

Presentment Date: June 29, 2020 at 12:00 p.m. (Eastern Time)
Objection Deadline: June 22, 2020 at 5:00 p.m. (Eastern Time)

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)

Jointly Administered

**NOTICE OF PRESENTMENT OF
STIPULATION AND PROPOSED ORDER**

PLEASE TAKE NOTICE that 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”),² will present the proposed Stipulation and Proposed Order attached hereto as Exhibit A (the “Proposed Order”) to the Honorable James L. Garrity, Jr., United States Bankruptcy Judge for the Southern District of New York, for signature on June 29, 2020 at 12:00 p.m. (Eastern Time) (the “Presentment Date”).

PLEASE TAKE FURTHER NOTICE that objections to the Proposed Order must be filed electronically with the Court by registered users of the Court’s electronic case filing system in accordance with General Order M-399 and the Court’s Procedures for the Filing, Signing and Verification of Documents by Electronic Means (copies of each of which may be viewed on the Court’s website at <http://www.nysb.uscourts.gov>). Two single-sided hard copies of any response or objection shall be sent to the Chambers of the Honorable James L. Garrity, Jr., United States Bankruptcy Court for the Southern District of New York, One Bowling Green, New York, New York 10004-1408 and served upon counsel for the Foreign Representative, Linklaters LLP, 1345 Avenue of the Americas, New York, New York 10105 (Attention: Robert H. Trust, Esq., Penelope J. Jensen, Esq. and Christopher J. Hunker, Esq.) and Thornton Grout Finnigan LLP, 100 Wellington St. West, Suite 3200, Canada Pacific Tower, Toronto (Ontario), Canada M5K 1K7 (Attention: D.J. Miller and Rachel Bengino) (collectively, the “Objection Notice Parties”), so as to be actually received by June 22, 2020 at 5:00 p.m. (Eastern Time). Unless objections are received by that time, the Proposed Order may be entered without a hearing.

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.

² Each of the Debtors 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”).

PLEASE TAKE FURTHER NOTICE that if a written objection is timely filed and served, a hearing will be held to consider the Proposed Order on a date and time to be set by the Court.

Dated: June 5, 2020
New York, New York

Respectfully submitted,

/s/ Robert H. Trust
Robert H. Trust
Penelope J. Jensen
Christopher J. Hunker
LINKLATERS LLP
1345 Avenue of the Americas
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-and-

D.J. Miller
Rachel Bengino
THORNTON GROUT FINNIGAN LLP
100 Wellington St. West
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Counsel to the Foreign Representative

EXHIBIT A

Stipulation and 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)

Jointly Administered

STIPULATION

This Stipulation is made by and between 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 Inc., a New York corporation ("**Tenant**"), on the one hand, and LBA RV – Company V, L.P. ("**Landlord**") with reference to the following facts and objectives.

RECITALS

A. Landlord, as landlord, and Tenant, as tenant, are parties to that certain written Commercial/Industrial Lease (NNN) dated December 6, 2017 (the "**Lease**") for nonresidential real property premises commonly known as Building 9 located at 1001-1071 East Glendale Avenue, Sparks, Nevada (the "**Premises**").

B. On November 5, 2019, Comsale Group Inc. ("**CGI**"), Comsale Computer Inc. ("**CCI**") and the Tenant (collectively, the "**Debtors**") were each placed in receivership 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**").

C. On November 13, 2019, each of the Debtors filed petitions under chapter 15 of title 11 of the United States Code (the "**Bankruptcy Code**") for recognition of the Canadian Proceeding as a foreign main proceeding and related relief in the United States Bankruptcy Court for the Southern District of New York (the "**Court**").

D. On November 15, 2019, the Court entered an order granting provisional relief pursuant to sections 105(a) and 1519 of the Bankruptcy Code.

E. On December 11, 2019, this Court conducted a hearing (the "**Recognition Hearing**") and granted chapter 15 recognition of the Canadian Proceeding as a foreign main proceeding and related relief. On December 16, 2019, the Court entered the

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recognition order (the "**Recognition Order**"). Among other things, the Recognition Order applied section 365 of the Bankruptcy Code to the Debtors' chapter 15 cases.

F. In accordance with the applicable orders of the Court, the Foreign Representative is in the process of liquidating certain inventory and equipment located in the Premises. The Foreign Representative concluded that once the liquidation of the inventory, equipment and other assets located in the Premises is concluded, there is no value in Tenant's Lease for the Premises.

G. The Foreign Representative and Landlord seek to minimize the costs associated with the administration of the Canadian Proceeding by entering into a stipulation providing for the rejection of the Lease of the Premises, return of possession of the Premises, and disposition of any remaining personal property at the Premises upon surrender.

STIPULATION

1. The Lease shall be and is hereby rejected effective upon: (a) the return of possession of the Premises to Landlord by return of keys in the condition required under the Lease, including but not limited to the removal of all Tenant's furniture, fixtures, equipment, inventory, and other personal property; and (b) a letter to Landlord's counsel (which may be transmitted electronically or by facsimile transmission) confirming return of possession of the Premises (the "**Rejection Date**").

2. Until the occurrence of the Rejection Date, the Tenant shall timely perform all obligations under the Lease arising after entry of the Recognition Order and prior to the Rejection Date, including, but not limited, immediately paying Landlord any unpaid rent and additional charges (if any) accruing under the Lease on a prorated basis through the Rejection Date.

3. Effective immediately upon the entry of an Order approving this Stipulation by the Court, Landlord shall be entitled to irrevocably retain the security deposit in the amount of \$22,775.58 and apply such deposit to its lease termination damages resulting from the rejection of the Lease.

4. Effective as of the Rejection Date, any right to possession of the Premises is relinquished, terminated and forfeited under applicable non-bankruptcy law as of the Rejection Date.

5. The automatic stay and any injunctions arising in the Canadian Proceeding are hereby terminated as to Landlord solely to allow Landlord to retain and apply the security deposit and retake possession of the Premises and dispose of any abandoned property as provided in this Stipulation.

6. If the Foreign Representative fails to remove any portion of Tenant's remaining inventory, equipment, or other personal property prior to the return of possession of the Premises and the occurrence of the Rejection Date, such property shall be deemed abandoned by the Foreign Representative and the Tenant to Landlord free and clear of all liens, claims, and encumbrances without any further notice or order of this Court. In the event of such abandonment, Landlord may dispose of any such personal property in its sole and absolute

discretion without liability to the Tenant, the receivership estate, the Foreign Representative, any creditor of the Debtors, or any other party.

7. Effective immediately upon execution of this Stipulation by all Parties, Landlord may market the Premises to third parties (including showing the Premises to prospective tenants at reasonable times and with at least two business days' notice to the Foreign Representative).

8. Except as set forth herein, this Stipulation and any order thereon shall be without prejudice to the assertion of any claims by Landlord arising from the Lease in the Canadian Proceeding including, without limitation, unsecured claims for damages for rejection of the Leases, without prejudice to any objections by the Foreign Representative thereto.

9. The provisions of this Stipulation shall survive the filing of a voluntary petition under chapter 7 or 11 by any of the Debtors and shall bind any subsequently appointed trustee or examiner.

10. The Order on this Stipulation shall be effective immediately upon entry, and not subject to any stay under the Bankruptcy Code, the Federal Rules of Bankruptcy Procedure and applicable non-bankruptcy law.

11. The Court will retain jurisdiction to resolve any and all disputes relating to this Stipulation and the Order entered thereon.

12. The parties jointly request entry of an order approving this Stipulation and its terms.

13. This Stipulation may be executed in counterparts, one or more of which may contain facsimile or electronic (in .pdf format) signatures, all of which shall constitute an original agreement.

SO STIPULATED.

Dated: May 28, 2020

LBA RV – Company V, L.P. , a Delaware
limited partnership

By: /s/Perry Schonfeld

Name: Perry Schonfeld

Its: Chief Operating Officer

SIGNATURES CONTINUED

Dated: May 29, 2020

GRANT THORNTON LIMITED, solely in its capacity as court-appointed receiver and manager and not in its personal or corporate capacity and authorized foreign representative of Comsale Group Inc., Comsale Computer Inc. and Comsale Inc.

By: /s/ Rob Stelzer

Name: Rob Stelzer

Its: Vice President

It is SO ORDERED this _____ day of _____, 2020.

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