

THE SECURITIES ACT

Section 147.1(1)

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Order No. 7397

January 17, 2017

GuestLogix Inc.

WHEREAS:

- (A) The securities of GuestLogix Inc. (the "**Filer**") are subject to a cease trade order issued by the Director on April 21, 2016 (the "**Manitoba CTO**") pursuant to subsection 147.1(1) of The Securities Act, C.C.S.M. c.50 R.S.M. 1988, c. S50 (as amended) (the "**Act**"), directing that all trading in the securities of the Filer cease until further order by the Director;
- (B) Pursuant to sections 20(1) and 148(1) of the Act, the Manitoba CTO was partially revoked on September 16, 2016 solely to permit trades in securities of the Filer in connection with a restructuring transaction (the "**Transaction**") contemplated under a plan of compromise and arrangement (the "**Plan**") pursuant to the Companies' Creditors Arrangement Act (Canada) (the "**CCAA**");
- (C) The Filer has applied to the Manitoba Securities Commission (the "**Commission**") for an order pursuant to section 147.1(1) of the Act (the "**Application**") for a full revocation of the Manitoba CTO;
- (D) the Filer has represented to the Commission that:
1. The Filer was incorporated under the Business Corporations Act (Ontario) on August 1, 2007.
 2. The Filer's head office and registered office is located at 111 Peter Street, Suite 302. Toronto, Ontario M5V 2H1.
 3. The Filer is a reporting issuer in each of the Provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland and Labrador (collectively, the "**Reporting Jurisdictions**").
 4. In light of difficult financial circumstances, the Filer was unable to obtain additional financing to repay amounts owing on its loan obligations and there was no reasonable expectation that the Filer's financial condition would improve without a deleveraging of its capital structure. The Filer was, therefore, insolvent and determined that it was in the best interests of the Filer and its stakeholders to file for protection under the CCAA.
 5. On February 9, 2016, the Filer was granted protection from its creditors under the CCAA pursuant to an initial order (as amended and restated, the "**Initial Order**") granted by the Ontario Superior Court of Justice (Commercial List) (the "**Court**"). PricewaterhouseCoopers Inc. was appointed as CCAA monitor of the Filer pursuant to the Initial Order. All proceedings against the Filer were stayed pursuant to the Initial Order.

6. On March 18, 2016, the Filer's common shares and 7% extendible convertible unsecured subordinated debentures (the "**Convertible Debentures**") were delisted from trading on the Toronto Stock Exchange. As a result, no securities of the Filer are traded on a marketplace as defined in National Instrument 21-101 *Marketplace Operation*.
7. On June 30, 2016, the Filer entered into a transaction agreement (the "**Transaction Agreement**") with GXI Acquisition Corp. (the "**Sponsor**") providing for, inter alia, the acquisition of the Filer by the Sponsor through the subscription for 100% of the equity of the Filer in accordance with the terms and conditions of the Transaction Agreement under the Plan.
8. The Sponsor is at arms-length to the Filer. The Sponsor and its shareholders are not related parties of the Filer and its shareholders.
9. The Manitoba CTO was issued due to the failure of the Filer to file its audited annual financial statements and related management's discussion and analysis for the year ended December 31, 2015 (collectively, the "**Annual Filings**").
10. The Filer is not in default of any of its obligations as a reporting issuer, other than the obligation to file the Annual Filings which were required to be filed on March 31, 2016 and the obligation to file unaudited interim financial statements and related interim management's discussion and analysis for the interim periods ended March 31, 2016, June 30, 2016 and September 30, 2016 which were required to be filed on May 15, 2016, August 14, 2016 and November 14, 2016, respectively, all of which became due after the Filer filed for CCAA protection.
11. The Filer is also subject to a cease trade order (the "**Ontario Cease Trade Order**") dated April 5, 2016 from the Ontario Securities Commission (the "**OSC**") for failure to file its annual information form, audited annual financial statements, related management's discussion and analysis and certifications for the year ended December 31, 2015. The Filer has applied for and expects to be granted concurrently with this revocation order, full revocation of the Ontario Cease Trade Order. Other than the Manitoba CTO and the Ontario Cease Trade Order, the Filer is not subject to any other cease trade orders.
12. On September 16, 2016, the Filer received partial revocation orders (collectively, the "**Partial Revocation Orders**") from the Commission and the OSC, which issued the Ontario Cease Trade Order, to enable the Filer to undertake and complete the following trades, steps and actions in connection with the Plan and the Transaction:
 - (a) the subscription by the Sponsor for newly created common shares in the capital of the Filer (the "**New Common Shares**") for cash consideration and the issuance of the New Common Shares to the Sponsor in consideration of such payment under section 2.11(a) of National Instrument 45-106 *Prospectus Exemptions*;
 - (b) the consolidation of the issued and outstanding common shares (including the New Common Shares) on the basis of a consolidation ratio pursuant to the Plan and the cancellation of any fractional common shares immediately following the consolidation without any liability, payment or other compensation or any other right in respect thereof (the "**Common Share Consolidation**");

- (c) the compromise and extinguishment of all claims of the Filer's unsecured creditors, including holders of the Filer's Convertible Debentures, in exchange for a proportionate distribution of the remainder of the cash pool available under the Plan, calculated with reference to the amounts of their respective unsecured claims; and
 - (d) the cancellation of all other securities of the Filer, other than the New Common Shares remaining after the Common Share Consolidation, for no consideration and without any vote or approval by the holders of such equity securities.
13. The Filer has satisfied every condition of the Partial Revocation Orders.
 14. On August 3, 2016, the Court granted a Meeting order, inter alia, accepting the Plan for filing and scheduling a meeting of the unsecured creditors of the Filer to consider and vote on the Plan (the "**Meeting**").
 15. On September 2, 2016, the Meeting was held and the unsecured creditors voted unanimously in favour of the Plan. The Filer obtained an order of the Court sanctioning and approving the Plan on September 12, 2016 (the "**Sanction Order**").
 16. The closing of the Transaction contemplated by the Plan has taken place in accordance with the Sanction Order and, effective September 21, 2016, the Filer became a wholly-owned subsidiary of the Sponsor and the only outstanding securities of the Filer are held by the Sponsor. The Filer has no other outstanding securities (including debt securities).
 17. As a result of the completion of the Transaction, the Filer has fewer than 15 security holders in each of the jurisdictions in Canada and fewer than 51 security holders in total worldwide.
 18. The Filer has applied for and expects to be granted concurrently with this full revocation order, a decision that the Filer has ceased to be a reporting issuer in each of the Reporting Jurisdictions. If that decision is granted, the Filer will not be a reporting issuer in any jurisdiction in Canada.
 19. The Sponsor has consented to the Filer making this Application.
- (E) The Commission is of the opinion that it would not be prejudicial to the public interest to grant the order requested.

IT IS ORDERED:

THAT, pursuant to subsection 147.1(1) of the Act, the Manitoba CTO is fully revoked as of the date on which the Filer ceases to be a reporting issuer under the Act.

Deputy Director, Corporate Finance