



ONTARIO SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)

**COUNSEL/ENDORSEMENT SLIP**

**COURT FILE NO.:** BK-25-03215064-0031

**DATE:** June 5, 2025

**NO. ON LIST:** #4

**TITLE OF PROCEEDING: IN THE MATTER OF THE PROPOSAL OF BOOKJANE INC.**

**BEFORE: JUSTICE CONWAY**

**PARTICIPANT INFORMATION**

**For the Debtor:**

<b>Name of Person Appearing</b>	<b>Name of Party</b>	<b>Contact Info</b>
Wendy Greenspoon-Soer	Counsel for the Debtor, Bookjane Inc.	wgreenspoon@garfinkle.com

**For the Proposal Trustee:**

<b>Name of Person Appearing</b>	<b>Name of Party</b>	<b>Contact Info</b>
Danny Nunes	Counsel for the Proposal Trustee, Albert Gelman Inc.	dn@capstonelegal.ca
Adam Zeldin	Representatives of Albert Gelman Inc.	azeldin@albertgelman.com
Chris Rowe		crowe@albertgelman.com

**For Others:**

<b>Name of Person Appearing</b>	<b>Name of Party</b>	<b>Contact Info</b>
Sanea Tanvir	Counsel for the Senior Secured Creditor, Ayal Capital.	stanvir@mccarthy.ca
Ebanehita J. Edeko	Counsel for the Creditor, Edion Healthcare.	ebanehita@expatattorneysllp.ca
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**ENDORSEMENT OF JUSTICE CONWAY (para 7 corrected):**

- [1] All defined terms used in this Endorsement shall, unless otherwise defined, have the meanings ascribed to them in the Factum of BookJane Inc. dated June 3, 2025. All factual references in this Endorsement are from the affidavit of Curtis Khan sworn May 27, 2025 and the Second Report of the Proposal Trustee dated June 2, 2025.
- [2] The Company brings this motion for the following orders:
- a. approving the APA dated May 26, 2025 and authorizing the Company to take any steps that may be necessary to close the Transaction;
  - b. assigning the rights and obligations of the Company under the Consent Required Contracts to the Purchaser;
  - c. approving the Sale Process conducted by the Company, in consultation with the assistance of the Company's then financial advisor, Albert Gelman Inc. (“AGI”);
  - d. approving the First Report and the Second Report of the Proposal Trustee and the activities of the Proposal Trustee set out therein, including those of AGI in its prior financial advisory mandate; and
  - e. approving the fees and disbursements of the Proposal Trustee and its counsel as set out in the Second Report, including the fee accruals described therein.
- [3] Except for Edion (discussed below), the motion is unopposed. The Proposal Trustee recommends and supports the Transaction pursuant to the APA.
- [4] The Company commenced seeking offers to purchase its business and assets in November of 2023 but received no acceptable offers. The Company engaged AGI in March 2025 to assist in a formal sale process. There were no acceptable bids received. The Company’s secured creditor AYAL then submitted its own offer. The Company filed an NOI on April 23, 2025 to create a stable environment to allow it to negotiate an agreement with AYAL. The Company and AYAL concluded the APA on May 26, 2025.
- [5] The APA contemplates a going concern sale in which the Purchaser will acquire substantially all of the Company's assets, offer employment to all of the Company's 16 employees, assume certain accounts payable including the payment of outstanding HST obligations to CRA, pay the cure costs under the Consent Required Contracts to be assigned, and avoid disruption to the Company's customers. The Purchase Price comprises the sum of (i) the value of the Assumed Liabilities (which includes, among other things, the secured debt owing to the Consortium in the amount of approximately \$10.9 million as of the Filing Date) and (ii) a cash payment equal to the aggregate amount owing by

BookJane to CRA as of the Closing Date, approximately \$339,000. The recovery under the Transaction is greater than what would be achieved on a liquidation or bankruptcy of the Company.

- [6] I approve the Transaction pursuant to s. 65.13 of the BIA. I have considered the factors set out in s. 65.13(4) (similar to those in *Soundair*). The Sale Process (and the sale efforts prior thereto) thoroughly canvassed the market. This is the highest offer and only transaction resulting from that process. As noted, it will preserve the business as a going concern. The Purchaser intends to offer employment to all employees.
- [7] I grant the order assigning the rights and obligations of the Company under the Consent Required Contracts listed in Schedule B of the AVO to the Purchaser pursuant to s. 84.1(1) of the BIA. The Proposal Trustee recommends the assignment and has no reason to believe the Purchaser will not be able to perform the obligations set out in the Consent Required Contracts. There are no Cure Costs for the contracts listed in Schedule B to the AVO.
- [8] An issue arose at the hearing with respect to Edion Healthcare (“**Edion**”), which has a contract with the Company. Ms. Edeko, counsel for Edion, was concerned that the amount shown as Cure Costs for Edion in Schedule G to the APA (\$159,601.99) is incorrect and that if the court grants the AVO, it will be approving this incorrect figure for Cure Costs.
- [9] That is not correct. Under the APA, the Purchaser can elect which of the Company’s contracts it wishes to take. In the AVO, the only contracts that are being assigned to the Purchaser are those listed in Schedule B to the AVO. The Edion contract is not listed in Schedule B. Ms. Tanvir, counsel for AYAL, explained to the court that AYAL and Edion are separately negotiating a possible assignment of the Edion contract to AYAL on consent. To arrive at a consent assignment, the parties would have to agree on the amount of the Cure Costs, regardless of what is shown in Schedule G to the APA. In other words, Edion will not have to transfer its contract to AYAL unless the parties can agree on the amount of the Cure Costs payable to Edion.
- [10] To be clear, the AVO does not approve the amount of the Cure Costs set out in Schedule G to the APA and any approval language in the AVO shall not be read as approving the amount set out in Schedule G. Edion will have the opportunity to correct the amount of the Cure Costs for its contract if AYAL and Edion are able to reach an agreement to assign the Edion contract to AYAL on consent.
- [11] Ms. Edeko further requested an adjournment of this motion to file opposing materials. It is not clear what the basis of her opposition was. I denied the adjournment. Her client was served the last week of May, even though she was retained in the last few days. More important, however, I am satisfied that the Transaction in the APA should be approved for the reasons set out above – in particular, the amount of time the assets have been for sale, the lack of interest apart from AYAL, the fact that it is a going concern transaction, and the

preservation of jobs for employees. I am not prepared to postpone the transaction and put stakeholders to additional uncertainty and cost under the circumstances.

- [12] The Proposal Trustee's reports are approved as are the activities described therein. The fees and disbursements of the Proposal Trustee and its counsel are acceptable and approved. The Company no longer seeks a sealing order.
- [13] AVO and Ancillary Relief Order to go as signed by me and attached to this Endorsement. These orders are effective from today's date and are enforceable without the need for entry and filing.

A handwritten signature in blue ink, appearing to read "Conway J.", is located in the lower-left quadrant of the page. The signature is written in a cursive style with a large, looped initial 'C'.