



This is the 4<sup>th</sup> Affidavit of Nathan Slee in this case and was made on November 18, 2020

No. S-209798  
Vancouver Registry

**IN THE SUPREME COURT OF BRITISH COLUMBIA**

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,  
R.S.C. 1985, c. C-36, AS AMENDED

AND

IN THE MATTER OF CREDITLOANS CANADA FINANCING INC. and  
CREDITLOANS CANADA CAPITAL INC.

PETITIONERS

**A F F I D A V I T**

I, **Nathan Slee**, of 2000 – 1500 West Georgia Street, at the City of Vancouver, in the Province of British Columbia, AFFIRM THAT:

1. I am the chief executive officer of Creditloans Canada Financing Inc. dba Progressa ("**Progressa**"), and as such have personal knowledge of the facts and matters hereinafter deposed to, save and except where they are stated to be on information and belief in which I verily believe them to be true.

2. I am authorized to make this affidavit on behalf of Progressa and Creditloans Canada Capital Inc. (together with Progressa, the "**Petitioners**").

**I. Background**

3. This affidavit is sworn in support of an application by the Petitioners for an order declaring Lendesk Technologies ULC ("**Lendesk**") to be a critical supplier to Progressa and is made as a supplement to my third affidavit sworn on October 9, 2020.

4. Capitalized terms used and not otherwise defined herein shall have the meanings given to them in the Petition filed September 30, 2020 (the "**Petition**").

## II. The Critical Supply Order and Payment of the Deposit

5. On October 9, 2020, this Court made an order (the “**Critical Supply Order**”) pursuant to which, among other things:

- (a) Lendesk was to continue to provide services to the Petitioners until December 1, 2020, and invoice them for such services in the same manner and consistent with their current arrangements and agreements, as may subsequently be amended between them (the “**Arrangements**”);
- (b) the invoices issued by Lendesk to the Petitioners for services after September 30, 2020 (the “**Invoices**”) were to be paid by the Petitioners in accordance with the Arrangements;
- (c) the Petitioners were to deposit \$30,000 (the “**Deposit**”) with legal counsel for the Monitor to be held in trust as a deposit to secure payment of the Invoices; and
- (d) Lendesk would not be required to extend credit to the Petitioners beyond the amount of the Deposit.

6. On or about October 13, 2020, the Petitioners paid the Deposit to counsel to the Monitor.

## III. The Invoices

7. On November 1, 2020, Lendesk issued an invoice (the “**October Invoice**”) to the Petitioners in the amount of \$13,000, which invoice is comprised of the following amounts: (i) Gateway User Fee, in the amount of \$2,352; (ii) Gateway User Fee, in the amount of \$8,328; and (iii) a “minimum charge” in the amount of \$2,320 (the “**Minimum Charge**”). Attached hereto and marked as **Exhibit “A”** is a copy of the October Invoice.

8. Following receipt of the October Invoice, there was some discussion among the Petitioners and Lendesk regarding Lendesk’s entitlement to claim the Minimum Charge.

9. Upon further review of the October Invoice and the Lendesk Team Originator Order Form, dated July 5, 2017, a copy of which is attached hereto and marked as **Exhibit “B”**, the Petitioners determined that Lendesk was entitled to claim the Minimum Charge in the October Invoice, as the agreement provides that the Petitioners “shall pay a minimum of \$13,000 in aggregate Per User and Per Funded Loan fees in each month, regardless of how many Users

use the Product in that month and/or how many funded loans the Client has made in that month” (the “**Minimum Fee**”).

10. Accordingly, on November 16, 2020, the Petitioners paid the October Invoice in its entirety.

**IV. The Critical Supply Order**

11. By the terms of the Critical Supply Order, Lendesk is not obligated to provide services to the Petitioners after December 1, 2020 (the “**Expiry Date**”). I am advised by Jared Enns of Cassels Brock & Blackwell LLP, counsel to the Petitioners, and do verily believe same to be true, that counsel for Lendesk advised him that Lendesk is not prepared to continue providing services on the terms provided for in the Critical Supply Order beyond the Expiry Date.

12. As detailed in my Third Affidavit, the Petitioners are in the process of transitioning from the Lendesk platform to another CRM provider, but will not be able to complete this transition before the end of January 2021. Progressa relies on the integration between its loan funding system and Lendesk’s CRM system, and any disruption in Lendesk’s services prior to completing the transition to another CRM provider would render Progressa unable to effectively originate new loans and service existing loans, which would effectively require Progressa to cease or significantly reduce its operations.

13. Accordingly, the Petitioners are seeking an order effectively extending the terms of the Critical Supply Order until January 31, 2020.

AFFIRMED BEFORE ME at the City of Vancouver, in the Province of British Columbia, this 18<sup>th</sup> day of November 2020.



A Commissioner for taking Affidavits for British Columbia

**JARED ENNS**  
*Barrister & Solicitor*  
Cassels Brock and Blackwell LLP  
#2200 - 885 West Georgia Street  
Vancouver, B.C. V6C 3E8  
Phone: (778) 372-6787  
BC Law Society No. 513968

  
**NATHAN SLEE**

This is **Exhibit "A"** referred to in **Affidavit #4** of **Nathan Slee**, affirmed before me at Vancouver, British Columbia, on November 18, 2020.

A handwritten signature in black ink, consisting of a large, stylized loop followed by a horizontal line extending to the right.

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A Commissioner for taking Affidavits  
for British Columbia

**LENDESK**

1038 Homer Street  
Vancouver, BC V6B 2W9

AR@lendesk.com  
(800) 853-5979 x0

**INVOICE**

Date	Invoice Number
11/01/2020	CI-75-00000234
Payment Terms	Due Date
Net 15	11/16/2020
Customer ID	
C-101126	

Bill To:
Credit Loans Canada Financing Inc. 2000 - 1500 W Georgia Street Vancouver, BC V6G 2Z6 Canada

October Activity

<b>Tax:</b>	
BC - PST: BC (7%)	\$747.60
BC - GST: CRA (5%)	\$534.00

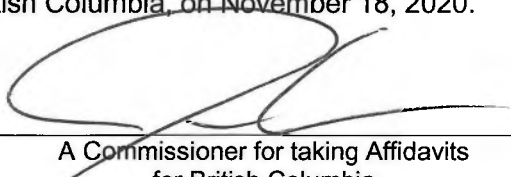
Item Description	Line Description	Unit Price	Unit	Amount
Gateway User Fee	Active Users: 48 - October	49	48	\$2,352.00
Gateway User Fee	Funded Loans: Tier 1 - 347 @\$24.00/loan - October	24	347	\$8,328.00
Gateway User Fee	Minimum Charge - October	2,320	1	\$2,320.00

<b>Total Tax:</b>		<b>\$1,281.60</b>
<b>Total Invoice Amount</b>	<b>CAD</b>	<b>\$14,281.60</b>

**EFT Instructions :**

Bank Name: Bank of America Merrill N.A Canada Branch  
Routing Number: 024156792  
Location: Toronto, ON  
Credit to the account of: Lendesk Technologies ULC - Operating  
Account Number: 55670203  
Financial Institution Code: 241  
Transit/Branch number: 56792

This is **Exhibit "B"** referred to in **Affidavit #4** of **Nathan Slee**, affirmed before me at Vancouver, British Columbia, on November 18, 2020.

A handwritten signature in black ink, consisting of a large, stylized initial 'N' followed by a surname that is partially obscured by a horizontal line.

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A Commissioner for taking Affidavits  
for British Columbia

## LENDESK TEAM ORIGINATOR ORDER FORM

This Order Form amends the previously executed Lendesk Team Originator Order Form and related Lendesk Subscription Agreement dated August 28, 2015 (the "**Existing Agreement**") between Creditloans Canada Financing Inc. (the "**Client**") and Lendesk Technologies Ltd. ("**Lendesk**").

All capitalized terms used but not defined in this Order Form shall have the meanings given to such terms in the Lendesk Subscription Agreement. The terms of this Order Form shall prevail to the extent of any inconsistency with any previously executed Order Form. Nothing in this Order Form shall be read as amending or modifying the Lendesk Subscription Agreement that formed part of the Existing Agreement.

### **TERM**

The term of this Order Form will have an effective commencement date of June 1, 2017 and will continue until June 1, 2020. After June 1, 2020, this Order Form and the Lendesk Subscription Agreement shall continue in force until the date that the obligations under this Order Form and the Lendesk Subscription Agreement have been terminated by either party.

### **TERMINATION**

The Client may terminate its obligations under this Order Form and the Lendesk Subscription Agreement by providing one hundred and eighty (180) days' written notice to Lendesk (the "**Termination Notice Period**"), provided that if the Termination Notice Period ends before the end of the Term, the Client shall pay an early termination fee equal to 50% of the Fee payable for the remainder of the Term. Any portion of the early termination fee that cannot be reasonably calculated in advance will be payable in arrears, in accordance with the Payment Terms of this agreement.

### **FEES**

Effective April 1, 2017, fees are payable on a "Per User" and "Per Funded Loan" basis, as follows:

#### *Per User*

- The Client shall pay Lendesk \$49.00/month for each active User, defined as a User who's account has not been suspended or disabled.
- The Per User Fee shall be calculated and invoiced at the end of each month by Lendesk.

#### *Per Funded Loan*

- The Client shall pay Lendesk a Per Funded Loan Fee equal to:
  - (a) \$24.00 per funded loan for the first 500 funded loans, \$18.50 per funded loan between 501 and 1,000 funded loans, and \$13.50 per funded loan thereafter, for funded loans entered by the Client in any given month; and

(b) \$65 per each funded loan sourced through the Lendesk Network (an upcoming feature on the Product).

For clarity, the number of funded loans in a given month used to calculate the Per Funded Loan Fee under the pay schedule in subsection (a) shall reset on the first day of each calendar month.

- No later than five (5) business days after the end of the month, the Client shall report to Lendesk the aggregate funded loans for the prior month. Upon receipt of this information, Lendesk will calculate the fees payable and issue an invoice to the Client. If the Client does not report on time, Lendesk will estimate the number aggregate funded loans for the purpose of preparing an invoice, and the estimate shall be accepted by all parties as valid until such time as the Client presents evidence otherwise.

Notwithstanding the foregoing, the Client shall pay a minimum of \$13,000 in aggregate Per User and Per Funded Loan fees in each month, regardless of how many Users use the Product in that month and/or how many funded loans the Client has made in that month.

Where fees have been paid under the previous Fee structure for the period since April 1, 2017, Lendesk will provide a credit on the next invoice such that the foregoing "Per User" and "Per Funded Loan" fees will take retroactive effect to April 1, 2017.

The foregoing Fees do not include fees for Professional Services.

## **PROFESSIONAL SERVICES**

Lendesk agrees to provide Professional Services (the "**Included Professional Services**") to the Client, without additional charge, to add the following features to the Product:

- Ability to generate and send signature requests via API
- Ability to prioritize applications by borrower availability by filtering the applications list by preferred call time
- Ability to make a note "sticky " to ensure that important information contained in notes is surfaced to the top of the list

Lendesk will dedicate 160 hours of Professional Services time at no additional charge, to add the following features to the Product:

- Automated e-mails to various stakeholders
- Display the last time a borrower was contacted in applications list
- Productivity dashboard enhancements



Any further hours or projects of Professional Services will be billed at a Lendesk's prevailing market rate.

Credit for the Included Professional Services is non-transferable and non-redeemable should this Order Form and/or the Lendesk Subscription Agreement be terminated prior to the delivery of the Included Professional Services.

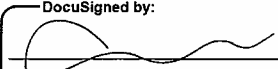
**PAYMENT TERMS**

Payment will be withdrawn by Lendesk by way of Pre-authorized Debit directly from the Client's bank account within fifteen (15) Business Days of delivery of an invoice.

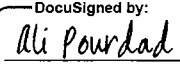
Late payments shall be charged daily interest at a rate equivalent to 2% per month compounded monthly (equivalent to 26.82% per year).

IN WITNESS WHEREOF Lendesk and the Client have executed this Order Form as of  
7/5/2017 \_\_\_\_\_, 2017.

**LENDESK TECHNOLOGIES LTD.**

Per:  \_\_\_\_\_  
Authorized Signatory

**CREDITLOANS CANADA FINANCING INC.**

Per:  \_\_\_\_\_  
Authorized Signatory