Robert H. Trust
Penelope J. Jensen
Christopher J. Hunker
LINKLATERS LLP
1345 Avenue of the Americas
New York, NY 10105
Telephone: (212) 903-9000
Facsimile: (212) 903-9100

D.J. Miller
Rachel Bengino
THORNTON GROUT FINNIGAN LLP
100 Wellington St. West
Suite 3200, Canada Pacific Tower
Toronto (Ontario), Canada M5K 1K7
Telephone: (416) 304-1616
Facsimile: (416) 304-1313

Counsel to the Foreign Representative

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re	Chapter 15
Comsale Group Inc., *et al.*,[1]	Case No. 19-13625 (JLG)
Debtors in a Foreign Proceeding.	Joint Administration Requested

MOTION OF THE RECEIVER AS AUTHORIZED FOREIGN REPRESENTATIVE FOR ENTRY OF AN ORDER GRANTING PROVISIONAL RELIEF PURSUANT TO SECTIONS 105(a) AND 1519 OF THE BANKRUPTCY CODE

Grant Thornton Limited, solely in its capacity as court-appointed receiver and manager and not in its personal or corporate capacity (the "Receiver") and authorized foreign representative (the "Foreign Representative") of Comsale Group Inc. ("CGI"), Comsale Computer Inc. ("CCI" or the "Borrower") and Comsale Inc. ("CI" and together with CGI and CCI, the "Debtors"), each of which was placed in a receivership on November 5, 2019 by order (the "Receivership Order") of the Superior Court of Justice (Commercial List) in Ontario, Canada (the "Canadian Court"), Court File No.: CV-19-630501-00CL (the "Canadian Proceeding"), submits this motion (the "Motion"),

[1] The Debtors in these chapter 15 cases, along with the last four digits of each Debtor's U.S. Federal Tax Identification Number or other unique identifier are: Comsale Group Inc. (7355) (Ontario Corporation Number); Comsale Computer Inc. (7508) (Ontario Corporation Number); and Comsale Inc. (0354) (FEIN). The Receiver and Foreign Representative is Grant Thornton Limited, located at 200 King St. W. 11th Floor, Toronto, Ontario, Canada M5H 3T4.

pursuant to sections 105(a) and 1519(a) of title 11 of the United States Code (the "Bankruptcy Code"), for entry of an order substantially in the form attached hereto as **Exhibit A** (the "Provisional Relief Order") enforcing the Receivership Order in the United States and applying sections 362 and 365(e) of the Bankruptcy Code in these chapter 15 cases on a provisional basis with respect to the Debtors and their property located in the territorial jurisdiction of the United States, pending recognition of the Canadian Proceeding.

In support of the requested relief, the Receiver respectfully incorporates the following herein by reference: (a) the *Verified Petition Under Chapter 15 for Recognition of a Foreign Main Proceeding and Related Relief* (the "Verified Petition")[2] and (b) the *Declaration of Rob Stelzer in Support of (i) Verified Petition Under Chapter 15 for Recognition of a Foreign Main Proceeding and Related Relief, and (ii) Motion of the Foreign Representative for Provisional Relief* (the "Stelzer Declaration"). In further support of the relief requested herein, the Foreign Representative represents as follows:

BACKGROUND

1. Prior to the commencement of the Canadian Proceeding, the Debtors repaired and refurbished used electronic equipment and accessories. The Debtors managed their businesses primarily from Canada and maintained facilities and operations in the United States, Malaysia and Hong Kong. The Debtors own substantial assets located within the territorial jurisdiction of the United States, including in New York, Tennessee and Nevada. Those assets consist of, among other things, bank accounts, inventory, equipment and receivables.

[2] Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Verified Petition.

2. On November 5, 2019, with the Debtors' consent, the Canadian Court entered the Receivership Order, appointing the Receiver as receiver and manager of all assets, undertakings and properties of the Debtors pursuant to section 101 of the *Courts of Justice Act* of the Province of Ontario and section 243(1) of the *Bankruptcy and Insolvency Act* of Canada (the "BIA"). The Receivership Order vests the Receiver with broad power and control over the Debtors' assets and businesses, including by granting the Receiver express and sole authority to control the Debtors' businesses and administer their assets. The Receivership Order also provides that the Debtors' creditors are enjoined from taking action against the Debtors and their assets, wherever located.

3. Notwithstanding the worldwide application of the stay imposed by the Receivership Order, the Debtors' creditors may attempt to take enforcement actions against the Debtors' assets located within the territorial jurisdiction of the United States or refuse to recognize (or interfere with) the Receiver's sole authority to control the Debtors' businesses and administer their assets. That risk is enhanced here because the Debtors (i) have ceased operations and the Receiver needs to take control and ensure appropriate measures are taken to protect the Debtors' properties and assets and (ii) are parties to at least one ongoing litigation in the U.S. in connection with a dispute with its landlord over lease payments.

4. In order to enforce the Receivership Order in the United States and to obtain the benefit of the automatic stay, the Foreign Representative seeks provisional relief between the date hereof and the date on which this Court considers whether to enter an order on the relief requested in the Verified Petition.

JURISDICTION AND VENUE

5. This Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334 and the Amended Standing Order of Reference to Bankruptcy Judges of the District Court for the

Southern District of New York, dated January 31, 2012 (Preska, C.J.). This matter is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(P).

6. Venue is proper in this District pursuant to 28 U.S.C. § 1410(1) and (3).

7. The statutory bases for relief are sections 105(a) and 1519 of the Bankruptcy Code.

RELIEF REQUESTED

8. Pursuant to sections 105(a) and 1519 of the Bankruptcy Code, the Receiver respectfully requests that the Court enter the Provisional Relief Order, substantially in the form attached hereto as **Exhibit A**, granting the following provisional relief pending recognition of the Canadian Proceeding as a foreign main proceeding:

a. The Foreign Representative shall be the representative of the Debtors with full and sole authority to administer the Debtors' assets and affairs in the United States on a provisional basis.

b. Section 362 and 365 of the Bankruptcy Code shall apply with respect to each of the Debtors and the property of each of the Debtors that is located within the territorial jurisdiction of the United States. Without limiting the generality of the foregoing, the Provisional Relief Order shall impose a stay within the territorial jurisdiction of the United States of:

(i) the commencement or continuation, including the issuance or employment of process of, any judicial, administrative or any other action or proceeding involving or against the Debtors or their assets or proceeds thereof, or to recover a claim or enforce any judicial, quasi-judicial, regulatory, administrative or other judgment, assessment, order, lien or arbitration award against the Debtors or their assets or proceeds thereof, or to exercise any control over the Debtors' assets located in the United States except as authorized by the Foreign Representative in writing;

(ii) the creation, perfection, seizure, attachment, enforcement, or execution of liens or judgments against the Debtors' property in the United States or from transferring, encumbering or otherwise disposing of or interfering with the Debtors' assets or agreements in the United States without the express written consent of the Foreign Representative;

(iii) any act to collect, assess, or recover a claim against any of the Debtors that arose before the commencement of the Debtors' chapter 15 cases;

(iv) the setoff of any debt owing to any of the Debtors that arose before the commencement of the Debtors' chapter 15 cases against any claim against any of the Debtors;

(v) the transfer, relinquishment or disposal of any property of the Debtors to any entity (as that term is defined in section 101(15) of the Bankruptcy Code) other than the Foreign Representative and its expressly authorized representatives and agents; and

(vi) the termination, modification, refusal to perform, or otherwise acceleration of obligations or exercise of remedies under any contract with any of the Debtors on the basis of (i) the insolvency or financial condition of the Debtors at any time before the closing of these cases; (ii) the commencement of the Canadian Proceeding, the entry of the Receivership Order, or the commencement of these chapter 15 cases under this title; or (iii) the appointment of and taking possession by the Receiver of the Debtors' assets and contracts.

c. For counterparties to certain of the Debtors' executory contracts and unexpired leases, section 365(e) of the Bankruptcy Code shall apply with respect to each of the Debtors and the property of each of the Debtors that is located within the territorial jurisdiction of the United States.

d. The Foreign Representative shall have the rights and protections to which the Foreign Representative is entitled under chapter 15 of the Bankruptcy Code, including, but not limited to, the protections limiting the jurisdiction of United States courts over the Foreign Representative in accordance with section 1510 of the Bankruptcy Code and the granting of additional relief in accordance with section 1519(a)(3) of the Bankruptcy Code.

e. Notwithstanding any provision in the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules") to the contrary, (i) the Provisional Relief Order shall be effective immediately and enforceable upon entry, (ii) the Foreign Representative is not subject to any stay in the implementation, enforcement, or realization of the relief granted in the Provisional Relief Order, and (iii) the Foreign Representative is authorized and empowered, and may, in its discretion and without further delay, take any action and perform any act necessary to implement and effectuate the terms of the Provisional Relief Order.

f. Such other relief as may be just and proper.

BASIS FOR RELIEF

9. Section 1519 of the Bankruptcy Code provides that "from the time of filing of a petition for recognition until the court rules on the petition, the court may at the request of the

foreign representative, where relief is urgently needed to protect the assets of the debtor . . . , grant relief of a provisional nature, including:

- staying execution against the debtor's assets;
- entrusting the administration or realization of all or part of the debtor's assets located in the United States to the foreign representative or another person authorized by the court, including an examiner, in order to protect and preserve the value of assets that, by their nature or because of other circumstances, are perishable, susceptible to devaluation or otherwise in jeopardy; and
- any relief referred to in paragraph (3), (4), or (7) of section 1521(a)."

11 U.S.C. § 1519(a).

10. The Foreign Representative seeks to impose sections 362 and 365(e) of the Bankruptcy Code to maintain the *status quo* until this Court holds a hearing to consider whether to grant recognition of the Canadian Proceeding. The Receiver also seeks provisional relief under sections 105(a) and 1519 of the Bankruptcy Code and intends to seek the continuation of the automatic stay through the application of section 1521(a) of the Bankruptcy Code at the hearing to recognize the Canadian Proceeding as a foreign main proceeding.

I. Provisional Relief is Urgently Needed, is Necessary and is Appropriate Under the Circumstances

11. Provisional relief should be granted "where relief is urgently needed to protect the assets of the debtor or the interest of creditors . . ." 11 U.S.C. § 1519(a).

12. Although a "petition for recognition of a foreign proceeding shall be decided upon at the earliest possible time," there is necessarily a gap between the time the petition is filed and the time the court makes a decision on whether the foreign proceeding should be recognized. 11 U.S.C. § 1517(c). Prior to recognition, a chapter 15 debtor does not enjoy the benefit of the automatic stay, which, in this case, necessitates an order granting provisional relief to protect the Debtors' assets located in the territorial jurisdiction of the United States. Without the application

of the automatic stay and the ability of the Receiver to control the Debtors' assets located in the United States, there is a material risk that the Debtors' creditors may commence enforcement actions against the Debtors and their properties located in the United States during the gap period between the Petition Date and the date on which this Court determines whether to recognize the Canadian Proceeding. The Foreign Representative also needs provisional relief to assist it in obtaining and maintaining control over the Debtors' assets located within the territorial jurisdiction of the United States. This is particularly important in this case because the Debtors have ceased operations, and their facilities and the assets located in the United States may be at risk if the Receiver cannot properly exercise its rights to control and manage those assets. Provisional relief is also required to stay at least one litigation against CI that is pending in Tennessee in connection with a dispute with its landlord over rent payments.

13. As a result, there is an urgent need for provisional relief to (i) stay the commencement or continuation of actions against the Debtors and their assets in the United States, (ii) ensure that the counterparties to the Debtors' contracts continue to perform, and (iii) authorize the Receiver to operate, manage and administer the Debtors' assets in the United States.

14. Courts in this District and other districts routinely grant the type of provisional relief sought herein. *See, e.g.*, *In re Unique Broadband Sys. Ltd.*, Case No. 19-11321 (KG) [Dkt. No. 12] (Bankr. D. Del. June 13, 2019) (granting the protection of sections 362 and 365(e) of the Bankruptcy Code on a provisional basis); *In re Imperial Tobacco Canada Ltd.*, Case No. 19-10771 (SCC) [Dkt. Nos. 14 and 22] (Bankr. S.D.N.Y. Mar. 14, 2019 & Mar. 25, 2019) (applying section 1519 of the Bankruptcy Code and granting the protection of section 362 of the Bankruptcy Code); *In re Mood Media Corp.*, Case No. 17-11413 (MEW) [Dkt. No. 21] (Bankr. S.D.N.Y. May 24, 2017) (same); *In re Tervita Corp.*, Case No. 16-12920 (MEW) [Dkt. No. 18] (Bankr. S.D.N.Y.

Oct. 26, 2016) (same); *In re Grupo Isolux Corsan, S.A.* Case No. 16-12202 (SHL) [Dkt. Nos. 20, 21 and 22] (Bankr. S.D.N.Y. Aug. 3, 2016) (same); *In re Oi S.A.*, Case No. 16-11791 (SHL) [Dkt. No. 22] (Bankr. S.D.N.Y. June 22, 2016) (same); *In re Daiichi Chuo Kisen Kaisha*, Case No. 15-12650 (MEW) [Dkt. Nos. 11 and 16] (Bankr. S.D.N.Y. Sept. 29, 2015 & Oct. 7, 2015) (same); *In re Caledonian Bank Limited*, Case No. 15-10324 (MG) [Dkt. No. 8 and 20] (Bankr. S.D.N.Y. Feb. 16, 2015 & Feb. 25, 2015) (same); *In re SIFCO S.A.*, Case No. 14-11179 (MKV) [Dkt. No. 21] (Bankr. S.D.N.Y. May 7, 2014) (same); *In re Kraus Carpet Inc.*, Case No. 18-12057 (KG) [Dkt. No. 17] (Bankr. D. Del. Sept. 12, 2018) (order granting provisional relief to apply sections 362 and 365(e) of the Bankruptcy Code); *In re RCR Int'l Inc.*, Case No. 18-10112 (LSS) [Dkt. No. 18] (Bankr. D. Del. Feb. 14, 2018) (same); *In re Innova Global Ltd.*, Case No. 19-10653-R [Dkt. No. 13] (Bank. N.D. Okla. Apr. 5, 2019) (authorizing a receiver acting as a foreign representative to operate the debtor's business and administer its assets in the United States on provisional basis).

II. The Provisional Relief Satisfies the Preliminary Injunction Standard.

15. Under section 1519 of the Bankruptcy Code, provisional relief is conditional upon a foreign representative satisfying the applicable standard for injunctive relief. 11 U.S.C. § 1519(e). In the Second Circuit, a party is entitled to injunctive relief if it can show (i) irreparable harm and (ii) either (a) probability of success on the merits or (b) if there is doubt as to the merits, the balance of hardships weighing in favor of the party seeking injunctive relief. *See, e.g.*, *Tinnerello & Sons, Inc.*, 141 F.3d 46, 51-52 (2d Cir. 1998). In evaluating these factors, courts take a "flexible approach and no one factor is determinative." *In re Calpine Corp.*, 365 B.R. 401, 409 (S.D.N.Y. 2007) (internal citations omitted). The Foreign Representative satisfies this standard.

A. Debtors will Suffer Irreparable Harm if Provisional Relief is not Granted.

16. The Foreign Representative's request to apply sections 362 and 365(e) of the Bankruptcy Code on a provisional basis is necessary to prevent irreparable harm to the Debtors

and their assets located in the United States. Absent such relief, the Debtors' assets located in the United States may become subject to enforcement actions from various creditors and litigants that may not believe that they are bound by the Canadian Court's Receivership Order.

17. Courts have held that the disorderly dissolution of a debtor's estate rises to the level of irreparable harm that justifies a court's intervention on behalf of the debtor. *See, e.g., In re Netia Holdings, S.A.*, 278 B.R. 344, 353 (Bankr. S.D.N.Y. 2002) ("It is well established, at least in this district, that the dissipation of the finite resources of an insolvent estate constitutes irreparable injury."); *In re MMG LLC*, 256 B.R. 544, 555 (Bankr. S.D.N.Y. 2000) ("As a rule, therefore, irreparable harm exists whenever local creditors of the foreign debtor seek to collect their claims or obtain preferred positions to the detriment of the other creditors."); *In re Lines*, 81 B.R. 267, 270 (Bankr. S.D.N.Y. 1988) ("With respect to irreparable injury, we note that there appears to be little dispute regarding the notion that the premature piecing out of property involved in a foreign liquidation proceeding constitutes irreparable injury.").

18. Absent the requested relief, the Debtors are at risk of facing individual enforcement actions by creditors, which would be value destructive to the Debtors' estates. Allowing creditors to attack the Debtors in a piecemeal fashion would undermine the comprehensiveness of the Canadian Proceeding, which is a collective judicial proceeding, has a priority scheme and has characteristics similar to a chapter 7 liquidation proceeding under the Bankruptcy Code. The relief requested would allow the Receiver to liquidate the Debtors' assets in an orderly fashion through a centralized process and without interference while the Debtors' Petition for recognition of the Canadian Proceeding is pending. Therefore, the Debtors are likely to suffer irreparable harm if the Provisional Relief Order is not granted.

B. There is a Substantial Likelihood That the Canadian Proceeding will be Recognized as a Foreign Main Proceeding

19. The Foreign Representative is likely to succeed on the merits because the Canadian Proceeding satisfies the requirements of a foreign main proceeding. As set forth in detail in the Verified Petition and the Stelzer Declaration, the Canadian Proceeding is (i) a "foreign proceeding" as defined under section 101(23) of the Bankruptcy Code and (ii) a "foreign main proceeding" as defined in section 1502(4) of the Bankruptcy Code. Moreover, the Foreign Representative has demonstrated that it is a proper "foreign representative" as defined under Section 101(24) of the Bankruptcy Code. Additionally, the Verified Petition was filed in accordance with, and satisfies all the applicable requirements of, chapter 15 of the Bankruptcy Code.

20. Courts in this District and other districts have granted recognition to foreign proceedings similar to the Canadian Proceeding. *See, e.g.*, *In re Unique Broadband Sys. Ltd.*, Case No. 19-11321 (KG) [Dkt. No. 18] (Bankr. D. Del. July 8, 2019) (recognizing a Canadian receivership proceeding as a foreign main proceeding and enforcing a receivership order on a provisional basis under section 1519(a) of the Bankruptcy Code); *In re Mundo Media Ltd., et al.*, Case No. 19-11365 (KBO) [Dkt. No. 14] (Bankr. D. Del. July 11, 2019) (recognizing a Canadian receivership proceeding as a foreign main proceeding); *In re Sherson Group Inc.,* Case No. 15-11765 (SHL) [Dkt. No. 25] (Bankr. S.D.N.Y. July 27, 2015) (granting recognition of a Canadian proceeding under the Canadian Bankruptcy and Insolvency Act); *In re Cash Store Finance Servs. Inc.*, Case No. 15-12813 (MEW) [Dkt. No. 20] (Bankr. S.D.N.Y. Nov. 25, 2015) (granting recognition of a Canadian proceeding in which a court-appointed monitor was appointed by a Canadian court). Thus, the likelihood of success on the underlying merits here is substantial.

21. Moreover, under section 1522, a court may grant relief under section 1519, if the "interests of the creditors and other interested entities, including the debtor, are sufficiently

protected." 11 U.S.C. § 1522(a). The relief sought herein is provisional pending recognition of the Canadian Proceeding as a foreign main proceeding and supplements the stay in place in Canada under the Receivership Order. In the Verified Petition, the Debtors have requested that the Court exercise its discretion to grant relief similar to the provisional relief requested herein on a final basis after notice and a hearing. In each case, the relief requested will enable the Receiver to liquidate the Debtors' assets in an orderly fashion through a centralized process for the benefit of the Debtors' creditors. Accordingly, all creditors are sufficiently protected.

C. The Balance of Harm Weighs in Favor of the Debtors

22. The balance of harm also weighs in favor of granting the provisional relief. Maintaining the *status quo* during the gap period will preserve the value of the Debtors' assets located in the United States and empower the Receiver to liquidate the Debtors' assets in an orderly fashion. *See In re Innua Canada Ltd*., No. 0916362, 2009 WL 1025088, at *4 (Bankr. D.N.J. Mar. 25, 2009) (finding that the temporary maintaining of the *status quo* pending recognition of the foreign proceedings actually served to benefit creditors "by allowing for an orderly administration of the Foreign Debtors' financial affairs under the Canadian Proceeding," tipping the balance of harm in favor of the foreign representative); *see also In re Atlas Shipping A/S*, 404 B.R. 726, 742 (Bankr. S.D.N.Y. 2009) (stating that denying certain creditors an advantage over the debtor's other creditors is not a valid reason to deny relief to the foreign representative).

23. The Canadian Proceeding is a collective and centralized process and parties in interest will have an opportunity to participate in that proceeding. Granting the Provisional Relief Order will preserve the Debtors' assets and permit the distribution of the proceeds thereof in accordance with Canadian law.

24. Therefore, the Receiver respectfully requests that this Court grant the Provisional Relief Order while it considers whether to recognize the Canadian Proceeding as a foreign main proceeding and the other relief requested in the Petition.

SATISFACTION OF LOCAL RULE 9013-1(a)

25. This Motion includes citations to the applicable rules and statutory provisions upon which the relief requested herein is predicated, and a discussion of their application to this Motion. Accordingly, the Debtors submit this Motion satisfies Rule 9013-1(a) of the Local Bankruptcy Rules for the Southern District of New York.

NOTICE

26. Notice of this Motion has been provided to: (i) the United States Trustee for the Southern District of New York; (ii) the Debtors; (iii) Comsale Malaysia Sdn. Bhd.; (iv) Comsale Hong Kong Limited; (v) Neil Shaul and Wenqiang Feng, shareholders of CGI and CCI; (vi) all persons or bodies authorized to administer foreign proceedings of the Debtors, including the Canadian Proceeding; (vii) all entities against whom provisional relief is being sought under section 1519 of the Bankruptcy Code; (viii) all known creditors and contract counterparties of the Debtors in the United States; (ix) all parties to litigation pending in the United States to which any of the Debtors is a party at the time of the filing of the Petition; and (x) all parties that have filed a notice of appearance in these chapter 15 cases. The Foreign Representative submits that no other or further notice of this Motion is necessary or required.

NO PRIOR REQUEST

27. No prior request for the relief sought in this Motion has been made to this or any other court.

WAIVER OF FEDERAL RULE OF CIVIL PROCEDURE 65(c)

28. Bankruptcy Rule 7065 expressly provides that "a temporary restraining order or preliminary injunction may be issued on application of a debtor, trustee, or debtor in possession without compliance with Rule 65(c)." To the extent Rule 65 of the Federal Rules of Civil Procedure applies, the Foreign Representative believes that the security requirements imposed by Rule 65(c) are unwarranted under the circumstances and, accordingly, respectfully requests a waiver of such requirements pursuant to Bankruptcy Rule 7065.

WHEREFORE, the Receiver respectfully requests entry of an order, substantially in the form attached hereto as **Exhibit A**, granting the relief requested herein and such other and further relief as is just and proper.

[*Remainder of page intentionally left blank.*]

Dated: New York, New York
November 13, 2019

Respectfully submitted,

/s/ Robert H. Trust

Robert H. Trust
Penelope J. Jensen
Christopher J. Hunker
LINKLATERS LLP
1345 Avenue of the Americas
New York, NY 10105
Telephone: (212) 903-9000
Facsimile: (212) 903-9100

-and-

D.J. Miller
Rachel Bengino
THORNTON GROUT FINNIGAN LLP
100 Wellington St. West
Suite 3200, Canada Pacific Tower
Toronto (Ontario), Canada M5K 1K7
Telephone: (416) 304-1616
Facsimile: (416) 304-1313

Counsel to the Foreign Representative

Exhibit A

Proposed Order

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re Comsale Group Inc. *et al.*,[1] Debtors in a Foreign Proceeding.	Chapter 15 Case No. 19-13625 (JLG)

ORDER GRANTING MOTION OF THE FOREIGN REPRESENTATIVE FOR PROVISIONAL RELIEF PURSUANT TO SECTIONS 105(a) AND 1519 OF THE BANKRUPTCY CODE

Upon the motion (the "Motion") of Grant Thornton Limited, solely in its capacity as court-appointed receiver and manager and not in its personal or corporate capacity (the "Receiver") and authorized foreign representative (the "Foreign Representative") of Comsale Group Inc. ("CGI"), Comsale Computer Inc. ("CCI" or the "Borrower") and Comsale Inc. ("CI" and together with CGI and CCI, the "Debtors"), each of which was placed in a receivership on November 5, 2019 by order (the "Receivership Order") of the Superior Court of Justice (Commercial List) in Ontario, Canada (the "Canadian Court"), Court File No.: CV-19-630501-00CL (the "Canadian Proceeding"), for entry of provisional order under sections 105(a) and 1519(a) of title 11 of the United States Code (the "Bankruptcy Code"); and upon this Court's review and consideration of the Motion, the Verified Petition and the Stelzer Declaration; and this Court having jurisdiction to consider the Motion and the relief requested therein pursuant to 28 U.S.C. §§ 157 and 1334, and 11 U.S.C. §§ 109 and 1501; and consideration of the Motion and the relief requested therein being a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(P); and venue being proper before this Court

---

[1] The Debtors in these chapter 15 cases, along with the last four digits of each Debtor's U.S. Federal Tax Identification Number or other unique identifier are: Comsale Group Inc. (7355) (Ontario Corporation Number); Comsale Computer Inc. (7508) (Ontario Corporation Number); and Comsale Inc. (0354) (FEIN). The Receiver and Foreign Representative is Grant Thornton Limited, located at 200 King St. W. 11th Floor, Toronto, Ontario, Canada M5H 3T4.

pursuant to 28 U.S.C. § 1410(1) and (3); and appropriate, sufficient and timely notice of the filing of the Motion and the hearing thereon having been given pursuant to Rule 2002(q) of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"); and upon the record established at such hearing; and the Court having found and determined that the provisional relief sought in the Motion is in the best interest of the Debtors, their creditors, and parties in interest, and is in the interest of international comity and not inconsistent with United States policy, and that the legal and factual basis set forth in the Motion establish just cause for the relief granted herein; and no objections or other responses having been filed that have not been overruled, withdrawn or otherwise resolved; and after due deliberation and sufficient cause appearing therefor, **IT IS HEREBY FOUND AND DETERMINED THAT:**[2]

A. There is a substantial likelihood that the Foreign Representative will successfully demonstrate that the Canadian Proceeding constitutes a "foreign main proceeding" as defined in section 1502(4) of the Bankruptcy Code.

B. The commencement or continuation of any action or proceeding in the United States against the Debtors should be enjoined pursuant to sections 105(a) and 1519 of the Bankruptcy Code to permit the expeditious and efficient administration of the Canadian Proceeding, and such relief will either (a) not cause an undue hardship to other parties in interest or (b) any hardship to parties is outweighed by the benefits of the relief requested.

C. Unless a preliminary injunction is issued, there is a material risk that the Debtors' creditors or other parties-in-interest in the United States could use the Canadian Proceeding and

---

[2] The findings and conclusions set forth herein and in the record of the hearing on the Motion constitute this Court's findings of facts and conclusions of law pursuant to Rule 52 of the Federal Rules of Civil Procedure, as made applicable herein by Bankruptcy Rules 7052 and 9014. To the extent any of the findings of fact herein constitute conclusions of law, they are adopted as such. To the extent any of the conclusions of law herein constitute findings of fact, they are adopted as such.

these chapter 15 cases as a pretext to exercise certain remedies or to terminate executory contracts or unexpired leases against the Debtors and their assets located within the territorial jurisdiction of the United States.

D. Such acts could (a) interfere with the jurisdictional mandate of this Court under chapter 15 of the Bankruptcy Code, (b) interfere with and cause harm to the Receiver's efforts to administer the Canadian Proceeding, (c) interfere with the Receiver's management of and control over the Debtors' assets, and (d) undermine the Receiver's efforts to achieve an equitable result for the benefit of all of the Debtors' creditors. Accordingly, there is a material risk that the Debtors may suffer immediate and irreparable harm, and it is therefore necessary that the Court enter this Order.

E. The Foreign Representative and the Debtors are entitled to the full protections and rights available pursuant to section 1519(a)(1)-(3) of the Bankruptcy Code.

F. All creditors and other parties in interest, including the Debtors, are sufficiently protected in the grant of the relief ordered hereby in compliance with section 1522(a) of the Bankruptcy Code.

BASED ON THE FOREGOING FINDINGS OF FACT AND AFTER DUE DELIBERATION AND SUFFICIENT CAUSE APPEARING THEREFORE, IT IS HEREBY ORDERED THAT:

1. Beginning on the date of this Order and continuing until the entry of an order of this Court recognizing the Canadian Proceeding as "foreign main proceeding" as defined in section 1502(4) of the Bankruptcy Code and the Foreign Representative as a "foreign representative" as defined in section 101(24) of the Bankruptcy Code (unless otherwise extended pursuant to section 1519(b) of the Bankruptcy Code):

a. the Foreign Representative shall be the representative of the Debtors with full and sole authority to administer the Debtors' assets and affairs in the United States on a provisional basis.

b. section 362 and 365 of the Bankruptcy Code shall apply with respect to each of the Debtors and the property of each of the Debtors that is located within the territorial jurisdiction of the United States. Without limiting the generality of the foregoing, the Provisional Relief Order shall impose a stay within the territorial jurisdiction of the United States of:

(i) the commencement or continuation, including the issuance or employment of process of, any judicial, administrative or any other action or proceeding involving or against the Debtors or their assets or proceeds thereof, or to recover a claim or enforce any judicial, quasi-judicial, regulatory, administrative or other judgment, assessment, order, lien or arbitration award against the Debtors or their assets or proceeds thereof, or to exercise any control over the Debtors' assets located in the United States except as authorized by the Foreign Representative in writing;

(ii) the creation, perfection, seizure, attachment, enforcement, or execution of liens or judgments against the Debtors' property in the United States or from transferring, encumbering or otherwise disposing of or interfering with the Debtors' assets or agreements in the United States without the express written consent of the Foreign Representative;

(iii) any act to collect, assess, or recover a claim against any of the Debtors that arose before the commencement of the Debtors' chapter 15 cases;

(iv) the setoff of any debt owing to any of the Debtors that arose before the commencement of the Debtors' chapter 15 cases against any claim against any of the Debtors;

(v) the transfer, relinquishment or disposal of any property of the Debtors to any entity (as that term is defined in section 101(15) of the Bankruptcy Code) other than the Foreign Representative and its expressly authorized representatives and agents; and

(vi) the termination, modification, refusal to perform, or otherwise acceleration of obligations or exercise of remedies under any contract with any of the Debtors on the basis of (i) the insolvency or financial condition of the Debtors at any time before the closing of these cases; (ii) the commencement of the Canadian Proceeding, the entry of the Receivership Order, or the commencement of these chapter 15 cases under this title; or (iii) the appointment of and taking possession by the Receiver of the Debtors' assets and contracts.

c. for counterparties to certain of the Debtors' executory contracts and unexpired leases, section 365(e) of the Bankruptcy Code shall apply with respect to each of the Debtors and the property of each of the Debtors that is located within the territorial jurisdiction of the United States.

d. the Foreign Representative shall have the rights and protections to which the Foreign Representative is entitled under chapter 15 of the Bankruptcy Code, including, but not limited to, the protections limiting the jurisdiction of United States courts over the Foreign Representative in accordance with section 1510 of the Bankruptcy Code and the granting of additional relief in accordance with section 1519(a)(3) of the Bankruptcy Code.

e. notwithstanding any provision in the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules") to the contrary, (i) the Provisional Relief Order shall be effective immediately and enforceable upon entry, (ii) the Foreign Representative is not subject to any stay in the implementation, enforcement, or realization of the relief granted in the Provisional Relief Order, and (iii) the Foreign Representative is authorized and empowered, and may, in its discretion and without further delay, take any action and perform any act necessary to implement and effectuate the terms of the Provisional Relief Order.

2. The Foreign Representative, in connection with his appointment as the Debtors' Receiver in the Canadian Proceeding or as the "foreign representative" in these chapter 15 cases, and the Debtors are hereby granted the full protections and rights available pursuant to section 1519(a)(1)-(3) of the Bankruptcy Code.

3. Notwithstanding anything to the contrary contained herein, this Order shall not be construed as (a) enjoining the police or regulatory act of a governmental unit, including a criminal action or proceeding, to the extent not stayed under section 362 of the Bankruptcy Code, or (b) staying the exercise of any rights that section 362(o) of the Bankruptcy Code does not allow to be stayed.

4. The Foreign Representative, the Debtors and each of their successors, representatives, advisors, or counsel shall be entitled to the protections contained in sections 306 and 1510 of the Bankruptcy Code.

5. Pursuant to Bankruptcy Rule 7065, the security provisions of Rule 65(c) of the Federal Rules of Civil Procedure are waived.

6. This Order, the proposed order recognizing the Canadian Proceeding as a "foreign main proceeding" as defined in section 1502(4) of the Bankruptcy Code and the Foreign Representative as a "foreign representative" as defined in section 101(24) of the Bankruptcy Code and notice of the hearing on the Petition shall be served on: (i) the United States Trustee for the Southern District of New York; (ii) the Debtors; (iii) Comsale Malaysia Sdn. Bhd.; (iv) Comsale Hong Kong Limited; (v) Neil Shaul and Wenqiang Feng, shareholders of CGI and CCI; (vi) all persons or bodies authorized to administer foreign proceedings of the Debtors, including the Canadian Proceeding; (vii) all entities against whom provisional relief is being sought under section 1519 of the Bankruptcy Code; (viii) all known creditors and contract counterparties of the Debtors in the United States; (ix) all parties to litigation pending in the United States to which any of the Debtors is a party at the time of the filing of the Petition; and (x) all parties that have filed a notice of appearance in these chapter 15 cases.

7. Service in accordance with this Order shall be deemed good and sufficient service and adequate notice for all purposes. The Foreign Representative, the Debtors, and their respective agents are authorized to serve or provide any notices required under the Bankruptcy Rules or local rules of this Court.

8. The banks and financial institutions with which the Debtors maintain bank accounts or on which checks are drawn or electronic payment requests made in payment of prepetition or postpetition obligations are authorized and directed to continue to service and administer the Debtors' bank accounts without interruption and in the ordinary course and to receive, process, honor and pay any and all such checks, drafts, wires and automatic clearing house transfers issued,

whether before or after the Petition Date and drawn on the Debtors' bank accounts by respective holders and makers thereof at the direction of the Foreign Representative.

9. The Foreign Representative and its agents are authorized and empowered to take all actions necessary to effectuate the relief granted under this Order in accordance with the Motion.

10. The terms and conditions of this Order shall be immediately effective and enforceable upon its entry.

11. This Court shall retain jurisdiction with respect to the enforcement, amendment or modification of this Order, any requests for additional relief or any adversary proceeding brought in and through these chapter 15 cases, and any request by an entity for relief from the provisions of this Order, for cause shown, that is properly commenced and within the jurisdiction of this Court.

Dated: November __, 2019
New York, New York

____
THE HONORABLE JAMES L. GARRITY, JR.
UNITED STATES BANKRUPTCY JUDGE