
		Tower Equipment	0.00	150,000.00
		Solar Equipment	0.00	77,500.00
		Heavy Equipment	0.00	20,000.00
		CPE Units	0.00	85,000.00
		N & N 20' Car EQ Trailer	0.00	1,000.00
		Antennas, EPMP 2000 with attachments	0.00	72,806.31
		Customer Base	0.00	400,000.00
(g) Furniture		Office Furniture	0.00	2,500.00
		Computer Equipment	0.00	5,000.00
(h) Life insurance policies, RRSPs, etc.			0.00	0.00
(i) Securities			0.00	0.00
(j) Interests under wills, etc.			0.00	0.00
(k) Vehicles		Automobile - 2017 - Ford - F150 Super -	0.00	1.00
		Automobile - 2013 - Dodge - Ram 1500	0.00	1.00
(l) Taxes			0.00	0.00
			<b>Total:</b>	<b>833,808.31</b>

12-Nov-2019

Date



Patrick Christopher Doyle aka Chris Evelyn

Court No. 31-2551574

Estate No. 31-2551574

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In the matter of the proposal of  
Wisp Internet Services Inc.  
of the Township of Skugog, in the Province of Ontario

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Form 78 (Bill C-12)  
Statement of affairs (Business bankruptcy)

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Dodick Landau Inc. - Licensed Insolvency Trustee

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4646 Dufferin St., Suite 6  
Toronto ON M3H 5S4  
Phone: (416) 736-4357 Fax: (416) 649-7725

# PROOF OF CLAIM WITH INSTRUCTIONS

District of: Ontario  
Division No. 09 - Toronto  
Court No. 31-2551574  
Estate No. 31-2551574

FORM 31  
Proof of Claim  
(Sections 50.1, 81.5, 81.6, Subsections 65.2(4), 81.2(1), 81.3(8), 81.4(8), 102(2), 124(2), 128(1),  
and Paragraphs 51(1)(e) and 66.14(b) of the Act)

In the matter of the proposal of  
Wisp Internet Services Inc.  
of the Township of Skugog, in the Province of Ontario

All notices or correspondence regarding this claim must be forwarded to the following address:

\_\_\_\_\_  
\_\_\_\_\_

In the matter of the proposal of Wisp Internet Services Inc. of the town of Port Perry in the Province of Ontario and the claim of \_\_\_\_\_, creditor.

I, \_\_\_\_\_ (name of creditor or representative of the creditor), of the city of \_\_\_\_\_ in the province of \_\_\_\_\_, do hereby certify:

1. That I am a creditor of the above named debtor (or I am \_\_\_\_\_ (position/title) of \_\_\_\_\_, creditor).

2. That I have knowledge of all the circumstances connected with the claim referred to below.

3. That the debtor was, at the date of proposal, namely the 29th day of August 2019, and still is, indebted to the creditor in the sum of \$ \_\_\_\_\_, as specified in the statement of account (or affidavit) attached and marked Schedule "A", after deducting any counterclaims to which the debtor is entitled. (The attached statement of account or affidavit must specify the vouchers or other evidence in support of the claim.)

4. (Check and complete appropriate category.)

A. UNSECURED CLAIM OF \$ \_\_\_\_\_

(other than as a customer contemplated by Section 262 of the Act)

That in respect of this debt, I do not hold any assets of the debtor as security and  
(Check appropriate description.)

Regarding the amount of \$ \_\_\_\_\_, I claim a right to a priority under section 136 of the Act.

Regarding the amount of \$ \_\_\_\_\_, I do not claim a right to a priority.  
(Set out on an attached sheet details to support priority claim.)

B. CLAIM OF LESSOR FOR DISCLAIMER OF A LEASE \$ \_\_\_\_\_

That I hereby make a claim under subsection 65.2(4) of the Act, particulars of which are as follows:  
(Give full particulars of the claim, including the calculations upon which the claim is based.)

C. SECURED CLAIM OF \$ \_\_\_\_\_

That in respect of this debt, I hold assets of the debtor valued at \$ \_\_\_\_\_ as security, particulars of which are as follows:  
(Give full particulars of the security, including the date on which the security was given and the value at which you assess the security, and attach a copy of the security documents.)

D. CLAIM BY FARMER, FISHERMAN OR AQUACULTURIST OF \$ \_\_\_\_\_

That I hereby make a claim under subsection 81.2(1) of the Act for the unpaid amount of \$ \_\_\_\_\_  
(Attach a copy of sales agreement and delivery receipts.)



- E. CLAIM BY WAGE EARNER OF \$ \_\_\_\_\_
- That I hereby make a claim under subsection 81.3(8) of the Act in the amount of \$ \_\_\_\_\_.
- That I hereby make a claim under subsection 81.4(8) of the Act in the amount of \$ \_\_\_\_\_.
- F. CLAIM BY EMPLOYEE FOR UNPAID AMOUNT REGARDING PENSION PLAN OF \$ \_\_\_\_\_
- That I hereby make a claim under subsection 81.5 of the Act in the amount of \$ \_\_\_\_\_.
- That I hereby make a claim under subsection 81.6 of the Act in the amount of \$ \_\_\_\_\_.
- G. CLAIM AGAINST DIRECTOR \$ \_\_\_\_\_

*(To be completed when a proposal provides for the compromise of claims against directors.)*  
 That I hereby make a claim under subsection 50(13) of the Act, particulars of which are as follows:  
*(Give full particulars of the claim, including the calculations upon which the claim is based.)*

- H. CLAIM OF A CUSTOMER OF A BANKRUPT SECURITIES FIRM \$ \_\_\_\_\_

That I hereby make a claim as a customer for net equity as contemplated by section 262 of the Act, particulars of which are as follows:  
*(Give full particulars of the claim, including the calculations upon which the claim is based.)*

5. That, to the best of my knowledge, I \_\_\_\_\_ (am/am not) (or the above-named creditor \_\_\_\_\_ (is/is not)) related to the debtor within the meaning of section 4 of the Act, and \_\_\_\_\_ (have/has/have not/has not) dealt with the debtor in a non-arm's-length manner.

6. That the following are the payments that I have received from, and the credits that I have allowed to, and the transfers at undervalue within the meaning of subsection 2(1) of the Act that I have been privy to or a party to with the debtor within the three months (or, if the creditor and the debtor are related within the meaning of section 4 of the Act or were not dealing with each other at arm's length, within the 12 months) immediately before the date of the initial bankruptcy event within the meaning of Section 2 of the Act: (Provide details of payments, credits and transfers at undervalue.)

7. (Applicable only in the case of the bankruptcy of an individual.)

- Whenever the trustee reviews the financial situation of a bankrupt to redetermine whether or not the bankrupt is required to make payments under section 68 of the Act, I request to be informed, pursuant to paragraph 68(4) of the Act, of the new fixed amount or of the fact that there is no longer surplus income.
- I request that a copy of the report filed by the trustee regarding the bankrupt's application for discharge pursuant to subsection 170(1) of the Act be sent to the above address.

Dated at \_\_\_\_\_, this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

\_\_\_\_\_  
 Witness

\_\_\_\_\_  
 Creditor

Phone Number: \_\_\_\_\_  
 Fax Number : \_\_\_\_\_  
 E-mail Address : \_\_\_\_\_

NOTE: If an affidavit is attached, it must have been made before a person qualified to take affidavits.  
 WARNINGS: A trustee may, pursuant to subsection 128(3) of the Act, redeem a security on payment to the secured creditor of the debt or the value of the security as assessed, in a proof of security, by the secured creditor.  
 Subsection 20(1) of the Act provides severe penalties for making any false claim, proof, declaration or statement of account.

## APPENDIX A

CHECKLIST FOR PROOF OF CLAIM

This checklist is provided to assist you in preparing the proof of claim form and, if appropriate, the proxy form in a complete and accurate manner. Please check each requirement.

GENERAL

- The signature of a witness is required.
- The document must be signed by the individual completing the declaration.
- Provide the complete address where all notices or correspondence are to be forwarded along with your phone number, fax number and email address where appropriate.

## Notes:

- It is permissible to file a proof of claim by fax.
- A creditor may vote either in person or by proxy at any meeting of creditors if the proof of claim is filed with the trustee prior to the time appointed for the meeting.
- A quorum at any meeting of creditors is at least one creditor with a valid proof of claim in attendance in person or by proxy.
- A corporation may vote by an authorized agent or mandatary at meetings of creditors.
- In order for a duly authorized person to have a right to vote, they must be a creditor or be the holder of a properly executed proxy. The name of the creditor must appear in the proxy.
- A creditor who is participating in any distribution from an estate must have filed a proof of claim prior to the distribution being declared.
- In the case of an individual bankrupt, by checking the appropriate box or boxes at the bottom of the proof of claim form, you may request that the trustee advise you of any material change in the financial situation of the bankrupt or the amount the bankrupt is required to pay into the bankruptcy, and a copy of the trustee's report on the discharge of the bankrupt.

**PARAGRAPH 1**

- Creditor must state full and complete legal name of the individual, company or firm.
- If the individual completing the proof of claim is a representative of the creditor, the individual's position or title must be identified.

**PARAGRAPH 3**

- The amount owing must be set out in paragraph 3.
- A detailed statement of account must be attached to the proof of claim and marked "Schedule A" and must show the date, number and amount of all invoices or charges, together with the date, number and amount of all credits or payments. The amount on the statement of account must correspond to the amount indicated on the proof of claim.

**PARAGRAPH 4**

## Notes:

- Paragraph A applies to *ordinary unsecured claims*. In addition to recording the amount of the claim, please indicate whether the claim has a priority pursuant to section 136 of the Act.
- Paragraph B applies to *lessor claims* in a commercial proposal. Please ensure that the claim applies to a commercial proposal and, if so, include the full particulars of the claim.
- Paragraph C applies to *secured claims*. Please indicate the dollar value of the security and attach copies of the security document. In addition, please attach copies of the security registration documents, where appropriate.
- Paragraph D applies to *inventory claims of farmers, fishermen and aquaculturists*. Please note that such claims apply only to inventory supplied from farmers, fishermen and aquaculturists within 15 (fifteen) days of the date of bankruptcy. In addition, please attach copies of any applicable sales agreements and delivery slips.
- Paragraph E applies to *claims by wage earners*. Please note that such claims apply only for unpaid wages owed upon the bankruptcy of an employer or when the employer becomes subject to a receivership.

- Paragraph F applies to *claims by employees for unpaid amounts regarding pension plans*. Please note that such claims apply only to unremitted pension contributions outstanding when the sponsoring employer becomes bankrupt or is subject to a receivership.
- Paragraph G applies to *claims against directors*. Please note that such claims apply only to directors of corporations that have filed a commercial proposal to creditors that includes a compromise of statutory claims against directors.
- Paragraph H applies to *claims of customers of a bankrupt securities firm*. Please ensure that the claim of the customer is for net equity and, if so, include the full particulars of the claim, including the calculations upon which the claim is based.

#### PARAGRAPH 5

- All claimants must indicate whether or not they are related to the debtor, as defined in section 4 of the Act, or dealt with the debtor in a non-arm's-length manner.

#### PARAGRAPH 6

- All claimants must attach a detailed list of all payments or credits received or granted, as follows:
  - (a) within the three (3) months preceding the initial bankruptcy event (including the bankruptcy or the proposal);
  - (b) within the twelve (12) months preceding the initial bankruptcy event (including the bankruptcy or the proposal) in the case where the claimant and the debtor were not dealing at arm's length.

#### - PROXYHOLDER -

#### NOTE

The Act permits a proof of claim to be made by a duly authorized representative of a creditor but, in the absence of a properly executed proxy, does not give such an individual the power to vote at the first meeting of creditors nor to act as the proxyholder of the creditors.

**GENERAL**

- In order for duly authorized persons to have a right to vote, they must themselves be creditors or be the holders of a properly executed proxy. The name of the creditor must appear in the proxy.

**Notes:**

- A creditor may vote either in person or by proxyholder.
- A proxy may be filed at any time prior to a vote at a meeting of creditors.
- A proxy can be filed with the trustee in person, by mail or by any form of telecommunication.
- A proxy does not have to be under the seal of a corporation unless required by its incorporating documents or its bylaws.
- The individual designated in a proxy cannot be substituted unless the proxy provides for a power of substitution.
- Bankrupts/debtors may not be appointed as proxyholders to vote at any meeting of their creditors.
- The trustee may be appointed as a proxyholder for any creditor.
- A corporation cannot be designated as a proxyholder.

**PROXY**

District of: Ontario  
Division No. 09 - Toronto  
Court No. 31-2551574  
Estate No. 31-2551574

FORM 36  
Proxy  
(Subsection 102(2) and paragraphs 51(1)(e) and 66.15(3)(b) of the Act)

In the matter of the proposal of  
Wisp Internet Services Inc.  
of the Township of Skugog, in the Province of Ontario

I, \_\_\_\_\_, of \_\_\_\_\_, a creditor in the above matter, hereby  
appoint \_\_\_\_\_, of \_\_\_\_\_, to be  
my proxyholder in the above matter, except as to the receipt of dividends, \_\_\_\_\_ (with or without)  
power to appoint another proxyholder in his or her place.

Dated at \_\_\_\_\_, this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Individual Creditor

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Name of Corporate Creditor

Per \_\_\_\_\_  
Name and Title of Signing Officer

Return To:

Dodick Landau Inc. - Licensed Insolvency Trustee

\_\_\_\_\_  
4646 Dufferin St., Suite 6  
Toronto ON M3H 5S4  
Phone: (416) 645-0542 Fax: (416) 649-7725  
E-mail: [brenda.mcknight@dodick.ca](mailto:brenda.mcknight@dodick.ca)

# VOTING LETTER



District of: Ontario  
Division No. 09 - Toronto  
Court No. 31-2551574  
Estate No. 31-2551574

FORM 37

Voting Letter  
(Paragraph 51(1)(f) of the Act)

In the matter of the proposal of  
Wisp Internet Services Inc.  
of the Township of Skugog, in the Province of Ontario

I, \_\_\_\_\_, creditor (or I, \_\_\_\_\_, representative  
of \_\_\_\_\_, creditor), of \_\_\_\_\_, a creditor in the above matter  
for the sum of \$ \_\_\_\_\_, hereby request the trustee acting with respect to the proposal of Wisp  
Internet Services Inc., to record my vote \_\_\_\_\_ (for or against) the acceptance of the proposal as  
made on the \_\_\_\_\_ day of \_\_\_\_\_.

Dated at \_\_\_\_\_, this \_\_\_\_\_ day of \_\_\_\_\_.

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Individual Creditor

\_\_\_\_\_  
Witness

\_\_\_\_\_  
Name of Corporate Creditor

Per \_\_\_\_\_  
Name and Title of Signing Officer

Return To:  
Dodick Landau Inc. - Licensed Insolvency Trustee  
Per:

\_\_\_\_\_  
Rahn Dodick - Licensed Insolvency Trustee  
4646 Dufferin St., Suite 6  
Toronto ON M3H 5S4  
Phone: (416) 645-0542 Fax: (416) 649-7725  
E-mail: [brenda.mcknight@dodick.ca](mailto:brenda.mcknight@dodick.ca)

**APPENDIX "D"**

**WISP INTERNET SERVICES INC.**

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**UNANIMOUS SHAREHOLDERS' AGREEMENT**

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Made as of the \_\_\_\_ day of [·], 2020

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## UNANIMOUS SHAREHOLDERS' AGREEMENT

This Unanimous Shareholders' Agreement (this "**Agreement**") is made as of \_\_\_ day of [·], 2020, between WISP Internet Services Inc., a corporation incorporated under the laws of Canada (the "**Company**"), each shareholder listed in Schedule A attached hereto and any person who becomes a party to this Agreement by executing the Acknowledgement in the form attached hereto as Schedule B.

### RECITALS:

A. The share capital of the Company is comprised of an unlimited number of common shares (the "**Common Shares**"); and

B. The Shareholders (as defined below) and the Company have entered into this Agreement to set out their agreement as to the ownership of the Common Shares held by them.

**NOW THEREFORE THIS AGREEMENT WITNESSES** that in consideration of the premises and the mutual covenants and agreements herein contained the parties hereto covenant and agree as follows:

### ARTICLE 1 INTERPRETATION

#### 1.1 Definitions

In this Agreement:

- (a) "**Act**" means the *Business Corporations Act* (Ontario), as amended, and any term defined in the Act and not otherwise defined herein is used in this Agreement with the same meaning.
- (b) "**Articles**" means the constating articles of the Company, as amended from time to time.
- (c) "**Board**" means the board of directors of the Company, as constituted from time to time.
- (d) "**Business Day**" means any day of the year, other than a Saturday, Sunday or any statutory holiday in the Province of Ontario.
- (e) "**By-laws**" means the by-laws of the Company, as amended from time to time.
- (f) "**Control**" means: (a) with respect to any corporation, the ownership, beneficially and legally, of voting securities in the capital of such corporation, to which are attached more than fifty percent (50%) of the votes that may be cast to elect the directors of such corporation and such votes are sufficient (if exercised) to elect a majority of the directors; and (b) with respect to a partnership, trust, syndicate or other entity, actual power or authority to manage and direct the affairs of, or ownership of more than fifty percent (50%) of the beneficial interest in such entity;
- (g) "**Initial Public Offering**" means a firm commitment underwritten public offering of Common Shares pursuant to a prospectus filed under applicable Canadian securities laws in respect of which a final receipt has been obtained, accompanied by the listing of the Common Shares on a stock exchange or market approved by the Board.

- (h) **"Permitted Transferee"** means any existing Shareholder and, in respect of any Shareholder, any one or more of: (i) a spouse; (ii) a child and all descendants of such child; (iii) a trust, the sole beneficiaries of which are Persons specified in any one or more subsections of this definition, the Shareholder and/or the Principal of such Shareholder, provided that the terms of the trust include a valid condition precedent that any Common Shares or securities of a Shareholder will vest in the beneficiaries of such trust only if such beneficiaries have complied with the provisions of Section 5.2 of this Agreement; (iv) a Person, where the Shareholder or the Principal Controls, directly or indirectly, such Person, and (v) a Person approved by the Board pursuant to Section 5.1.
- (i) **"Person"** includes any individual, corporation, partnership, trust, trustee, executor, administrator, legal personal representative, estate, or governmental entity.
- (j) **"Principal"** means, in respect of any corporation, partnership or trust which may become a Shareholder, any individual or individuals who directly or indirectly Control such corporation, partnership or trust.
- (k) **"Securities"** means Common Shares or other debt or equity securities of the Company, including options, rights, warrants or other agreements to purchase Common Shares, or securities convertible into or exchangeable directly or indirectly for Common Shares.
- (l) **"Shareholder"** means , initially, each person listed on Schedule A annexed hereto and their respective successors and shall include any person who becomes a party to this Agreement by executing an Acknowledgement in the form attached hereto as Schedule B and, at the relevant time, is the holder of Common Shares of the Company.
- (m) **"Transfer"** means to sell, assign, surrender, gift, transfer, pledge, mortgage, charge, create a security interest in, hypothecate or otherwise encumber, dispose or deal with any of the Common Shares or any interest, whether legal or beneficial, in the Common Shares.

## 1.2 **Gender and Number**

In this Agreement, words importing the singular shall include the plural and vice versa and words importing gender shall include all genders.

## 1.3 **Headings**

Headings of articles and sections are inserted for convenience of reference only and do not affect the construction or interpretation of this Agreement.

## 1.4 **Governing Law**

This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario, without regard to the province's conflict of law provisions, and each of the Parties irrevocably agrees to submit to the exclusive jurisdiction of the courts of such province for and in connection with any proceedings relating to this Agreement.

# **ARTICLE 2** **PURPOSE AND SCOPE**

## 2.1 **Unanimous Shareholder Agreement**

This Agreement is intended to be a unanimous shareholder agreement within the meaning of the Act.

## **2.2 Compliance with Agreement**

Each Shareholder agrees to vote and act as a shareholder of the Company to fulfil the provisions of this Agreement and in all other respects to comply with, and use all reasonable efforts to cause the Company to comply with, this Agreement. The Shareholders further undertake that they will use their influence as Shareholders to cause such meetings of the Company to be held, resolutions passed, by-laws enacted, agreements and other documents signed and acts or things performed or done as may be necessary or desirable to ensure that the provisions of this Agreement are implemented and given full force and effect.

## **2.3 Compliance by Company**

The Company undertakes to carry out and be bound by the provisions of this Agreement to the full extent that it has the capacity and power at law to do so.

## **2.4 Conflict with Articles and By-laws**

To the extent permitted by the Act, in the event of any conflict between the provisions of this Agreement and the provisions of the Articles, the by-laws of the Company, the provisions of this Agreement shall prevail, and the Shareholders shall vote to amend the Articles and by-laws of the Company so as to ensure conformity with the terms of this Agreement.

## **2.5 Principal to be Bound**

Each Principal shall cause the Shareholder he, she or it Controls to comply with each of the terms of this Agreement.

### **ARTICLE 3 MANAGEMENT OF THE COMPANY**

#### **3.1 Board of Directors**

- (a) The Board shall consist of a minimum of one (1) and a maximum of ~~four~~five (5) directors.
- (b) Each Shareholder shall vote (to the extent that each is able to do so on account of its respective shareholdings or otherwise) its Common Shares at any meeting at which directors are to be elected, or execute any written resolutions of the shareholders at the request of the Company, to elect the directors nominated in accordance with this Agreement.
- (c) The Board shall meet at least once in each ~~twelve~~ month period. Quorum for meetings of the Board shall consist of a majority of the members of the Board, provided that Christopher Doyle's presence shall be required for any quorum.

#### **3.2 Exemption from Appointing Auditor**

Each of the Shareholders hereby unconditionally and irrevocably waives the requirement for an audit of the Company for any and all financial years, and more specifically the Shareholders consent to the exemption from audit requirements as provided for in the Act. The Board may, notwithstanding this waiver of audit, in its own discretion undertake to have audited financial statements prepared for any particular financial year of the Company.

## **ARTICLE 4**

### **SHAREHOLDER RIGHTS**

#### **4.1 Beneficial Ownership**

Each Shareholder represents that: (a) it is the beneficial owner of the number of Common Shares registered in the Shareholder's name in the books of the Company and set out in Schedule A to this Agreement; and (b) the Principal who Controls the Shareholder on the date the Shareholder became a shareholder of the Company will not change except in accordance with the terms of this Agreement.

#### **4.2 Pre-Emptive Rights**

- (a) Subject to paragraph (f) below, if any Securities are to be issued ("**Additional Securities**"), the Company shall first offer such Additional Securities to the Shareholders by written notice setting out the Company's intention to issue Additional Securities and the number and purchase price of such Additional Securities to be so issued. Each of the Shareholders may purchase its Pro Rata Share (as defined below) of the Additional Securities so offered.
- (b) Each Shareholder's "**Pro Rata Share**" of the Additional Securities shall be equal to the total number of Additional Securities so offered, multiplied by the quotient of X/Y, where X is equal to the number of Common Shares that the Shareholder holds, and Y is equal to the aggregate number of Common Shares held by all of the Shareholders.
- (c) Each Shareholder shall have [twenty (20)] days from the date such notice is issued to give written notice to the Company of such Shareholder's intention to purchase all or any of the Additional Securities to which it is entitled and shall indicate in such notice the maximum number of Additional Securities that such Shareholder is willing to purchase (which number may be greater than or less than its Pro Rata Share). If no such notice is given by a Shareholder within such period, such Shareholder shall be deemed to have rejected the offer to purchase such Additional Securities.
- (d) If any Shareholder does not accept its full Pro Rata Share, any such unaccepted Additional Securities shall be deemed to have been offered to the Shareholders who indicated they would accept greater than their respective Pro Rata Share (the "**Oversubscribed Shareholders**") and each of such Oversubscribed Shareholders shall be entitled to acquire such unaccepted Additional Securities, pro rata as between the Oversubscribed Shareholders based upon the number of Common Shares that such Oversubscribed Shareholders hold.
- (e) The transaction of purchase and sale by the Company to the Shareholders shall be completed on the date specified by the Board. Any Additional Securities not taken up by the Shareholders may be issued within [twenty (20)] days of such Additional Securities having been first offered to the Shareholders, at not less than the price and on terms no more favourable than the terms offered to the Shareholders, to such Persons as the Board determines, provided that such Persons agree to be bound by, and become parties to, this Agreement in accordance with Section 5.2 below.
- (f) The Company may issue Additional Securities without complying with the provisions of this Section 4.2 if such Additional Securities are: (i) issued pursuant to a stock option plan that has been approved by the Board; or (ii) Common Shares offered to the public pursuant to an Initial Public Offering.



#### 4.3 Confidentiality

- (a) Each Shareholder will keep all Confidential Information (as defined below) confidential and will not disclose any Confidential Information to any Person or use any Confidential Information except as permitted by this Agreement. A Shareholder may disclose Confidential Information to its employees and advisors but only to the extent that they need to know the Confidential Information, they have been informed of the confidential nature of the Confidential Information and they are either under a legally enforceable obligation of confidentiality or agree in writing to be bound by and act in accordance with this Section. “**Confidential Information**” means all information relating to the business, operations, assets, liabilities, intellectual property, plans, prospects and other affairs of the Company, in whatever form.
- (b) The restrictions set out in this Section 4.3 do not apply to Confidential Information or any part of it that: (a) is or becomes generally available to the public; (b) is required to be disclosed by Law; (c) is developed independently by the Shareholder without aid of any information of the Company, or (d) is permitted in writing to be disclosed by the Company.

### **ARTICLE 5** **DISPOSITION OF SHARES**

#### 5.1 Restricted Transfers

Other than a Transfer to a Permitted Transferee completed in accordance with Section 5.2, no Shareholder shall, directly or indirectly, Transfer any Securities of the Company and no Principal shall Transfer directly or indirectly Control of a Shareholder, without the consent of the Board, and complying with the terms of this Agreement. Notwithstanding the foregoing, the Board may refuse a Transfer if it determines the Transfer not to be in the best interests of the Company.

#### 5.2 Acknowledgement

In connection with any permitted Transfer, the Permitted Transferee must sign an Acknowledgement in the form attached to this Agreement as Schedule B pursuant to which the Permitted Transferee and, if applicable, the Principal of the Permitted Transferee, agree to be bound by the terms of this Agreement. For greater certainty, the Board shall not approve a Transfer until it has received an executed Acknowledgement from the Permitted Transferee.

#### 5.3 Piggy-Back

- (a) If any Shareholder or Shareholders that individually or collectively has Control of the Company (hereinafter in this Section 5.3 and in Section 5.4 referred to as the “**Selling Shareholder**”) receive(s) an offer to purchase Common Shares which they are prepared to accept, pursuant to a bona fide offer from a third party (hereinafter in this Section 5.3 referred to as the “**Purchaser**”) acting at arm’s length with the Selling Shareholder (hereinafter in this Section 5.3 referred to as the “**Offer**”), then, prior to the acceptance of such Offer, the Selling Shareholder shall notify all other Shareholders of such proposed sale and the terms of such proposed sale and each such other Shareholder shall have the right, at his option, to require that a proportionate number of his Common Shares of each class be purchased by the Purchaser on terms and conditions at least as favourable to such other Shareholder as the terms and conditions set out in the offer received by the Selling Shareholder.
- (b) If the prospective Purchaser will not purchase all the Common Shares which the Selling Shareholder and the other Shareholders wish to sell pursuant to this Section 5.3, the

number of Common Shares which the Selling Shareholder and the other Shareholders shall be permitted to sell to the Purchaser shall be proportionately reduced so that each Shareholder may sell to the Purchaser the same percentage of its total outstanding Common Shares of each class. The other Shareholders may exercise their right under this Section by written notice given within [twenty (20)] days after the date on which they are notified of the offer by the Selling Shareholder pursuant to this Section 5.3.

- (c) This Section 5.3 shall not apply if the provisions of Section 5.4 apply to the Offer.

#### 5.4 Drag-Along

- (a) If the Company or one or more of the Selling Shareholders receive a bona fide arm's length offer from a third party to complete (1) an amalgamation or merger of the Company with another corporation, or an arrangement, pursuant to which the holders of voting securities of the Company immediately prior to the transaction hold, immediately after such transaction, directly or indirectly, less than 50% of the voting power to elect directors of the corporation resulting from the transaction; (2) a sale of Common Shares representing more than 50% of the voting power to elect directors of the corporation resulting from the transaction; or (3) a sale of all or substantially all of the assets of the Company, which Selling Shareholders wish to accept (the "**Drag-Along Transaction**"), each Shareholder will be obliged to execute and deliver any agreements or other documents as may be reasonably necessary or desirable in order to evidence such Shareholder's approval of the Drag-Along Transaction and to permit such transaction to be completed on the terms and conditions contained in the offer. In connection with any Drag-Along Transaction, no Shareholder or its Principal will be required to be liable for an amount in excess of the cash purchase price actually received by that Shareholder in connection with such Drag-Along Transaction.
- (b) Each Shareholder irrevocably constitutes and appoints the President of the Company as the Shareholder's attorney and agent for, in the name of and on behalf of the Shareholder to execute and deliver in the name of the Shareholder all documents, deeds and instruments as may be necessary to effectively complete the Drag-Along Transaction. Such appointment and power of attorney, being coupled with an interest, shall not be revoked by the death, incapacity (whether mental or physical), termination of employment or engagement, dissolution, winding up, bankruptcy, insolvency of the Shareholder and the Shareholder hereby ratifies and confirms and agrees to ratify and confirm all that the President of the Company may lawfully do or cause to be done by way of such power of attorney.
- (c) The power of attorney granted in this section is not intended to be a continuing power of attorney within the meaning of and governed by the *Substitute Decisions Act* (Ontario) or any similar power of attorney under equivalent legislation in any of the provinces or territories of Canada (a "**CPOA**"). The execution of this Agreement will not terminate any CPOA previously granted and will not be terminated by the execution in the future of a CPOA, and the Shareholder agrees not to take any action in the future which results in the termination of the power of attorney granted pursuant this Section 5.4.

### **ARTICLE 6** **MISCELLANEOUS PROVISIONS**

#### 6.1 Share Certificates

Each ~~in the event the Company issues certificated shares, each~~ share certificate issued shall have endorsed on it the following notation ~~{NTD: Chris to confirm whether WISP's articles/bylaws provide for certificated shares};~~;

**“THE TRANSFER OF THE SECURITIES REPRESENTED BY THIS CERTIFICATE IS SUBJECT TO THE RESTRICTIONS CONTAINED IN THE ARTICLES OF THE CORPORATION. THE SECURITIES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO RESTRICTIONS ON TRANSFER AND TO OTHER RIGHTS AND OBLIGATIONS SET FORTH IN A UNANIMOUS SHAREHOLDERS’ AGREEMENT BETWEEN THE COMPANY AND ITS SHAREHOLDERS, AS SUCH AGREEMENT MAY BE AMENDED FROM TIME TO TIME.”**

## **6.2 Amendment**

This Agreement may only be amended, altered or waived in any of its provisions by the agreement of the holders of not less than [75]% of the votes attaching to the then outstanding Common Shares, and any such amendment, alteration or waiver so approved in accordance with this Section 6.2 shall be binding upon each of the parties, provided that, the parties agree to such amendments to Schedule A from time to time as may be necessary to reflect permitted changes in the Shareholders.

## **6.3 Notice**

Any notice or other communication required or permitted by this Agreement shall be in writing and is sufficiently given if delivered personally or if delivered by electronic mail or by either prepaid courier service or registered mail return receipt requested. Notices shall be addressed to each Shareholder at their address as shown in Schedule “A” hereto. Notice sent by mail shall be deemed to have been given on the third Business Day following deposit in the post office. Notice sent by email or courier, shall be deemed given on the day of delivery or transmission, if such delivery or transmission is prior to 3:00 p.m. (Toronto time) on a Business Day of the recipient, otherwise delivery will be deemed to be the business day next following the date of such delivery or transmission.

Notice to the Company shall be addressed to:

WISP Internet Services Inc.  
80 Vanedward Drive  
Port Perry, ON, L9L 1G3

Attention: Christopher Doyle

## **6.4 Severability**

If any provision or part of a provision of this Agreement is restricted, prohibited or unenforceable, such provision or part shall be ineffective only to the extent of such restriction, prohibition or unenforceability without invalidating the remaining provisions or parts of provisions.

## **6.5 Termination**

This Agreement is effective as of the date first above written and terminates upon the first to occur of: (i) the written approval by the Shareholders holding in the aggregate [75]% of the total number of issued and outstanding Common Shares; (ii) the date on which the Company completes an Initial Public Offering; or (iii) the dissolution of the Company.

## **6.6 Assignment**

Except as expressly permitted by this Agreement, this Agreement is not assignable without the consent of all Shareholders. This Agreement shall be binding upon and enure to the benefit of the parties and their respective heirs, administrators, personal representatives, executors, successors and permitted assigns.

**6.7 Further Assurances**

Each Shareholder and the Company agrees to take all such actions and to execute all documents as may be necessary or advisable to effectively implement the provisions of this Agreement.

**6.8 Independent Legal Advice**

Each of the parties acknowledges that it has read and understands the terms and conditions of this Agreement and acknowledges that it has had the opportunity to seek, and was not prevented or discouraged by any other party to this Agreement or Person from seeking, any independent legal advice which it considered necessary before the execution and delivery of this Agreement and that, if such party did not avail itself of that opportunity before signing this Agreement, it did so voluntarily without undue pressure, and agrees that its failure to obtain independent legal advice will not be used by it as a defence to the enforcement of its obligations under this Agreement.

**6.9 Entire Agreement**

This Agreement is the entire agreement among the parties about the subject matter hereof and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, of the parties. There are no warranties, representations or other agreements between the parties in connection with the subject matter hereof, except as specifically set out in this Agreement.

**6.10 Language**

The Parties have required that this Agreement and all documents or notices related thereto be in the English language. Les parties ont exigés que cette convention et tout document ou avis afférent soit en langue anglaise.

**6.11 Counterparts**

This Agreement may be executed in one or more counterparts which together shall be deemed to constitute one valid and binding agreement, and delivery of the counterparts may be effected by means of facsimile or other electronic transmission.

**[Signature page follows below.]**

**IN WITNESS WHEREOF** this Agreement has been executed by the parties as of the date first indicated above.

**WISP INTERNET SERVICES INC.**

By: \_\_\_\_\_  
Name:  
Title:

SIGNED AND DELIVERED in the presence   ))  
of:    )))

\_\_\_\_\_  
Witness    )) **CHRISTOPHER DOYLE**

**[OTHER SHAREHOLDERS TO BE ON FOLLOWING PAGES.]**

**Schedule A**  
**Shareholders**

<u>Name and Address</u>	<u>Number and Class of Shares</u>
Christopher Doyle [Address to be inserted] chris@wisponline.ca	{8,000} Common Shares
[Investor TBD] [Address] [Email]	[•] Common Shares
[Investor TBD] [Address] [Email]	[•] Common Shares
<b>Total</b>	<b>{8,000} Common Shares</b>

**Schedule B**

**Acknowledgement**

**TO: WISP INTERNET SERVICES INC.**

**AND TO: EACH SIGNATORY TO THE UNANIMOUS SHAREHOLDERS' AGREEMENT**

**WHEREAS** WISP Internet Services Inc. (the "**Company**") and its shareholders (the "**Shareholders**") have entered into a unanimous shareholders' agreement dated [•] \_\_\_\_, 2020, in the form attached as Schedule "A" to this Acknowledgement (the "**Shareholders Agreement**"), as amended from time to time, to establish their rights and obligations in respect of their rights and obligations as Shareholders of the Company issued and unissued shares of the Company, the management and conduct of the business of the Company and various other matters;

**AND WHEREAS** all capitalized terms used in this Acknowledgement which are not otherwise defined herein, will have the meanings ascribed thereto in the Shareholders Agreement;

**NOW THEREFORE**, the undersigned hereby acknowledges and agrees:

(a) having received a copy of the Shareholders Agreement and having read the Shareholders Agreement in its entirety. The undersigned acknowledges having received the opportunity to obtain independent legal advice in respect of the Shareholders Agreement and this Acknowledgement;

(b) the terms and conditions of the Shareholders Agreement will be binding upon the undersigned as a Shareholder and such terms and conditions will enure to the benefit of and be binding upon the undersigned's heirs, executors, administrators, legal and personal representatives, successors and permitted assigns;

(c) that this Acknowledgement forms part of the Shareholders Agreement and by signing below the undersigned agrees to be a party to the Shareholders Agreement in the same manner as if the undersigned was an original signatory of the Shareholders Agreement;

(d) to sign such further and other documents, and do and perform and cause to be done and performed such further and other acts and things as may be necessary or desirable in order to give full effect to this Acknowledgement and the Shareholders Agreement; an

(e) This Acknowledgement will be construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

**[Signature page follows below.]**

The undersigned has executed this Acknowledgement this [••] day of [••], 20XX.

**[If a corporation, insert Transferee Name]**

By: \_\_\_\_\_  
Name:  
Title:

**Or**

SIGNED, SEALED AND DELIVERED in the presence of: \_\_\_\_\_  
Witness

))  
)))  
)) \_\_\_\_\_  
**[If an individual, insert Transferee Name]**



## **APPENDIX "E"**

**COURT FILE NO.: 31-2551574  
ESTATE NO.: 31-2551574**

**WISP INTERNET SERVICES INC. (“WISP” or the “Company”)**

**MINUTES OF FIRST MEETING OF CREDITORS  
(the “Meeting”)**

**DATE, TIME AND LOCATION**

**Date:** December 3, 2019

**Time:** 11:00 a.m.

**Location:** Tyrone Community Centre  
2716 Concession Road 7  
Tyrone, Ontario L1C 5W2

**Chair:** Rahn Dodick-Dodick Landau Inc. (the “Proposal Trustee”)

**Secretary:** Naomi Lieberman – Dodick Landau Inc.

**Scrutineers:** Brenda McKnight and Janet Moore – Dodick Landau Inc.

**QUORUM**

The Chair established that a quorum existed.

**CALL TO ORDER**

The Chair declared the Meeting legally constituted and called the Meeting to order. The Attendance Sheet is attached as Exhibit “A”.

1. The Trustee then adjourned the Meeting for approximately ten minutes to give the opportunity for all creditors that arrived prior to the Meeting to register their proofs of claims and to receive a ballot.

**AFFIRM THE APPOINTMENT OF THE PROPOSAL TRUSTEE**

2. A Motion was brought by Kimberly Redwood, and seconded by Robb Heintzman affirming the appointment of the Proposal Trustee.

## **NOTICE OF MEETING**

3. The Chair tabled, for inclusion in the minutes, the form Notice of Proposal to Creditors, Meeting of Creditors, the Proposal, the Statement of Affairs, the Report of Trustee on Proposal and the Affidavit of Mailing, all attached as Exhibit "B" to these minutes.

## **FUNDING OF PROPOSAL**

4. The Proposal Trustee outlined the terms of the Amended Proposal, the order of distribution and the recovery potential to creditors. The Proposal Trustee referred attendees to the Trustee's Report to the Creditors on the Amended Proposal and provided an overview of the amendments to the original Proposal filed by the Company.

## **QUESTIONS ABOUT THE AMENDED PROPOSAL**

5. The floor was opened to questions by the Proposal Trustee. The following questions were raised and addressed by the Proposal Trustee, its legal counsel, management of the Company ("Management") and its legal counsel. A summary of many of the questions and answers asked at the Meeting are attached as Exhibit "C" to these minutes.

## **REPORT ON ATTENDANCE**

6. The Scrutineers provided a report on attendance and advised the Meeting that there were 49 creditors present in person representing \$4,778,701.97 of value of claims.

## **AMENDMENT TO PROPOSAL**

7. A creditor, in attendance, requested a further amendment to the Proposal, which was accepted by the Company. This further amendment was to incorporate the following statement to paragraph 11 of the Amended Proposal "From December 4, 2019 WISP covenants to not grant any security interest in the Works as defined in the applicable Tower Agreement" ("Revised Amended Proposal").

A motion to approve this additional amendment was brought by Robb Heintzman and seconded by Darlene Cook.

## **ADJOURNMENT**

8. At 12:10 p.m., the Meeting was adjourned to allow the scrutineers to tabulate the votes. Attendees were advised that the Meeting would recommence once the tabulation of the votes was completed.

**RE- CONVENED MEETING – December 3, 2019 at 1:05 p.m.**

9. A Motion to consider a resolution to approve the Revised Amended Proposal by the unsecured creditors was proposed at the Creditors' Meeting (the "Resolution"). The Resolution tabled at the meeting was as follows:

"Be and it is hereby resolved to accept the Revised Amended Proposal of WISP Internet Services Inc. dated December 3, 2019, and, if approved, the Proposal Trustee and WISP Internet Services Inc. take all necessary steps to implement the terms of the Revised Amended Proposal".

10. The results of the vote were presented to the Meeting and they were as follows:

A majority in number representing in excess of two-thirds in value of the unsecured creditors holding proven claims and voting in person or by proxy at the Creditors' Meeting, or by voting letter, voted in favour of the Resolution to approve the Revised Amended Proposal dated December 3, 2019. A copy of the Voting Summary is attached as Exhibit "D".

**APPOINTMENT OF INSPECTORS**

11. The Chair asked the individuals present at the meeting of the unsecured creditors whether anyone would volunteer to act as Inspector.
12. There were eight parties present at the meeting and interested in being Inspectors. The following individuals agreed to act as Inspectors: Robb Heintzman (Group 1 creditor), Bill Cockburn (Group 2 creditor), Carol Doering (Group 1 creditor), Daniel Miskin (Group 2 creditor) and Deborah Lennox (Group 3 creditor).


The following three inspectors agreed to be replacement Inspectors in the event that any of the five inspectors resign over the course of the 10 year period of the Revised Amended Proposal: Robert Harley (Group 2 creditor), Chad Boyd (Group 2 creditor), and Carmen Conforti (Group 1 creditor)

A motion to approve the slate of Inspectors, and substitutes, was brought by Kimberly Redwood and seconded by John Cooney.

**TERMINATION OF MEETING**

13. As there was no further business brought before the Meeting, the Meeting was terminated at 1:45 p.m.

Dated at Toronto, Ontario, this 3<sup>rd</sup> day of December, 2019.



---

Per: Rahn Dodick, Chair

Dodick Landau Inc.  
Acting as Proposal Trustee for  
Wisp Internet Services Inc.  
and not in its personal or corporate capacity.

**EXHIBIT "D"**

District of Ontario  
 Division No. 09 - Toronto  
 Court No. 31-2551574  
 Estate No. 31-2551574

### Voting Summary

In the matter of the proposal of  
 Wisp Internet Services Inc.  
 of the Township of Skugog, in the Province of Ontario

Insolvency Date: 29-Aug-2019  
 Estate Number: 31-2551574

### Result of Voting

Class	Total #			Dollar Value of Claims		Percentage by Votes		Percentage by Value		Result	
	Votes	Yes	No	Yes	No	Yes	No	Yes	No	By Votes	By Value
	95	70	25	9,723,482.21	3,277,489.29	73.68	26.32	74.79	25.21	App.	App.

### List of creditors

Class	Creditor Name	Type	Account #	\$ Admitted for Voting	Voted By	Vote
	1665989 Ontario Ltd.	U		171,056.00	In Person	For
	1747594 Ontario Inc.	U		1,400.00	Letter	For
	2265080 Ontario Inc.	U		141,162.00	In Person	For
	Andrew Callan	U		207,759.00	In Person	For
	Andrew Paul Murdoch	U		116,478.00	Letter	For
	Anthony Mallette	U		101,808.00	Letter	For
	Bernie Rhebergen	U		153,182.00	Letter	For
	Bill Bursey	U		3,000.00	Letter	For
	Bill Weisflock	U		183,759.25	Letter	Against
	Blaire Vivian	U		61,709.00	Letter	Against
	Bob's Car Care	U		103,847.00	Letter	For
	Brian & Cynthia Wray	U		60,509.00	In Person	For
	Brian Milner	U		129,660.00	In Person	For
	Canrack Installations Inc.	U		36,322.00	In Person	Against
	Casey Farnus	U		245,969.00	Letter	For
	Christina Hunt	U		109,666.00	Letter	For
	Daniel & Tao Miskin	U		153,578.00	Letter	For
	Darlene Cook	U		73,255.00	In Person	For
	Darryl & Morgan Donneral	U		123,852.00	Letter	For
	Dave O'Neil	U		65,296.00	Letter	For
	David and Penelope Nielsen	U		45,437.00	Letter	For
	Dean Pilgrim	U		36,564.00	Letter	For
	Debra Lennox	U		80,500.39	Letter	For
	Deckplus Investments Inc.	U		35,900.00	In Person	For
	Diana Barrett	U		60,495.00	Letter	For
	Doug Kerswill	U		149,921.00	In Person	For
	Doug Kruppa	U		60,437.00	In Person	For
	Doug Rock	U		65,499.92	Letter	For

List of creditors

<i>Class</i>	<i>Creditor Name</i>	<i>Type</i>	<i>Account #</i>	<i>\$ Admitted for Voting</i>	<i>Voted By</i>	<i>Vote</i>
	Duane Paquette	U		155,037.00	Letter	Against
	Enviro Tech	U		11,993.10	Letter	Against
	Eric Vanetten	U		143,766.98	Letter	For
	Erin Bradley	U		120,462.00	Letter	For
	George Murison	U		151,385.00	In Person	For
	Gord and Stephanie Tuer	U		148,352.00	Letter	For
	Grant Soural	U		72,938.00	In Person	For
	Howard Valensky	U		178,538.00	Letter	Against
	Ian and Eileen Rowsell	U		59,329.00	In Person	Against
	Image Papers	U		26,243.01	Letter	Against
	James Casey	U		703,593.00	Letter	For
	Janet Irvn	U		750,507.18	Letter	Against
	Jeff P. Armitage Inc. - Mail and Email	U		127,896.00	Letter	Against
	JHI Consulting	U		34,875.00	Letter	Against
	Joe and Alison Inatomasi	U		167,547.00	Letter	For
	Joe Caravaggio	U		35,620.00	Letter	Against
	John Cooney	U		68,328.00	Letter	Against
	Keith and Lisa Horsefield	U		149,921.00	Letter	For
	Kelly and Joanne Walker	U		111,223.00	In Person	Against
	Ken Allan Haggert & Roma Alla Haggert	U		172,320.00	In Person	For
	Kimberly Redwood	U		151,385.00	In Person	For
	LandoMill Farms Ltd.	U		23,323.00	Letter	For
	Lawrence Alfred Wright & Barbara Anne Wright	U		60,565.00	In Person	For
	Lisa and Ian Quest	U		671,162.52	Letter	For
	Luke Hunter	U		151,385.00	Letter	For
	Mark Seaton	U		61,995.00	In Person	For
	Marvin Nelson	U		78,913.00	In Person	For
	Michael Sternberg	U		2,450.00	Letter	For
	Michelle German	U		125,772.00	Letter	For
	Mike Doering	U		60,633.00	In Person	Against
	Mulock Farms Ltd.	U		1,361,976.00	Letter	For
	Nancy Jansen	U		36,144.00	In Person	For
	Netcom	U		4,823.54	Letter	For
	Olivia Zotti	U		48,374.00	Letter	For
	Pam Shields	U		94,985.00	Letter	For
	Patricia & Steve Thompson	U		37,409.00	Letter	Against
	Patrick Busby	U		150,034.00	In Person	For
	Paul Nickkanen	U		118,507.00	Letter	For
	Paul Ogborne & Viky Ogborne	U		686,956.03	Letter	For
	Paula Weisflock	U		171,599.00	Letter	Against
	Pinnacle Park & Trailer Camping Association	U		50,468.00	Letter	Against



**List of creditors**

<i>Class</i>	<i>Creditor Name</i>	<i>Type</i>	<i>Account #</i>	<i>\$ Admitted for Voting</i>	<i>Voted By</i>	<i>Vote</i>
	Robb and Marie Heintzman	U		35,967.00	In Person	For
	Robert & Elaine Ritter	U		73,520.00	In Person	For
	Robert & Elizabeth Tremere	U		149,189.00	In Person	For
	Robert & Patricia Irvén	U		429,925.24	In Person	Against
	Roy Althouse & Eric Thomson - Mail and Email	U		7,699.00	Letter	For
	Sam and Carmen Conforti	U		26,536.00	In Person	For
	Scott Malcolm (send email and mail)	U		72,839.00	In Person	For
	Scott Stone	U		74,620.00	In Person	Against
	Sean Dickinson and Christy Thompson	U		65,325.00	In Person	For
	Sofia Zotti	U		48,374.00	Letter	For
	Spectrum Telecom Group Ltd.	U	W19477	58,401.13	Letter	Against
	Steve Mothe	U		49,174.21	Letter	For
	Sunspace Modular Enclosures	U		109,666.00	Letter	For
	Swift Fox Systems Inc.	U	84343	58,545.14	Letter	For
	TD Canada Trust	U	4520709021320121 2104	8,003.96	Letter	Against
	Thomas Vlug	U		153,578.00	Letter	Against
	Tim & Heather Miller	U		173,793.00	Letter	For
	Timothy Coutsouliannassis	U		113,124.00	In Person	For
	Trenton Distributors	U		24,573.48	Letter	For
	Victoria Ogborne	U		171,599.00	Letter	For
	Vince and Tammy Militello	U		100,757.00	Letter	For
	Warren Wakefield	U		110,770.00	Letter	For
	Wayne Weisflock	U		338,523.00	Proxy	Against
	Weisflock Contracting	U		52,949.42	Proxy	Against
	Wietske L. Wotten	U		60,565.00	Letter	For
	William Cockburn	U		116,200.00	In Person	For

## **APPENDIX "F"**

District of: Ontario  
Division No. 09 - Toronto  
Court No. 31-2551574  
Estate No. 31-2551574

FORM 40.1  
Notice of Hearing of Application for Court Approval of Proposal  
(Paragraph 58(b) of the Act)

In the matter of the proposal of  
Wisp Internet Services Inc.  
of the Township of Skugog, in the Province of Ontario

In Superior Court of Justice - Toronto.

In the matter of the proposal of Wisp Internet Services Inc., a debtor.

Take notice that an application will be made to the court, at 330 University Avenue, 9th Floor, Toronto, Ontario, on the 28th day of January 2020, at 10:00 AM, to approve the proposal of Wisp Internet Services Inc., accepted by the creditors at a meeting held on the 3rd day of December 2019.

Dated at the city of Toronto in the Province of Ontario, this 3rd day of January 2020.

Dodick Landau Inc. - Licensed Insolvency Trustee



4646 Dufferin St., Suite 6

Toronto ON M3H 5S4

Phone: (416) 736-4357 Fax: (416) 649-7725

CANADA  
 Province of Ontario  
 District of: Ontario  
 Division No. 09 - Toronto  
 Court No. 31-2551574  
 Estate No. 31-2551574

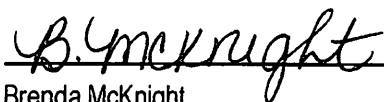
Affidavit of Mailing

In the matter of the proposal of  
 Wisp Internet Services Inc.  
 of the Township of Skugog, in the Province of Ontario

I, Brenda McKnight, of the Trustee's office of Dodick Landau Inc., 4646 Dufferin St., Suite 6, Toronto, ON, M3H 5S4, hereby make oath (or solemnly affirm) and say:

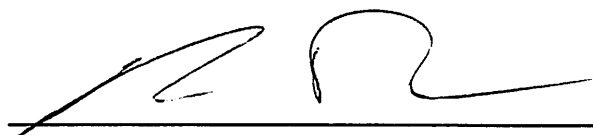
That on the 7th day of January 2020, I did cause to be sent by E-mail and prepaid ordinary mail to all of the known creditors of the above named bankrupt and by e-file to the Office of the Superintendent of Bankruptcy, whose names and addresses appear on the paper writing marked exhibit "A" annexed hereto, a copy of: Notice of hearing of application for court approval of proposal.

And that, on the 7th day of January 2020, I e-mailed to the debtor.



Brenda McKnight  
 Phone: (416) 736-4357  
 Fax: (416) 649-7725

SWORN (or SOLEMNLY DECLARED) before me in the city of Toronto in  
 the Province of Ontario, this 7th day of January 2020.



Rahn Dodick, Commissioner of Oaths  
 For the Province of Ontario  
 Expires June 1, 2020

**Rahn Dodick, a Commissioner, etc.,  
 Province of Ontario, for Dodick  
 Landau Inc. and Dodick Landau  
 Partnership. Expires June 1, 2020.**

# DODICK LANDAU

Brenda McKnight <brenda.mcknight@dodick.ca>

## Wisp Internet Services Inc.

1 message

**Brenda McKnight** <brenda.mcknight@dodick.ca>

Tue, Jan 7, 2020 at 8:47 AM

To: Brenda McKnight <brenda.mcknight@dodick.ca>

Bcc: "Kraft, Kenneth" <kenneth.kraft@dentons.com>, mark.freake@dentons.com, Rahn Dodick <rahn.dodick@dodick.ca>, Naomi Lieberman <Naomi.Lieberman@dodick.ca>, skour@btlegal.ca, Kmanders@aysj-law.com, jsimpson@torkinmanes.com, diane.winters@justice.gc.ca, kevin.ohara@ontario.ca, adam@conroyscott.ca, wendy@brown-cohen.com, blairtontrailerpark@gmail.com, Chad Osmond <Chad.Osmond@smarterit.ca>, stan@srlaw.com, Dominic <dominic.morrissey@gmail.com>, mikef@addcapital.ca, collections-ca@leasedirect.com, Michael.Lolas@meridianonecap.ca, "Kyle, Jennifer" <Jennifer.Kyle@meridianonecap.ca>, Tyna Sayavongs <tyna@summitcreditcorp.com>, jenn\_formulalsg@bellnet.ca, Chad Boyd <chevelle70man@hotmail.com>, Johnston Family <jjsjemail@gmail.com>, sdalal@royallaser.com, jhaige297@yahoo.ca, Bankruptcy@407etr.com, aggreggain@gmail.com, adamlylegallagher@gmail.com, Andrew Callan <andrew@callanfarms.ca>, paulmurdoch22478@gmail.com, Anthony Mallette <wrench82@live.ca>, CorporateCollectionSupport@mobility.com, Bernie Rhebergen <bernierhebergen@gmail.com>, jrayo@bfscapital.com, bs\_burse@hotmai.com, paula@wealthofwow.com, bobscarcare@hotmail.com, steinhaur@hotmail.com, Brian Wray <brian.wray@sympatico.ca>, glider@eagle.ca, Tom Connell <tconnell4020@gmail.com>, Case Jansen <case.jansen@gmail.com>, jim166517@gmail.com, JC Howorth <mm3tech@gmail.com>, christina.hunt@sunspacesunrooms.com, craignicholson@kirchhoff-automotive.com, djmiskin@gmail.com, Darlene Cook <clever\_cook@hotmail.com>, doncattle@hotmail.com, Dave O <daveopg@gmail.com>, tutlecrikfarms@hotmail.com, mr.pilgram@me.com, wlennox.leslie@gmail.com, admin@deckplusinv.com, glen@dogsatcamp.com, dj-Kerswill@hotmail.com, andrea.danaka@gmail.com, andrea.kruppa@opg.com, doug.kruppa@opg.com, andrea.rock@icloud.com, duane@reptame.com, solarelectricguy@gmail.com, collections@enbridge.com, customerservice@equirex.com, Eric <revannett@gmail.com>, Blake and Erin Bradley <blake.erin@gmail.com>, ashley@escottproperties.com, lcalabrese@frontiernetworks.ca, 1938gem@gmail.com, kelly@keruzore.com, Gord and Stephanie Tuer <gstuer1@hotmail.com>, polina@gouldleasing.com, Grant Soural <gsoural@gmail.com>, Howard Valensky <howard@valensky.com>, Ian Rowsell <rowsec1@hotmail.com>, brad@labelsupply.org, indianriverresort@gmail.com, Janet Irven <jhirven@gmail.com>, Janice Gallagher <janice.gallagher3@gmail.com>, jeff armitage <armwell@hotmail.com>, Alison Iantomasi <alison.iantomasi@gmail.com>, carravaggioj@hotmail.com, jarborguy@live.com, John Cooney <johnnie.cooney@gmail.com>, leesahorsfield@gmail.com, bigole0chappy@gmail.com, kellyjscott@gmail.com, khaggert01@gmail.com, robertwharley@hotmail.com, Kim Redwood <kimredwood@sympatico.ca>, Patrick Lyver <patrick@kleurvision.com>, Anne Wright <anne.wright4311@gmail.com>, Ehrlich Electric Company Inc <ehrllichelectric@yahoo.ca>, larryright755@gmail.com, Christa Lockett <christa.lockett@yahoo.com>, "Quest, Lisa" <Lisa.Quest@oliverwyman.com>, Luke Hunter <Luke.hunter@hotmail.com>, Craig Mack <craig@macklawyers.ca>, GB\_CFS\_Accounts\_Receivables@manulife.com, Mark Connor <markconnor67@gmail.com>, Mark Seaton <seatonmark20@gmail.com>, marv419@gmail.com, mcs@starmontgroup.com, shawnandmichelle1@rogers.com, farmmomma@hotmail.com, patriciaagibson13@gmail.com, farmer@i-zoom.net, Kim Barlow <netcom.ontario@gmail.com>, Ken Lai <klai@yorkmed.ca>, my\_bike\_is\_fast@hotmail.com, admin@courtecegroup.com, oliviaczotti@gmail.com, shieldspam126@gmail.com, trish thompson <trish0622@hotmail.com>, Patrick <ptbusby@hotmail.com>, paul.nikkanen@primus.ca, Paul Ogborne <pogborne@gmail.com>, pogborne@pickeringcs.on.ca, admin2@pinnaclepark.net, rsimpson@alderville.ca, robb and marie heintzman <heintzmanfamily@hotmail.com>, briter2018@gmail.com, Paul Tremeer <ptremeer2@gmail.com>, Trish Irven <irvenfamily@gmail.com>, Bob Irven <bi012bi012@gmail.com>, roy.althouse@gmail.com, Carmen <carmen\_and\_sam@hotmail.com>, Blozada@sbase.com, Scott Malcolm <scottymalcolm4211@gmail.com>, stonedge@wisponline.ca, sbspaul@gmail.com, Christy Thompson <thompsonchristy77@gmail.com>, Sharlene Zotti <sharlene.zotti@sympatico.ca>, sofia.zotti@sympatico.ca, Geoffrey Hatton <ghatton@spectrumtelecom.ca>, Andrea Mothe <amothe3@gmail.com>, stuartrobichaud@gmail.com, j.chen@sunrisetourist.com, steven.hunt@sunspace.ca, Suzlakehouse@hotmail.com, Matthew Beaton <matt@swift-fox.net>, tedmartin@simtek-solutions.com, Jess Giroux <jess.ovn@gmail.com>, Lucas Balemba <lucasbalemba@gmail.com>, krappl@hotmail.com, alanvigneux@me.com, Heather Miller <milsie4@gmail.com>, Tim Nassis <tnassis@woodchuckflooring.com>, Daryl Schindler <DSchindler@normarkcanada.com>, shawn@tdlcanada.ca, tricorcollections@acct-admin.com, janet.ibrahim@turris-group.com, Hank Vandermeer <hvandermeer@vandermeer.toyota.ca>, graftonstone@xplornet.ca, wwakefield78@yahoo.ca, wwaisflock@gmail.com, Wilma Wotten <wilma@xplornet.ca>, bill@thecockburns.com, Chris Evelyn <chris@wisponline.ca>

Good morning:

Attached please find the Notice of Hearing of Application for Court Approval of Proposal.

Kind regards,

Brenda McKnight  
Estate Administrator  
Dodick Landau Inc.  
416-645-0542



**Notice of Hearing of Application for Court Approval of Proposal\_Wisp Internet Services Inc..pdf**  
157K

# DODICK LANDAU

Brenda McKnight <brenda.mcknight@dodick.ca>

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## Wisp Internet Services Inc.

1 message

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**Brenda McKnight** <brenda.mcknight@dodick.ca>

Tue, Jan 7, 2020 at 9:09 AM

Bcc: mike.f@addcapital.ca, Dean Pilgrim <mr.pilgrim@me.com>, michel.Lolas@meridianonecap.ca, larrywright755@gmail.com, Joe caravaggio <caravaggioj@hotmail.com>, David Nielsen <turtlecrikfarms@hotmail.com>, craig.nicholson@kirchhoff-automotive.com

Good morning:

Attached please find the Notice of Hearing of Application for Court Approval of Proposal.

Kind regards,

Brenda McKnight  
Estate Administrator  
Dodick Landau Inc.  
416-645-0542



**Notice of Hearing of Application for Court Approval of Proposal\_Wisp Internet Services Inc..pdf**

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# DODICK LANDAU

Brenda McKnight <brenda.mcknight@dodick.ca>

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## Wisp Internet Services Inc.

1 message

---

**Brenda McKnight** <brenda.mcknight@dodick.ca>  
Bcc: andrea@northwoodtransfer.com, tvlv@nexicom.net

Tue, Jan 7, 2020 at 10:16 AM

Good morning:

Attached please find the Notice of Hearing of Application for Court Approval of Proposal.

Kind regards,

Brenda McKnight  
Estate Administrator  
Dodick Landau Inc.  
416-645-0542



**Notice of Hearing of Application for Court Approval of Proposal\_Wisp Internet Services Inc..pdf**  
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# Creditor Mailing List

In the matter of the proposal of  
Wisp Internet Services Inc.  
of the Township of Skugog, in the Province of Ontario

Creditor Type	Name	Attention	Address
Director	Patrick Christopher Doyle aka Chris Evelyn	EMAIL	
Contingent	Dominic Joseph Morrissey	EMAIL	dominic.morrissey@gmail.com
Secured	ADD Capital Corp.	Mike F.	14122
		EMAIL	
	ADD Capital Corp.	Mike F.	mike.f@addcapital.ca
		EMAIL	
	ADD Capital Corp.	Mike F.	mike.f@addcapital.ca
		EMAIL	
	ADD Capital Corp.	Mike F.	mike.f@addcapital.ca
		EMAIL	
	Auto Credit Acceptance Corp	MAIL	mike.f@addcapital.ca 1-2273 Dundas St W Mississauga ON L5K 2L8 Phone: (905) 828-8222 Fax: (905) 828-8780
	Auto Credit Acceptance Corp	MAIL	1-2273 Dundas St W Mississauga ON L5K 2L8 Phone: (905) 828-8222 Fax: (905) 828-8780
	CRA - Tax - Ontario	MAIL	809254428RP0001
	De Lang Landen	EMAIL	...
	Fundthrough Inc.	MAIL	collections-ca@leasedirect.com ... Phone: (404) 401-4485 creditdept@fundthrough.com
	Meridian OneCap Credit Corp.	MAIL	507133/442534 40 Sheppard Avenue West, Ste. 800 North York ON M2N 6K9 Phone: (416) 227-7688 Fax: (416) 340-8038 Jennifer.Kyle@meridianonecap.ca

# Creditor Mailing List

In the matter of the proposal of  
Wisp Internet Services Inc.  
of the Township of Skugog, in the Province of Ontario

Creditor Type	Name	Attention	Address
Secured	Summit Credit Corporation	Collections Department <i>EMAIL</i>	10171 ... tyna@sumitcreditcorp.com
	The Leasing Formula Ltd.	<i>EMAIL</i>	... jenn_formulalsg@bellnet.ca
Unsecured	1665989 Ontario Ltd.	Chad Boyd <i>EMAIL</i>	chevelle70man@hotmail.com
	1747594 Ontario Inc.	Jason & Shannon Johnston <i>EMAIL</i>	jjsjemail@gmail.com
	2211124 Ontario Inc.	Samir Dalal <i>EMAIL</i>	c/o Royal Laser Group
	2265080 Ontario Inc.	John Haight <i>EMAIL</i>	jhaige297@yahoo.ca
	2265080 Ontario Inc.	John Haight <i>EMAIL</i>	jhaige297@yahoo.ca
	2294573 Ontario Inc.	Samir Dalal <i>EMAIL</i>	
	2294573 Ontario Inc.-Royce Avenue (Orillia) LP 407 ETR Express Toll Route	Samir Dalal <i>EMAIL</i> Marion Richardson/Collection <i>EMAIL</i>	Bankruptcy@407ETR.com
	Aaron Greggain	<i>EMAIL</i>	agreggain@gmail.com
	Adam Gallagher	<i>EMAIL</i>	adamlylegallagher@gmail.com
	Allan Driedger and Lisa Robb	<i>MAIL</i>	35 Richmond Streete West Kirkfield ON K0M 2B0
	Alliance	<i>MAIL</i>	...
	Alma Mechanical	<i>MAIL</i>	...
	Andrew Callan	<i>EMAIL</i>	andrew@callanfarms.ca
Andrew Paul Murdoch	<i>EMAIL</i>	paulmurdoch22478@gmail.com	

## Creditor Mailing List

In the matter of the proposal of  
Wisp Internet Services Inc.  
of the Township of Skugog, in the Province of Ontario

Creditor Type	Name	Attention	Address
Unsecured	Angus McDonald	MAIL	2165 Concession Road 1 Beaverton ON L0K 1A0
	Anthony Mallette	EMAIL	wrench82@live.ca 526319461
	Bell Mobility - Corporate	EMAIL	CorporateCollectionSupport@Mobility.com
	Bernie Rhebergen	EMAIL	bernierhebergen@gmail.com
	BFS Capital	EMAIL	jrayo@bfscapital.com
	Bill Bursey	EMAIL	bs_bursey@hotmail.com
	Bill Weisflock	EMAIL	paula@wealthofwow.com
	Blaire Vivian		...
	Blake Bradley		...
	Bob's Car Care	EMAIL	Diana and Bob Barrett
	Brad Steinhaur	EMAIL	steinhaur@hotmail.com
	Brad Steinhaur	EMAIL	steinhaur@hotmail.com
	Brian & Cynthia Wray	EMAIL	brian.wray@sympatico.ca
	Brian Milner	EMAIL	glider@eagle.ca
	Canrack Installations Inc.	Tom Connell EMAIL	
	Case Jansen	EMAIL	case.jansen@gmail.com
	Casey Farms	EMAIL	jim166517@gmail.com

## Creditor Mailing List

In the matter of the proposal of  
Wisp Internet Services Inc.  
of the Township of Skugog, in the Province of Ontario

Creditor Type	Name	Attention	Address
Unsecured	Casey Farms	EMAIL	
	Cass Howorth	EMAIL	jml166517@gmail.com
	Christina Hunt	EMAIL	mm3tech@gmail.com
	Christopher Doyle Evelyn	EMAIL	...
	CRA - Tax - Ontario	MAIL	809254428RP0001
	CRA - Tax - Ontario	MAIL	809254428RT0001
	CRA - Tax - Ontario	MAIL	809254428RC0001
	Craig Nicholson	EMAIL	...
	Danette & Francis Duquette	MAIL	9360 Oak Ridges Drive, RR1 Gores Landing ON K0K 2E0 Phone: (905) 342-1026 dustynetto@gmail.com
	Daniel & Tao Miskin	EMAIL	
	Darlene & Fred Cook	EMAIL	djmiskin@gmail.com
	Darlene Cook	EMAIL	clever_cook@hotmail.com
	Darryl & Morgan Donneral	EMAIL	clever_cook@hotmail.com
	Dave O'Neil	EMAIL	doncattle@hotmail.com
	David and Penelope Nielsen	EMAIL	daveopg@gmail.com
	De Lang Landen	EMAIL	turtlecrikfarms@hotmail.com
	De Lang Landen	EMAIL	collections-ca@leasedirect.com
		EMAIL	collections-ca@leasedirect.com

## Creditor Mailing List

In the matter of the proposal of  
Wisp Internet Services Inc.  
of the Township of Skugog, in the Province of Ontario

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Unsecured	Dean Pilgrim	EMAIL	
			mr.pilgrim@me.com
	Debra Lennox	EMAIL	
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	Deckplus Investments Inc.	EMAIL	
	Diana Barrett	EMAIL	
			bobscare@hotmai.com
	Direction Printing	MAIL	88 Shoemaker Street Kitchener ON N2E 3G4 Phone: (519) 894-6514 - ext 224
	Dogs Camp Inc.	Glen Kowarsky EMAIL	
	Dominic Joseph Morrissey	EMAIL	
			dominic.morrissey@gmail.com
	Doug and Diane Nichols	MAIL	1055 McGregor Bay Road Keene ON K0L 2G0
	Doug Kerswill	EMAIL	
			dj-Kerswill@hotmail.com
	Doug Kruppa	EMAIL	
	Doug Rock	EMAIL	
	Duane Paquette	EMAIL	
			duane@reptame.com
	Edpro Energy	MAIL	5 Cuddy Blvd. London ON N5V 3Y3 Phone: (877) 693-3776
	Elaine Tucker	EMAIL	
			solarelectricguy@gmail.com
	elexion Energy (formerly Veridian Connections Inc.)	Jackie Hone MAIL	9108020206 55 Taunton Road East Ajax ON L1T 3V3
	EmergiTEL	MAIL	SC-19-1359-0000 Attn: Amber Bonnell. Gowling WLG Ste. 1020, 50 Queen St. N. PO Box 2248 Kitchener ON N2H 6M2 Phone: (519) 571-7627 amber.bonnell@gowlingwlg.com
	Enbridge Gas Distribution - Ontario	Back Office Collections Department EMAIL	Collections@enbridge.com

## Creditor Mailing List

In the matter of the proposal of  
Wisp Internet Services Inc.  
of the Township of Skugog, in the Province of Ontario

Creditor Type	Name	Attention	Address
Unsecured	Enbridge Gas Distribution - Ontario <i>EMAIL</i>	Back Office Collections Department	910025724975  Collections@enbridge.com 170 ON-7A Kawartha Lakes ON L0B 1K0
	Enviro Tech <i>MAIL</i>		
	Equirex Leasing Corp.	<i>EMAIL</i>	customerservice@equirex.com
	Eric Vanetten	<i>EMAIL</i>	revannett@gmail.com
	Erin Bradley	<i>EMAIL</i>	blake.erin@gmail.com
	Escott Properties formerly Feet Up Property	<i>EMAIL</i>	ashley@escottproperties.com AN816 Williams & Williams 1612 N. E. Expressway Atlanta GA 30329 USA
	Fleetcor <i>MAIL</i>		WIS-ON
	Frontier Networks	<i>EMAIL</i>	lcalabrese@frontiernetworks.ca
	George Murison	<i>EMAIL</i>	1938gem@gmail.com
	Golden Beach Cottages	<i>EMAIL</i>	kelly@keruzore.com
	Gord and Stephanie Tuer	<i>EMAIL</i>	gstuer1@hotmail.com
	Gord and Stephanie Tuer	<i>EMAIL</i>	gstuer1@hotmail.com
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	Gould Leasing Ltd.	<i>EMAIL</i>	potma@gouldleasing.com

**Creditor Mailing List**

In the matter of the proposal of  
Wisp Internet Services Inc.  
of the Township of Skugog, in the Province of Ontario

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	Grant Soral	EMAIL	...
	Home Depot c/o Citi Cards Canada (Acct 603529)	MAIL	XXXXXXXXXX2481
	Howard Valensky	EMAIL	howard@valensky.com
	Howard Valensky & Marie Lang	EMAIL	howard@valensky.com
	Hydro One Networks Inc.	MAIL Collection Department	howard@valensky.com
	Hydro One Networks Inc.	MAIL Collection Department	
	Hydro One Networks Inc.	MAIL Collection Department	
	Hydro One Telecom	MAIL	
	Ian and Eileen Rowsell	EMAIL	Lily.Yee@HydroOne.com
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	Image Papers	EMAIL	brad@labelsupply.org
	Indian River Family Resort	Gerry Murison EMAIL	indianriverresort@gmail.com
	Jack Devos	MAIL	300 Skyline Road Oakwood ON K0M 2M0
	James Casey	EMAIL	...
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## Creditor Mailing List

In the matter of the proposal of  
Wisp Internet Services Inc.  
of the Township of Skugog, in the Province of Ontario

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	Jeff P. Armitage Inc.- Mail and Email	MAIL + EMAIL	90 Potters Lane Hampton ON L0B 1J0 Phone: (905) 987-1625 chad.osmond@SmarterIT.ca
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	John Cooney	EMAIL	johnnie.cooney@gmail.com 720 Morton Line Cavan ON L0A 1C0 Phone: (519) 365-8505
	Justin Bell	MAIL	
	Keith and Lisa Horsefield	EMAIL	
	Kelly and Joanne Walker	EMAIL	bigole0chappy@gmail.com
	Kelly Scott	EMAIL	
	Ken Allan Haggert & Roma Alla Haggert	EMAIL	khaggert01@gmail.com Canadian Legal Service 5228 Everest Drive Mississauga ON L4W 2R4
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## Creditor Mailing List

In the matter of the proposal of  
Wisp Internet Services Inc.  
of the Township of Skugog, in the Province of Ontario

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	LandoMill Farms Ltd.	Daryl Donnerel	DonCattle@hotmail.com
	Lawrence Alfred Wright & Barbara Anne Wright	EMAIL	
	Lee and Christa Garfield	EMAIL	anne.wright431@gmail.com larrywright735@gmail.com
	Lindsay Mallon MAIL		2020 Darling Crescent Cavan ON L0A 1C0
	Lisa and Ian Quest	EMAIL	
	Lisa and Ian Quest	EMAIL	Lisa.Quest@oliverwyman.com
	Lisa and Ian Quest	EMAIL	
	Lowe's - 604590 Proposals MAIL		Lisa.Quest@oliverwyman.com xxxxxxx0361 FCT Default Solutions PO Box 2514, Stn. B London ON N6A 4G9
	Luke Hunter	EMAIL	
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	Manulife Financial	Lianne Hietanen, Legal Shared Services Specialist EMAIL	GB_CFS_Accounts_Receivables@manulife.com
	Mark and Kelly Connor	EMAIL	markconnor67@gmail.com
	Mark and Kelly Connor	EMAIL	markconnor67@gmail.com

## Creditor Mailing List

In the matter of the proposal of  
Wisp Internet Services Inc.  
of the Township of Skugog, in the Province of Ontario

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	Marvin Nelson	EMAIL	marv419@gmail.com
	Michael Sternberg	EMAIL	mcs@starmontgroup.com
	Michelle German	EMAIL	shawnandmichelle1@rogers.com
	Mike Doering	EMAIL	farmnonna@hotmail.com
	Mike Gibson & Jim Gibson	EMAIL	patriciaagibson13@gmail.com
	Mike Newman MAIL		
	Millenium 3 Corporation	EMAIL	c/o Cass Howorth ... mm3tech@gmail.com 1220 Squires Beach Road Pickering ON L1W 3Z5 Phone: (905) 426-4222
	Miller Waste Systems Inc. - Durham Division MAIL		22 Stevenson Road Oshawa ON L1J 5L9
	MNP Accounting MAIL		
	Mulock Farms Ltd.	Carl Mulock EMAIL	farmer@i-zoom.net
	Mulock Farms Ltd.	Carl Mulock EMAIL	farmer@i-zoom.net
	Mulock Farms Ltd.	Carl Mulock EMAIL	farmer@i-zoom.net
	Mulock Farms Ltd.	Carl Mulock EMAIL	farmer@i-zoom.net
	Mulock Farms Ltd.	Carl Mulock EMAIL	farmer@i-zoom.net
	Mulock Farms Ltd.	Carl Mulock EMAIL	farmer@i-zoom.net
	Mulock Farms Ltd.	Carl Mulock EMAIL	farmer@i-zoom.net

## Creditor Mailing List

In the matter of the proposal of  
Wisp Internet Services Inc.  
of the Township of Skugog, in the Province of Ontario

Creditor Type	Name	Attention	Address
Unsecured	Mulock Farms Ltd.	Carl Mulock EMAIL	farmer@i-zoom.net
	Mulock Farms Ltd.	Carl Mulock EMAIL	farmer@i-zoom.net
	Nancy Jansen MAIL		1063 East Townline Road Newcastle ON L1B 1L9
	Nelson Ross	EMAIL	solarelectricguy@gmail.com
	Netcom	Kim Barlow EMAIL	netcom.ontario@gmail.com
	Netcom	EMAIL	netcom.ontario@gmail.com
	Netcom	EMAIL	netcom.ontario@gmail.com
	NewKL Inc.	EMAIL	klai@yorkmed.ca
	Nick Fletcher	EMAIL	my_bike_is_fast@hotmail.com
	Northwood Transfer Station	EMAIL	admin@courtcicegroup.com andrea@northwoodtransfer.com
	Olivia Zotti	EMAIL	oliviaczotti@gmail.com
	Orillia Power Corporation MAIL		
	Orillia Power Corporation MAIL		
	Oshawa PUC Networks Inc. MAIL	Suzanne Neal	100 Simcoe Street South Oshawa ON L1H 7M7
	Pam Shields	EMAIL	shields pam126@gmail.com
	Pat McClean MAIL		
	Patricia & Steve Thompson	EMAIL	trish0622@hotmail.com
	Patrick Busby	EMAIL	ptbusby@hotmail.com

## Creditor Mailing List

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In the matter of the proposal of  
Wisp Internet Services Inc.  
of the Township of Skugog, in the Province of Ontario

Creditor Type	Name	Attention	Address
Unsecured	Paul Nickkanen	EMAIL	paul.nikkanen@primus.ca
	Paul Ogborne & Viky Ogborne	EMAIL	pogborne@gmail.com
	Paula Weistlock Paula Weistlock	EMAIL	paula@wealthofwow.com
	Pinnacle Park & Trailer Camping Association	EMAIL	admin2@pinnaclepark.net
	Plooto Inc. MAIL		325 Front Street West, Suite 4 Toronto ON M5V 2Y1
	Preston Clarke MAIL		4141 Malcolm Road Nestleton Station ON L0B 1L0
	Rice Lake Wireless Limited Partnership	EMAIL	
	Richie Tripp MAIL		rsimpson@alderville.ca 1851 Whittfield Road Port Perry ON L9L 1B2
	Rick Divineco MAIL		10186 Hunsden Sideroad Caledon ON L7E 0J7
	Robb and Marie Heintzman	EMAIL	heintzmanfamily@hotmail.com
	Robert & Elaine Ritter	EMAIL	6ritter2018@gmail.com
	Robert & Elizabeth Tremeer	EMAIL	
	Robert & Patricia Irven	EMAIL	irvenfamily@gmail.com bi012bi012@gmail.com
	Robert Half Technologies MAIL		PO Box 57349, File T57349C, Stn. A Toronto ON M5W 5M5
	Roy Althouse & Eric Thomson - Mail and Email	roy.althouse@gmail.com m	EMAIL roy.althouse@gmail.com
	Sam and Carmen Conforti	EMAIL	carmen_and_sam@hotmail.com
	SBA Canada	EMAIL	BLozada@sbsite.com

## Creditor Mailing List

In the matter of the proposal of  
Wisp Internet Services Inc.  
of the Township of Skugog, in the Province of Ontario

Creditor Type	Name	Attention	Address
Unsecured	Scott Malcolm (send email and mail)	MAIL	EMAIL scottymalcolm4211@gmail.com
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	Scott Stone	EMAIL	stonedge@wisponline.ca Paul Kowalczyk
	Seagrave Building Systems Ltd.	EMAIL	sbspaul@gmail.com
	Sean Dickinson and Christy Thompson	EMAIL	thompsonchristy77@gmail.com 380 Four Valley Drive Concord ON L4K 5Z1
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	Sharlene and Nino Zotti	EMAIL	sofia.zotti@sympatico.ca
	Sofia Zotti	EMAIL	ghatton@spectrumtelecom.ca
	Spectrum Telecom Group Ltd.	EMAIL	amoth3@gmail.com
	Steve Mothe	EMAIL	stuartrobichaud@gmail.com
	Stuart Robichaud	EMAIL	j.chen@sunrisetourist.com c/o Steven Hunt
	Sunrise Tourist Corp.	EMAIL	Suzlakehouse@hotmail.com
	Sunspace Modular Enclosures	EMAIL	84343 matt@swift-fox.net
	Suzanne Shaw	EMAIL	
	Swift Fox Systems Inc.	EMAIL	

# Creditor Mailing List

In the matter of the proposal of  
Wisp Internet Services Inc.  
of the Township of Skugog, in the Province of Ontario

Creditor Type	Name	Attention	Address
Unsecured	TD Canada Trust <i>MAIL</i>	CC&R Insolvency and Credit Counselling	5226668 3432 4720 Tahoe Blvd, 3rd Flr, Bldg 1 Mississauga ON L4W 5P2 Phone: (866) 330-0893 Fax: (866) 280-0056 TD.Bankrupt@td.com
	TD Canada Trust Visa <i>MAIL</i>	CC&R Insolvency and Credit Counselling	4520709021320121 2104 4720 Tahoe Blvd, 3rd Flr, Bldg 1 Mississauga ON L4W 5P2 Phone: (866) 330-0893 Fax: (866) 280-0056 TD.Bankrupt@td.com
	Ted Martin		
	Telacor	Lucas Balemba <i>EMAIL</i>	9056709982 <i>EMAIL</i> jessovn@gmail.com; lucasbalemba@gmail.com
	The Rappl Farm		<i>EMAIL</i> c/o Klaus & Rosa Rappl
	The Rappl Farm		<i>EMAIL</i>
	The Vigneux Family Trust		<i>EMAIL</i> alanvigneux@me.com
	Thomas Vluc		<i>EMAIL</i>
	Tim & Heather Miller		<i>EMAIL</i>
	Tim and Heather Miller		milsie4@gmail.com
	Timothy Coutsothanassis		<i>EMAIL</i> milsie4@gmail.com
	Tracey Schindler		tnassis@woodchuckflooring.com <i>EMAIL</i>
	Traci Rumney <i>MAIL</i>		DSchindler@normarkcanada.com Phone: (416) 528-7642
	Trenton Distributors		<i>EMAIL</i>
	Tricor Lease & Finance Corp.	Roy Watters	shawn@tdlcanada.ca 900050077 <i>EMAIL</i>

## Creditor Mailing List

In the matter of the proposal of  
Wisp Internet Services Inc.  
of the Township of Skugog, in the Province of Ontario

Creditor Type	Name	Attention	Address
Unsecured	Tricor Lease & Finance Corp.	Roy Watters EMAIL	900050088 ... tricorcollections@acct-admin.com
	Turris Communication	EMAIL	... janetibrahim@turris-group.com
	Vandermeer Holdings Limited	EMAIL	
	Victor Evelyn	MAIL	
	Victoria Ogborne	EMAIL	... pogborne@gmail.com
	Vince and Tammy Militello	EMAIL	
	Warren and Patricia Wakefield	EMAIL	graftonstone@xplornet.ca
	Warren Wakefield	EMAIL	
	Wayne Weistlock	EMAIL	wwakefield78@yahoo.ca
	Wayne Weistlock	EMAIL	... wweistlock@gmail.com
	Weistlock Contracting	EMAIL	
	Wietske L. Wotten	Wilma Wotten EMAIL	
	Will and Jill Spires	MAIL	wilma@xplornet.ca 6054 Newtonville Road Newtonville ON L0A 1J0
	William Cockburn	EMAIL	
	William Scotsman (formerly Modspace)	MAIL	bill@thecockburns.com CMI Credit Mediators PO Box 456 Upper Darby PA 19082 USA
	Xerox Canada Ltd.	MAIL	1-LN4X1H 20 York Mills Rd.. Ste. 500. Box 700 Toronto ON M2P 2C2

Court No. 31-2551574

Estate No. 31-2551574

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In the matter of the proposal of  
Wisp Internet Services Inc.  
of the Township of Skugog, in the Province of Ontario

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Affidavit of Mailing  
Form 40.1  
Notice of Hearing of Application for Court Approval  
of Proposal

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Dodick Landau Inc. - Licensed Insolvency Trustee

---

4646 Dufferin St., Suite 6  
Toronto ON M3H 5S4  
Phone: (416) 736-4357 Fax: (416) 649-7725



## **APPENDIX "G"**

Court File No.: 31-2551574  
Estate File No.: 31-2551574

**ONTARIO**  
**SUPERIOR COURT OF JUSTICE**  
**(COMMERCIAL LIST)**  
**(IN BANKRUPTCY AND INSOLVENCY)**

THE HONOURABLE ) FRIDAY, THE 6<sup>th</sup>  
 )  
JUSTICE PATTILLO ) DAY OF DECEMBER, 2019

**IN THE MATTER OF THE PROPOSAL OF WISP INTERNET SERVICES INC., OF  
THE TOWNSHIP OF SCUGOG, IN THE PROVINCE OF ONTARIO**



**ORDER**

**THIS MOTION**, made by WISP Internet Services Inc. (“WISP”), for an Order directing Dogs Camp Inc., in care of Glen Kowarsky (“DCI”) to provide WISP with access and the exclusive right to use the DCI Tower (as defined below) on an interim and interlocutory basis was heard this day at 330 University Avenue, Toronto, Ontario;

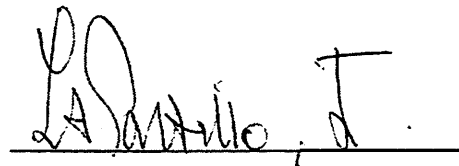
**ON READING** the Notice of Motion dated December 5, 2019, the Affidavit of Christopher Doyle sworn December 5, 2019, together with the exhibits thereto; and

**ON HEARING** the submissions of counsel for WISP Internet Services Inc. and on being advised that DCI was provided with notice of this proceeding and served with copies of the above-noted materials by means of email communication at 4:27 p.m. on December 5, 2019;

1. **THIS COURT ORDERS** that DCI immediately provide for and allow WISP and its employees safe passage over the property located at 20850 Marsh Hill Road, Uxbridge.

Ontario, in order to allow WISP to thereby access, service and maintain the transmission tower sited at or about 44° 8'32.96"N 79° 3'37.09"W (the "DCI Tower") pending the return of a motion, on a date to be scheduled, for court approval of the plan approved by WISP's creditors on December 3, 2019 (the "Approval Motion");

2. **THIS COURT ORDERS AND DECLARES** that, pending the return of the Approval Motion, WISP holds the sole and exclusive right to use the DCI Tower together with the related shed and equipment. For greater certainty, DIC shall not permit any person or entity, other than WISP and its employees, to access or use the DCI Tower prior to the return of the Approval Motion.
3. **THIS COURT ORDERS AND DECLARES** that this Order is subject to provisional execution under section 195 of the *Bankruptcy and Insolvency Act*, R.S.C., c. B-3, as amended.



L. Santillo, J.

**IN THE MATTER OF THE PROPOSAL OF WISP INTERNET SERVICES INC., OF THE TOWNSHIP OF SCUGOG, IN THE  
PROVINCE OF ONTARIO**

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)  
(IN BANKRUPTCY & INSOLVENCY)**

PROCEEDING COMMENCED AT TORONTO

**ORDER**

**DENTONS CANADA LLP**

77 King Street West, Suite 400  
Toronto-Dominion Centre  
Toronto, Ontario M5K 0A1  
Fax: (416) 863-4592

**Kenneth Kraft** (LSO # 31919P)

Tel: (416) 863-4374

[kenneth.kraft@dentons.com](mailto:kenneth.kraft@dentons.com)

**Mark Evans** (LSO # 43914S)

Tel: (416) 863-4453

[mark.evans@dentons.com](mailto:mark.evans@dentons.com)

**Mark Freake** (LSO # 63656H)

Tel: (416) 863-4456

[mark.freake@dentons.com](mailto:mark.freake@dentons.com)

*Lawyers for WISP Internet Services Inc.*

# COUNSEL SLIP

COURT FILE

NO.: BK-19-02551874 0031

DATE: 06-DEC-2019

NO. ON LIST APP 21

TITLE OF PROCEEDING WISP INTERNET ETAL.

COUNSEL FOR:

- PLAINTIFF(S)  
 APPLICANT(S)  
 PETITIONER(S)

EVANS, M. and FREAK, M.  
DENTONS CANADA, LLP

PHONE 416.863.4453  
FAX 416.863.8592  
EMAIL MARK.EVANS@DENTONS.CA  
mark.freak@dentons.com

COUNSEL FOR:

- DEFENDANT(S)  
 RESPONDENT(S)

PHONE \_\_\_\_\_  
FAX \_\_\_\_\_  
EMAIL \_\_\_\_\_

JUDICIAL NOTES:

Dec. 6, 2019

The moving party WISP Internet Provider seeks an interim injunction enabling it to access and use its internet tower on the property of the Respondent, Dog Camp Inc.

On Aug 29, 2019, WISP filed a notice of intention under s. 507 of the BIA. At the time, WISP was current in its rental payments under the tower agreement (the Agreement) it had with the Respondent. Thereafter it has not paid rent. It has filed a proposal which has been approved by 75% of its creditors (the Respondent did not attend the meeting or vote). It plans to bring an approval motion to the court in January 2020 (not scheduled).

On Dec 4, 2019 the day after approval of WISP's proposal, the Respondent purported to terminate the Agreement and advised WISP that it could no longer enter its property. The consequences to WISP are significant and in my view irreparable. The Respondent has cut off WISP's subscribers who accessed the tower with consequences to WISP's revenue but to its proposal as well.

I am satisfied that WISP has met the RJR MacDonald test (1994] 1 S.C.R. 311). It has established a strong prima facie case. Apart from the creditor stay in s. 69(1)(a) of the BIA, the Agreement can only be terminated on 20 days written notice of default. /

The Respondent has not provided such notice. In fact it provided no notice. In correspondence concerning his actions, Mr. Kowarsky relies on the provision in the Agreement which states that if WISP fails to meet its obligations, ownership of the works will transfer to the Respondent. But that only happens when the Agreement is terminated, which it has not been. The evidence establishes the Respondent is in breach of contract as a result of its actions.

I am also satisfied, given the potential impact of the Respondent's actions on the ultimate success of the proposal, that such harm would be irreparable to WISP. For similar reasons, I find the balance of convenience favours WISP. I recognize that the Respondent is suffering harm as well in not receiving rent but in the circumstances such harm is not as significant as WISP's harm if the Respondent's actions are allowed to continue.

The Respondent was given notice of this hearing yesterday afternoon and sent the motion materials by email. Mr. Kowarsky had previously been communicating with both WISP and the Monitor so I'm satisfied he received the materials.

For the above reasons the interim injunction requested is granted and is in force pending the return of WISP's approval motion for the proposal.

As the provisions in BIA have been met here and given the circumstances, my order is subject to provisional execution under s. 195 of the BIA.

Order signed by me.

*[Signature]*  
L. White, J.

## **APPENDIX "H"**

Court File No.: 31-2551574  
 Estate File No.: 31-2551574

**ONTARIO  
 SUPERIOR COURT OF JUSTICE  
 (COMMERCIAL LIST)  
 (IN BANKRUPTCY AND INSOLVENCY)**

THE HONOURABLE ) MONDAY, THE 6<sup>th</sup>  
 )  
 JUSTICE *Conway* ) DAY OF JANUARY, 2020

**IN THE MATTER OF THE PROPOSAL OF WISP INTERNET SERVICES INC., OF  
 THE TOWNSHIP OF SCUGOG, IN THE PROVINCE OF ONTARIO**



**ORDER**

**THIS MOTION**, made by WISP Internet Services Inc. (“WISP”), for an Order directing Stonedge Farms Ltd. (“Stonedge”) to provide WISP with access and the exclusive right to use the Stonedge Tower (as defined below) on an interim and interlocutory basis was heard this day at 330 University Avenue, Toronto, Ontario;

**ON READING** the Notice of Motion dated January 2, 2020, the Affidavit of Christopher Doyle sworn January 2, 2020, together with the exhibits thereto; and

*Mr. Scott Stone, ~~for Stonedge~~*

**ON HEARING** the submissions of counsel for WISP, ~~counsel for Dodick Landau Inc.,~~

~~in its capacity as proposal trustee, and on being advised that counsel for Stonedge was provided~~

~~with notice of this proceeding and served with copies of the above noted materials by means of email communication at 3:11pm on January 2, 2020, and via overnight courier, no other party appearing although duly served as appears from the affidavit of service of Amanda Campbell sworn January 2, 2020, filed;~~



1. **THIS COURT ORDERS** that the timing and method of service of the Notice of Motion and Motion Record be and is hereby abridged and validated and this Motion is properly returnable today.
2. **THIS COURT ORDERS** that Stonedge immediately provide for and allow WISP and its employees safe passage over the property located at 1475 Saintfield Rd, Sunderland, ON L0C 1H0, in order to allow WISP to thereby access, service and maintain the transmission tower sited at or about 44°11'44.36"N 79° 0'49.00"W (the "**Stonedge Tower**") pending the January 28, 2020 return of a motion for court approval of the plan approved by WISP's creditors on December 3, 2019 (the "**Approval Motion**").
3. **THIS COURT ORDERS AND DECLARES** that, pending the return of the Approval Motion, WISP holds the sole and exclusive right to use the Stonedge Tower together with the related shed and equipment. For greater certainty, Stonedge shall not permit any person or entity, other than WISP and its employees, to access or use the Stonedge Tower prior to the return of the Approval Motion.
4. **THIS COURT ORDERS AND DECLARES** that paragraphs 2 and 3 of this Order are subject to provisional execution under section 195 of the *Bankruptcy and Insolvency Act*, R.S.C., c. B-3, as amended.

~~5. **THIS COURT ORDERS** that Stonedge shall forthwith reimburse WISP in the amount of \$12,850.00 for costs WISP had to incur plus \$23,000.00 for lost services~~

6. ~~THIS COURT ORDERS~~ that Stonedge shall pay costs of this motion fixed in the  
amount of \$ \_\_\_\_\_.

*Conroy J.*

REGISTRE À TORONTO  
REGISTRE NO:

JAN 06 2020

CH/PAB: *ca*

**IN THE MATTER OF THE PROPOSAL OF WISP INTERNET SERVICES INC., OF THE TOWNSHIP OF SCUGOG, IN THE  
PROVINCE OF ONTARIO**

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)  
(IN BANKRUPTCY & INSOLVENCY)**

**PROCEEDING COMMENCED AT TORONTO**

**ORDER**

**DENTONS CANADA LLP**  
77 King Street West, Suite 400  
Toronto-Dominion Centre  
Toronto, Ontario M5K 0A1  
Fax: (416) 863-4592

**Kenneth Kraft (LSO # 31919P)**  
Tel: (416) 863-4374  
[kenneth.kraft@dentons.com](mailto:kenneth.kraft@dentons.com)

**Mark Evans (LSO # 43914S)**  
Tel: (416) 863-4453  
[mark.evans@dentons.com](mailto:mark.evans@dentons.com)

**Mark Freake (LSO # 63656H)**  
Tel: (416) 863-4456  
[mark.freake@dentons.com](mailto:mark.freake@dentons.com)

*Lawyers for WISP Internet Services Inc.*

COUNSEL SLIPCOURT FILE  
NO.:

BK-19-02551574-0031

DATE: 06 January 2020

NO. ON LIST 11

TITLE OF  
PROCEEDINGWisp Internet Services inc of the  
township of Scugog

V. Dodick Landau inc.

## COUNSEL FOR:

PLAINTIFF(S) Kenneth Kraft and  
 APPLICANT(S) Mark Frenke for  
 PETITIONER(S) WISP Internet Services Inc.

PHONE 416-863-4956  
 FAX 416-863-4592  
 EMAIL Kenneth.Kraft@denton.com  
 Mark.frenke@denton.com

## COUNSEL FOR:

DEFENDANT(S) Scott Stone  
 RESPONDENT(S)

PHONE 905 261 6084  
 FAX  
 EMAIL stonedge@wisponline.ca

## JUDICIAL NOTES:

Jan 6/20

Mr Stone, for Stonedge, does not oppose the  
 order re access & use of the Stonedge Tower.  
 WISP has decided not to pursue recovery of damages  
 or costs at this time but reserves its rights.  
 STG as signed by me.

Courtesy J.

**APPENDIX "I"**

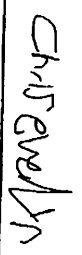
WISP Internet Services Inc.  
Weekly Cash Flow  
For the period from December 1, 2019 to March 28, 2020

Week Ending	MONTHS																			
	07-Dec-19	14-Dec-19	21-Dec-19	28-Dec-19	04-Jan-20	11-Jan-20	18-Jan-20	25-Jan-20	01-Feb-20	08-Feb-20	15-Feb-20	22-Feb-20	29-Feb-20	07-Mar-20	14-Mar-20	21-Mar-20	28-Mar-20	TOTAL		
Revenues																				
Non recurring Revenue																				
Total Revenues	6,919	3,272	67,812	14,971	44,518	43,055	43,115	43,115	43,115	43,266	45,117	45,369	45,420	45,672	45,574	45,575	45,677	45,678	508,546	
Disbursements:																				
Direct Cost of sales	13,441	12,669	12,493	5,000	3,108	10,639	10,639	10,639	13,149	10,639	10,639	10,639	10,639	10,639	13,939	10,669	10,669	10,669	133,585	
Indirect Cost of sales	14,476	1,248	17,593	3,900	16,397	4,993	12,689	9,693	16,341	5,294	12,730	2,396	8,109	11,991	9,596	11,113	4,756	11,115	106,744	
Payroll	3,462	1,468	365	1,618	2,821	2,596	2,596	2,596	2,596	2,596	2,596	2,596	2,596	2,596	2,596	2,596	2,596	2,596	26,277	
Company Costs	4,842	16,688	8,104	4,875	9,571	7,721	18,344	7,721	11,316	7,721	16,640	7,721	7,721	7,721	7,721	7,721	7,721	7,721	180,088	
Call Expenses	8,660	629	2,465	346	4,090	*	2,000	*	5,985	*	2,000	*	*	*	5,985	*	2,000	*	19,910	
Total Disbursements	52,479	36,462	41,430	23,228	41,328	3,300	3,300	1,300	16,570	1,300	1,300	1,300	1,300	1,300	3,850	1,300	1,300	1,300	33,750	
Net Cash flow from Operations	11,441	(3,190)	26,382	(8,257)	7,190	20,675	44	22,468	(10,291)	22,667	3,204	24,915	16,085	4,413	3,089	15,213	11,904	15,016	379,314	
Bank Balance																				
Opening Cash Balance	20,123	21,563	15,974	42,336	23,600	20,290	30,466	20,419	35,974	14,862	26,657	14,468	14,468	12,691	34,043	31,004	24,190	29,700	20,290	
Add: Net Cash Flow from Operations	11,441	(3,190)	26,382	(8,257)	7,190	20,675	44	22,468	(10,291)	22,667	3,204	24,915	16,085	4,413	3,089	15,213	11,904	15,016	379,314	
Closing Cash Balance from Operations	31,563	18,373	42,356	34,100	30,790	40,965	30,510	43,007	25,583	37,549	29,161	43,383	48,775	42,496	34,872	40,383	42,096	44,605	158,016	
Less: Reimbursement Professional Fees & Disbursements	10,000	2,401	*	10,500	10,500	5,500	5,000	2,183	500	500	500	500	500	500	500	500	500	500	17,643	
Less: CPA (small amounts to Proposal Invoice)	11					5,000	5,000	5,000	10,192	10,192	10,192	10,192	10,192	10,192	10,192	10,192	10,192	10,192	106,731	
Closing Cash Balance	21,563	15,974	42,356	23,600	20,290	30,466	20,419	35,974	14,862	26,657	14,468	14,468	12,691	34,043	31,004	24,190	29,700	30,912	30,912	

This statement of forecast cash flow of WISP Internet Services Inc. for the period of January 9 to March 28, 2020 is prepared in accordance with section 99.4 (3) of the Bankruptcy and Insolvency Act and should be read in conjunction with the accompanying notes and Trustee's report on cash flow statement dated this 7th day of January, 2020.

Dodick Landau Inc. acting as Proposal Trustee  
of Wisp Internet Services Inc. and not in its  
personal capacity.

Per:  Rain Dodick, CPA, CA, CRP, LIT

Per:  Chris Evelyn  
President

WISP Internet Services Inc.

**WISP Internet Services Inc. (“WISP” or the “Company”)**  
Major Assumptions  
Cash Flow Forecast  
For the Period January 5, 2020 to March 28, 2020 (the “Period”)

1. WISP’s financial projections are based on the hypotheses that WISP will continue operations in the normal course and will generate sufficient cash flow to meet its ongoing operational needs.

Receipts:

2. Wisp sells high-speed internet access to rural Ontario residents. Wisp’s recurring revenue projections for the purposes of this cash flow are based on the Company’s existing number of internet subscribers at the average monthly billing per customer. The cash flow forecast assumes that the Company will add new subscribers each week based on its historic growth patterns and assumes an amount for bad debt for customer credit cards that cannot be processed in each billing cycle. Recurring revenue also includes receipts from customers who pay a monthly rental fee for their internet equipment.
3. Non recurring revenue projections includes one-time payments by new subscribers who elect to purchase their internet equipment rather than pay the monthly rental fee noted above, as well as forecast receipts for special customer installations which are at times required by new subscribers in order to be able to receive internet into their homes.

Disbursements:

4. Direct cost of sales includes the hardware cost associated with the installation of internet into the homes of new subscribers as well as the cost for special customer installations as required by new subscribers. Installation costs are forecast based on the Company’s historical installation costs. Also included in direct cost of sales is the cost of the Company’s primary internet feed, which it purchases from a master distributor. Lastly, included in this line item are regular purchases of hardware for subscribers who opt to rent their equipment rather than buy it.
5. Indirect cost of sales includes merchant fees for processing customer credit card payments, the Company’s customer management software, a bi-weekly payment for the Company’s help desk and sales support team, vehicle expenses, equipment lease costs and other rental costs.
6. Tower rental costs include monthly rents payable for those towers that are rented by WISP. In March 2020, in accordance with the terms of the Revised Amended Proposal, payments commence to landowners in the tower lease program, which include \$200 per month payable to those landowners with built towers and \$200 per month payable as option payments to those landowners with unbuilt towers.

7. Payroll includes amounts for salaried and hourly employees who are paid weekly. Other payroll costs include source deduction remittances to Canada Revenue Agency ("CRA") by the 15<sup>th</sup> of the following month, employee benefits and WSIB payments in the Period.
8. Occupancy expenses include WISP's insurance costs, utilities and office rents.
9. General and administrative expense include general office expenses, book keeping costs, and monthly HST remittances to CRA.
10. Professional fees include fees for the Company's legal counsel, the Proposal Trustee and the Proposal Trustee's legal counsel for the Period.
11. Commencing the week ending January 11, 2020 installments of \$5,000 per week are forecast to be remitted to the Proposal Trustee to be held in trust to satisfy the deemed trust claim payable to CRA.
12. The opening cash balance as of January 5, 2020 is \$20,290.



**WISP Internet Services Inc.****Variance Analysis for the Period August 29, 2019 to November 30, 2019****(Unaudited; \$C)**

<b>Week Ending</b>	<b>Forecast</b>	<b>Actuals</b>	<b>Variance</b>
<b>Receipts</b>			
Recurring Revenue	570,914		
Non recurring Revenue	112,040		
<b>Total Receipts</b>	<b>682,954</b>	<b>619,271</b>	<b>(63,683)</b>
<b>Disbursements</b>			
Direct Cost of sales	172,014	134,222	(37,792)
Indirect Cost of sales	139,299	169,083	29,784
Payroll	117,728	112,972	(4,756)
Occupancy Costs	29,515	59,146	29,632
G&A Expenses	32,596	24,767	(7,829)
<b>Total Disbursements</b>	<b>491,152</b>	<b>500,191</b>	<b>9,039</b>
<b>Net Cash flow from Operations</b>	<b>191,802</b>	<b>119,080</b>	<b>(72,721)</b>
<b>Bank Balance</b>			
Opening Cash Balance	7,076	8,792	1,716
Add: Net Cash Flow from Operations	191,802	119,080	(72,721)
Closing Cash Balance from Operations	198,877	127,872	(71,005)
Less: Restructuring Professional Fees & Disbursements	89,500	107,749	18,249
<b>Closing Cash Balance</b>	<b>109,377</b>	<b>20,123</b>	<b>(89,255)</b>

# TAB 5

Court File No.: 31-2551574  
Estate File No.: 31-2551574

**ONTARIO**  
**SUPERIOR COURT OF JUSTICE**  
**(COMMERCIAL LIST)**  
**(IN BANKRUPTCY AND INSOLVENCY)**

**IN THE MATTER OF THE *BANKRUPTCY AND INSOLVENCY ACT*,**  
**R.S.C. 1985, c. B-3, AS AMENDED**

**AND IN THE MATTER OF THE PROPOSAL OF WISP INTERNET SERVICES INC.,**  
**OF THE TOWNSHIP OF SCUGOG, IN THE PROVINCE OF ONTARIO**

**ORDER**  
**(Re Approval of Proposal)**

**THIS MOTION**, made by Dodick Landau Inc. in its capacity as proposal trustee (“**Proposal Trustee**”), for approval of the proposal of WISP Internet Services Inc. (“**WISP**”) made pursuant to the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 (“**BIA**”) was heard this day at 330 University Avenue, Toronto, Ontario.

**ON READING** the Notice of Motion, the First Report of the Proposal Trustee dated September 24, 2019 (the “**First Report**”), the Report on Proposal of the Proposal Trustee dated November 18, 2019 (the “**Report on Proposal**”), and the Second Report of the Proposal Trustee dated January 17, 2020 (the “**Second Report**”) and the appendices thereto, and on hearing the submissions of counsel for the Proposal Trustee, counsel for WISP and counsel for those other parties in attendance, no one appearing for any other person on the Service List although properly served as appears from the Affidavit of Service of Christel Paul, sworn January 20, 2020 and filed:

1. **THIS COURT ORDERS** that the time for service of the Motion Record and the Notice of Motion is hereby abridged and validated so that this motion is properly returnable today and

hereby dispenses with further service thereof.

2. **THIS COURT ORDERS** that the proposal attached hereto as Schedule “A” to this Order, be and is hereby approved.

3. **THIS COURT ORDERS AND DECLARES** that WISP and the Proposal Trustee are authorized to take all steps and actions necessary or appropriate to implement the proposal in accordance with its terms.

4. **THIS COURT ORDERS** that the First Report, the Report on Proposal and the Second Report, and the conduct and activities of the Proposal Trustee as described therein, be and are hereby approved.

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**IN THE MATTER OF THE PROPOSAL OF WISP INTERNET SERVICES INC.,  
OF THE TOWNSHIP OF SCUGOG, IN THE PROVINCE OF ONTARIO**

Court File No.: 31-2551574  
Estate File No.: 31-2551574

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***ONTARIO***  
**SUPERIOR COURT OF JUSTICE**  
**(COMMERCIAL LIST)**

Proceeding commenced at Toronto

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**NOTICE OF MOTION**

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the Proposal Trustee**

Court File No.: 31-2551574

Estate File No.: 31-2551574

**IN THE MATTER OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c. B-3, AS AMENDED**

**AND IN THE MATTER OF THE PROPOSAL OF WISP INTERNET SERVICES INC.,  
OF THE TOWNSHIP OF SCUGOG, IN THE PROVINCE OF ONTARIO**

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***ONTARIO***  
**SUPERIOR COURT OF JUSTICE**  
**(COMMERCIAL LIST)**

Proceeding commenced at Toronto

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**MOTION RECORD**

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