

FORM 109 (Rule 22-2 (2) and (7))

This is the 3rd Affidavit  
of Bat-Sheva Levy in this case and  
was made on the 10<sup>th</sup> day of January, 2025

District of: British Columbia  
Division No.: 03 – Vancouver  
Court No.: B-240536  
Estate No.: 11-3149370

IN THE SUPREME COURT OF BRITISH COLUMBIA  
IN BANKRUPTCY AND INSOLVENCY

IN THE MATTER OF THE NOTICE OF INTENTION  
TO MAKE A PROPOSAL OF  
LAMBDA SOLUTIONS INC.

**AFFIDAVIT**

I, Bat-Sheva Levy, businesswoman, c/o Reedman Law, #800a-1030 West Georgia St.,  
Vancouver, BC AFFIRM THAT:

1. I am the CEO and director of Lambda Solutions Inc. ("**Lambda**" or the "**Company**"). As such, and on the basis of information provided to me by management and staff of the Company, I have knowledge of the facts and matters hereinafter deposed to, and where information has been provided by others, I verily believe such information to be true. I acknowledge the solemnity of making this affidavit and acknowledge the consequences of making an untrue statement include, but are not limited to imprisonment of up to two years.
2. I am authorized to make this affidavit on behalf of the Company, as the CEO and director.
3. On November 01, 2024, Lambda filed a Notice of Intention to Make a Proposal and the initial stay period in these proceedings were set to expire on December 01, 2024.
4. An order was granted on December 04, 2024 for the extension of the time for filing a proposal under part III of Division I of the *Bankruptcy and Insolvency Act*, R.S.C 1985, c. B-3 (the "**Filing Period**") to January 15, 2025 at 11:59 pm.

***Anticipated Sale to Firepower***

5. Since the commencement of these proceedings, Lambda has been in discussions with its senior secured creditor, Evergreen Gap Debt LP as agent for Firepower Gap Debt II LP (collectively, "**Firepower**") regarding a pre-packaged sale (the "**Sale**"). The Sale would result in Lambda's assets being sold to Firepower include likely a credit bid and a cash component but details of this are still being discussed and finalized between Firepower and Lambda, and subject to the input by the Proposal Trustee.

6. Lambda has been exposed to the market following marketing efforts undertaken in 2023 and 2024. These efforts are detailed in Mr. Ryan Plener's first affidavit sworn in these proceedings on December 03, 2024.
7. Since my first affidavit and second affidavit, filed on November 22, 2024 and December 04, 2024 respectfully, discussions with Firepower has gained traction.
8. It is through Lambda's tireless efforts that Lambda and Firepower were able to reach a high-level agreement regarding the Sale and to allow Lambda to consider a path forward to determine making a viable proposal to the creditors.
9. At the time of affirming this affidavit, Lambda and Firepower are still in discussions surround the terms of the Sale.
10. If deadline for the Filing Period is further extended from January 15, 2025 to February 07, 2025 (the "**Extension Period**"), Lambda and Firepower will have sufficient time to finalize terms of the sale, draft a purchase agreement, provide notice to Lambda's stakeholders and determine the terms of a proposal to Lambda's creditors.
11. The Extension Period will also allow Lambda to provide evidence to the Proposal Trustee to ensure that it is satisfied that Lambda had been sufficiently exposed to the market.
12. Once the terms of the Sale are finalized, Lambda will be in a position to consider making a viable proposal to its creditors.

***Other Efforts to Improve Lambda's financial position***

13. Since the commencement of these proceedings, Lambda has acted in good faith in attempting to formulate a viable proposal.
14. In November and December 2024, despite the holiday season, Lambda has worked vigorously with Proposal Trustee and Firepower to develop a viable proposal.
15. As part of its efforts to formulate a viable proposal, I had discussions with SMK Advisory ("**SMK**") as a consultant to assist with the creation of a viable proposal. Attached to this my affidavit as **Exhibit A** is a copy of the draft engagement letter between SMK and Lambda.
16. Additionally, Lambda has also worked diligently to improve its financial position by stabilizing cash flow, collecting on client invoices and recovering accounts receivable.
17. Further, in the event that the Sale does not proceed, Lambda has taken other steps to ensure that a viable proposal can be made to its creditors.
18. Lambda has engaged Ashdown Capital Vancouver ("**Ashdown**") to assist with locating additional financing. Attached to this my affidavit as **Exhibit B** is a copy of the executed engagement letter between Ashdown and Lambda.
19. The Company requires additional time to allow it to, among other things, continue to orderly the restructuring of its business operations, and to negotiate with its creditors.



20. I verily believe that the Company will have sufficient funds to operate during the Extension Period, if approved by the Court.
21. I verily believe that no creditor will be prejudiced by the Company's application to extend the Filing Period.
22. Firepower is the senior secured creditor of Lambda and they would not be prejudiced if the Extension Period were granted.
23. Firepower, though their legal counsel Ms. Monique Sassi, further advised, and I verily believe it to be true, that they are in support of extending the deadline for the Filing Period from January 15, 2025 to February 07, 2025.
24. As of the date of swearing this affidavit, I have not been able to confirm if BDC and the Proposal Trustee, Derek Lai, will also support extending the deadline.
25. I make this affidavit in support of Lambda's Notice of Motion to extend the deadline of the Filing Period from January 15, 2025 to February 07, 2025.

*The deponent, Bat-Sheva Levy, currently in West Vancouver, British Columbia, was not physically present before me but was linked with me by utilizing video technology. I, Recky Lai, confirm that while connected via video technology, Bat-Sheva Levy had shown me the front and back of her government issued-photo identification document and I am reasonably satisfied that it is the same person and the document is valid and current. I confirm that I have reviewed each page of this affidavit and verify that the pages are identical.*

AFFIRMED BEFORE ME at City of  
Vancouver, Province of British Columbia, on  
the 10<sup>th</sup> day of January, 2025

  
A Commissioner for taking Affidavits for  
British Columbia

  
BAT-SHEVA LEVY

**RECKY LAI**  
*Barrister & Solicitor*  
**REEDMAN LAW**  
#800-1030 WEST GEORGIA STREET  
VANCOUVER BC V6E 2Y3  
TEL: 604-570-0005 FAX: 604-688-1619

This is **Exhibit "A"** referred to in the affidavit of **Bat-Sheva Levy** affirmed before me at Vancouver, British Columbia this 10<sup>th</sup> day of January, ~~2024~~ 2025 RL.

  
A Commissioner for taking Affidavits for British Columbia

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## INDEPENDENT CONSULTING AGREEMENT

THIS AGREEMENT ("Agreement") is made as of this December XX, 2024 between Lambda Solutions Inc., a corporation under the laws of British Columbia having an office at ADDRESS ("Lambda" or "Company") and SMK Advisory a corporation having an office at ADDRESS ("SMK Advisory" or "Consultant")

### WHEREAS:

- A. Lambda is a software-as-a-service company that provides a single integrated platform for businesses to manage, monetize, and market their online training.
- B. On November 1, 2024, Lambda filed a Notice of Intention to Make a Proposal pursuant to subsection 50.4(1) of the Bankruptcy and the Insolvency Act R.S.C. 1985, c. B-3 and Crowe MacKay & Company Ltd. Consented to act as Trustee under the Proposal.
- C. SMK is a company offering business consulting services
- D. Lambda wishes to engage SMK to provide certain services as set out below and SMK wishes to provide said services to Lambda. It is explicitly noted that SMK is to provide consulting services to Lambda only, and not any individual director, officer, employee, shareholder or creditor. However, in the course of the consulting agreement, SMK may provide information to directors, officers or employees in their corporate capacities only.

NOW THEREFORE, in consideration of the covenants and undertakings herein contained, the parties hereto hereby agree as follows:

### 1. APPOINTMENT OF CONSULTANT

- 1.1 Subject to the terms and conditions hereinafter set out, Lambda hereby appoints SMK to provide independent professional services as delineated in the Schedule "A" hereto (the "Statement of Work" or "SOW").
- 1.2 In the case of any requests by Lambda for any material changes in in the SOW, the parties may mutually agree to amend or supplement Schedule "A" in writing only.

### 2. TERM

This Agreement shall commence on the date first written above and shall continue until terminated pursuant to Section 8.

### 3. CONSULTANT COMPENSATION

- 3.1 Lambda shall pay the Consultant for the Services provided in accordance with this Agreement as set out in Schedule "A". No further compensation shall be made for services not specifically identified in this Agreement unless agreed upon by both parties.
- 3.2 Consultant shall assume the costs of all usual and ordinary expenses incurred in performing the Services, except for those expenses for which Lambda gives its prior written approval.

### 4. STATUS OF CONSULTANT



- 4.1 Consultant shall, at all times, be an independent Consultant. No provision of this Agreement shall be construed so as to create the relationship of employer and employee between Lambda and SMK; and the parties hereto shall work to ensure that no activities take place during the term hereof which would result in Consultant being interpreted to be an employee.
- 4.2 Consultant shall not be restricted by Lambda from performing services for other companies or third parties as long as Consultant does not use or disclose any confidential information.
- 4.3 Except when the Consultant's physical presence at Lambda facilities, and/or the equipment of the Company is necessary to complete the Services, Consultant shall perform such Services at a location of Consultant's choosing.

## **5. INDEMNIFICATION**

Lambda shall indemnify SMK and each of its managers, members, directors, officers, shareholders, employees, contractors, representatives and agents/affiliates harmless from and against all claims, actions, causes of actions, judgments, liabilities, obligations and expenses arising out of, relating to, or resulting from (i) Consultant's duties or the actions or inactions of the Consultant or its Personnel, officers, directors, or agents while performing the Services; and (ii) Consultant's or any of its Personnel's willful misconduct or negligence in the performance of or non-performance of, any of its responsibilities under this Agreement or any SOW. These indemnification obligations shall survive the expiration of the Term or termination of this Agreement.

The extent of liability of the Consultant under this Independent Consulting Agreement contract is limited to the value as outlined in the accompanying SOW. Consultant is not liable for any damages resulting from the work performed under this Service Agreement.

## **6. ASSIGNMENT**

No rights or interests of SMK, in, under or by virtue of this Agreement, shall be amalgamated, merged, sold or assigned or made subject to any amalgamation, merger, sale or assignment without the specific prior written consent of SMK.

## **7. CONFIDENTIAL AND PERSONAL INFORMATION**

Consultant acknowledges that it shall, during the course of providing Services hereunder, have access to Property and Confidential Information. Consultant agrees to keep the Confidential Information confidential and to not disclose the Confidential Information to any third party without Lambda's prior written consent.

## **8. TERMINATION**

Subject always to the termination provisions hereinafter set out, this Agreement may be terminated by either Lambda or Consultant by giving at least seven (7) days notice in writing to the other such party. On and from the effective date of termination Consultant shall cease to perform any of the obligations and duties as set out in this Agreement, including, without limitation, providing the Services.

## **9. GENERAL PROVISIONS**

- 9.1 **Complete Agreement.** This Agreement represents the complete agreement between the parties hereto with respect to the subject matter hereof. This Agreement supersedes any prior agreements between the parties, whether oral or written. No amendment to the Agreement shall be effective unless in writing and

This is Exhibit "B" referred to in the affidavit of Bat-Sheva Levy affirmed before me at Vancouver, British Columbia this 10<sup>th</sup> day of January, ~~2024~~ 2025



A Commissioner for taking Affidavits for British Columbia

**RECKY LAI**  
*Barrister & Solicitor*  
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#800-1030 WEST GEORGIA STREET  
VANCOUVER BC V6E 2Y3  
TEL: 604-670-0005 FAX: 604-688-1819



December 18, 2024

**Attention: Lambda Solutions Inc.**  
**200-110 West Hastings Street**

**Re: Corporate Banking Support and refinancing**

Based on the information provided to us, we are pleased to provide this letter of interest for the above captioned project. This is not to be construed as a commitment on the part of Ashdown Capital Vancouver, but an outline of the terms and conditions under which we are willing to proceed, in assisting with your financing on a best efforts' basis. Indicative terms and conditions of the financing are detailed below:

Lender: To Be Determined

Arranger: Ashdown Capital Vancouver

Borrowers: Lambda Solutions Inc. and any related or affiliated holdings or operating companies or nominee(s) which would together make up the "Borrowers"

Guarantors: Corporate: to be determined  
Personal: to be determined

Engagement: Ashdown Capital Vancouver shall be engaged to act on behalf of the Borrowers to originate and negotiate lending facilities with a qualified lender.

**Facilities:**

**Working Capital loan:**

Amount:	Up to \$2,200,000
Interest Rate:	TBD
Amortization:	TBD

**Arrangement Fee:** 2.00% of the funds advanced and limits authorized thereafter.

**Payment of Fees:** The Borrower agrees that, except as stated otherwise in this letter of interest, the Fees are earned, due and payable to Ashdown Capital Vancouver when Ashdown Capital Vancouver receives a commitment letter from a lender. As a matter of convenience, the Borrower may arrange for the Fees to be paid from the proceeds of a transaction.

The Borrower authorizes Ashdown Capital Vancouver to direct the Borrower's solicitor to pay the Fees directly to Ashdown Capital Vancouver from the proceeds of a transaction. Please note that any commitment letter obtained will be subject to there being no material financial changes in the Borrower between the date the commitment letter is obtained and the anticipated closing date of the subject transaction.

For clarity, the Borrower agrees that if Ashdown Capital Vancouver obtains, procures or sources a term sheet that is executed by the Borrower and, subsequently, the Borrower fails or refuses to sign a commitment letter that reflects the offer contained in the term



sheet, the Fees are immediately due, owing and payable to Ashdown Capital Vancouver by the Borrower, in full without setoff or deduction. For additional clarity, if Ashdown Capital Vancouver obtains, procures or sources a commitment letter from a lender and the Borrower subsequently decides not to proceed with the transaction, the Fees are immediately due, owing and payable to Ashdown Capital Vancouver by the Borrower, in full without setoff or deduction.

The Borrower agrees that if Ashdown Capital Vancouver obtains, procures or sources a term sheet and the Borrower during the term of the Exclusive Agency and the Borrower makes use of such term sheet to negotiate or renegotiate terms of its financing arrangement or a new financing arrangement at any time within six months of the end of the term of the Exclusive Agency, then the Fees will be deemed to be fully earned, owing and immediately payable to Ashdown Capital Vancouver by the Borrower, in full, without set off or deduction.

**Other Costs:**

Legal fees and all other applicable Lender fees are to be paid for by the Borrower.

**Exclusive Agency:**

The Borrower grants Ashdown Capital Vancouver exclusive agency (the "Exclusive Agency") to originate financing on the Borrower's behalf with any Lender that in the opinion of Ashdown Capital Vancouver, is related to the Projects during the Term (as defined below). Ashdown Capital Vancouver agrees to communicate to the Borrower, all received financing offers during the Term. The term of the Exclusive Agency will be for an initial period of 30 business days (the "Term"), effective as of the date this letter of interest is executed by the Borrower, and shall extend automatically for successive periods of 15 business days. The Borrower may end the Exclusive Agency by giving written notice to Ashdown Capital Vancouver at least 5 days before the end of the Term or any subsequent extensions periods to the Term. In the event that the Borrower engages another agent, advisor or mortgage broker after this agreement being signed, it shall be deemed as a breach of this contract and the Fees shall be due and payable immediately to Ashdown Capital Vancouver in full, without set off or deduction. It is further agreed this agreement is governed by the laws of British Columbia.

**Other Terms:**

The undersigned hereby:

1. agrees to produce, provide and deliver any and all information requested by Ashdown Capital Vancouver which is related or pertinent to the Projects, including any documents needed for Ashdown Capital Vancouver's anti-money laundering ("AML") compliance requirements or other compliance matters;
2. warrants and confirms that any and all information provided to Ashdown Capital Vancouver by the undersigned is true and correct and fully understands that it is being used to determine credit worthiness and to evaluate my/our request for credit;
3. authorizes Ashdown Capital Vancouver to obtain any further information required relative to this application from any sources Ashdown Capital Vancouver deems necessary and each such source is hereby authorized to provide Ashdown Capital Vancouver with such information;
4. authorizes Ashdown Capital Vancouver to disclose to any other lender, lawyer, accountant, or other such professionals and service providers, such personal and financial information as Ashdown Capital Vancouver considers appropriate, and agrees to indemnify Ashdown Capital Vancouver and its directors, subcontractors and agents against, and save Ashdown Capital Vancouver harmless from, any and all actions or claims arising from such disclosure of information;

5. authorizes Ashdown Capital Vancouver to retain the undersigned's provided information whether or not a financing arrangement or loan facility is approved;
6. authorizes Ashdown Capital Vancouver or their designate to obtain a credit report. I/We acknowledge that the completion of a credit application may take time and it might entail additional credit reports. I/We authorize Ashdown Capital Vancouver to exchange such credit information or obtain additional credit reports for up to twelve (12) months from the date signed below for the purpose of securing credit or other products and services with potential lenders, authorized agents, or other service providers.

**Confidentiality:**

The undersigned acknowledges and agrees that the terms and conditions of this agreement, and any terms sheets, commitment letters or otherwise obtained by Ashdown Capital Vancouver from a lender, are confidential between the Borrower and Ashdown Capital Vancouver. The Borrower agrees not to disclose the information contained in this letter of interest or such term sheets or commitment letters to a third party without the consent of Ashdown Capital Vancouver. If the Borrower breaches this confidentiality clause the Fees shall be due and payable immediately to Ashdown Capital Vancouver in full, without set off or deduction.

**Definitions:**

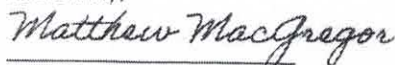
In this letter of interest, a reference to "**Ashdown Capital Vancouver**" also refers to its employees, mortgage brokers, sub-mortgage brokers, representatives, agents or nominees. A reference to the "**Borrower**" means the person or entity that has signed this letter as the borrower, that person or entities' nominee or the entity which completes the transaction contemplated by the financing arrangement sourced, obtained, brokered or procured by Ashdown Capital Vancouver. A reference to "**term sheet**" or "**term sheets**" means any document(s) that contains a non-binding offer from a lender relating to a financing arrangement. A reference to a "**commitment letter**" means any document that contains a binding financing offer from a lender, which may or may not be subject to various of conditions.

If you wish to proceed with this proposal, we will require the following:

- 1) A signed copy of this Engagement Letter
- 2) Completion of the attached Privacy Consent and Personal Net Worth forms for each shareholder
- 3) Corporate documents for all entities
  - a. Corporate Registry (CSR)
  - b. Notice of Articles & list of Officers and Directors
  - c. Certificate of Incorporation

Please sign a copy of this letter, acknowledging your acceptance of the above-noted terms and conditions, and retain a copy for your file.

Yours truly,




Matthew MacGregor  
Ashdown Capital Vancouver

Acknowledged and Agreed to, this 23 day of December, 2024

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Accepted and Agreed to by the Borrower(s) as of this 23 day of December, 2024.

**For the Borrowers**

  
\_\_\_\_\_  
Per Authorized Signatory  
Print Name: Shevy Levy

**For the Guarantors**

\_\_\_\_\_  
Per Authorized Signatory  
Print Name: