

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST
(IN BANKRUPTCY AND INSOLVENCY)**

**IN THE MATTER OF THE *BANKRUPTCY AND INSOLVENCY ACT*,
R.S.C. 1985, c. B-3, AS AMENDED**

**AND IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A
PROPOSAL OF VERSACOUNTS LIMITED, OF THE CITY OF
OTTAWA, IN THE PROVINCE OF ONTARIO**

**RESPONDING MOTION RECORD OF SUNIL PANDE
AND RICHARD ZHOU (returnable January 30, 2019)**

January 29, 2019

LAX O'SULLIVAN LISUS GOTTLIEB LLP
Counsel
Suite 2750, 145 King Street West
Toronto ON M5H 1J8

Rahool P. Agarwal LSO#: 54528I
ragarwal@lolg.ca
Tel: 416 645 1787

Lars Brusven LSO#:66029G
lbrusven@lolg.ca
Tel: 416 645 5076
Fax: 416 598 3730

Lawyers for the Sunil Pande and Richard Zhou

SERVICE LIST

TO: **DLA PIPER (CANADA) LLP**
1 First Canadian Place, Suite 6000
100 King Street West
Toronto ON M5X 1E2

Edmond F. B. Lamek (LSO #33338U)
edmon.lamек@dlapiper.com
Tel: 416 365 4444
Fax: 416 369 7945

Danny M. Nunes (LSO #53802D)
danny.nunes@dlapiper.com
Tel: 416 365 3421
Fax: 416 369 7945

Lawyers fir VersAccounts Limited

AND TO: **A FARBER & PARTNERS INC.**
150 York Street, Suite 1500
Toronto, ON M5H 3S5

Hylton Levy
hlevy@farbergroup.com
Tel: 416 496 3070

Robyn White
rwhite@farbergroup.com
Tel: 647 796 6030

Noah Litwack
nlitwack@farbergroup.com
Tel: 416 649 3719

Proposal Trustee

AND TO: **DENTONS CANADA LLP**
77 King Street West, Suite 400
Toronto, ON M5K 0A1

Sara Van Allen
sara.vanallen@dentons.com
Tel: 416 863 4402

Lawyers for A. Farber & Partners Inc., in its capacity as Proposal Trustee

AND TO: **OSLER, HOSKIN & HARCOURT LLP**
100 King Street West, Suite 6200
1 First Canadian Place
Toronto ON M5X 1B8

Michael Shakra
mshakra@osler.com
Tel: 416 862.6643

Lawyers for Seattle Atlantic, Inc.

AND TO: **MINISTRY OF FINANCE**
77 Bay Street, 11th Floor
Toronto, ON MSG 2C8

Kevin O'Hara
Kevin.Ohara@ontario.ca
Tel: 416.327 8463

AND TO: **CANADA REVENUE AGENCY**
c/o Department of Justice Canada
Ontario Regional Office - Tax Law Section
130 King Street West, Suite 3400

Diane Winters
diane.winters@iustice.gc.ca
Tel: 416.973 3172

AND TO: **Kevin Riegelsberger**
200 W. Highland Drive, Unit 201
Seattle, WA 98119

kevin.riegelsberger@yahoo.com

AND TO: **Matthew Dougherty**
31 Deerfield Drive
Malvern, PA 19355

matthew_dougherty@comcast.com

AND TO: **Michael Riegelsberger**
22840 Willard Avenue
Lake Forest, CA 92630

mriegs@yahoo.com

AND TO: **Raymond Bigley**
4737 153 Avenue SE
Bellevue, WA 98006

rbigley91@gmail.com

AND TO: **Balthasar Wyss**
8531 SE 80th Street
Mercer Island, WA 98040

balthasarwyss@gmail.com

AND TO: **Webb Stevens**
116 E Edgar Street
Seattle, WA 98102

webbstevens@gmail.com

AND TO: **Rohit Thukral**
1030 NW 12th Avenue, A530
Portland, OR 97209

thuky@thuky.com

AND TO: **Timothy Duffy**
P.O. Box 10096
Bainbridge Island, WA 98110

tduffy@winslowbi.com

AND TO: **Tommy Pacholke**
47242 SE 13ih Street
North Bend, WA 98045

tpacholke@gmail.com

AND TO: **Pascal Van Dooren**
815 1st A venue, #212
Seattle, WA 98104

pascalvandooren@hotmail.com

AND TO: **Ryan Buma**
18015 15th Avenue NW
Shoreline, WA 98177

ryan.buma@comcast.net

AND TO: **Mitchell Stewart**
20 Willing Way
Malvern, PA 19355

mitchellstewart@gmail.com

AND TO: **The Jon Staenberg Trust**
2121 Terry Avenue, A1403
Seattle, WA 98121

ion(@staenberg.com

AND TO: **Michael Espenshade**
Pensco Trust Company LLC
P.O. Box 173859
Denver, CO 80217

assetmaintenance@pensco.com

AND TO: **Stephen Ferrante**
610 Industry Drive
Seattle, WA 98188

sferrante@emsposinc.com

AND TO: **Joseph Davy**
2820 W Lynn Street
Seattle, WA 98199

jp@davy.io

AND TO: **Nariman Ghandhi**
13 Eastern Road
London, UK N29LD

narighandhi@gmail.com

INDEX

INDEX

Tab	Description	Page No.
1.	Affidavit of Sunil Pande, sworn January 29, 2019	1 – 18
A.	Exhibit “A” – Certificate of Incorporation, dated April 4, 2008	19 – 26
B.	Exhibit “B” – Certificate of Amendment of the Articles of Incorporation, dated June 14, 2013	27 – 32
C.	Exhibit “C” – By-Law No. 4, dated June 13, 2013	33 – 47
D.	Exhibit “D” – A Unanimous Shareholders’ Agreement, dated July 8, 2013	48 – 80
E.	Exhibit “E” – Signature pages of the Unanimous Shareholders’ Agreement	81 – 71
F.	Exhibit “F” – A Voting Trust Agreement and Continuing Power of Attorney, dated July 8, 2013	72 – 78
G.	Exhibit “G” – Signature pages of the Voting Trust Agreement and Continuing Power of Attorney, dated July 8, 2013	79 – 97
H.	Exhibit “H” – VersAccounts Update to Convertible Note Holders, dated January 22, 2019	98 – 126
I.	Exhibit “I” – VersAccounts Independent Contractor Agreement, dated September 11, 2018	127 – 136
J.	Exhibit “J” – Letter from Margaret Sims, ,dated September 24, 2018	137 – 146
K.	Exhibit “K” – Requisition of Meeting of Shareholders of VersAccounts Limited, dated November 28, 2018	147 – 154
L.	Exhibit “L” – Letter from Rahool Agarwal, ,dated November 28, 2018	155 – 157
M.	Exhibit “M” – Letter from Virginia Schweitzer, dated December 6, 2018	158 – 160

N.	Exhibit “N” – Email from Mr. Agarwal, dated December 6, 2018	161 – 163
O.	Exhibit “O” – Email exchange between Mr. Agarwal and Robyn White, dated December 6, 2018	164 – 166
P.	Exhibit “P” – Notice of Special Meeting Shareholders’ Meeting, dated December 17, 2018	167 – 171
Q.	Exhibit “Q” – Letter from Mr. Agarwal, dated December 19, 2018	172 – 174
R.	Exhibit “R” – Email Billy Marshall and Sunil Pande and Mr. Pande to other Board Directors, dated December 21, 2018	175 – 178
S.	Exhibit “S” – Email exchange between Mr. Pande and Mark Richardson, dated January 15-22, 2019	179 – 186
T.	Exhibit “T” – Email from Mr. Riegelsberger, dated January 23, 2019	187 – 194

Tab 1

Court File No. 33-2466100
Estate File No. 33-2466100

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCAIL LIST)
(IN BANKRUPTCY AND INSOLVENCY)

IN THE MATTER OF THE *BANKRUPTCY AND INSOLVENCY ACT*,
R.S.C. 1985, c. B-3, AS AMENDED

AND IN THE MATER OF THE NOTICE OF INTENTION TO MAKE A
PROPOSAL OF VERSACCOUNTS LIMITED, OF THE CITY OF
OTTAWA, IN THE PROVINCE OF ONTARIO

AFFIDAVIT OF SUNIL PANDE
(SWORN JANUARY 29, 2019)

I, Sunil Pande, of the City of Portland, in the State of Oregon, in the United States of America, MAKE OATH AND SAY:

1. I am a shareholder, Director, CEO, and co-founder of VersAccounts Limited (the “Company”). I have been a Director and have held the position of President and CEO since June 2013. As such, I have knowledge of the matters deposed to in this affidavit. Where the information set out in this affidavit is based upon information that I have received from others, I have stated the source of that information and believe it to be true.

2. I have over 25 years of experience working in the field of cloud-based supply chain and distribution channel management solutions. I began my career at Intel, where I spent 10 years in a variety of roles. After Intel, I was Founder and Chief Technology Officer of Entomo, a leading supplier of cloud-based supply chain and distribution channel management solutions for Fortune

1000 companies. After Entomo, I joined the Executive Team of Sage Software (“Sage”), one of the world’s largest suppliers of enterprise resource planning (“ERP”) software. I was with Sage until I joined VersAccounts in 2013.

3. I have reviewed the Company’s Motion Record for the motion returnable January 30, 2019, including specifically the Affidavit of James Welch sworn January 24, 2019 (the “Welch Affidavit”). I have also reviewed the First Report of the Trustee (the “First Report”). I, along with Yi Feng (Richard) Zhou, will be requesting that the Company’s motion be adjourned as it relates to the approval of the proposed “stalking horse” sales process (the “Sales Process”). I swear this affidavit in support of that request.

Background

4. The Company carries on business in the ERP industry. Its customers include small to medium sized businesses looking for cloud-based ERP solutions to address e-commerce, distribution, multi-channel retail, manufacturing, cost-centre accounting and/or multi-entity accounting needs.

5. The Company provides customers with monthly, annual or four-year pricing packages to utilize its software, and the Company’s cash flow is derived from existing customer payments and renewals, in addition to any new sales. Customers pay an average yearly fee of US\$10,000 to use the Company’s software. Contrary to paragraph 8 of the Welch Affidavit, as at today’s date the Company has 43 customers and annual revenues of approximately US\$636,000 in 2018, up from US\$370,000 in 2017.

6. The Company was initially founded in 2008 and was subsequently reincorporated and recapitalized in 2013. Starting in 2013, Richard Zhou (Chief Technology Officer and Head of

Engineering and Operations) and I were responsible for the day-to-day management of the Company.

7. At the time of the Company's reincorporation, the Company's Board of Directors (the "Board") included James Welch and myself. Kevin Riegelsberger joined the Board in May 2017 as Chair, and Mark Richardson subsequently became a Director in November 2018. I refer to Messrs. Welch, Riegelsberger and Richardson, collectively, as the "Other Directors".

8. The First Report states at paragraph 8 that the Company does not employ staff and that all work is done by subcontractors overseen by James Welch. That statement is wrong. James Welch does not oversee the Company's operation, and he plays no role in managing the Company's subcontractors.

9. When the Company was recapitalized in 2013, there were 7,270,000 common shares issued and outstanding, held by the following individuals:

Shareholder	Common Shares Held
Gary Allen Boddington	100,000
Bradford James Christakos	500,000
Horong-Hsun Liao	300,000
Motasim Najeeb	100,000
Sunil Pande	1,500,000
Steven Read	170,000
John Schoutsen	100,000
James Warren Welch	3,000,000
Yi Feng (Richard) Zhou	1,500,000

10. The capital structure of the Company remains the same today. Richard Zhou and I each hold 20.6% of the total issued and outstanding shares, for a total of 41.2%.

11. The Company is governed by the following documents/instruments:
- a) Certificate of Incorporation dated April 4, 2008, a copy of which is attached as Exhibit “A”;
 - b) Certificate of Amendment of the Articles of Incorporation dated June 14, 2013, a copy of which is attached as Exhibit “B”;
 - c) By-Law No. 4 (which repeals By-Law Nos 1, 2, and 3, and confirmed By-Law No. 4) dated June 13, 2013, a copy of which is attached as Exhibit “C”;
 - d) A Unanimous Shareholders’ Agreement, dated July 8, 2013 (the “USA”), a copy of which is attached as Exhibit “D”. A copy of the signature pages, signed in counterparts, is attached as Exhibit “E”;
 - e) A Voting Trust Agreement and Continuing Power of Attorney (the “Voting Trust”), being Schedule “A” to the USA, a copy of which is attached as Exhibit “F”. A copy of the signature pages, signed in counterparts, is attached as Exhibit “G”.

The USA and the Voting Trust Agreement

12. Article 3.1 of the USA provides that I am a Director, and Article 3.4 provides that I will be the President and CEO of the Company. Amendments to the USA require approval of not less than 66.67% approval of the shareholders. As such, any change to my position as Director, President or CEO requires an amendment to the USA supported by not less than 66.67% of shareholders.

13. Article 2.3.1 of the USA requires that every shareholder execute the Voting Trust Agreement.

14. Pursuant to the terms of the Voting Trust Agreement, each “grantor” (*i.e.*, shareholder) appoints me as “attorney and agent” with respect to their shares. My appointment is effective immediately for non-employees/consultants; for employee/consultants, my appointment is effective only after the shareholder ceases to hold their employee/consultant position.

15. As I stated above, Richard and I own 41.2% of the Company’s shares. The remaining shares are all subject to the Voting Trust and I have the power to vote those shares.

The Company’s current financial position

16. Paragraph 9 of the Welch Affidavit states that “over the course of the past two years, the Company’s financial performance has steadily declined”, and at paragraph 14 the Welch Affidavit characterizes the Company’s financial position as “dire” and suggests that the deposit from the proposed Sales Process is necessary to keep the Company liquid. I do not believe these statements accurately characterize the Company’s financial position. While I agree that the Company has faced certain financial challenges very recently, in my view the Company had been on an upward trajectory over the past two years and could have been in a much better position financially if not for the recent actions of the Other Directors, as described in further detail below.

17. The Welch Affidavit omits reference to the most significant source of the Company’s revenue in 2018—our OEM/white-label royalty licensing deal with ServiceTrade Inc. (“ServiceTrade”), a supplier of cloud-based mobile business management software.

18. The deal with ServiceTrade was finalized on August 22, 2018, by Mr. Zhou and me. The deal provides minimum annual guarantees with respect to royalties that go up with sales, hosting fees, as well as engineering fees for any work that ServiceTrade may require. The minimum royalties to Company under the ServiceTrade agreement is US\$150,000 per year, plus 20% of any

sales made by ServiceTrade beyond US\$750,000 and 15% of sales made by ServiceTrade beyond US\$3,000,000.

19. The OEM/white label royalty licensing deal with ServiceTrade is the largest deal the Company has ever closed and currently accounts for over 25% of the Company's recurring revenue stream in 2018 as well as 14.15% of billings for the year. It is projected to provide a minimum of US\$150,000 in 2019, US\$150,000 in 2020, US\$180,000 in 2021, US\$270,000 in 2022, and US\$405,000 in 2023.

20. The OEM/white label royalty licensing agreement with ServiceTrade also provides a new low-cost way for our Company to aggressively expand the reach of its product into a new market that would be otherwise inaccessible to VersAccounts.

21. Beyond the OEM/white label royalty licensing deal with ServiceTrade, in 2018, the Company also closed a deal with Paragon Payment Solutions, a North American payment processor. Revenues from these new product offerings from the deal with Paragon Payment Solutions are expected to be substantial once adopted by the VersAccounts customer base. The first customer for the VersAccounts branded payment service is already online and the Company will begin marketing this service to its entire customer base imminently.

22. Based on these developments, and contrary to the statements made in the Welch Affidavit, I do not believe the Company is facing an immediate liquidity crisis.

23. For a young software company like VersAccounts, the fundraising process is continuous and remains ongoing after the first round of external funding. Between 2013 and April of 2017, the Company's founding team worked for sweat equity and also worked outside consulting jobs.

The first money raised by the Company was US\$510,000 in April 2017. In February 2018, another fundraising round followed which raised an additional US\$150,000.

24. As of July 2018, the Company's fundraising plan going forward was to raise US\$150,000 quarterly. To that end, myself and Mr. Zhou arranged a group of investors who were willing to invest US\$1,500,000 into the company over the course of the next few years.

25. An analysis of the Company's current financial position is set out in an update on the Company I provided to the holders of the Company's convertible notes (the "Notes") on January 22, 2019, which I have attached as Exhibit "H".

Events leading the Company's filing of a Notice of Intention

The July 2018 Board Meeting

26. At a Board meeting on July 12, 2018, Mr. Riegelsberger recommended that the company should deviate from its plan to raise US\$150,000 per quarter and instead raise US\$400,000 to US\$500,000 in Q3 2018. This recommendation was based on the fact that the Company had just closed the ServiceTrade deal and was ahead of its sales performance goals. Mr. Riegelsberger committed that he would raise most of the funding from new investors, and that myself and Mr. Zhou would raise the previously agreed US\$150,000 of Mr. Riegelsberger's recommended US\$500,000 round. Based on these considerations, Mr. Riegelsberger recommended that the Board extend maturity date of the Notes. The Board accepted all of Mr. Riegelsberger's recommendations at the meeting.

27. At the July 12, 2018 Board meeting, there was no discussion of selling the Company, nor were any concerns raised regarding insolvency.

28. However, once the funding documents had been prepared in accordance with Mr. Riegelsberger's recommendation and the Board's approval, Mr. Welch refused to sign them. Due to Mr. Welch's refusal to sign the fundraising documentation, the Company was not able to complete the funding round that it had planned by the end of August.

August 30, 2018 meeting with Mr. Riegelsberger

29. On August 30 2018, I met with Mr. Riegelsberger. Mr. Riegelsberger advised me that Mr. Welch would sign the necessary fundraising documents, but only on the following conditions:

- a) all employees would agree to forego payment of our accrued salaries; and
- b) I would consent to amend the USA to allow for my removal as President and CEO by way of a resolution of the Board.

30. Mr. Riegelsberger also told me that if I did not agree to Mr. Welch's conditions, an alternative was to sell the Company to Mr. Joe Davy. Mr. Riegelsberger stated that Mr. Davy would expect to acquire the shares at an appropriately low price as the company was now distressed.

31. Mr. Davy holds a Note in the amount of CAD\$14,291.33 —the smallest of all of the Notes issued by the Company. I also understand that Mr. Davy is a friend of Mr. Riegelsberger's, and that Mr. Davy is the Principal of Seattle Atlantic Inc. ("SAI"), the proposed "stalking horse" purchaser.

32. The proposal by Mr. Riegelsberger to sell the Company was a surprise to me since it was the first time that selling the company was proposed as a viable path forward.

33. I told Mr. Riegelsberger that I was not willing to agree to the conditions he proposed for Mr. Welch signing the funding resolution documents, and that I was not willing to agree to a sale of the Company as he proposed. The meeting ended with Mr. Riegelsberger stating that he wanted to hold meetings with Mr. Zhou and Mr. Munk as well as other existing and potential Note holders and get their input on how best to move forward, and suggested another meeting with me the following week. I was told by Mr. Zhou and Mr. Munk that they each met with Mr. Riegelsberger, and that Mr. Riegelsberger's main focus was for me to allow the changes in the USA. The proposed follow up meeting between me and Mr. Riegelsberger never occurred.

The September 10, 2018 Board meeting

34. On September 7, 2018, I received an e-mail from Mr. Riegelsberger requesting a Board meeting on September 10, 2018 to discuss fundraising efforts, including the question of whether to investigate a sale of the Company.

35. I responded to Mr. Riegelsberger on September 8, 2018 that I would be unable to attend the proposed Board meeting. I also took the opportunity to reiterate my frustration with the delay in the fundraising plan, as the lack of funds was beginning to impair the operation of the business.

36. Early on September 10, 2018, Mr. Riegelsberger asked if I could attend a Board meeting in the next few days, and I responded that I could attend but would not be in a position to speak to the topics raised by Mr. Riegelsberger, including sale of the Company. Mr. Riegelsberger then advised me that he would proceed with the Board meeting later that day and would like me to attend.

37. At the September 10, 2018 meeting, without any prior notice, and based on my refusal to agree to an amendment to the USA, Mr. Riegelsberger made a motion to terminate my employment

as CEO, along with the employment of Mr. Richard Zhou as Chief Technology Officer and Head of Engineering and Operations. In response, I reminded Mr. Riegelsberger that a change to my position as CEO requires an amendment to the USA, which requires shareholder approval.

38. During the meeting, Mr. Welch suggested that after Mr. Zhou's termination, Mr. Zhou's shares would become subject to the Voting Trust and, as a result, the majority Board members could pass resolutions directing me that the shares subject to the Voting Trust be voted to amend the USA. It appeared that Mr. Welch believed that the Board could direct how the shares in the Voting Trust should be voted. My position is that the Board does not have the power to direct my control of the Voting Trust.

39. Immediately upon the passage of the Board resolution terminating Mr. Zhou, I retained his services as an independent contractor to the Company, as Mr. Zhou's expertise was crucial to allow for the ongoing day-to-day management of the Company. Mr. Zhou's independent contractor agreement, dated September 11, 2018, is attached as Exhibit "I".

40. The Company's legal counsel, Virginia Schweitzer of Fasken LLP, was present at the meeting. During the meeting, she commented on the USA, the Voting Trust and the purported terminations of Mr. Zhou and me. Based on Ms. Schweitzer's comments, it appeared to me that she was aware in advance of the plan to effect the terminations. However, despite the fact that I am a Director, I was not part of any conversation or discussions with Ms. Schweitzer in advance of the meeting, and had no knowledge of any advice, written or verbal, given by Ms. Schweitzer. Nor did I receive a copy of any legal advice to the Company about the terminations or anything else.

41. Following the September 2018 Board meeting, Mr. Zhou and I retained counsel, Margaret Sims of Miller Thomson LLP. On September 24, 2018, Ms. Sims wrote to the majority Board members setting out our position. A copy of Ms. Sims' letter is attached as Exhibit "J".

42. Over the next few weeks, Ms. Sims and Fasken discussed a possible resolution of our concerns. However, we were unable to agree on a deal.

The November 5, 2018 Board meeting

43. The Board held a meeting on November 5, 2018. At the meeting:

- a) I requested disclosure of documents relating to advice provided to the Board by Company counsel. Specifically, I requested copies of the Board Minutes from the July 12th and September 10th meetings, copies of the Company financials referenced by the Other Directors, as well as our Company legal counsel's statement of account. As of today's date, I have not been provided with Ms. Schweitzer's statement of account or the copies of the Company financial records referenced by the Other Directors during the meeting;
- b) The majority Board members voted to increase the number of directors to four, and nominated as Director Mark Richardson, who I understand to be a friend of Mr. Riegelsberger's. I voted against this resolution;
- c) The Board resolved to engage the services of A. Farber & Partners Ltd. ("Farber"), and that James Welch was the only representative of the Corporation authorized to consult with Farber in respect of Farber's consultation services. I note, however, that it was specifically agreed by the Board that it would reconvene at a later date

to review any recommendation by the Trustee before any further action was taken. Notwithstanding this agreement, I was provided with no further information regarding the Trustee, the Trustee's recommendation, or proposed steps in furtherance of a notice of intention prior to being served with the Company's motion materials on January 24, 2019.

Requisition for Shareholders' Meeting and Potential Conflict of Interest of Company Counsel

44. On November 28, 2018, Mr. Zhou and I requisitioned a shareholders' meeting for the purpose of considering resolutions to amend certain provisions of the USA and to replace the Board with a new slate of Directors (the "Requisition"). A copy of the Requisition is attached as Exhibit "K".

45. Also on November 28, 2018, our new counsel, Mr. Rahool Agarwal, sent the Requisition to Fasken and the Company's US counsel, along with a covering letter, which is attached as Exhibit "L".

46. In his letter, Mr. Agarwal, among other things, identified a potential conflict of interest for Company counsel, Fasken. Mr. Agarwal set out his concern that Ms. Schweitzer had given advice to the Other Directors in the absence of myself, and that the advice was given to advance the personal interests of Mr. Welch and Mr. Riegelsberger, rather than being on behalf of the Company.

47. By letter dated December 6, 2018, Ms. Schweitzer responded to Mr. Agarwal's letter. She stated, among other things, that Fasken has represented only the Company since they were retained. Further she advised that, at different times, she has been instructed as counsel to the Company by members of the management team and at other times by a majority of the directors

sitting on the Board, acting on behalf of the corporation. A copy of Ms. Schweitzer's response letter is attached as Exhibit "M".

48. On December 6, 2018, Mr. Agarwal responded by email to Ms. Schweitzer. He requested full disclosure of all advice sought and provided to the majority Board members regarding the attempt to terminate me and Mr. Zhou. Mr. Agarwal advised that if Ms. Schweitzer provided any such legal advice to the Other Directors personally, Fasken would be in a conflict of interest to the extent it continued to act as Company counsel. A copy of Mr. Agarwal's December 6, 2018 correspondence is attached hereto as Exhibit "N".

49. Also on December 6, 2018, Mr. Agarwal wrote to Robyn White of Farber Group, to request that no steps be taken in respect of any insolvency filing before the Company's governance issues are resolved at the upcoming shareholders' meeting. The correspondence to Ms. White also noted that, despite my position as Director, I had been provided with no disclosure regarding Farber Group's retainer or instructions regarding a possible insolvency filing. In response, Ms. White advised that further correspondence should be directed to the Company counsel, Ms. Schweitzer. A copy of this exchange is attached hereto as Exhibit "O".

The December 2018 Board Meeting

50. On December 14, 2018, the Board held a meeting. I attended with my counsel Mr. Agarwal.

At the meeting:

- a) the Board, in response to the Requisition, resolved to fix a shareholders' meeting for February 9, 2019;
- b) Mr. Agarwal and I made several requests for the disclosure of information and correspondence between the Company's counsel and the Other Directors, and

between the Company's Trustee and other Board members, in light of my position as a Director. Neither the Other Directors nor Company counsel agreed to provide the requested disclosure;

- c) the Board made revisions to the minutes of meetings from July 12, 2018, September 10, 2018, and November 5, 2018 and approved the minutes. I voted against the resolutions approving the minutes, as I believed they were inaccurate;
- d) Mr. Agarwal also requested advance notice in the event that the Other Directors' intended to file a notice of intention to file a proposal. The Other Directors did not agree to the request. Mr. Riegelsberger advised only that such proceedings were "imminent".

51. To date, the Minutes from the December 14, 2018 Board meeting have not been circulated.

52. I also note that Ms. Schweitzer was in attendance at the meeting. It was again apparent to me that she had discussions with other members of the Board prior to the meeting. I was not privy to those discussions, nor was I apprised of any advice she provided to the Other Directors.

53. The Company gave notice of the shareholders' meeting scheduled for February 9, 2019 by Notice of Special Meeting Shareholders' Meeting, a copy of which is attached as Exhibit "P".

54. On December 19, 2018, Mr. Agarwal wrote to Ms. Schweitzer to address issues arising out of the December 14, 2018 Board meeting relating to the failure to make material disclosure and Fasken's discharge of its role as Company counsel. A copy of Mr. Agarwal's letter is attached as Exhibit "Q".

Proposed new deal with ServiceTrade

55. On December 21, 2018, I received correspondence from Billy Marshall of ServiceTrade, regarding ServiceTrade's interest in replacing the existing OEM/white label royalty licensing deal between VersAccounts and ServiceTrade with a new deal involving the purchase of the entire VersAccounts business. I immediately notified the Other Directors of the possible acquisition by ServiceTrade. A copy of Mr. Marshall's correspondence to me, and my correspondence to the other Board members is attached as Exhibit "R".

56. The Board agreed to hold a short meeting on January 4, 2019. We discussed the ServiceTrade proposal, and the Board at which time it was agreed that myself and Mark Richardson would pursue negotiations with ServiceTrade.

57. On January 10, 2019, Mr. Richardson and I met with Mr. Marshall. He advised that rather than a full acquisition, ServiceTrade was interested in an unlimited licencing arrangement for VersAccount's technology over a 1-2 year period.

58. Such licencing arrangements would have the potential to create up front capital for the Company in the range of US\$2.5M, with recurring US\$15,000 monthly payments for the subsequent 1 to 2 years. Mr. Richardson and I agreed to work together with the goal of having a proposal in place for the ServiceTrade Board to consider at their January 23, 2019 meeting.

59. Despite this agreement with Mr. Richardson, my attempts to develop a proposal for ServiceTrade were unsuccessful. A copy of my email exchanges with Mr. Richardson, from January 15 to 22, 2019, regarding the proposal is attached as Exhibit "S".

Filing of Notice of Intention and motion to approve “stalking horse” sales process

60. On January 23, 2019, just one day after Mr. Richardson and I had last exchanged emails about the ongoing discussions with ServiceTrade, Mr. Riegelsberger advised me by email that (a) the Company had filed a notice of intention to make a proposal, and (b) the Company would be applying to Court for approval of a “stalking horse” sales process. A copy of Mr. Riegelsberger’s email is attached as Exhibit “T”.

61. On January 24, 2019, I was served with the Company’s Motion Record for its motion returnable January 30, 2019. I received Trustee’s First Report on January 25, 2019 by e-mail.

62. Although I was engaged in ongoing discussions with the Other Directors through to January 15, 2019 regarding the ServiceTrade proposal, I was given no notice or information regarding the work of the Trustee or the Company’s proposed Sales Process. Given that the date of the Trustee’s First Report regarding the proposed Sales Process followed three days after the Company’s Certificate of Filing, I suspect that the Other Directors and the Company lawyers were engaged with the Trustee and SAI throughout the month of January to negotiate the proposed acquisition and Sales Process.

63. Having reviewed the materials in support of the Company’s Motion and supporting materials, I have a number of concerns regarding the timing and substance of the proposed Sale Process and bid procedures.

64. I make the following observations about the proposed bid procedure:

- a) the proposed “stalking horse” purchase price is US\$250,000;

- b) SAI is entitled to a “break fee” of US\$25,000 and expense reimbursement not to exceed US\$25,000 if the another bidder is successful in acquiring the Company;
- c) bidders must bid in increments of US\$25,000; and
- d) as a result of the break fee, the expense reimbursement fee and the minimum bid increment, any competitive bid must be at least US\$325,000, or 30% higher than “stalking horse” purchase price;

65. I also note that the SAI Asset Purchase Agreement gives SAI an entitlement to 50% of the proceeds of any deal with ServiceTrade, if such a deal is concluded within 120 days of the execution of the Asset Purchase Agreement.

66. I am concerned that these terms are anticompetitive, and that the bid procedures will discourage other bids for the Company.

67. I am also concerned with the selection of SAI. As the Other Directors have refused my ongoing requests for communications with the Proposal Trustee, I have been unable to determine how Mr. Davy’s company was chosen as the stalking horse bidder.

68. I am also concerned that the proposed Sales Process was developed without the input from any Company creditors and consideration of whether alternative proposals to creditors might be preferable. For example, on January 22, 2019, I e-mailed the Note holders to canvass options with respect to the upcoming maturity of the Notes. I have since received verbal confirmation from Note holders holding Notes in the aggregate value of US\$250,000 that they are in agreement with an extension of the maturity date.

February 9, 2019 Shareholders' Meeting


69. A meeting of the Company's shareholders has been set for February 9, 2019. As detailed in the Requisition, the February 9th meeting will address the contested governance of the Company, including the composition of the Board. The meeting will also address the ongoing lack of disclosure of communications between members of the Board and the Company's legal counsel, and Proposal Trustee.

70. There is a real prospect that the newly constituted Board will opt to withdraw the Sales Process outlined in Mr. Welch's affidavit and, instead, pursue an alternative proposal. As such, I believe it is premature to seek court approval of the proposed Sales Process. If an extension of a deadline to April 8, 2019 to file a proposal with the Official Receiver is granted, the Company will have sufficient time to present a fair and transparent proposal to creditors, once the contested governance issues have been resolved.

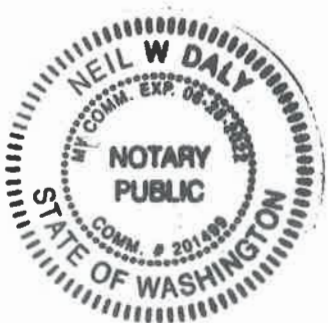
SWORN BEFORE ME at the
City of Vancouver, in the State of
WA on January 29, 2019



Commissioner for Taking Affidavits
(or as may be)

} 

SUNIL PANDE



THIS IS **EXHIBIT "A"** REFERRED TO IN THE
AFFIDAVIT OF **SUNIL PANDE**
SWORN BEFORE ME THIS 29th DAY
OF JANUARY, 2019


A Commissioner for Taking Affidavits





Industry Canada

Industrie Canada

**Certificate
of Incorporation**

**Canada Business
Corporations Act**

**Certificat
de constitution**

**Loi canadienne sur
les sociétés par actions**

VersAccounts Limited

695186-4

Name of corporation-Dénomination de la société

Corporation number-Numéro de la société

I hereby certify that the above-named corporation, the articles of incorporation of which are attached, was incorporated under the *Canada Business Corporations Act*.

Je certifie que la société susmentionnée, dont les statuts constitutifs sont joints, a été constituée en société en vertu de la *Loi canadienne sur les sociétés par actions*.

Richard G. Shaw
Director - Directeur

April 4, 2008 / le 4 avril 2008

Date of Incorporation - Date de constitution

Canada



Industry Canada Industrie Canada

Canada Business Loi canadienne sur les
Corporations Act sociétés par actions

ELECTRONIC TRANSACTION
REPORT

RAPPORT DE LA TRANSACTION
ÉLECTRONIQUE

ARTICLES OF
INCORPORATION
(SECTION 6)

STATUTS CONSTITUTIFS
(ARTICLE 6)

Processing Type - Mode de Traitement: E-Commerce/Commerce-É

1. Name of Corporation - Dénomination de la société
VersAccounts Limited

2. The province or territory in Canada where the registered office is to be situated -
La province ou le territoire au Canada où se situera le siège social
ON

3. The classes and any maximum number of shares that the corporation is authorized to issue -
Catégories et le nombre maximal d'actions que la société est autorisée à émettre
The annexed schedule is incorporated in this form.
L'annexe ci-jointe fait partie intégrante de la présente formule.

4. Restrictions, if any, on share transfers - Restrictions sur le transfert des actions, s'il y a lieu
The annexed schedule is incorporated in this form.
L'annexe ci-jointe fait partie intégrante de la présente formule.

5. Number (or minimum and maximum number) of directors - Nombre (ou nombre minimal et maximal) d'administrateurs
Minimum: 1 Maximum: 11

6. Restrictions, if any, on business the corporation may carry on -
Limites imposées à l'activité commerciale de la société, s'il y a lieu
The annexed schedule is incorporated in this form.
L'annexe ci-jointe fait partie intégrante de la présente formule.

7. Other provisions, if any - Autres dispositions, s'il y a lieu
The annexed schedule is incorporated in this form.
L'annexe ci-jointe fait partie intégrante de la présente formule.

8. Incorporators - Fondateurs

Name(s) - Nom(s)

Address (including postal code) - Adresse (inclure le code postal)

Signature

INCRPDIRECT INC.

1250 RENE LEVESQUE OUEST, SUITE 2200,
MONTREAL, QUEBEC, CANADA, H3B 4W8

LISA VEILLON

Canada

Item 3 - Shares / Rubrique 3 - Actions**TWO CLASSES OF SHARES:**

The corporation is authorized to issue Class A and Class B shares with the following rights, privileges, restrictions and conditions:

1. Class A shares, without nominal or par value, the holders of which are entitled:

- a) to vote at all meetings of shareholders except meetings at which only holders of a specified class of shares are entitled to vote; and
- b) to receive the remaining property of the corporation upon dissolution.

2. Class B shares, which shall carry the right:

- a) to a dividend as fixed by the board of directors and
- b) upon the liquidation or winding-up of the corporation, to repayment of the amount paid for such share (plus any declared and unpaid dividends) in priority to the Class A shares, but they shall not confer a right to any further participation in profits or assets.

3. The holders of Class B shares shall not be entitled to vote at all meetings of shareholders except as otherwise specifically provided in the Canada Business Corporations Act.

Item 4 - Restrictions on Share Transfers / Rubrique 4 - Restrictions sur le transfert des actions**RESTRICTIONS ON SHARE TRANSFERS:**

The right to transfer shares of the Corporation shall be restricted in that no shareholder shall be entitled to transfer any share or shares of the Corporation without the approval of:

- a. the directors of the Corporation expressed by resolution passed by the votes cast by a majority of the directors of the Corporation at a meeting of the board of directors or signed by all of the directors of the Corporation; OR
- b. the shareholders of the Corporation expressed by resolution passed by the votes cast by a majority of the shareholders who voted in respect of the resolution or signed by all shareholders entitled to vote on that resolution.

Item 6 - Restrictions - Business / Rubrique 6 - Restrictions - activité commerciale

None

Item 7 - Other Provisions / Rubrique 7 - Autres dispositions

OTHER PROVISIONS:

- a. The number of shareholders in the Corporation, exclusive of employees and former employees who, while employed by the Corporation were, and following the termination of that employment, continue to be, shareholders of the Corporation, is limited to not more than fifty, two or more persons who are the joint registered holders of one or more shares being counted as one shareholder.
- b. Any invitation to the public to subscribe for securities of the Corporation is prohibited.
- c. If authorized by by-law which is duly made by the directors and confirmed by ordinary resolution of the shareholders, the directors of the Corporation may from time to time:
 - i. borrow money upon the credit of the Corporation;
 - ii. issue, reissue, sell or pledge debt obligations of the Corporation; and
 - iii. mortgage, hypothecate, pledge or otherwise create a security interest in all or any property of the Corporation, owned or subsequently acquired to secure any debt obligation of the Corporation.

Any such by-law may provide for the delegation of such powers by the directors to such officers or directors of the Corporation to such extent and in such manner as may be set out in the by-law.

Nothing herein limits or restricts the borrowing of money by the Corporation on bills of exchange or promissory notes made, drawn, accepted or endorsed by or on behalf of the Corporation.

- d. The directors may appoint one or more directors, who shall hold office for a term expiring not later than the close of the next annual general meeting of shareholders, but the total number of directors so appointed may not exceed one third of the number of directors elected at the previous annual general meeting of shareholders.

Information Regarding the Registered Office and the Board of Directors
Information concernant le siège social et le conseil d'administration

(To be filed with Articles of Incorporation, Amalgamation and Continuance)
(À être utilisé pour une nouvelle constitution en société par actions, une fusion ou une prorogation)

(Sections 19, 106 and 113(1) of the CBCA - articles 19 et 106 et paragraphe 113(1) de la LCSA)

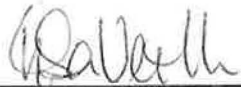
Processing Type - Mode de traitement: E-Commerce/Commerce-É

1	Corporation name - Dénomination sociale de la société VersAccounts Limited	Corporation No. - N° de la société 695186-4
---	---	--

2	Address of registered office (must be a street address): Adresse du siège social (doit être une adresse municipale):		
	Attention Of - À l'attention de		
	Number and Street Name - Numéro et nom de la rue 1798 Rosebella Avenue	City - Ville Ottawa	Postal Code - Code Postal K1T 1G5

3	Mailing address (if different from the registered office): Adresse postale (si elle est différente de l'adresse du siège social):		
	Attention Of - À l'attention de		
	Number and Street Name - Numéro et nom de la rue 1798 Rosebella Avenue	City - Ville Ottawa	Postal Code - Code Postal K1T 1G5

4	Members of the board of directors: Membres du conseil d'administration:		
	Name - Nom	Residential Address - Adresse domiciliaire	Canadian Resident (Y/N) Résident canadien (O/N)
	JAMES WARREN WELCH	1798 ROSEBELLA AVENUE, OTTAWA, ON, Canada, K1T 1G5	Y
	STEVEN READ	1092 SHEARER DRIVE, BROCKVILLE, ON, Canada, K6V 7K1	Y
	BRADFORD JAMES CHRISTAKOS	35 GLENWOOD AVE., TORONTO, ON, Canada, M6P 3C7	Y
	STUART ADAMS	81 ARMADALE AVENUE, TORONTO, ON, Canada, M6S 3W9	Y

5	Declaration - Déclaration: I hereby certify that I have relevant knowledge and that I am authorized to sign and submit this form. J'atteste par la présente que je possède une connaissance suffisante et que je suis autorisé à signer et à soumettre le présent formulaire.	
	Print Name - Nom en lettres moulées LISA VEILLON	
	Telephone number - Numéro de téléphone 514-935-8559	Signature

Note: Misrepresentation constitutes an offence and, on summary conviction, a person is liable to a fine not exceeding \$5000 or to imprisonment for a term not exceeding six months or both (subsection 250(1) of the CBCA).

Nota: Faire une fausse déclaration constitue une infraction et son auteur, sur déclaration de culpabilité par procédure sommaire, est passible d'une amende maximale de 5000 \$ ou d'un emprisonnement maximal de six mois, ou de ces deux peines (paragraphe 250(1) de la LCSA).

THIS IS **EXHIBIT "B"** REFERRED TO IN THE
AFFIDAVIT OF **SUNIL PANDE**
SWORN BEFORE ME THIS 29th DAY
OF JANUARY, 2019


A Commissioner for Taking Affidavits



Certificate of Amendment
Canada Business Corporations Act
Certificat de modification
Loi canadienne sur les sociétés par actions

 VersAccounts Limited

Corporate name / Dénomination sociale

 695186-4

Corporation number / Numéro de société

I HEREBY CERTIFY that the articles of the above-named corporation are amended under section 178 of the *Canada Business Corporations Act* as set out in the attached articles of amendment.

JE CERTIFIE que les statuts de la société susmentionnée sont modifiés aux termes de l'article 178 de la *Loi canadienne sur les sociétés par actions*, tel qu'il est indiqué dans les clauses modificatrices ci-jointes.



 Marcie Girouard

Director / Directeur

 2013-06-14

Date of Amendment (YYYY-MM-DD)

Date de modification (AAAA-MM-JJ)



Industry
Canada Industrie
Canada

Form 4
Articles of Amendment
Canada Business Corporations Act
(CBCA) (s. 27 or 177)

Formulaire 4
Clauses modificatrices
Loi canadienne sur les sociétés par
actions (LCSA) (art. 27 ou 177)

- | | |
|---|---|
| 1 | Corporate name
Dénomination sociale
VersAccounts Limited |
| 2 | Corporation number
Numéro de la société
695186-4 |
| 3 | The articles are amended as follows
Les statuts sont modifiés de la façon suivante |

The corporation amends the description of classes of shares as follows:
La description des catégories d'actions est modifiée comme suit :
See attached schedule / Voir l'annexe ci-jointe

The corporation amends the restrictions on share transfers as follows:
Les restrictions sur le transfert d'actions sont modifiées comme suit :
See attached schedule / Voir l'annexe ci-jointe

The corporation amends the restrictions on the business it may carry on as follows:
Les limites imposées aux activités commerciales sont modifiées comme suit :
None

The corporation amends the other provisions as follows:
Les autres dispositions sont modifiées comme suit :
See attached schedule / Voir l'annexe ci-jointe

- | | |
|---|---|
| 4 | Declaration: I certify that I am a director or an officer of the corporation.
Déclaration : J'atteste que je suis un administrateur ou un dirigeant de la société. |
|---|---|

Original signed by / Original signé par
James Warren Welch

James Warren Welch
647-428-3891

Misrepresentation constitutes an offence and, on summary conviction, a person is liable to a fine not exceeding \$5000 or to imprisonment for a term not exceeding six months or both (subsection 250 (1) of the CBCA).

Faire une fausse déclaration constitue une infraction et son auteur, sur déclaration de culpabilité par procédure sommaire, est passible d'une amende maximale de 5 000 \$ et d'un emprisonnement maximal de six mois, ou l'une de ces peines (paragraphe 250(1) de la LCSA).

You are providing information required by the CBCA. Note that both the CBCA and the Privacy Act allow this information to be disclosed to the public. It will be stored in personal information bank number IC/PPU-049.

Vous fournissez des renseignements exigés par la LCSA. Il est à noter que la LCSA et la Loi sur les renseignements personnels permettent que de tels renseignements soient divulgués au public. Ils seront stockés dans la banque de renseignements personnels numéro IC/PPU-049.

Canada

Schedule / Annexe**Description of Classes of Shares / Description des catégories d'actions**

The articles of the Corporation are amended as follows:

1. to create an unlimited number of one class of shares designated as Common Shares;
2. to change all of the issued and outstanding Class A shares of the Corporation on a one for 10,000 basis into Common Shares of the Corporation;
3. to cancel the classes of shares designated as Class A shares and Class B shares, no shares of which shall be issued and outstanding as a result of the change referred to in paragraph 2 above;
4. the Common Shares shall have the following rights, privileges, restrictions and conditions:

(a) **Payment of Dividends:** The holders of the Common Shares will be entitled to receive dividends if, as and when declared by the board of directors of the Corporation out of the assets of the Corporation properly applicable to the payment of dividends in such amounts and payable in such manner as the board of directors may from time to time determine. Subject to the rights of the holders of any other class of shares of the Corporation entitled to receive dividends in priority to or concurrently with the holders of the Common Shares, the board of directors may in its sole discretion declare dividends on the Common Shares to the exclusion of any other class of shares of the Corporation.

(b) **Participation upon Liquidation, Dissolution or Winding Up:** In the event of the liquidation, dissolution or winding up of the Corporation or other distribution of assets of the Corporation among its shareholders for the purpose of winding-up its affairs, the holders of the Common Shares will, subject to the rights of the holders of any other class of shares of the Corporation entitled to receive assets of the Corporation upon such a distribution in priority to or concurrently with the holders of the Common Shares, be entitled to participate in the distribution. Such distribution will be made in equal amounts per share on all the Common Shares at the time outstanding without preference or distinction.

(c) **Voting Rights:** The holders of the Common Shares will be entitled to receive notice of and to attend all annual and special meetings of the shareholders of the Corporation and to one vote in respect of each Common Share held at all such meetings.

Schedule / Annexe**Restrictions on Share Transfers / Restriction sur le transfert d'actions****Restrictions on Share Transfers**

No security of the Corporation, other than a non-convertible debt security, may be transferred without the consent of

- (a) the board of directors of the Corporation, expressed by a resolution duly passed at a meeting of directors;
- (b) a majority of directors of the Corporation, expressed by an instrument or instruments in writing signed by such directors;
- (c) the holders of the voting shares of the Corporation, expressed by a resolution passed at a meeting of the holders of the voting shares; or
- (d) the holders of the voting shares of the Corporation representing a majority of votes attached to all the voting shares, expressed by an instrument or instruments in writing signed by such holders.

Schedule / Annexe**Other Provisions / Autres dispositions**

The actual number of directors within the minimum and maximum number set out in paragraph 5 may be determined from time to time by resolution of the directors. Any vacancy among the directors resulting from an increase in the number of directors as so determined may be filled by resolution of the directors.

THIS IS **EXHIBIT "C"** REFERRED TO IN THE
AFFIDAVIT OF **SUNIL PANDE**
SWORN BEFORE ME THIS 29th DAY
OF JANUARY, 2019


A Commissioner for Taking Affidavits



BY-LAW NO. 4
A BY-LAW RELATING TO THE BUSINESS AND AFFAIRS OF
VERSACCOUNTS LIMITED

ARTICLE 1
INTERPRETATION

1.1 Definitions

In this by-law:

“Act” means the *Canada Business Corporations Act* RSC 1985, c. C-44 and the regulations enacted pursuant to it and any statute and regulations that may be substituted for them, in each case, as amended from time to time;

“articles” means the articles, as that term is defined in the Act, of the Corporation;

“auditor” means the auditor of the Corporation;

“board” means the board of directors of the Corporation;

“by-law” means a by-law of the Corporation;

“Corporation” means the corporation incorporated on April 4, 2008 under the name “VersAccounts Limited”;

“director” means a director of the Corporation;

“electronic document” means any form of representation of information or of concepts fixed in any medium in or by electronic, optical or other similar means and that can be read or perceived by a person or by any means;

“officer” has the meaning set forth in the Act but reference to any specific officer is to the individual holding that office of the Corporation;

“person” means an individual, body corporate, partnership, joint venture, trust, unincorporated organization, association, the Crown or any agency or instrumentality thereof, or any entity recognized by law;

“proxyholder” means a person holding a valid proxy for a shareholder;

“shareholder” means a shareholder of the Corporation; and

“voting person” means, in respect of a meeting of shareholders, a shareholder entitled to vote at that meeting, a duly authorized representative of a shareholder entitled to vote at the meeting or a proxyholder entitled to vote at that meeting.

Terms defined in the Act and used herein, unless otherwise defined herein or the context otherwise requires, shall have the same meaning herein as in the Act.

1.2 Number, Gender and Headings

In this by-law, unless the context otherwise requires, words in the singular include the plural and vice-versa and words in one gender include all genders. The insertion of headings in this by-law and its division into Articles, Sections and other subdivisions are for convenience of reference only, and shall not affect the interpretation of this by-law.

1.3 By-Law Subordinate to Other Documents

This by-law is subordinate to, and should be read in conjunction with, the Act, the articles and any unanimous shareholder agreement of the Corporation.

1.4 Computation of Time

The computation of time and any period of days shall be determined in accordance with the Act and the provisions of the *Interpretation Act* (Canada) and any statute that may be substituted for it, as amended from time to time.

ARTICLE 2 DIRECTORS

2.1 Notice of Meeting

Any director may call a meeting of the board by giving notice stating the time and place of the meeting to each of the directors. Except as otherwise required by the Act, such notice need not specify the purpose of or the business to be transacted at the meeting. Notices of board meetings shall be given in accordance with Section 7.1 no less than 48 hours before the time of the meeting, except that notices sent by mail shall be sent no less than 5 days before the day of the meeting.

The board may appoint, by resolution, dates, time and places for regular meetings of the board. A copy of any such resolution shall be given to each director forthwith after being passed, but no other notice is required for any such meeting except where the Act requires the purpose of or the business to be transacted at a meeting to be specified.

2.2 Meetings Without Notice

A meeting of the board may be held without notice immediately following the first or any annual meeting of shareholders.

2.3 Place of Meeting

A meeting of the board may be held at any place within or outside Canada.

2.4 Quorum for Board Meetings

If there are one or two directors, all of the directors constitute a quorum at a meeting of the board. If there are three, four or five directors, a majority of the directors constitute a quorum at a meeting of the board. Otherwise, such a quorum consists of the next whole number not less than 2/5ths of the number of board members. In this section, the “number of board members” is either:

- (a) if a fixed number of directors is provided for in the articles, that number; or
- (b) if a minimum and maximum number of directors is provided for in the articles, the total number of directors most recently elected by shareholders, whether at the last annual meeting or otherwise, plus, if applicable, the number of additional directors appointed by the board following such election in accordance with any right provided in the articles which allows such an appointment or appointments and until such an election has been held, the number of board members is the number of directors named in the notice of directors filed with the articles.

The board shall not transact business at a meeting of directors unless the minimum number of resident Canadian directors required by the Act are present.

2.5 Participation by Communications Facility

A director may, in accordance with the Act and if all directors consent, participate in a meeting of the board or of a committee of the board by means of a telephonic, electronic or other communication facility that permits all participants to communicate adequately with each other during the meeting. A director participating in such a meeting shall be deemed to be present at that meeting.

2.6 Chair of Board Meetings

The Chair of the board shall preside as chair of all meetings of directors. If there is no Chair of the board or if the Chair is not present or is unwilling to act as chair of a board meeting, then the President of the Corporation, if present, a director and willing to act, shall preside as chair of the meeting. In any other case, the directors present at the meeting shall choose a director to preside as chair of the meeting.

2.7 Votes at Board Meetings

Each director present at a meeting of the board shall have one vote on each motion arising. Motions arising at meetings of the board shall be decided by a majority vote. The chair of the meeting shall not have a second or casting vote.

2.8 Committees

Subject to the provisions of the Act and unless otherwise determined by the board, each committee of the board shall have power to fix its quorum at not less than the majority of its members, to elect its chair and to regulate its procedures.

2.9 Officers

Each officer shall hold office during the pleasure of the board. Any officer may, however, resign at any time by giving notice to the Corporation.

ARTICLE 3 MEETINGS OF SHAREHOLDERS

3.1 Notice of Shareholders' Meetings

The board may call a meeting of shareholders by causing notice of the time, place and, when required by the Act, purposes of the meeting to be given to each shareholder entitled to vote at the meeting, each director and the auditor. Such notice shall be given no less than 21 days and no more than 60 days before the meeting if the Corporation is a distributing corporation (as defined in the Act) or no less than 10 days and no more than 60 days before the meeting if the Corporation is not a distributing corporation.

3.2 Quorum at Meetings of Shareholders

A quorum at meetings of shareholders consists of one or more voting persons present and authorized to cast in the aggregate not less than 51% of the total number of votes attaching to all shares carrying the right to vote at that meeting.

3.3 Chair of Shareholder Meetings

The Chair of the board shall preside as chair of all meetings of shareholders. If there is no Chair of the board or the Chair of the board is not present or is unwilling to act as chair of a shareholder meeting, then the President of the Corporation shall preside as chair of the meeting if present and willing to act. In any other case, the voting persons present at the meeting shall choose an individual, who need not be a voting person, to preside as chair of the meeting.

The chair of any meeting of shareholders shall not have a second or casting vote.

3.4 Voting

Unless the chair of a meeting of shareholders directs a ballot or a voting person demands one, each motion shall be voted upon by a show of hands. Each voting person has one vote in a vote by show of hands. A ballot may be directed or demanded either before or after a vote by show of hands. If a ballot is taken, a prior vote by show of hands has no effect. A ballot so directed or demanded shall be taken in such manner as the chair of the meeting shall direct. If a ballot is taken, each voting person shall be entitled with respect to each share which he is entitled to vote at the meeting upon the motion, to one vote or such other number of votes as may be provided by the articles, and the result of the ballot so taken shall be the decision of the shareholders upon the said motion. Any vote at a meeting of shareholders may be taken in whole or in part by means of a telephonic, electronic or other communication facility that the Corporation has made available for that purpose.

3.5 Scrutineers

The chair of a meeting of shareholders may appoint for that meeting one or more scrutineers, who need not be voting persons.

3.6 Who May Attend Shareholders' Meeting

The only persons entitled to attend a meeting of shareholders are voting persons, the directors, the auditor and the President, if any, as well as others permitted by the chair of the meeting.

3.7 Participation By Communication Facility

Any person entitled to attend a meeting of shareholders may participate in the meeting in accordance with the Act by means of a telephonic, electronic or other communication facility made available by the Corporation that permits all participants to communicate adequately with each other during the meeting and a person participating in a meeting by such means is deemed to be present at the meeting. A meeting of the shareholders called by either the directors or the shareholders may be held entirely by means of such a telephonic, electronic or other communications facility if the directors or shareholders calling the meeting so determine.

ARTICLE 4 SECURITY CERTIFICATES, PAYMENTS

4.1 Certificates

Security certificates shall be in such form as the board may approve or the Corporation adopt. The President or the board may order the cancellation of any security certificate that has become defaced and the issuance of a replacement certificate for it when the defaced certificate is delivered to the Corporation or to a transfer agent or branch transfer agent of the Corporation.

4.2 Cheques

Any amount payable in cash to shareholders (including dividends payable in cash) may be paid by cheque drawn on any of the Corporation's bankers to the order of each registered holder of shares of the class or series in respect of which such amount is to be paid. Cheques may be sent by ordinary mail, postage prepaid, to each such registered holder at that holder's address as shown in the records of the Corporation, unless that holder otherwise directs in writing. The mailing of a cheque as aforesaid shall satisfy and discharge all liability for the applicable dividend or other payment to the extent of the sum represented by such cheque plus the amount of any tax which the Corporation is required to and does withhold, unless such cheque is not paid on due presentation.

4.3 Cheques to Joint Shareholders

Cheques payable to joint shareholders shall be made payable to the order of all such joint shareholders unless such joint shareholders direct otherwise. Such cheques may be

sent to the joint shareholders at the address appearing on the records of the Corporation in respect of that joint holding, to the first address so appearing if there is more than one, or to such other address as those joint shareholders direct in writing.

4.4 Non-Receipt of Cheques

The Corporation shall issue a replacement cheque in the same amount to any person who does not receive a cheque sent as provided in this by-law, if that person has satisfied the conditions regarding indemnity, evidence of non-receipt and title set by the board from time to time, either generally or for that particular case.

4.5 Currency of Dividends

Dividends or other distributions payable in cash may be paid to some shareholders in Canadian currency and to other shareholders in equivalent amounts of a currency or currencies other than Canadian currency. The board may declare dividends or other distributions in any currency or in alternative currencies and make such provisions as it deems advisable for the payment of such dividends or other distributions.

ARTICLE 5 SIGNATORIES, INFORMATION

5.1 Signatories

Except for documents executed in the usual and ordinary course of the Corporation's business, which may be signed by any officer or employee of the Corporation acting within the scope of his or her authority, the following are the only persons authorized to sign any document on behalf of the Corporation:

- (a) any individual appointed by resolution of the board to sign the specific document, that type of document or documents generally on behalf of the Corporation; or
- (b) any director or any officer appointed to office by the board.

Any document so signed may, but need not, have the corporate seal of the Corporation applied, if there is one.

5.2 Facsimile Signatures

The signature of any individual authorized to sign on behalf of the Corporation may, if specifically authorized by resolution of the board, be written, printed, stamped, engraved, lithographed or otherwise mechanically reproduced. Anything so signed shall be as valid as if it had been signed manually, even if that individual has ceased to hold office when anything so signed is issued or delivered, until revoked by resolution of the board.

5.3 Restriction on Information Disclosed

Except as required by the Act or authorized by the board, no shareholder is entitled by virtue of being a shareholder to disclosure of any information, document or records respecting the Corporation or its business.

ARTICLE 6 PROTECTION AND INDEMNITY

6.1 Transactions with the Corporation

No director or officer shall be disqualified by reason of being a director or officer of the Corporation from, or be required to vacate his position as a director or officer by reason of, holding any other office, employment or other position with or having any pecuniary interest in or with respect to the Corporation or any other body corporate or contracting with or being otherwise in any way directly or indirectly interested in or concerned with any contract, transaction or arrangement made or proposed to be made with the Corporation or being a director or officer or acting in a similar capacity of, or having any interest in, another party to such contract, transaction or arrangement. No such contract, transaction or arrangement shall be void or voidable for any such reason and no director or officer shall be liable to account to the Corporation or others for any profit arising from any such office, employment or other position or pecuniary interest or realized in respect of any such contract, transaction or arrangement except, in all cases, as otherwise provided in the Act.

6.2 Limitation of Liability

Every director and officer in exercising his powers and discharging his duties shall act honestly and in good faith with a view to the best interests of the Corporation and exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. Subject thereto, no director or officer shall be liable for:

- (a) the acts, receipts, neglects or defaults of any other person;
- (b) joining in any receipt or other act for conformity;
- (c) any loss, damage or expense to the Corporation arising from the insufficiency or deficiency of title to any property acquired by or on behalf of the Corporation;
- (d) the insufficiency or deficiency of any security in or upon which any monies of the Corporation are invested;
- (e) any loss, damage or expense arising from the bankruptcy, insolvency, act or omission of any person with whom any monies, securities or other property of the Corporation are lodged or deposited;
- (f) any loss, damage or expense occasioned by any error of judgment or oversight; or

- (g) any other loss, damage or expense related to the performance or non-performance of the duties of that individual's office.

6.3 Contracts on Behalf of the Corporation

Subject to the Act, any contract entered into, or action taken or omitted, by or on behalf of the Corporation shall, if duly approved by a resolution of the shareholders, be deemed for all purposes to have had the prior authorization of the shareholders.

6.4 Indemnity of Directors and Officers

Subject to the limitations contained in the Act, but without limiting the right of the Corporation to indemnify any individual under the Act or otherwise to the full extent permitted by law, the Corporation:

- (a) shall indemnify each director or officer or former director or officer and each other individual who acts or has acted at the Corporation's request as a director or officer, or in a similar capacity, of another person (and each such individual's respective heirs and personal representatives), against all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment, reasonably incurred in respect of any civil, criminal, administrative, investigative or other proceeding in which the individual is involved because of that association with the Corporation or other person, provided:
 - (i) the individual acted honestly and in good faith with a view to the best interests of the Corporation or, as the case may be, to the best interests of the other person for which the individual acted as a director or officer or in a similar capacity at the Corporation's request; and
 - (ii) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, the individual had reasonable grounds for believing that the individual's conduct was lawful; and
- (b) may advance monies to a director, officer or other individual for the costs, charges and expenses of a proceeding referred to in Section 6.4(a) in accordance with the Act.

Notwithstanding the foregoing, any such indemnity or advance of monies in respect of an action referred to in Section 6.4(a) by or on behalf of the Corporation or other person in respect of which an individual has acted as director or officer or in a similar capacity at the request of the Corporation to procure judgment in its favour shall be subject to approval of a court.

6.5 Indemnities Not Limiting

The provisions of this Article 6 shall be in addition to and not in substitution for or limitation of any rights, immunities and protections to which a person is otherwise entitled.

ARTICLE 7 NOTICES

7.1 Procedure for Giving Notices

Any notice (which term includes any communication or document) to be given pursuant to the Act, the articles, the by-laws or otherwise to a shareholder or other securityholder of the Corporation, director, officer or auditor shall be sufficiently given if delivered personally to the person to whom it is to be given or if delivered to the person's address as shown in the records of the Corporation or mailed to the person at such address by ordinary mail, postage prepaid, or, if the person consents, provided by electronic document in accordance with the Act. Notice shall not be sent by mail if there is any general interruption of postal services in the municipality in which or to which it is mailed. Any notice so delivered shall be deemed to have been received when it is delivered personally or at the address as aforesaid. Any such notice mailed or provided by electronic document as aforesaid shall be deemed to have been received at the time specified in the Act.

7.2 Notices to Successors in Title

Notice to a shareholder or other securityholder as aforesaid is sufficient notice to each successor in title to that shareholder or other securityholder until the name and address of that successor have been entered on the records of the Corporation.

7.3 Notice to Joint Securityholders

Notice to one joint securityholder is sufficient notice to all of them. Such notice shall be addressed to all such joint securityholders and sent to the address for them shown in the records of the Corporation, or to the first such address if there is more than one.

7.4 Facsimile Signatures on Notices

The signature on any notice or other communication or document to be given by the Corporation may be written, printed, stamped, engraved, lithographed or otherwise mechanically reproduced.

7.5 Omission of Notice Does Not Invalidate Actions

All actions taken at a meeting in respect of which a notice has been given shall be valid even if:

- (a) by accident, notice was not given to any person;
- (b) notice was not received by any person; or
- (c) there was an error in a notice that did not affect the substance of the notice.

7.6 Waiver of Notice

Any person entitled to notice under the Act, the articles or the by-laws may waive that notice. Waiver, either before or after the event referred to in the notice, shall cure any defect in giving that notice to such person.

**ARTICLE 8
REPEAL OF FORMER BY-LAWS****8.1 Former By-Laws May be Repealed**

The board may repeal one or more by-laws by passing a by-law that contains provisions to that effect.

8.2 Repeal of By-Laws

By-law Nos. 1, 2 and 3 of the Corporation are repealed.

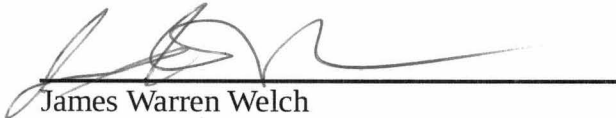
8.3 Effect of Repeal of By-Laws

The repeal of any by-law in whole or part shall not in any way affect the validity of any act done or right, privilege, obligation or liability acquired or incurred thereunder prior to such repeal. All directors, officers and other persons acting under any by-law repealed in whole or part shall continue to act as if elected or appointed under the provisions of this by-law.

RESOLVED that the foregoing By-law No. 4 is made a by-law of the Corporation and By-Law Nos. 1, 2 and 3 are repealed.

The undersigned, being all the directors of VersAccounts Limited, sign the foregoing resolution.

DATED as of June 13, 2013.


James Warren Welch

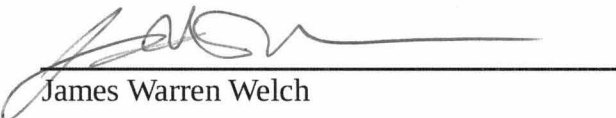
Steven Read

Bradford James Christakos

RESOLVED that the foregoing By-Law No. 4 is hereby confirmed.

The undersigned, being all the shareholders of VersAccounts sign the foregoing resolution.

DATED as of June 13, 2013.


James Warren Welch

Steven Read

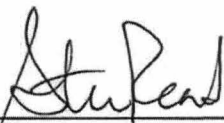
Bradford James Christakos

RESOLVED that the foregoing By-law No. 4 is made a by-law of the Corporation and By-Law Nos. 1, 2 and 3 are repealed.

The undersigned, being all the directors of VersAccounts Limited, sign the foregoing resolution.

DATED as of June 13, 2013.

James Warren Welch



Steven Read

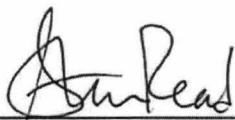
Bradford James Christakos

RESOLVED that the foregoing By-Law No. 4 is hereby confirmed.

The undersigned, being all the shareholders of VersAccounts sign the foregoing resolution.

DATED as of June 13, 2013.

James Warren Welch

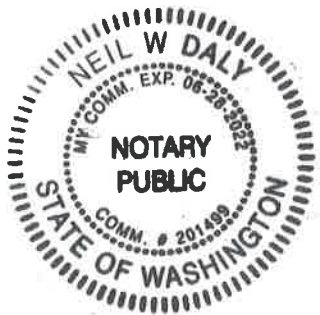


Steven Read

Bradford James Christakos

THIS IS **EXHIBIT "D"** REFERRED TO IN THE
AFFIDAVIT OF **SUNIL PANDE**
SWORN BEFORE ME THIS 29th DAY
OF JANUARY, 2019


A Commissioner for Taking Affidavits



SHAREHOLDER AGREEMENT
BETWEEN
VERSACCOUNTS LIMITED
AND
GARY ALLEN BODDINGTON
AND
BRADFORD JAMES CHRISTAKOS
AND
HORNG-HSUN LIAO
AND
MOTASIM NAJEEB
AND
SUNIL PANDE
AND
STEVEN READ
AND
JOHN SCHOUTSEN
AND
JAMES WARREN WELCH
AND
YI FENG ZHOU
MADE AS OF
JULY 8, 2013

SHAREHOLDER AGREEMENT

THIS AGREEMENT is made as of July 8, 2013

BETWEEN

VERSACCOUNTS LIMITED, a corporation incorporated under the laws of Canada (“Corporation”),

GARY ALLEN BODDINGTON, of the City of Vancouver in the Province of British Columbia;

BRADFORD JAMES CHRISTAKOS, of the City of Toronto in the Province of Ontario;

HORNG-HSUN LIAO, of the City of Burnaby in the Province of British Columbia;

MOTASIM NAJEEB, of the City of Pleasanton in the State of California;

SUNIL PANDE, of the City of Portland in the State of Oregon;

STEVEN READ, of the City of Brockville in the Province of Ontario;

JOHN SCHOUTSEN, of the City of Toronto in the Province of Ontario;

JAMES WARREN WELCH, of the City of Ottawa in the Province of Ontario;

YI FENG ZHOU, of the City of Burnaby in the Province of British Columbia;

WHEREAS the authorized capital of the Corporation consists of an unlimited number of common shares, of which 7,270,000 are issued and outstanding;

AND WHEREAS all the issued shares of the Corporation are beneficially owned as follows:

<u>Shareholders</u>	<u>Common Shares</u>
Gary Allen Boddington	100,000
Bradford James Christakos	500,000
Horng-Hsun Liao	300,000
Motasim Najeeb	100,000
Sunil Pande	1,500,000
Steven Read	170,000

- 2 -

Shareholders	Common Shares
John Schoutsen	100,000
James Warren Welch	3,000,000
Yi Feng Zhou	1,500,000
Total:	7,270,000

AND WHEREAS the Shareholders and the Corporation have agreed to enter into this Agreement as being in their respective best interests and for the purpose of providing for the operation of the Corporation;

NOW THEREFORE, in consideration of the premises and the covenants and agreements herein contained, the parties agree as follows:

ARTICLE 1 INTERPRETATION

1.1 Definitions

In this Agreement, unless something in the subject matter or context is inconsistent therewith:

“**Agreement**” means this agreement, including its recitals and schedules, as amended from time to time.

“**Board**” means the board of directors of the Corporation.

“**Business Corporations Act**” means the *Canada Business Corporations Act*.

“**Business Day**” means a day other than a Saturday, Sunday or statutory holiday in Ontario.

“**Director**” means any individual who has been elected or appointed to the Board in accordance with the provisions of this Agreement.

“**Share Repurchase Agreement**” means the share repurchase agreement substantially in the form attached as Schedule B hereto.

“**Shareholders**” means, collectively, the parties to this Agreement named as shareholders in the recitals hereto at the date hereof together with such other persons as may become beneficial owners of shares of the Corporation and parties to this Agreement, and “**Shareholder**” means any one of such persons individually.

“**Shareholder Approval**” means the approval of the Shareholders holding not less than 66.67% of the Shareholders evidenced either in written form or through votes cast at a meeting.

“**Shares**” means the shares of the Corporation that the Shareholders beneficially own at the date hereof or hereafter.

“**Tax Act**” means the *Income Tax Act* (Canada).

“**Voting Trust Agreement**” means the voting trust agreement substantially in the form attached as Schedule A hereto.

1.2 Headings

The division of this Agreement into Articles, Sections and headings are for convenience of reference only and do not affect the construction or interpretation of this Agreement. The terms “hereof”, “hereunder” and similar expressions refer to this Agreement and not to any particular Article, Section or other portion hereof. Unless something in the subject matter or context is inconsistent therewith, references herein to Articles and Sections are to Articles and Sections of this Agreement.

1.3 Extended Meanings

In this Agreement words importing the singular number include the plural and *vice versa*, words importing any gender include all genders and words importing persons include individuals, corporations, limited and unlimited liability companies, general and limited partnerships, associations, trusts, unincorporated organizations, joint ventures and governmental authorities. The term “including” means “including without limiting the generality of the foregoing”.

1.4 Statutory References

In this Agreement, unless something in the subject matter or context is inconsistent therewith or unless otherwise herein provided, a reference to any statute is to that statute as now enacted or as the same may from time to time be amended, re-enacted or replaced and includes any regulation made thereunder.

1.5 Accounting Principles

Wherever in this Agreement reference is made to a calculation to be made or an action to be taken in accordance with Canadian generally accepted accounting principles, such reference will be deemed to be to the generally accepted accounting principles from time to time approved by the Canadian Institute of Chartered Accountants, or any successor institute, applicable as at the date on which such calculation or action is made or taken or required to be made or taken.

1.6 Currency

All references to currency herein are to lawful money of Canada.

ARTICLE 2 IMPLEMENTATION OF AGREEMENT

2.1 Unanimous Shareholder Agreement

To the extent that this Agreement specifies that any matter must be dealt with or approved by, or requires action by, the Shareholders or otherwise has the effect of restricting in whole or in part the powers of the directors to manage or to supervise the management of the

- 4 -

business and affairs of the Corporation, the powers of the directors of the Corporation to manage and to supervise the management of the business and affairs of the Corporation with respect to such matters are correspondingly restricted. This Agreement is a unanimous shareholder agreement for the purposes of the Business Corporations Act.

2.2 Carrying Out of the Agreement

2.2.1 Each Shareholder will at all times exercise the votes attached to its Shares and otherwise act, and cause the Corporation to act, to carry out the provisions of this Agreement and, to the extent permitted by law, will at all times cause its nominees to the Board to vote and otherwise act to carry out the provisions of this Agreement.

2.2.2 The Corporation will at all times carry out and be governed by the provisions of this Agreement.

2.3 Voting Trust Agreement

2.3.1 Each Shareholder will execute a Voting Trust Agreement concurrently with this Agreement.

2.4 Share Repurchase Agreement

2.4.1 To the extent applicable, the Shareholder will execute the Share Repurchase Agreement between various Shareholders and the Corporation concurrently with this Agreement.

2.5 Intervention

Any proposed new shareholder of the Corporation not a party to this Agreement at the date hereof, including any transferee to whom Shares are to be transferred by a Shareholder and any new shareholder to acquire new issued Shares must, prior to being registered as a shareholder of the Corporation, enter into an agreement with the Corporation and become a party to this Agreement and the Voting Trust Agreement. If any Shareholder sells or transfers any of its Shares, the sale or transfer may not be completed unless the Shareholder, the third party purchaser and the Corporation enter into an agreement that will specify the rights and obligations of such parties.

2.6 Endorsement on Certificates

Share certificates of the Corporation will note conspicuously the following language:

“The shares represented by this certificate are subject to all the terms and conditions of a shareholders agreement, a copy of which is on file at the registered office of the Corporation.”

- 5 -

ARTICLE 3 MANAGEMENT

3.1 Directors

The Board will initially consist of two Directors, namely Sunil Pande and James Welch. The Board shall thereafter consist of a minimum of two Directors and a maximum of five Directors as selected by the Shareholders

3.2 Approval of Matters

Shareholder Approval shall be required for the creation or modification of any equity incentive plan.

3.3 Quorum of Directors

At any meeting of Directors, the two directors referred to in Section 3.21 must be present; provided that, if there are more than two directors, a quorum of a majority of directors may proceed with the meeting.

3.4 Officers

Sunil Pande will be the President and Chief Executive Officer of the Corporation.

3.5 Consent

Provided the Directors have agreed in advance, the Shareholders will in each financial year of the Corporation consent to exempt the Corporation from the requirement to appoint an auditor of the Corporation pursuant to the provisions of the Business Corporations Act.

3.6 Financial Year

The financial year of the Corporation will end on December 31 in each year.

ARTICLE 4 DEALING WITH SHARES

4.1 Transfer of Shares

4.1.1 Except as expressly provided in this Article 4, and with approval of the Board, no Shareholder may sell, transfer, pledge, charge, mortgage, hypothecate or in any other way dispose of or encumber or subject to the rights of others the Shares that such Shareholder beneficially owns, or the Shareholder's rights under this Agreement. The provisions of this Section 4.1 will apply to any disposition or encumbrance of Shares even if the Shareholder is disposing of or encumbering such Shares together with or in conjunction with other assets.

4.1.2 Notwithstanding any other provision of this Article 4, no sale or transfer of Shares may be made if:

- 6 -

- (a) the proposed purchaser or transferee is, directly or indirectly, engaged or interested in a business that is the same as or substantially similar to or competitive with the business carried on by the Corporation;
- (b) as a result, the remaining Shareholders or the Corporation would become subject to any governmental controls or regulations to which they were not subject prior to the proposed sale by reason of the nationality or residence of the proposed purchaser or transferee;
- (c) as a result, the remaining Shareholders or the Corporation would become subject to any taxation or additional taxation to which they were not subject prior to the proposed sale;
- (d) the sale or transfer is not permitted by applicable law or any term of any agreement or other instrument affecting the Corporation, unless any required consent or approval is obtained; or
- (e) the proposed purchaser or transferee does not have the power and capacity, including financial, to carry out its obligations under this Agreement.

4.2 Obligation to Sell – Drag-Along Rights

4.2.1 If any Shareholder or group of Shareholders holding not less than 66.67% of the Shares (the “**Majority Shareholders**”) desires to sell all, but not less than all, of the Shares held by the Majority Shareholders, the Majority Shareholders may secure from an arm’s length (as defined in the Tax Act) third party (the “**Offeror**”) a *bona fide* offer (an “**Offer to Purchase**”) to all the Shareholders (the “**Offerees**”) to purchase all the Shares for cash or cash and other property. Upon receipt of the Offer to Purchase, together with notification from the Majority Shareholders of their intention to accept the Offer to Purchase, all the Offerees will be deemed to have accepted the Offer in accordance with its terms and conditions.

4.2.2 If any Shareholder obligated to sell in accordance with the foregoing provisions of this Section 4.2 (the “**Selling Shareholder**”) defaults in transferring any of the Shares that the Selling Shareholder is obligated to transfer to the Offeror as provided for in this Section 4.2, the Corporation is authorized and directed to receive the purchase money and thereupon to record the transfer of Shares, to enter the name of the Offeror in the registers of the Corporation as the holder of the Shares purchased by the Offeror, and cause to be issued to the Offeror share certificates for such Shares in the name of the Offeror. The Corporation will hold the purchase money received by it in trust on behalf of the Selling Shareholder and will not commingle the purchase money with the Corporation’s assets, except that any interest accruing thereon will be for the account of the Corporation. The receipt by the Corporation of the purchase money will be a good discharge to the Offeror and, after the name of the Offeror has been entered in the registers of the Corporation as the holder of the Shares purchased by it, the purchase and sale will be deemed completed at the price and on the terms and conditions contemplated herein and the Offeror will for all purposes own the Shares purchased by it. Upon such registration, the Selling Shareholder will cease to have any right to or in respect of the Shares except the right to

receive, without interest, the purchase money received by the Corporation upon surrender of any certificates that previously represented such Shares.

4.3 Mandatory Offer to Purchase – Piggyback Rights

4.3.1 Notwithstanding any other provision hereof, if any person, including any Shareholder (the “**Offeror**”), agrees to acquire Shares from any Shareholder and, following such acquisition, the Offeror would directly or indirectly beneficially own 66.67% or more of the Shares, the Offeror will only be permitted to acquire such Shares, and the Shareholders who are to sell such Shares to the Offeror will only be permitted to sell them, if the Offeror first makes an offer (an “**Offer to Purchase**”) to the other Shareholders (the “**Offerees**”) to purchase all, but not less than all, of the Shares then outstanding that the Offeror does not then own or have a right to acquire for cash at the price to be determined in accordance with the provisions of Section 4.3.2.

4.3.2 The Offer to Purchase described in Section 4.3.1 must be given to the other Shareholders in a notice (the “**Notice**”) which Notice must provide that the price to be paid for each Share pursuant to the Offer to Purchase (the “**Purchase Price**”) is the same as that upon which the Offeror has agreed to purchase from the Shareholders who have agreed to sell Shares.

4.3.3 Within 10 Business Days of the Notice being given, each Offeree will be entitled to accept the Offer to Purchase by giving notice of the acceptance thereof to the Offeror, to the other Offerees and to the Corporation.

4.3.4 The Offeror will purchase all the Shares beneficially owned by each Offeree who accepts the Offer to Purchase at the Purchase Price and the transaction of purchase and sale will be completed within 20 Business Days (or such longer period as may reasonably be required to comply with all applicable statutory and regulatory requirements) of the expiry of the 10 Business Day period specified in Section 4.3.1. The transaction will be completed at the Corporation’s registered office where delivery of the Shares must be made by the Offerees accepting the Offer to Purchase with good title, free and clear of all liens, charges, encumbrances and any other rights of others, against payment by certified cheque, bank draft or wire transfer by the Offeror. If, at the time of completion, any Offered Shares are subject to any lien, charge, encumbrance or other right of others, the Offeror will be entitled to deduct from the purchase money to be paid to the applicable Offeree the amount required to discharge all such liens, charges, encumbrances or other rights of others and will apply such amount to the repayment, on behalf of the Offeree, of the obligations secured thereby.

4.3.5 If any Shareholder obligated to sell in accordance with the foregoing provisions of this Section 4.3 (the “**Selling Shareholder**”) defaults in transferring any of the Shares the Selling Shareholder is obligated to transfer to the Offeror as provided for in this Section 4.3, the Corporation is authorized and directed to receive the purchase money and thereupon to record the transfer of Shares, to enter the name of the Offeror in the registers of the Corporation as the holder of the Shares purchased by the Offeror, and cause to be issued to the Offeror share certificates for such Shares in the name of the Offeror. The Corporation will hold the purchase money received by it in trust on behalf of the Selling Shareholder and will not commingle the purchase money with the Corporation’s assets, except that any interest accruing thereon will be

- 8 -

for the account of the Corporation. The receipt by the Corporation of the purchase money will be a good discharge to the Offeror and, after the name of the Offeror has been entered in the registers of the Corporation, the purchase and sale will be deemed completed at the price and on the terms and conditions contemplated herein and the Offeror will for all purposes own the Shares purchased by it. Upon such registration, the Selling Shareholder will cease to have any right to or in respect of the Shares except the right to receive, without interest, the purchase money received by the Corporation upon surrender of any certificates that previously represented such Shares.

4.3.6 For the purposes of this Section 4.3, the Corporation and the Shareholders acknowledge that no sale or transfer of Shares to any Offeror will be authorized or permitted and no such person (unless already a Shareholder) will be entitled to become a party to this Agreement unless and until the Offer to Purchase is made and, if accepted by one or more Shareholders, the purchase and sale of such Shares is completed.

4.4 Insolvency of a Shareholder

If any Shareholder makes an assignment for the benefit of creditors or is the subject of any proceedings under any bankruptcy or insolvency law or if any Shareholder that is a corporation takes steps to wind-up or terminate its corporate existence, all unvested Shares, if any, shall cease to vest and expire immediately. All voting rights in respect of vested Shares, if any, shall be subject immediately to the terms and provisions of the Voting Trust Agreement unless such Shares have been repurchased pursuant to the Share Repurchase Agreement.

4.5 Termination for Cause

If any Shareholder is terminated for cause, all unvested Shares, if any shall cease to vest and expire immediately. All voting rights in respect of vested Shares, if any, shall be subject immediately to the terms and provisions of the Voting Trust Agreement.

4.6 Divorce of a Shareholder

In any Shareholder is the subject of a claim for an equalization of net family property (as defined in the *Family Law Act* (Ontario)) or for support or maintenance under the *Family Law Act* (Ontario), the *Succession Law Reform Act* (Ontario) or the *Divorce Act* (Canada) or under any other law of this or any other jurisdiction that will in any way directly or indirectly encumber such Shares or require the sale, transfer or disposition of such Shares to a third party, such Shares which are to be sold, transferred or disposed of, to such third party shall immediately be subject to the terms and provisions of the Voting Trust Agreement.

4.7 Death of a Shareholder

In any Shareholder dies, all unvested Shares, if any, shall vest immediately. Upon death, all voting rights in respect of such Shares shall be subject immediately to the terms and provisions of the Voting Trust Agreement.

- 9 -

ARTICLE 5 GENERAL

5.1 Confidentiality

None of the Shareholders may, without the prior written consent of the other Shareholders, at any time while such Shareholder is a shareholder of the Corporation and after such Shareholder ceases to be a shareholder of the Corporation, disclose to anyone or use for any purpose other than for the business of the Corporation any confidential information concerning the business and affairs of the Corporation and will hold all such information in strictest confidence.

5.2 Further Assurances

Each of the parties will from time to time execute and deliver all such further documents and instruments and do all acts and things as another party may reasonably require to effectively carry out or better evidence or perfect the full intent and meaning of this Agreement.

5.3 Benefit of the Agreement

This Agreement will enure to the benefit of and be binding upon the respective heirs, executors, administrators, other legal representatives, successors and permitted assigns of the parties.

5.4 Entire Agreement

This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and cancels and supersedes any prior understandings and agreements between the parties with respect thereto. There are no representations, warranties, terms, conditions, undertakings or collateral agreements, express, implied or statutory, between the parties other than as expressly set forth in this Agreement.

5.5 Amendments and Waivers

Except with Shareholder Approval, no amendment to this Agreement will be valid or binding. Except with Shareholder Approval, no waiver of any breach of any provision of this Agreement will be effective or binding and, unless otherwise provided in the written waiver, such waiver will be limited to the specific breach waived.

5.6 Assignment

Except as may be expressly provided in this Agreement, none of the parties may assign such party's rights or obligations under this Agreement without the prior written consent of all the other parties.

5.7 Termination

This Agreement will terminate upon:

- 10 -

- 5.7.1 Shareholder Approval;
- 5.7.2 the dissolution or bankruptcy of the Corporation or the making by the Corporation of an assignment under the provisions of the *Bankruptcy and Insolvency Act* (Canada); or
- 5.7.3 one Shareholder becoming the beneficial owner of all the Shares.

5.8 Severability

If any provision of this Agreement is determined to be invalid or unenforceable in whole or in part, such invalidity or unenforceability will attach only to such provision or part thereof and the remaining part of such provision and all other provisions hereof will continue in full force and effect.

5.9 Notices

Any demand, notice or other communication to be given in connection with this Agreement must be given in writing and will be given by personal delivery or by electronic means of communication addressed to the recipient as follows:

To:
 VersAccounts Limited
 c/o: Brad Christakos
 West End Law Chambers
 Sun Life Financial Centre
 3300 Bloor Street West
 Centre Tower, 10th Floor, Suite 3040
 Toronto, Ontario M8X 2X3

or such other street address, individual or electronic communication number or address as may be designated by notice given by any party to the other. Any demand, notice or other communication given by personal delivery will be conclusively deemed to have been given on the day of actual delivery thereof and, if given by registered mail, on the fifth Business Day following the deposit thereof in the mail and, if given by electronic communication, on the day of transmittal thereof if given during the normal business hours of the recipient and on the Business Day during which such normal business hours next occur if not given during such hours on any day

5.10 Governing Law

This Agreement is governed by and will be construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

5.11 Independent Legal Advice

Each of the parties to this Agreement acknowledges and agrees that Fasken Martineau DuMoulin LLP has acted as legal counsel to the Corporation only and not to any other party to this Agreement, and that Fasken Martineau DuMoulin LLP has not been engaged to protect the

- 11 -

rights and interests of any of the other parties, meaning the individual Shareholders, to this Agreement. Each of the other parties to this Agreement acknowledges and agrees that the Corporation and Fasken Martineau DuMoulin LLP have given them adequate opportunity to seek, and have recommended that they seek and obtain, independent legal advice with respect to the subject matter of this Agreement and for the purpose of ensuring their rights and interests are protected. Each of these other parties represents and warrants to the Corporation and to Fasken Martineau DuMoulin LLP that they have sought independent legal advice or consciously chosen not to do so with full knowledge of the risks associated with not obtaining such independent legal advice. The parties acknowledge that they have read and understood this provision of this Agreement and indicate so by signing this Agreement, and by initialling in the place below:

5.12 Counterparts

This Agreement may be executed in any number of counterparts, each of which will be deemed to be an original and all of which taken together will be deemed to constitute one and the same instrument.

5.13 Electronic Execution

Delivery of an executed signature page to this Agreement by any party by electronic transmission will be as effective as delivery of a manually executed copy of the Agreement by such party.

IN WITNESS WHEREOF the parties have executed this Agreement.

Witness

Gary Allen Boddington

Witness

Bradford James Christakos

Witness

Horng-Hsun Liao

Witness

Motasim Najeeb

Witness

Sunil Pande

Witness

Steven Read

Witness

John Schoutsen

Witness

James Warren Welch

Witness

Yi Feng Zhou

- 13 -

VERSACCOUNTS LIMITED

Per: _____
Name:
Title:

THIS IS **EXHIBIT "E"** REFERRED TO IN THE
AFFIDAVIT OF **SUNIL PANDE**
SWORN BEFORE ME THIS 29th DAY
OF JANUARY, 2019


A Commissioner for Taking Affidavits



IN WITNESS WHEREOF the parties have executed this Agreement.

W. Bodding A DALIN BODDINGTON
Witness

GARY ALLEN BODDINGTON
Gary Allen Boddington

Witness

Bradford James Christakos

Witness

Horng-Hsun Liao

Witness

Motasim Najeeb

Witness

Sunil Pande

Witness

Steven Read

Witness

John Schoutsen

Witness

James Warren Welch

Witness

Yi Feng Zhou

IN WITNESS WHEREOF the parties have executed this Agreement.

Witness

Gary Allen Boddington

Witness *David Seed*
lawyer

Bradford James Christakos
Bradford James Christakos

Witness

Horng-Hsun Liao

Witness

Motasim Najeeb

Witness

Sunil Pande

Witness

Steven Read

Witness

John Schoutsen

Witness

James Warren Welch

Witness

Yi Feng Zhou

IN WITNESS WHEREOF the parties have executed this Agreement.

Witness

Gary Allen Boddington

Witness

Bradford James Christakos

Witness

Hong-Hsun Liao

Witness

Motasim Najeeb

Witness

Sunil Pande

Witness

Steven Read

Witness

John Schoutsen

Witness

James Warren Welch

Witness

Yi Feng Zhou

IN WITNESS WHEREOF the parties have executed this Agreement.

Witness

Gary Allen Boddington

Witness


Bradford James Christakos

Witness

Horng-Hsun Liao

Patricia Kenny

Witness



Motasim Najeeb

Witness

Sunil Pande

Witness

Steven Read

Witness

John Schoutsen

Witness

James Warren Welch

Witness

Yi Feng Zhou

IN WITNESS WHEREOF the parties have executed this Agreement.

Witness

Gary Allen Boddington

Witness

Bradford James Christakos

Witness

Horng-Hsun Liao

Witness

Motasim Najeeb

Sharon Daly

Witness SHARON DALY

Sunil Pande

Sunil Pande

Witness

Steven Read

Witness

John Schoutsen

Witness

James Warren Welch

Witness

Yi Feng Zhou

IN WITNESS WHEREOF the parties have executed this Agreement.

Witness

Gary Allen Boddington

Witness

Bradford James Christakos

Witness

Hong-Hsun Liao

Witness

Motasim Najeeb

Witness

Sunil Pande

Carrie Read

Witness

Steven Read

Steven Read

Witness

John Schoutsen

Witness

James Warren Welch

Witness

Yi Feng Zhou

IN WITNESS WHEREOF the parties have executed this Agreement.

Witness

Gary Allen Boddington

Witness

Bradford James Christakos

Witness

Hong-Hsun Liao

Witness

Motasim Najeeb

Witness

Sunil Pande

Witness

Steven Read

Witness

x *Thomas Hughes*

John Schoutsen

Witness

James Warren Welch

Witness

Yi Feng Zhou

IN WITNESS WHEREOF the parties have executed this Agreement.

Witness

Gary Allen Boddington

Witness

Bradford James Christakos

Witness

Hong-Hsun Liao

Witness

Motasim Najeeb

Witness

Sunil Pande

Witness

Steven Read

Witness

John Schoutsen

Mary Chen
Witness *Mary Chen*

James Warren Welch
James Warren Welch

Witness

Yi Feng Zhou

IN WITNESS WHEREOF the parties have executed this Agreement.

Witness

Gary Allen Boddington

Witness

Bradford James Christakos

Witness

Horng-Hsun Liao

Witness

Motasim Najeeb

Witness

Sunil Pande

Witness

Steven Read

Witness

John Schoutsen

Witness

James Warren Welch

Tianjiao Zhang Tianjiao Zhang

Witness

YF Zhou

Yi Feng Zhou

VERSACOUNTS LIMITED

Per:

Name:

Title:

~~_____~~ **SUNIL ANDE**
CEO

THIS IS **EXHIBIT "F"** REFERRED TO IN THE
AFFIDAVIT OF **SUNIL PANDE**
SWORN BEFORE ME THIS 29th DAY
OF JANUARY, 2019


A Commissioner for Taking Affidavits



VOTING TRUST AGREEMENT AND CONTINUING POWER OF ATTORNEY

This Agreement made this 8th day of July, 2013

BETWEEN:

VERSACCOUNTS LIMITED, a corporation
incorporated under the laws of Canada
(the “**Company**”)

OF THE FIRST PART

- and -

Sunil Pande, of the City of Portland in the State of Oregon
(hereinafter called “**Pande**”)

OF THE SECOND PART

- and -

_____, of the City of _____
in the _____ of _____
(hereinafter called the “**Grantor**”)

OF THE THIRD PART

WHEREAS the Grantor is the registered and beneficial owner of _____ Common Shares of the Company (the “Shares”);

AND WHEREAS the Grantor has agreed to appoint Pande to exclusively exercise all of the voting and other Grantor rights pertaining to the Shares in such circumstances as set out in the Shareholders Agreement dated July 8, 2013 between certain shareholders of the Company (the “Shareholders Agreement”) and in the event the Grantor ceases to be a consultant or employee of the Company for any reason;

NOW THEREFORE this Agreement witnesseth and in consideration of the premises and the covenants herein contained, the parties hereto agree as follows:

Power of Attorney

1. The Grantor irrevocably nominates and appoints Pande as the attorney and agent of the Grantor, with full power of substitution in the name of and on behalf of the Grantor with no restriction or limitation in that regard, to do all acts and to execute and deliver any agreements, certificates, instruments, resolutions, consents or other documents as may be necessary or required, in person or by proxy and in his sole discretion, in order to

complete any transactions or agreements related to the Shares, as well as all shares of the Company or of any successor of the Company which are owned by the Grantor or acquired by the Grantor in the future, in accordance with the provisions of the Shareholders Agreement or in the event that the Grantor ceases to be a consultant or employee of the Company for any reason.

2. In furtherance of the foregoing, the Grantor shall deliver to Pande an irrevocable Continuing Power of Attorney in the form annexed hereto as Schedule "A". In addition, the Grantor shall from time to time and at all times during the term of this Agreement do whatever may be requested by Pande to enable or facilitate the exercise of any and all rights pertaining to the Shares by or on behalf of Pande.
3. Pande hereby accepts the appointment of the Grantor under this Agreement.
4. The Grantor hereby acknowledges and agrees that the appointment hereby made and the powers hereby granted are coupled with an interest and shall not be revoked or terminated by any act or thing unless this Agreement is terminated in accordance with the terms hereof.
5. The power of attorney herein shall survive the dissolution of, and the death or incapacity of, and the insolvency or bankruptcy of, the Grantor and shall be binding on the respective heirs, executors, administrators, personal representatives, successors and permitted assigns of the Grantor. In exercising his powers hereunder, Pande shall act in the same manner as in his personal capacity.

Voting Trust

6. During the period this Agreement is in force, Pande will vote or cause to be voted all Shares of the Grantor in the manner herein provided at all meetings of the Company at which shareholders are entitled to vote.
7. Pande shall make no decision as to the voting of the Shares in respect of any matter without a resolution from a majority of the board of directors of the Company as to voting instructions in respect of such Shares. In the event that Pande is a director of the Company at the time of such decision, Pande will be entitled to vote in respect of the resolution as to the voting instructions in respect of such Shares.
8. Pande shall not incur any liability or responsibility hereunder by reason of any error of law or mistake or any matter or thing done or omitted to be done under or in relation to this Agreement and the trust hereby created or any related exercise of discretion except by Pande's own wilful neglect or default.
9. The Grantor agrees to indemnify Pande and save harmless Pande from and against all loss or damage which may be incurred or suffered by Pande in the proper performance of his duties hereunder.

General

10. The term of this Agreement shall be in effect until the execution and unanimous approval of the Company's directors of an agreement in writing by the parties hereto terminating this Agreement.
11. This Agreement shall be construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.
12. Any demand, notice or other communication to be made or given in connection with this Agreement shall be made or given in writing and may be made or given by personal delivery, by courier or by transmittal by fax addressed as follows:

If to the Grantor, at:

If to the Company, to:

VersAccounts Limited
c/o: Brad Christakos
West End Law Chambers
Sun Life Financial Centre
3300 Bloor Street West
Centre Tower, 10th Floor, Suite 3040
Toronto, Ontario M8X 2X3

or to such other address, fax number or individual as may be designated by notice by any party to the others. Any demand, notice or other communication made or given by personal delivery, including by courier, shall be conclusively deemed to have been given on the day of actual delivery thereof and, if made or given by fax, on the day of transmittal thereof or if the day of transmittal is not a Business Day, the next Business Day following the date of transmittal thereof (provided the original copy is immediately forwarded by courier) on production of a Transmission Report from the machine from which the fax was sent indicating the fax was sent in its entirety to the correct fax number of the recipient.

13. This Agreement and the terms hereof shall constitute the entire agreement between the parties hereto with respect to all of the matters herein and its execution has not been induced by, nor do any of the parties hereto rely upon or regard as material, any representations or writings whatsoever not incorporated herein and made a part hereof.

- 14. The Grantor hereby confirms that the Grantor has the right to seek independent legal advice with respect to this Agreement and the Continuing Power of Attorney and has been afforded sufficient time and opportunity to do so. The Grantor represents and warrants to the Company that the Grantor has either obtained such independent legal advice or has irrevocably waived such right upon the Grantor’s execution of each of this Agreement and the Continuing Power of Attorney.
- 15. This Agreement may not be amended except by written instrument executed by all of the parties hereto and unanimously approved by the Company’s board of directors.
- 16. This Agreement may be executed in any number of counterparts by original or facsimile signature, each of which when executed shall be deemed to be an original and all of which taken together shall be deemed to constitute one and the same instrument.

IN WITNESS THEREOF, the parties hereto have executed this Agreement.

VERSACCOUNTS LIMITED

By: _____

)

)

)

Witness

)

Sunil Pande

)

)

)

Witness

)

SCHEDULE "A"**CONTINUING POWER OF ATTORNEY**

WHEREAS the undersigned ("Grantor") entered into a voting trust agreement (the "Agreement") with Sunil Pande ("Pande") and Versaccounts Limited (the "**Company**") dated the 8th day of July, 2013

AND WHEREAS under the Agreement, the Grantor agreed to deliver a Continuing Power of Attorney to enable Pande to, among other things, execute the voting rights attached to all securities in the capital of the Company currently owned by the Grantor or which the Grantor may from time to time own (collectively, "**Shares**");

NOW THEREFORE, the Grantor does hereby nominate and appoint Pande as the true and lawful attorney for the Grantor, with full power of substitution in the name, place and stead of the Grantor, with no restriction or limitation in that regard, to do all acts and to execute and deliver any agreements, certificates, instruments, resolutions, consents or other documents as may be necessary or required, in person or by proxy and in her sole discretion, in order to complete any transactions or agreements related to the Shares, (except any amendment to the Agreement or this Continuing Power of Attorney), including any Shareholders' Agreement and any amendments thereto. The provisions of this Continuing Power of Attorney relating to the Shares shall apply, *mutatis mutandis*, to any shares or securities into which the Shares may be converted, exchanged, changed, reclassified, redesignated, subdivided or consolidated, any shares or securities which entitle the holder thereof to vote at any meeting of shareholders of the Company, any shares which may be distributed on the Shares as a stock dividend or otherwise, and any shares or securities of the Company or of any successor corporation which may be received on or in respect of the Shares on a reorganization, amalgamation, consolidation or merger, statutory or otherwise.

This Continuing Power of Attorney shall be governed by and construed in accordance with the laws of the Province of Ontario.

This Continuing Power of Attorney is granted to Pande and, being coupled with an interest, shall not be revocable by the Grantor for any reason prior to the termination of the Agreement.

Any proxy executed and delivered pursuant to this Continuing Power of Attorney relating to any meeting of shareholders or any adjournments thereof shall revoke any proxy otherwise executed and delivered by or on behalf of the Grantor with respect to such meeting or any adjournments thereof, regardless of the respective dates thereof.

I have signed this Power of Attorney in the presence of both of the witnesses whose names appear below.

I have signed this Power of Attorney on the 8th day of July, 2013.

Normal Form of Signature

Print Name

We are the witnesses to this Continuing Power of Attorney. We have signed this Continuing Power of Attorney in the presence of the person whose name appears above, and in the presence of each other, on the date shown above. Neither one of us is Pande, a spouse or partner of Pande, a spouse, partner or child of _____ or person whom _____ has demonstrated a settled intention to treat as a child of _____, a person whose property is under guardianship or who has a guardian of the person, or a person who is less than eighteen years old. Neither one of us has any reason to believe that the Grantor is incapable of giving a Continuing Power of Attorney.

Normal Form of Signature

Print Name of Witness #1

Address

Occupation

Normal Form of Signature

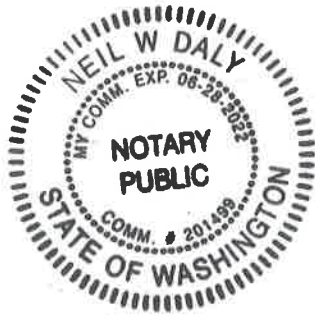
Print Name of Witness #2

Address

Occupation

THIS IS **EXHIBIT "G"** REFERRED TO IN THE
AFFIDAVIT OF **SUNIL PANDE**
SWORN BEFORE ME THIS 29th DAY
OF JANUARY, 2019


A Commissioner for Taking Affidavits



I have signed this Power of Attorney in the presence of both of the witnesses whose names appear below.

I have signed this Power of Attorney on the 8th day of July, 2013.

[Signature]
Normal Form of Signature

[Signature]
GARY BOODINGTON
Print Name

We are the witnesses to this Continuing Power of Attorney. We have signed this Continuing Power of Attorney in the presence of the person whose name appears above, and in the presence of each other, on the date shown above. Neither one of us is Pande, a spouse or partner of Pande, a spouse, partner or child of GARY BOODINGTON or person whom GARY BOODINGTON has demonstrated a settled intention to treat as a child of GARY BOODINGTON, a person whose property is under guardianship or who has a guardian of the person, or a person who is less than eighteen years old. Neither one of us has any reason to believe that the Grantor is incapable of giving a Continuing Power of Attorney.

B. Tidball
Normal Form of Signature
1410 Palmerston Ave.
Address West Vanc.

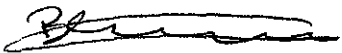
Bruce Tidball
Print Name of Witness #1
Engineer
Occupation

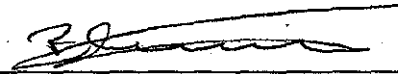
Karen Tidball
Normal Form of Signature
1410 Palmerston Ave.
Address

Karen J. Tidball
Print Name of Witness #2
Consultant
Occupation

I have signed this Power of Attorney in the presence of both of the witnesses whose names appear below.

I have signed this Power of Attorney on the 8th day of July, 2013.


Normal Form of Signature


BRADFORD JAMES CHRISTAKES
Print Name

We are the witnesses to this Continuing Power of Attorney. We have signed this Continuing Power of Attorney in the presence of the person whose name appears above, and in the presence of each other, on the date shown above. Neither one of us is Pande, a spouse or partner of Pande, a spouse, partner or child of ~~BRADFORD JAMES CHRISTAKES~~ or person whom ~~BRADFORD JAMES CHRISTAKES~~ has demonstrated a settled intention to treat as a child of ~~BRADFORD JAMES CHRISTAKES~~, a person whose property is under guardianship or who has a guardian of the person, or a person who is less than eighteen years old. Neither one of us has any reason to believe that the Grantor is incapable of giving a Continuing Power of Attorney.


Normal Form of Signature

DAVID SEED
Print Name of Witness #1

3350 BLOOR ST. W. SUITE
Address 3040

LAWYER
Occupation


Normal Form of Signature

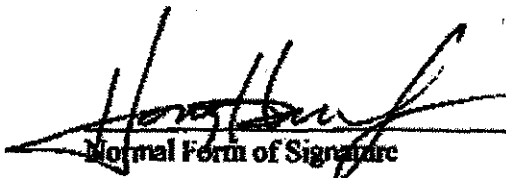
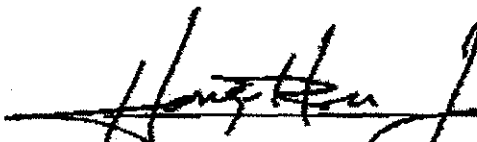
PETER R. NEILL
Print Name of Witness #2

3300 BLOOR ST. W., SUITE 3040
Address TORONTO, ON


LAWYER
Occupation

I have signed this Power of Attorney in the presence of both of the witnesses whose names appear below.

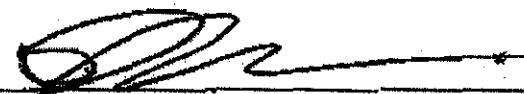
I have signed this Power of Attorney on the 8th day of July, 2013.

	
Normal Form of Signature	Print Name

We are the witnesses to this Continuing Power of Attorney. We have signed this Continuing Power of Attorney in the presence of the person whose name appears above, and in the presence of each other, on the date shown above. Neither one of us is Pande, a spouse or partner of Pande, a spouse, partner or child of Hong-tsun Liao or person whom Hong-tsun Liao has demonstrated a settled intention to treat as a child of Hong-tsun Liao, a person whose property is under guardianship or who has a guardian of the person, or a person who is less than eighteen years old. Neither one of us has any reason to believe that the Grantor is incapable of giving a Continuing Power of Attorney.

<u>CYNTHIA JONES</u> *	
Normal Form of Signature	Print Name of Witness #1

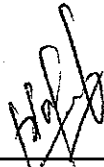
<u>37-1140 FALCON DR, COQ BC</u> V3E2J8	<u>PROJECT MGR</u>
Address	Occupation

	<u>RENCE CSASZAR</u> *
Normal Form of Signature	Print Name of Witness #2

<u>37-1140 FALCON DR, COQ BC</u> V3E2J8	<u>PARTS HANDLER</u>
Address	Occupation

I have signed this Power of Attorney in the presence of both of the witnesses whose names appear below.

I have signed this Power of Attorney on the 8th day of July, 2013.



Normal Form of Signature



MUTASIM NAJEEB

Print Name

We are the witnesses to this Continuing Power of Attorney. We have signed this Continuing Power of Attorney in the presence of the person whose name appears above, and in the presence of each other, on the date shown above. Neither one of us is Pande, a spouse or partner of Pande, a spouse, partner or child of MUTASIM NAJEEB or person whom MUTASIM NAJEEB has demonstrated a settled intention to treat as a child of _____, a person whose property is under guardianship or who has a guardian of the person, or a person who is less than eighteen years old. Neither one of us has any reason to believe that the Grantor is incapable of giving a Continuing Power of Attorney.



Normal Form of Signature

Michelle L. Graney

Print Name of Witness #1

701 Taylor St, SF, CA 94108

Address

Executive Assistant

Occupation



Normal Form of Signature

MUHAMMAD TARIQ

Print Name of Witness #2

1756 W. 20th Drive, Tracy, CA 95304

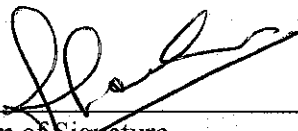
Address

Senior Program Manager

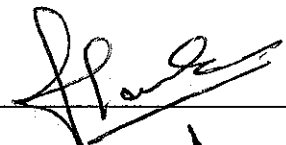
Occupation

I have signed this Power of Attorney in the presence of both of the witnesses whose names appear below.

I have signed this Power of Attorney on the 8th day of July, 2013.



Normal Form of Signature



Sunil PANDE

Print Name

We are the witnesses to this Continuing Power of Attorney. We have signed this Continuing Power of Attorney in the presence of the person whose name appears above, and in the presence of each other, on the date shown above. Neither one of us is Pande, a spouse or partner of Pande, a spouse, partner or child of PANDE or person whom PANDE has demonstrated a settled intention to treat as a child of PANDE, a person whose property is under guardianship or who has a guardian of the person, or a person who is less than eighteen years old. Neither one of us has any reason to believe that the Grantor is incapable of giving a Continuing Power of Attorney.



Normal Form of Signature

SHARON DALY

Print Name of Witness #1

13802 NW 20th Ct
Address VANCOUVER WA
98148

INSURANCE REP.

Occupation



Normal Form of Signature

NEIL DALY

Print Name of Witness #2

13802 NW 20th Ct
Address VANCOUVER, WA 98148


INSURANCE REP

Occupation

I have signed this Power of Attorney in the presence of both of the witnesses whose names appear below:

I have signed this Power of Attorney on the 8th day of July, 2013.


Normal Form of Signature


Steven Read
Print Name

We are the witnesses to this Continuing Power of Attorney. We have signed this Continuing Power of Attorney in the presence of the person whose name appears above, and in the presence of each other, on the date shown above. Neither one of us is Pande, a spouse or partner of Pande, a spouse, partner or child of Steven Read or person whom Steven Read has demonstrated a settled intention to treat as a child of Steven Read, a person whose property is under guardianship or who has a guardian of the person, or a person who is less than eighteen years old. Neither one of us has any reason to believe that the Grantor is incapable of giving a Continuing Power of Attorney.


Normal Form of Signature:

Allison Peacocke
Print Name of Witness #1

13 Commanche Dr, Nepean
Address

Accountant
Occupation


Normal Form of Signature

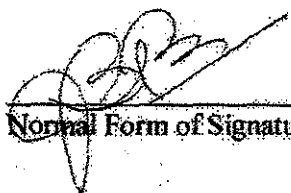
Markna Marotta
Print Name of Witness #2

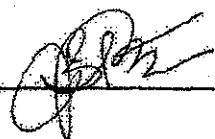
77 Airfield Cr.
Address

Payroll Manager
Occupation

I have signed this Power of Attorney in the presence of both of the witnesses whose names appear below.

I have signed this Power of Attorney on the 8th day of July, 2013.


Normal Form of Signature


JOHN SCHOUTSEN
Print Name

We are the witnesses to this Continuing Power of Attorney. We have signed this Continuing Power of Attorney in the presence of the person whose name appears above, and in the presence of each other, on the date shown above. Neither one of us is Pande, a spouse or partner of Pande, a spouse, partner or child of JOHN SCHOUTSEN or person whom JOHN SCHOUTSEN has demonstrated a settled intention to treat as a child of JOHN SCHOUTSEN, a person whose property is under guardianship or who has a guardian of the person, or a person who is less than eighteen years old. Neither one of us has any reason to believe that the Grantor is incapable of giving a Continuing Power of Attorney.

x 
Normal Form of Signature

MICHAEL SARVESE
Print Name of Witness #1

10 ROCKCASTLE DR. TORONTO, ON
Address

REAL ESTATE INVESTMENTS
Occupation

x 
Normal Form of Signature

THOMAS HUGHES
Print Name of Witness #2

3 LADYWOOD DR. TORONTO
Address

RETIRED FIRE FIGHTER
Occupation

I have signed this Power of Attorney in the presence of both of the witnesses whose names appear below.

I have signed this Power of Attorney on the 8th day of July, 2013.


Normal Form of Signature

JAMES W. WELCH
Print Name

We are the witnesses to this Continuing Power of Attorney. We have signed this Continuing Power of Attorney in the presence of the person whose name appears above, and in the presence of each other, on the date shown above. Neither one of us is Pande, a spouse or partner of Pande, a spouse, partner or child of _____ or person whom _____ has demonstrated a settled intention to treat as a child of _____, a person whose property is under guardianship or who has a guardian of the person, or a person who is less than eighteen years old. Neither one of us has any reason to believe that the Grantor is incapable of giving a Continuing Power of Attorney.


Normal Form of Signature

SUSAN AUBIN
Print Name of Witness #1

4068 Otter Tail Cresc. Ottawa
Address

OB/GYN
Occupation


Normal Form of Signature

Mary Chen
Print Name of Witness #2

1798 Rosebella Ave. Ottawa
Address

Spouse
Occupation

I have signed this Power of Attorney in the presence of both of the witnesses whose names appear below.

I have signed this Power of Attorney on the 8th day of July, 2013.

[Handwritten Signature]

Normal Form of Signature

[Handwritten Signature]

Yifeng Zhou

Print Name

We are the witnesses to this Continuing Power of Attorney. We have signed this Continuing Power of Attorney in the presence of the person whose name appears above, and in the presence of each other, on the date shown above. Neither one of us is Pande, a spouse or partner of Pande, a spouse, partner or child of _____ or person whom _____ has demonstrated a settled intention to treat as a child of _____, a person whose property is under guardianship or who has a guardian of the person, or a person who is less than eighteen years old. Neither one of us has any reason to believe that the Grantor is incapable of giving a Continuing Power of Attorney.

[Handwritten Signature]

Normal Form of Signature

8078 18TH AVE. BURNABY
Address

GUANGQI CHEN

Print Name of Witness #1

Computer programmer
Occupation

[Handwritten Signature]

Normal Form of Signature

8078 18th AVE. Burnaby
Address

XIAODAN ZHU

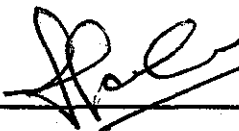
Print Name of Witness #2


Purchasor
Occupation


- 14. The Grantor hereby confirms that the Grantor has the right to seek independent legal advice with respect to this Agreement and the Continuing Power of Attorney and has been afforded sufficient time and opportunity to do so. The Grantor represents and warrants to the Company that the Grantor has either obtained such independent legal advice or has irrevocably waived such right upon the Grantor's execution of each of this Agreement and the Continuing Power of Attorney.
- 15. This Agreement may not be amended except by written instrument executed by all of the parties hereto and unanimously approved by the Company's board of directors.
- 16. This Agreement may be executed in any number of counterparts by original or facsimile signature, each of which when executed shall be deemed to be an original and all of which taken together shall be deemed to constitute one and the same instrument.


IN WITNESS THEREOF, the parties hereto have executed this Agreement.

VERSACCOUNTS LIMITED

By:  SUNIL PANDE,

 SUNIL PANDE
Sunil Pande


Witness SHARON DAY

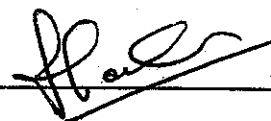

Witness

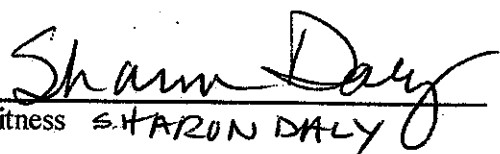


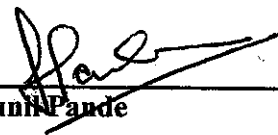
- 14. The Grantor hereby confirms that the Grantor has the right to seek independent legal advice with respect to this Agreement and the Continuing Power of Attorney and has been afforded sufficient time and opportunity to do so. The Grantor represents and warrants to the Company that the Grantor has either obtained such independent legal advice or has irrevocably waived such right upon the Grantor's execution of each of this Agreement and the Continuing Power of Attorney.
- 15. This Agreement may not be amended except by written instrument executed by all of the parties hereto and unanimously approved by the Company's board of directors.
- 16. This Agreement may be executed in any number of counterparts by original or facsimile signature, each of which when executed shall be deemed to be an original and all of which taken together shall be deemed to constitute one and the same instrument.


IN WITNESS THEREOF, the parties hereto have executed this Agreement.

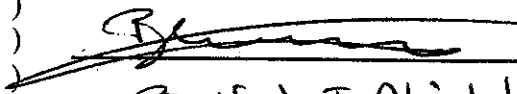
VERSACCOUNTS LIMITED

By:  **SUNIL PANDE, CEO**


Witness **SHARON DALY**


Sunil Pande


Witness
Peter R. Neill
Barrister & Solicitor


Bradford J. Christakos

- 14. The Grantor hereby confirms that the Grantor has the right to seek independent legal advice with respect to this Agreement and the Continuing Power of Attorney and has been afforded sufficient time and opportunity to do so. The Grantor represents and warrants to the Company that the Grantor has either obtained such independent legal advice or has irrevocably waived such right upon the Grantor's execution of each of this Agreement and the Continuing Power of Attorney.
- 15. This Agreement may not be amended except by written instrument executed by all of the parties hereto and unanimously approved by the Company's board of directors.
- 16. This Agreement may be executed in any number of counterparts by original or facsimile signature, each of which when executed shall be deemed to be an original and all of which taken together shall be deemed to constitute one and the same instrument.

IN WITNESS THEREOF, the parties hereto have executed this Agreement.

VERSACCOUNTS LIMITED

By: [Signature] **SUNIL PANDE**

[Signature]
Witness **SHARON DAILY**

[Signature]
Sunil Pande

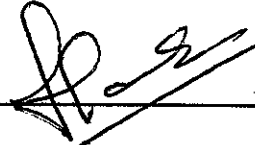
[Signature]
Witness

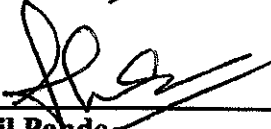
[Signature]

- 14. The Grantor hereby confirms that the Grantor has the right to seek independent legal advice with respect to this Agreement and the Continuing Power of Attorney and has been afforded sufficient time and opportunity to do so. The Grantor represents and warrants to the Company that the Grantor has either obtained such independent legal advice or has irrevocably waived such right upon the Grantor's execution of each of this Agreement and the Continuing Power of Attorney.
- 15. This Agreement may not be amended except by written instrument executed by all of the parties hereto and unanimously approved by the Company's board of directors.
- 16. This Agreement may be executed in any number of counterparts by original or facsimile signature, each of which when executed shall be deemed to be an original and all of which taken together shall be deemed to constitute one and the same instrument.

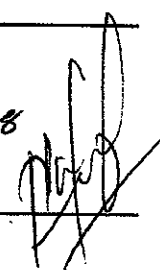
IN WITNESS THEREOF, the parties hereto have executed this Agreement.

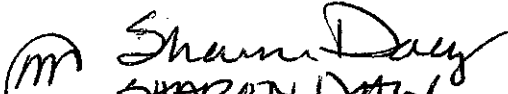
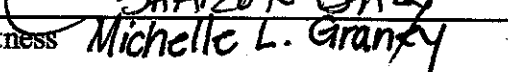
VERSACCOUNTS LIMITED

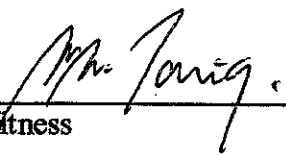
By:  **SUNIL PANDE**


Sunil Pande

9302 BENZON DR
PLEASANTON, CA 94588


MOTASIM NAJEEB

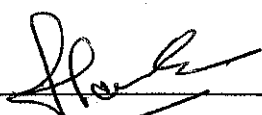

SHARON DAY
Witness 
Michelle L. Graney

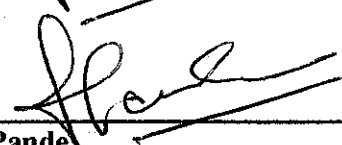

Witness

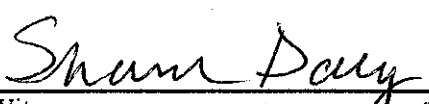
- 14. The Grantor hereby confirms that the Grantor has the right to seek independent legal advice with respect to this Agreement and the Continuing Power of Attorney and has been afforded sufficient time and opportunity to do so. The Grantor represents and warrants to the Company that the Grantor has either obtained such independent legal advice or has irrevocably waived such right upon the Grantor's execution of each of this Agreement and the Continuing Power of Attorney.
- 15. This Agreement may not be amended except by written instrument executed by all of the parties hereto and unanimously approved by the Company's board of directors.
- 16. This Agreement may be executed in any number of counterparts by original or facsimile signature, each of which when executed shall be deemed to be an original and all of which taken together shall be deemed to constitute one and the same instrument.

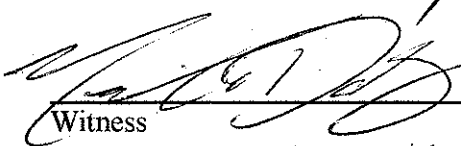
IN WITNESS THEREOF, the parties hereto have executed this Agreement.

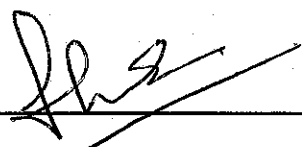
VERSACCOUNTS LIMITED

By:  **SUNIL PANDE, CEO**


Sunil Pande


Witness **SHARON DALY**


Witness **NEIL W. DALY**



- 14. The Grantor hereby confirms that the Grantor has the right to seek independent legal advice with respect to this Agreement and the Continuing Power of Attorney and has been afforded sufficient time and opportunity to do so. The Grantor represents and warrants to the Company that the Grantor has either obtained such independent legal advice or has irrevocably waived such right upon the Grantor's execution of each of this Agreement and the Continuing Power of Attorney.
- 15. This Agreement may not be amended except by written instrument executed by all of the parties hereto and unanimously approved by the Company's board of directors.
- 16. This Agreement may be executed in any number of counterparts by original or facsimile signature, each of which when executed shall be deemed to be an original and all of which taken together shall be deemed to constitute one and the same instrument.

IN WITNESS THEREOF, the parties hereto have executed this Agreement.

VERSACCOUNTS LIMITED

By: [Signature] SUNIL TANGE, <

[Signature] SUNIL TANGE
Sunil Tange

[Signature]
Witness SHARON DAILY

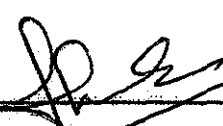
[Signature]
Witness Carrie Read


[Signature]
Steven Read

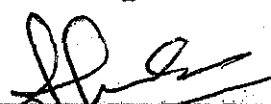
- 14. The Grantor hereby confirms that the Grantor has the right to seek independent legal advice with respect to this Agreement and the Continuing Power of Attorney and has been afforded sufficient time and opportunity to do so. The Grantor represents and warrants to the Company that the Grantor has either obtained such independent legal advice or has irrevocably waived such right upon the Grantor's execution of each of this Agreement and the Continuing Power of Attorney.
- 15. This Agreement may not be amended except by written instrument executed by all of the parties hereto and unanimously approved by the Company's board of directors.
- 16. This Agreement may be executed in any number of counterparts by original or facsimile signature, each of which when executed shall be deemed to be an original and all of which taken together shall be deemed to constitute one and the same instrument.

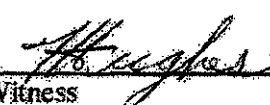
IN WITNESS THEREOF, the parties hereto have executed this Agreement.


VERSACCOUNTS LIMITED

By:  **SUNIL PAWDE**


Witness **SHARON DADY**


Sunil Pawde

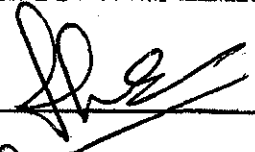
x 
Witness

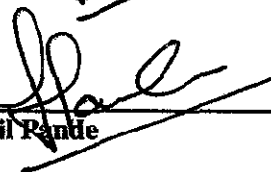



- 14. The Grantor hereby confirms that the Grantor has the right to seek independent legal advice with respect to this Agreement and the Continuing Power of Attorney and has been afforded sufficient time and opportunity to do so. The Grantor represents and warrants to the Company that the Grantor has either obtained such independent legal advice or has irrevocably waived such right upon the Grantor's execution of each of this Agreement and the Continuing Power of Attorney.
- 15. This Agreement may not be amended except by written instrument executed by all of the parties hereto and unanimously approved by the Company's board of directors.
- 16. This Agreement may be executed in any number of counterparts by original or facsimile signature, each of which when executed shall be deemed to be an original and all of which taken together shall be deemed to constitute one and the same instrument.

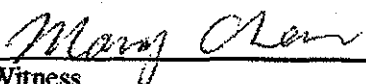
IN WITNESS THEREOF, the parties hereto have executed this Agreement.

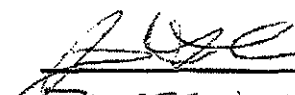
VERSACOUNTS LIMITED

By:  SUNIL TANDE

 SUNIL TANDE
Sunil Tande


Witness SHARON DWYER


Witness Mark Chen


JAMES W. WELCH

- 14. The Grantor hereby confirms that the Grantor has the right to seek independent legal advice with respect to this Agreement and the Continuing Power of Attorney and has been afforded sufficient time and opportunity to do so. The Grantor represents and warrants to the Company that the Grantor has either obtained such independent legal advice or has irrevocably waived such right upon the Grantor's execution of each of this Agreement and the Continuing Power of Attorney.
- 15. This Agreement may not be amended except by written instrument executed by all of the parties hereto and unanimously approved by the Company's board of directors.
- 16. This Agreement may be executed in any number of counterparts by original or facsimile signature, each of which when executed shall be deemed to be an original and all of which taken together shall be deemed to constitute one and the same instrument.

IN WITNESS THEREOF, the parties hereto have executed this Agreement.

VERSACCOUNTS LIMITED

By: *[Signature]* SUNIL PANDE, CEO

[Signature]
Sunil Pande

[Signature])
Witness *[Signature]*)

[Signature])
Witness GUANGQI CHEN)

[Signature]
Yifeng Zhou

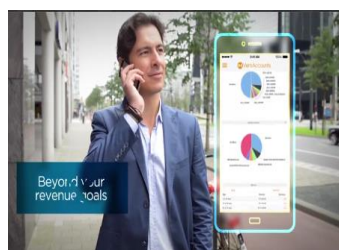
THIS IS **EXHIBIT "H"** REFERRED TO IN THE
AFFIDAVIT OF **SUNIL PANDE**
SWORN BEFORE ME THIS 29th DAY
OF JANUARY, 2019



A Commissioner for Taking Affidavits



VersAccounts 22nd January 2019 Update to Convertible Note Holders



[Overview - VersAccounts Small Business Cloud ERP System](#)



[The Gravity Cartel - Customer Testimonial](#)



[SIA's TechChats – How SMB's Can Prepare for the Future](#)



[Diginomica Episode #7 Sunil Pande on Trust, Pricing and more](#)

Table of Contents

Summary	3
1. Organization	5
Board	5
Management Team	5
Team	5
2. 2018 Performance	6
2.1 Financials	6
2.2 Funding	6
2.3 Billings	7
2.4 ARR	8
2.5 Churn	8
2.6 Strap Ratio = Total Funds Raised/ARR	9
2.7 Demand Generation	9
2.8 Pipeline Performance	10
2.9 Pricing	10
2.10 OEM/White Label Opportunities	10
2.11 VersAccounts Branded Products Based on 3 rd Party Solutions	11
2.12 Other SaaS and Bootstrapping Considerations	11
2.12.1 Time To Reach USD \$1M in ARR	11
2.12.2 Revenue Growth Rate for SaaS Companies with ARR < USD \$1M	12
2.12.3 Burn Rates for SaaS Companies with ARR < USD \$1M	12
2.12.4 Pricing and Packaging	12

2.12.5 Market Focus.....	12
2.12.6 Capital Efficiency	13
2.12.7 Growth Beyond Product Market Fit.....	14
3. 2018 Challenges & Impact.....	15
4. Moving Forward	17
5. 2019 Plan.....	18
5.1 Organization.....	18
5.2 2019 Restart Goals	18
5.3 New Funding, Billing and ARR Goals	18
5.4 Sales and Marketing	19
5.5 Business Development.....	20
5.6 Implementation, Support and Training.....	20
5.7 Engineering and Operations	20
6. Final Thoughts	22
Appendix A – Recognition.....	23
A.1 Media Coverage.....	23
A.2 Industry Awards.....	23
A.3 5/5 Stars Customer Feedback	24
VersAccounts.....	24
Vs VersAccounts Competitors	24
A.4 Global Customers.....	26
Appendix B - Company Culture.....	27

Summary

The company has faced and survived a series of serious self-inflicted existential challenges in 2018. These challenges caused the company to halt new sales in the second half of the year. Sales also remain suspended for Q1 2019.

For further details of these challenges and how the management team intends to address them please refer to Sections 3 and 4 of this document.

The company hopes to put these challenges behind it by the end of Q2, 2019 and resume building the business aggressively at that time.

Despite these issues the company was still able to beat its 2018 billing goals which continue a strong YoY upward trend.

Similarly, new ARR growth also continues its strong YOY upwards trend reflecting growing deal sizes from larger customers and the inclusion of white label partnerships as a go forward strategy.

Both Logo and ARR churn continue to go down reflecting an improvement in the implementation process and product maturity. The company has also become more selective during the sales process with respect to the customers we choose to service and those we do not.

However, the company's cumulative ARR goals for the year were not met. This was unfortunate because the company was ahead of its cumulative ARR goals mid-year and had a high likelihood of exceeding the 2018 target if it had been able to continue to make sales as planned in H2 2018.

Beyond that, the company completed its first OEM/white label deal in 2018 where the OEM/white label customer will offer specific functionality from within the VersAccounts Small Business Cloud ERP system under its own label.

It is expected that the business model developed for this type of OEM/white label deal will form the basis for substantially more deals like this in 2019.

In addition, the company also closed a reverse OEM/white label deal with a payment processor where the payment processors offerings will be offered VersAccounts customers - as an option to subscribing to similar services from companies like Authorize.net, Moneris, etc. - under the VersAccounts brand.

Further, the company continues to be recognized both regionally in the Pacific Northwest as well as nationally and internationally.

Most recently the company was honored to be selected as one of the [The 11 Best Startups To Work For In Portland, OR](#)

Nationally VersAccounts was named the [Bronze](#) winner in the [SMB Service of the Year](#) category in [Best in Biz Awards 2018](#).

Other awards received by the company in 2018 include the Gold 2018 Stevie for New Product or Service of the Year.

Reviews of the VersAccounts product and the company by its own customers continues to remain strongly positive. The company currently has a perfect [5/5](#) score on the Capterra product search website.

Capterra is a web based advisory service operated by the analyst firm Gartner Group. It is focused on helping companies of all sizes find the best possible business software solutions.

Beyond the awards received, awareness of the company among influencers in the field, and respect for the team continues to grow as reflected by the coverage it continues to receive in various industry publications.

The company's thought leadership continues to be acknowledged by industry experts. For example the company's views were recently solicited and covered by Dennis Howlett - a leading Enterprise Software industry analyst, via his podcast and companion article ["Trust and Pricing in ERP for SMBs – a conversation with Sunil Pande, CEO VersAccounts"](#) in [Diginomica](#)

In closing, the management team remains optimistic about the future of the company. While the challenges that the company faced in 2018 has put us back about one year, the team remains confident that we will be able to successfully come back from this setback and move forward aggressively once the challenges described in Section 3 and 4 of this document, have been put behind us in the coming months.

We remain optimistic that the kind of success that this market will allow and a strong team like ours can attain, is still well within our grasp.

The market for the company's offering remains large. Competition is still limited. The product offering has become robust as reflected by the increasing size of companies it can service as well as dramatic reduction in implementations that churn.

The next major milestone for the company is product-market fit at USD \$1.5-\$2M ARR. Today this milestone seems closer and more achievable than ever.

1. Organization

The VersAccounts team currently consists of the following individuals

Board

- Kevin Riegelsberger – Chairman
- James Warren Welch
- Mark Richardson – appointed by Mr. Riegelsberger and Mr. Welch in Q4, 2018
- Sunil Pande - CEO

Mr. Riegelsberger, Mr. Welch and Mr. Richardson are also referred to as the “majority board” in the rest of this document.

Management Team

- Sunil Pande – CEO/Portland OR
- Richard Zhou – CTO, Head of Engineering and Operations/Vancouver BC

Mr. Pande and Mr. Zhou are also referred to as the “management team” in this document.

Team

- Patricia Kenny – Sales/Portland, OR
- Vikram Joshi – Marketing/New Delhi, India
- Elton Okida – Developer/Brazil
- Jacek Stronka – QA & Support/Poland
- Rizwan Haider – Developer/Pakistan
- Muhammad Ali – Developer/Pakistan
- Daniel Sokolowski – Developer/Poland

The team members listed above are also referred to as the “team” in the rest of this document.

In addition, Mr. Craig Ballinger based in Seattle, WA has assisted the company in providing support and implementation help to customers since June of 2018 with an expectation that he would be appointed to a full-time paid position as Head of Customer Success upon the company reaching USD \$750K ARR. Mr. Ballinger was introduced to the company by Mr. Riegelsberger.

2. 2018 Performance

The table below captures the VersAccounts plan for 2018 as presented at the board meeting on July 12th 2018.

	Q1 2018	Q2 2018	Q3 2018	Q4 2018
Customers	42	51	62	76
ARR	\$347,321	\$434,152	\$542,689	\$678,362
Infusion	\$150,000	\$150,000	\$150,000	\$150,000
Starting Cash	\$36,736	\$51,448	\$74,341	\$78,578
Billings	\$129,712	\$137,893	\$143,238	\$218,576
COGS	(\$54,750)	(\$54,750)	(\$54,750)	(\$54,750)
Gross Margin	\$74,962	\$83,143	\$88,488	\$163,826
R&D	(\$83,250)	(\$83,250)	(\$83,250)	(\$83,250)
Sales & Marketing	(\$88,000)	(\$88,000)	(\$112,000)	(\$112,000)
G&A	(\$39,000)	(\$39,000)	(\$39,000)	(\$39,000)
Total Expenses	(\$265,000)	(\$265,000)	(\$289,000)	(\$289,000)
Profit/Loss	(\$135,288)	(\$127,107)	(\$145,762)	(\$70,424)

Performance against this plan is covered in the following sub-sections of Sections 2.

Please be advised that the numbers that follow are provided by the management team on a best effort basis. They are unaudited and may be revised in the future. This uncertainty in the reporting is mostly due to the challenges the company currently faces as described in Section 3 and 4 of this status report.

It should also be noted that the management team's assessment of the company's performance is subjective based on their experience and should not be relied upon to make investment decisions.

2.1 Financials

The Balance Sheet and Income Statement for the company are not presented because they still need to be finalized. The company is unable to finalize them because of the current situation as described in Sections 3 and 4 of this document.

2.2 Funding

The company raised a total of USD \$150K in external funding during 2018 vs the USD \$600K that had been planned. This was due to a decision taken by majority board members that they would not allow the management team to raise additional funds – neither through the extension of the maturity date of the existing Note, nor through the issuance by the company of a new Note.

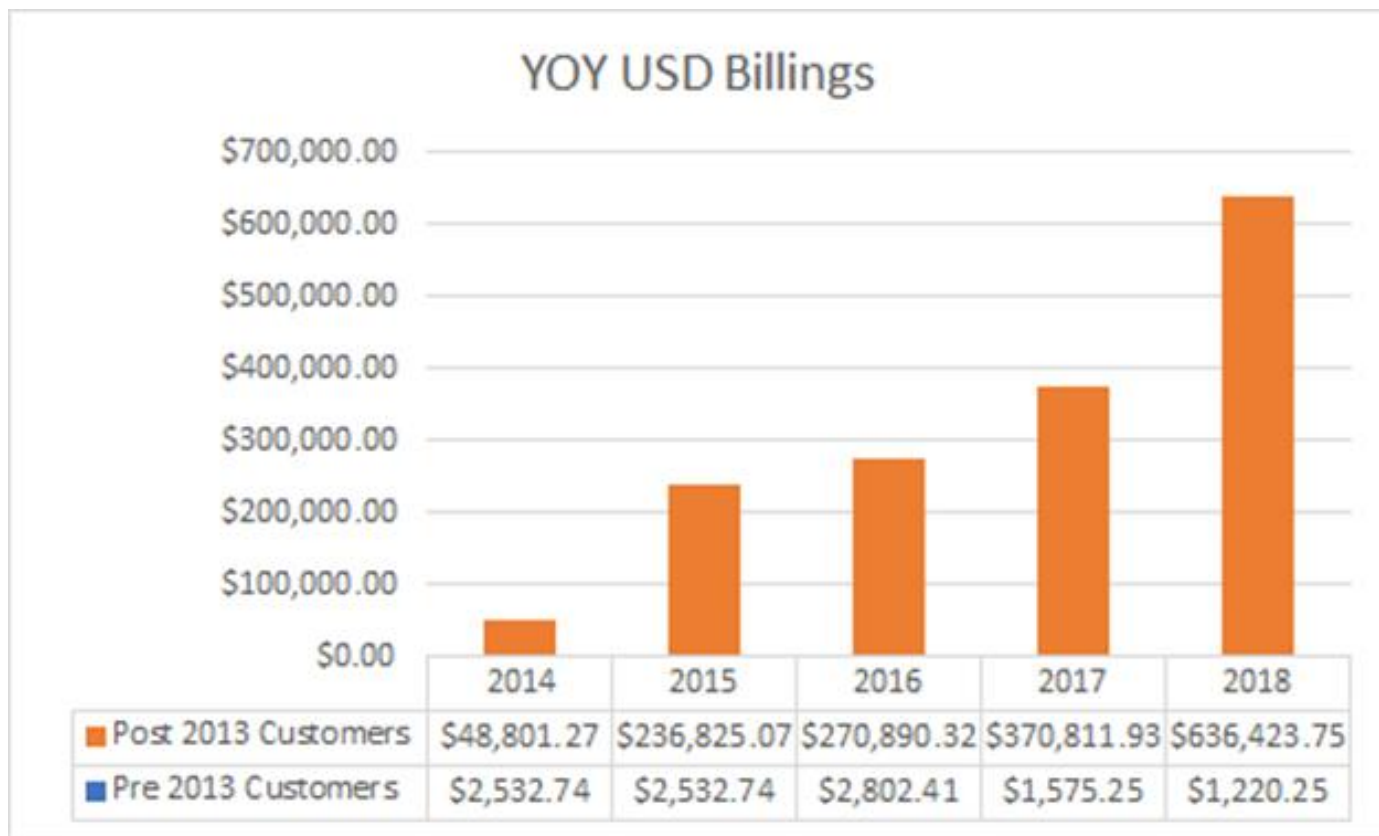
Multiple reasons were provided including a purported decision by a majority of existing Note holders to oppose further fund raising till certain elements of the existing shareholder agreement were changed.

Details of some of the challenges faced by the company as a result of the majority boards actions are provided in Sections 3 and 4 of this document.

2.3 Billings

The challenges described in Sections 3 and 4 caused the company to halt making new sales in the second half of 2018. Sales also remain suspended for Q1 2019.

Despite these challenges the company has been able to exceed its 2018 Billing goal of USD \$629K and come in at USD \$636K for the year.



File:SP - Cash Flow From - JM 180529 -VersAccounts Model - v05- v05 - SP010/YYY All HQ Transactions

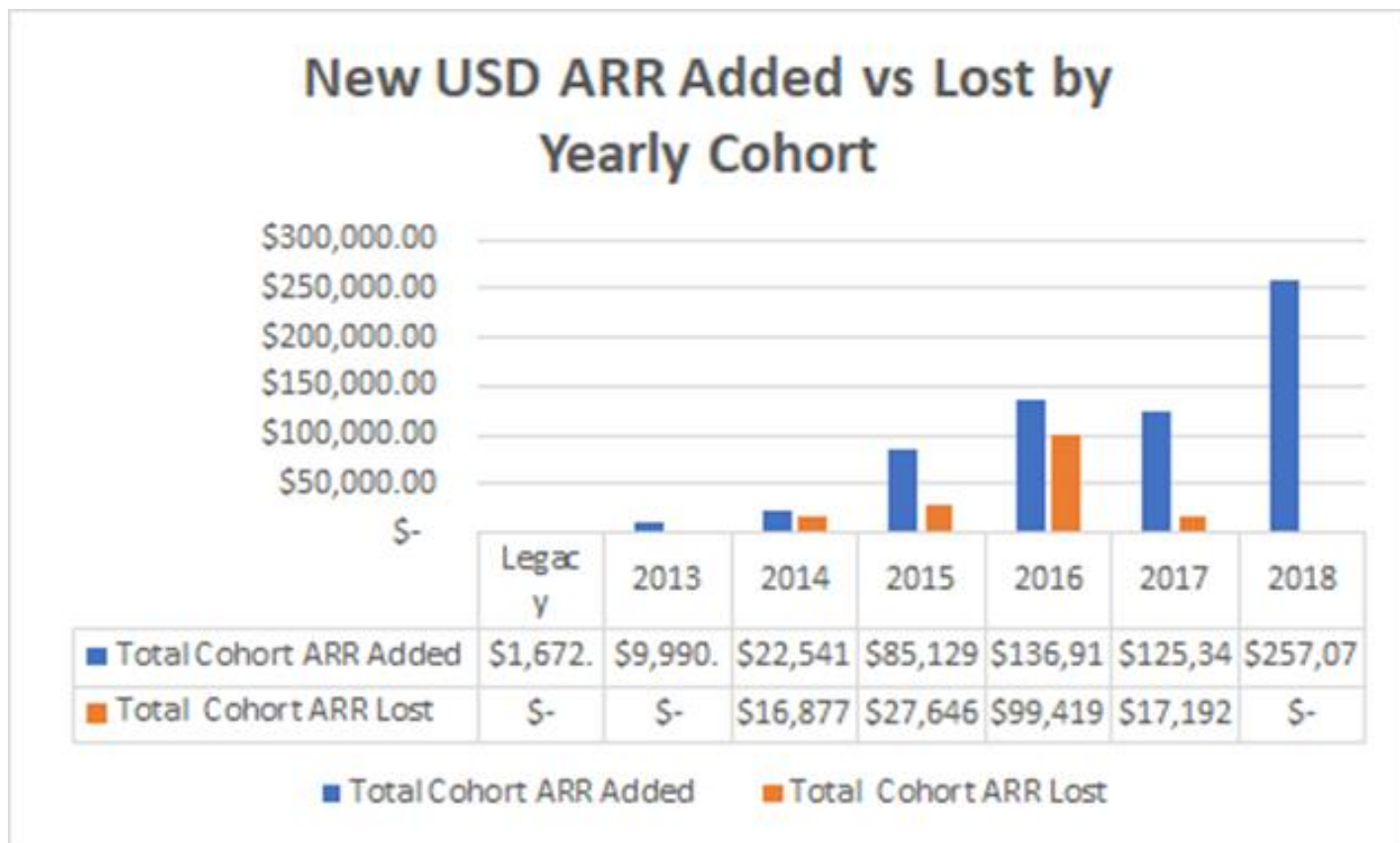
Year over year growth of Billings is shown in the diagram above.

2.4 ARR

On the other hand, as previously mentioned, the company was unable to reach its 2018 target of USD \$678K for cumulative ARR achieving only USD \$478K.

This is unfortunate because the company had exceeded its mid-year goal of USD \$438K (coming in at USD \$448K ARR as presented at the July 12th board meeting) in cumulative ARR before selling was stopped in Q3 and Q4 – quarters that normally account for approximately 14% and 40% of new sales respectively.

However, it is still significant that new ARR added grew 71% in 2018 with USD \$257K added for the year.



File: SP - Cash Flow From - JM 180529 -VersAccounts Model - v05- v05 - SP010/
YYY New Sales Per Year

Year over year growth in new ARR added by cohort is shown in the chart above. The chart also shows churn per cohort.

2.5 Churn

Simultaneously with the growth in Billings and new ARR added, there has been a significant fall in both ARR (above) and Logo Churn as the product has matured and as the company has improved its implementation and support processes. This can also be seen in the chart above.

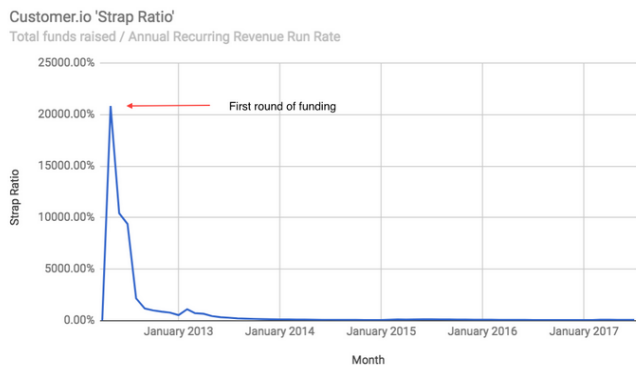
2.6 Strap Ratio = Total Funds Raised/ARR

Strap Ratio is a measure of how efficiently a SaaS business has turned investment into Annual Recurring Revenue.

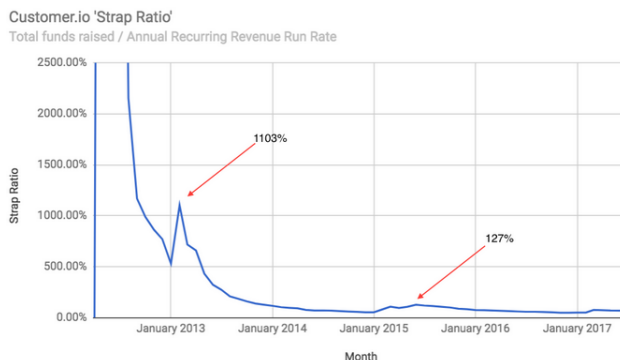
The industry average for Strap Ratio for mature startups targeting the SMB space is 133%. For young companies this ratio can be orders of magnitude higher.

In the case of VersAccounts this ratio is USD \$610K/USD \$478K = 128% – slightly better than the industry average for mature companies and much better than the Strap Ratio one would expect for early stage companies.

For reference the Strap Ratio over time for [Customer.io](#), a local Portland, OR based venture funded startup is show below.



Our strap ratio peaked on our first raise at 20,833%



We've raised multiple rounds of financing, each time peaking at a much lower strap ratio.

<https://rsvp.customer.io/strap-ratio-how-efficiently-a-saas-business-has-turned-investment-into-annual-recurring-revenue-49452d4f8890>

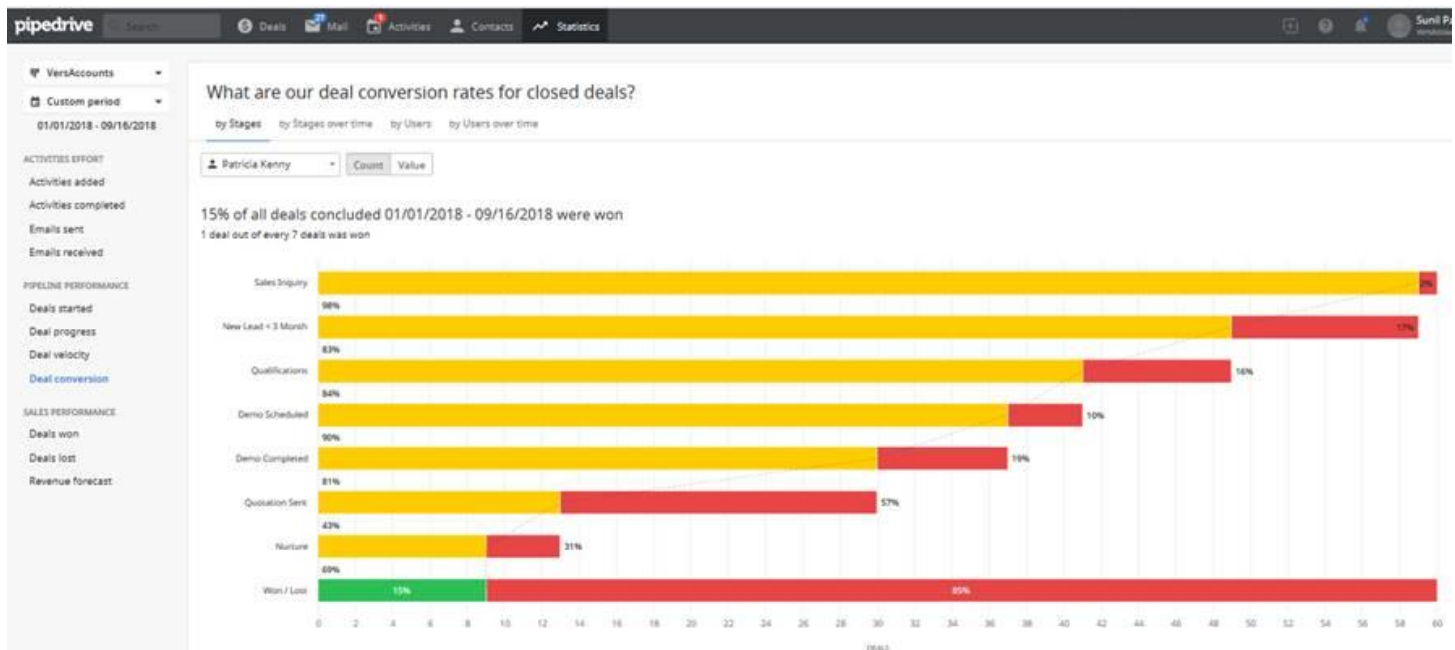
2.7 Demand Generation

Demand generation has suffered from lack of funding. Demand generation efforts have been minimal in H1 2018 and virtually no demand generation activities were undertaken in H2 2018.

Substantially greater spending on demand generation was to be the main focus of the USD \$400-\$500K funding that was originally authorized by the board of VersAccounts and later cancelled.

2.8 Pipeline Performance

Pipeline conversion performance remained strong with the VersAccounts Lead to Opportunity Ratio coming in at 21% vs 13% industry Median and Opportunity to Deal conversion ratio coming in at 20% of opportunities vs a 6% industry Median



+++B2B Sales Benchmark Research, Salesforce.com 2014

It is expected that the pipeline conversion ratio can be significantly improved beyond what it is today in the coming years via additional content as well as proactive and automated programs to use this content to market to the pipeline as an opportunity moves down the funnel. Currently the pipeline management process is completely manual with no marketing support.

2.9 Pricing

The company raised subscription fees an average of 20% in 2018 by making the product packaging less a-la-carte and more inclusive. The capabilities that customers would usually have to buy on a standalone basis are now packaged together with a lower price compared to if all the components were purchased separately but a higher price against what is usually purchased.

Besides the increase in subscription pricing the company has also started charging for implementation. The inclusion of implementation fees adds an additional 50-100% of the annual subscription fee to what customers pay VersAccounts in the first year of service.

2.10 OEM/White Label Opportunities

The company completed its first OEM/white label deal in 2018. The deal to incorporate VersAccounts Small Business Cloud ERP system capability into a new product offering called [PartsLedger](#) was made with [ServiceTrade](#) a supplier of cloud based mobile business managements software to the Commercial Service Management market.

The agreement between ServiceTrade and VersAccounts provides minimum annual guarantees with respect to royalties that go up with sales, hosting fees as well as NRE for any work that Service Trade may require to enhance the VersAccounts Small Business Cloud ERP system for their needs.

It is expected that the business model developed for this type of OEM/white label deal will form the basis for substantially more deals like this in 2019 and beyond.

Several companies that could likely benefit from a ServiceTrade like deal with VersAccounts have already been identified and we will open/pursue discussions with them once the existing challenges at the company have been sorted out.

2.11 VersAccounts Branded Products Based on 3rd Party Solutions

Beyond the deal with ServiceTrade, the company has also closed a deal with [Paragon Payment Solutions](#) – a US and Canada based payment processor - where VersAccounts will offer the full spectrum of Paragon’s payment offerings to VersAccounts customers under the VersAccounts brand name. Services include CC, ACH, eChecks.

These VersAccounts products will be offered as an option to the payment offerings from brands like Authorize.net, Moneris, Paypal, etc. that VersAccounts customers already use from within the VersAccounts Small Business Cloud ERP system.

Revenues from these new product offerings are expected to be substantial once adopted by the VersAccounts customer base.

For example, if USD \$100M in CC payments were processed by the VersAccounts customer base using the new VersAccounts offering, the company would receive approximately USD \$250K (0.25%) of additional revenue.

The first customer for the VersAccounts branded payment service is already online and the company will start marketing this service to its entire customer base immediately after the challenges described in Section 3 and 4 are resolved.

*** File: TH 180508 Revenue Opportunity - VersAccounts - ISV Partner Revenue Potential Opportunity 050818.xlsx

2.12 Other SaaS and Bootstrapping Considerations

2.12.1 Time To Reach USD \$1M in ARR

The median time to reach USD \$1M in ARR per the SaaS Capital 2017 report “Benchmarking Private SaaS Company Growth Rates” was 4 Years for venture capital funded companies and 7 Years for companies that were bootstrapped.

Despite losing almost an entire year of sales the company expects to reach USD \$1M in ARR well within the 7-year window for bootstrapped companies which extends through 2020 for VersAccounts.

Industry research shows that getting to Initial Scale (USD \$10m ARR) usually takes 4-6 years longer when you are bootstrapping. The additional time is distributed as follows – 2 to 3 additional years to get to USD \$1.5M ARR and 2 to 3 additional years to get from USD \$1.5M ARR to USD \$10M.

Once a bootstrapped SaaS company reaches USD \$10M in ARR it can usually scale at the same rate as its venture-backed peers because the ARR can support similar sales, marketing and hiring spend as the venture backed companies.

2.12.2 Revenue Growth Rate for SaaS Companies with ARR < USD \$1M

The revenue growth rate for SaaS companies with ARR < USD \$1M per the SaaS Capital 2017 report “Benchmarking Private SaaS Company Growth Rates” was 60% YoY including VC funded companies.

The company achieved 71% billings growth rate in 2018.

2.12.3 Burn Rates for SaaS Companies with ARR < USD \$1M

Averages are misleading. However per SaaStr the burn rate of companies with ARR in the region of USD \$500K is USD 70K/Mo and the burn rate of companies with ARR in the region of USD \$1M is USD 90K/Mo.

VersAccounts has maintained lower than average burn rates (USD \$10-30K/Mo) because of its commitment from the very beginning to a capital efficient business model.

2.12.4 Pricing and Packaging

Bootstrapped SaaS companies usually start selling on the lower end of any market than their venture funded peers not because six figure deals are more expensive to close but because the product is usually not ready to meet the demands of larger customers. The sales cycles are also longer as you move upmarket, and generally you need more experienced sales and marketing talent to acquire and close upmarket deals and those people are harder to hire in the beginning.

Over time these bootstrapped companies do move up market. The product becomes more sophisticated and it becomes possible to hire the more experienced sales and marketing people one needs for this effort.

This is true in the case of VersAccounts as well. The product has become more capable over time and as a result the company has been able to sell to larger and larger companies. The average deal size has also increased.

The price of the VersAccounts Small Business Cloud ERP solution has also increased significantly this year in the case of VersAccounts and it is expected this trend will continue in the future.

2.12.5 Market Focus

Bootstrapped companies also have to choose market segments where competition can't kill them while they grow to a self-sustainable size. For example it may take 10+ years for a SaaS company to get to \$10m ARR.

Therefore, it is important to be in a market segment where direct competition is weak. This doesn't mean it isn't there. It just means that in the bootstrapped company's sweet spot the bootstrapped company usually wins the sale.

To make sure this happens bootstrapped companies have to do something for their target market that is not just different, but sufficiently different that they can withstand competition until they are big enough to stand on their own two feet.

This is one of the reasons that the VersAccounts Small Business Cloud ERP solution targets the least serviced and most needy portion of the ERP market for SMB - the market that entry level solutions can't service due to functionality needed by the companies in this market, and the market that traditional mid-market ERP solution provider don't service because the SMBs in this segment can't afford their offerings at a price they consider sustainable.

This is the starting point in VersAccounts journey to eventually become the leading 21st century provider of ERP systems to the mid-market and beyond.

2.12.6 Capital Efficiency

For bootstrapped companies capital efficiency is key. In the early days of these companies most of the expense is made up of developer salaries.

So hiring 5 Bay Area ex-Google engineers to get going is not an option, without a significant capital raise. For example a bootstrapped unicorn like Atlassian was started in Australia. Qualtrics was started in Utah. Etc. etc.

This is not a coincidence.

Because of this kind of cost consideration and because the kind of talent that is needed to build a complex product like the VersAccounts Small Business Cloud ERP system is not easily available in one place, the VersAccounts approach to sourcing product development talent has been globally focused since day one.

Today the VersAccounts team is based in Poland, Pakistan, Brazil and India. This has been possible because of the management team's experience building and managing global teams – in particular, the experience building and managing global teams that Richard Zhou – CTO and Head of Engineering and Operations - brings to VersAccounts from his days doing the very same thing at Sage.

Beyond recruiting the team internationally, the company has also sought to develop a frugal culture. Frugality pervades everything we do.

Starting with the salaries paid to the leadership team (USD \$96K per year) which is the same for everyone on the team (the VersAccounts leadership team is compensated at between 25%-75% of market rates for companies of similar size depending on the person's role)

Our approach to capital efficiency can also be seen in our fund raising. Instead of raising large sums at one time our plan envisions raising just enough to continuously ramp the growth curve of the company.

Taking this approach leaves no margin for error in our cash flow on a month to month basis. To address this challenge the salaries of the management team is used as a buffer.

The management team understands that their salaries will sometimes be delayed/accrued and even reduced when the company falls short with respect to billings for a particular month, or when the

management team decides to spend more in a particular month than was originally planned. This approach to fund raising and managing cash flow is made clear to management team members when they join the company and was described as follows by Mr. Munk – Head of Finance and Administration at the time - at the July 12th 2018 board meeting:

“Management strategy has been to pay salaries when we can and to make sure we pay the contractors because that is needed to keep the lights on. That has been sufficient so far. Recommendation is that we continue on that path till something changes. By and large we are maintaining our solvency and that is good” – Joe Munk July 12th 2018

Since salaries are a substantial part of our expenses our approach to cash management provides sufficient cushion and ensure that the company can easily move forward on a month to month basis even if it were to miss its cash management goals including billings and/or fund raising.

2.12.7 Growth Beyond Product Market Fit

Neeraj Agrawal, a general partner with Battery Ventures coined the acronym T2D3 (or Triple, triple, double, double, double) to describe the path the fastest growing (so called Unicorns) companies take to reach billion-dollar valuations in a few years.

The basic idea is that a SaaS company finds product-market fit at USD \$1-2M ARR and then grows that annually by a factor of three, three, two, two and two, to get to \$144 million in ARR within 5 years.

It goes without saying that few companies achieve these levels of growth. However it is our assessment that the market targeted by VersAccounts has the potential of supporting several so called unicorns and it would be our goal to try and achieve these kinds of growth rates as we move forward.

The 2017 study referenced earlier by SaaS Capital shows the median revenue growth rate for companies with ARR less than USD \$1M was around 60 per cent annually, whereas by the time companies get to ARRs greater than \$50M this has declined to around 27%.

3. 2018 Challenges & Impact

In a hastily called board meeting on September 10th 2018 Mr. Riegelsberger and Mr. Welch, both VersAccounts board members as well as Mr. Munk – Head of Finance and Administration at the time - sought to remove Mr Pande as CEO of VersAccounts via board resolution as well as Mr. Zhou as Head of Engineering and Operations.

The company's shareholder agreement does not allow for the removal of the CEO by a board resolution (rather a shareholder vote carried by 66 2/3 % of shareholders is required) so the action was unsuccessful.

The result is that Mr. Pande remains CEO and the company continues to service its existing customers with the help of Mr. Zhou as well as all other team members – all of whom were recruited by Mr. Pande and Mr. Zhou based on a long history of working together.

The only exception is Mr. Munk, who has resigned from his position as Head of Finance and Administration.

The matter should have ended there but it did not.

Rather, the majority board members and Mr. Munk with the support of the company's Canada counsel continue to make efforts to take control of the company through interference in company operations. These efforts are ongoing.

This includes taking control of the company's existing bank accounts as well as financial systems and processes including invoicing, bill payments etc. Stopping payments to employees, contractors and other vendors. Some vendors and contractors have been informed the company is insolvent.

Further, the financial condition of the company has been hidden from the management team since the September 10th board meeting.

Beyond that, the majority board members have continued to repeatedly state that they intend for the company to file for insolvency protection which the management team feels is completely unwarranted and totally unnecessary and which we will oppose if any such attempt is made.

These activities are ongoing with the majority board members and Mr. Munk keeping all of their actions from the management team. This includes their refusal to disclose to the management team as to what they have been doing with company funds, any analysis that they have done to justify an insolvency filing, any actions they have taken to prevent such a filing from becoming necessary, consultants and counsel that they have engaged etc.

Simultaneously with threatening an insolvency filing, the majority board has since July 2018 refused to allow additional fund raising by the management team from investors who are ready to make these investments.

These actions by the majority board and Mr. Munk has made it impossible for the management team – which has continued to manage the company without pay - to operate the company normally in H2 2018.

Instead the company has been put into "maintenance" mode with a focus on keeping existing customers. New sales have been stopped.

This temporary pause in sales is expected to continue into Q1 2019 until a new board is constituted and stability is returned to operations as described in Section 4.

On the positive side in January 2019, the company received an offer - from OEM/white-label partner ServiceTrade – that they would like to make a one-time payment towards the purchase of a perpetual license to the VersAccounts technology for use in their markets in lieu of ongoing royalty arrangement that is currently in place.

This deal is likely to be worth \$M in short term cash to the company and it has been evaluated to be a serious offer by the majority board as well as the management team. The majority board members have yet to take any action on this offer.

4. Moving Forward

The goal of the management team has been to try and resolve the matter that was precipitated by the majority board and Mr. Munk in a way that would not hurt the company and its stakeholders, especially its customers.

To that end the management team has on a continuing basis proposed to the majority board members that, they should not use their control over the company's bank account, financial operations and the existing board as leverage to force a change of control via disruption of company operations and instead proceed in the manner that is provided for in company's shareholders agreement as well as by pursuing any other legal options that they may have access to.

Our proposal has been that the majority board and the management team should work together on keeping the business going - as we would normally - on one track, while the majority board works on moving their control agenda forward on another separate track either via negotiation or via litigation as they see fit. Unfortunately, there has been no response from the majority of board to this proposed approach.

So as a last resort, the management team has called a shareholder meeting to remove the current board and reconstitute a new one. That meeting will take place on February 9th 2019.

It is the view of the management team that the majority board members need to be removed and a new board appointed because majority board members have repeatedly and often failed to live up to their fiduciary, duty of care, and other obligations to the company.

It is also the view of the management team that it is they and the rest of the team that has primarily been responsible for getting the company from founding to this point in its journey, and they remain the best ones to take the company forward.

The management team and counsel intend to make a detailed case for this course of action at the meeting.

5. 2019 Plan

5.1 Organization

Our 2019 plan for the company beyond the February 9th 2019 board meeting would be to reconstitute the team as follows:

Board

- Sunil Pande – Chair
- Richard Zhou
- Independent Board Member – Discussions ongoing with several industry leaders.

Management Team

- Sunil Pande – CEO/Portland OR
- Richard Zhou – CTO, Head of Engineering and Operations/Vancouver BC
- Part Time Controller/Administrator – To Be Hired
- Head Customer Success – To Be Hired

Team

- Patricia Kenny – Sales/Portland, OR
- Vikram Joshi – Marketing/New Delhi, India
- Digital Marketing Manager – To Be Hired
- Elton Okida – Developer/Brazil
- Jacek Stronka – QA & Support/Poland
- Rizwan Haider – Developer/Pakistan
- Muhammad Ali – Developer/Pakistan
- Daniel Sokolowski – Developer/Poland

5.2 2019 Restart Goals

The approach we would take to get the company to where it could resume normal operations envisions taking all of Q1, 2019 beyond the February 9th board meeting as well as all of Q2 2019 to restore relationships that have been disrupted, build the team where we have lost expertise, review our 2018 plans and adjust them as necessary and then re-launch the programs we had planned for Q3/Q4 2018 in Q3/Q4 2019- as well as launch any new programs we decided upon - as if nothing had happened.

Our goal would be to relaunch the company and all the programs that we think are necessary by the end of Q2 2019 or early Q3..

5.3 New Funding, Billing and ARR Goals

Funding, Billing and ARR targets would remain the same for Q3 and Q4 2019 as they were for Q3 and Q4 2018.

For funding we would raise USD \$450K in external funding in addition to any funding required to pay off obligations that are currently due on the company books including the Notes.

The Billing and ARR targets for the end of 2019 would be USD \$362K (assuming minimal billings in Q1 and Q2) and USD \$678K respectively

The sections that follow provide a high-level overview of where the team will focus in key functional areas.

Beyond 2019 the company will expect to execute the plan originally proposed, except it would be delayed by 1 year. The original plan is shown below.

	Y1 2018	Y2 2019	Y3 2020	Y4 2021	Y5 2022
Customers	76	190	541	1576	4624
ARR	\$ 741,487.50	\$ 1,988,229.22	\$ 5,855,333.47	\$ 17,243,952.45	\$ 50,783,426.35
Infusion	\$600,000	\$4,000,000	\$0	\$0	\$0
Starting Cash	\$36,736	\$303,594	\$ 3,302,683.43	\$ 2,054,002.27	\$ 3,776,493.91
Billings	\$ 717,029.50	\$ 1,920,041.72	\$ 5,623,115.25	\$ 16,477,396.15	\$ 48,397,103.88
COGS	(\$47,715)	(\$63,311)	(\$333,827)	(\$1,786,057)	(\$9,555,852)
Gross Margin	\$669,314	\$1,856,731	\$5,289,288	\$14,691,339	\$38,841,252
R&D	(\$351,554)	(\$949,696)	(\$2,084,333)	(\$3,615,817)	(\$6,313,067)
Sales & Marketing	(\$300,950)	(\$1,055,837)	(\$2,963,498)	(\$7,164,125)	(\$17,481,518)
G&A	(\$349,951)	(\$852,109)	(\$1,490,138)	(\$2,188,905)	(\$3,861,210)
Total Expenses	(\$1,050,171)	(\$2,920,953)	(\$6,871,796)	(\$14,754,905)	(\$37,211,648)
EBITDA	(\$333,142)	(\$1,000,911)	(\$1,248,681)	\$1,722,492	\$11,185,456

5.4 Sales and Marketing

The focus in Sales and Marketing will be on expanding the demand generation programs executed by the company as well as making the sales process as self service as possible. For this to happen and heavy focus on content generation is required.

Substantial planning for the kind of content that needs to be generated has already been completed. The focus in 2019 will be to actually generate the needed content and deploy it to the demand generation and self-service programs needed.

Besides using the content developed in 2019 for demand generation and to create a self-service selling process the content will also be used to more efficiently and more aggressively drive the sales funnel. This should help improve funnel conversion metrics and make them even better than what they are today compared to industry averages.

Key new sales and marketing initiatives that are expected to be launched include direct mail, referral sales from existing customers, viral sales that leverages existing customers use of our products, outbound calling as well as partnerships with integration and white label partners.

Currently most demand comes from the company's efforts via lead purchase, advertising and customer reviews on product comparison sites, SEO and media coverage that is driven by the company's PR efforts.

5.5 Business Development

Having developed a template for partnering with companies like ServiceTrade and Paragon Payment Solutions in 2018, doing additional partnerships in 2019 will be a big focus for the company.

The goal of the company would be to do at least 2 additional OEM/white label deals as it has done with ServiceTrade as well as 2 additional new VersAccounts branded services deals like it has done with Paragon Payment Solutions.

5.6 Implementation, Support and Training

The content developed for Sales and Marketing will also be used to make the Implementation, Support and Training processes much more self-service than they are today.

Besides making the Support and Implementation processes less expensive for VersAccounts making these processes self-service will lead to a better customer experience in their dealings with VersAccounts.

In addition, the company expects to launch a self-service customer portal that is expected to stop revenue leakage that the company currently incurs due to the delivery of a wide variety of support and implementation services that it forgets to charge for.

The implementation of the portal is expected to double the revenues the company receives from services.

5.7 Engineering and Operations

The product team will be focused on 7 main areas as they have always been.

First, will be roadmap items that fill out product functionality and make the product more suitable for new markets, bigger customers or addresses deficiencies and/or make the product more sticky as far as existing customers are concerned. These items include a new CRM module, a new Inventory Planning and Optimization Module, additional Inter-company transaction automation functionality as well as BI and reporting enhancements.

The partnership discussion with Amazon Web Services on integrating speech and ML into the VersAccounts product and funding to do that will be resumed if possible. These discussions were abandoned last year due to the company's internal problems.

Second, substantial product development resources will be dedicated to support the creation of marketing, sales, support, implementation and training infrastructure that will be used to deliver self-service in each of these areas.

Third, development resources will also be used to support new marketing programs around the viral and referral marketing programs that the company plans to deploy.

Resources will be also required to deploy the company's sales and marketing programs with the company's integration, OEM/white-label partners

Fourth, given the company goals in terms of OEM/white label deals the company will have to deploy product development resources required to support these programs.

Fifth, with additional features being added to the VersAccounts Small Business Cloud ERP system, larger and larger companies are able to deploy the product. Because of this the company will need to revisit fundamental aspects of the product including granularity of access rights, availability of workflow controls and the layout of the user interface.

Sixth, infrastructure to support the deployment and management of more customers in a scalable manner needs to be developed starting with additional instrumentation of the product to allow monitoring, tools for customer support to automate the monitoring and self-service capabilities for the customers to monitor their usage and subscriptions.

Finally, the deployment architecture of the solution has to be reviewed to make it more robust and secure, starting with an end-to-end audit.

6. Final Thoughts

The challenges faced by the company in the past year have been significant and by all rights should have destroyed the company. But they did not.

The company has survived and expects to put its issues behind it in the near future. This has been made possible by the closeness of the team and the trust between team members that come from working together for many years.

No doubt a year has been lost. Our goal is to make up for it moving forward. What has not changed is the fact that the market for the company's offering remains large. Competition is still limited, and customers love what we have to offer and how they are treated. So, we have no option but to move ahead

Our current expectation is that the company will be able to get to USD \$1.5M - \$2M in ARR by Q2/Q3, 2020 and we will raise the priced Series-A round at that point.

Appendix A – Recognition

A.1 Media Coverage

The awareness of the company among influencers in the field, and respect for the team continues to grow as reflected by the coverage it receives in various industry publications.

The company's thought leadership continues to be acknowledged by industry experts. Most recently the company's views were solicited and covered by Dennis Howlett - a leading Enterprise Software industry analyst - via his podcast and companion article on Diginomica [“Trust and Pricing in ERP for SMBs – a conversation with Sunil Pande, CEO VersAccounts”](#)

Other media coverage of the company includes:

- Small Biz Daily, [Top ERP Concerns for Small Businesses](#), February 15, 2018, UVMs: 46,000
- AMEX Open Forum, [6 Ways Your Business Can Compete like Online Retail Giants](#), May 2, 2018, UVMs: 15,284,480
- AMEX Open Forum Newsletter, 6 Ways Your Business Can Compete like Online Retail Giants - Lead Story
- Diginomica [Trust and Pricing in ERP for SMBs – a conversation with Sunil Pande, CEO VersAccounts](#), Den Howlett, January 14, 2019
- Diginomica, [Solving for the nightmare of pick, pack and ship at The Gravity Cartel with VersAccounts](#), Den Howlett, September 25, 2017, UVMs: 42,633
- Diginomica, [What does a best run 21st century business look like? Ask Chagrin Valley Soap](#), Den Howlett, October 25, 2017, UVMs: 42,633
- CIO, [11 ERP Implementation Mistakes and How to Avoid Them](#), September 29, 2017, UVMs: 525,225
- Total Retail, [Why Retail Must Evolve from Customer Satisfaction to Customer Obsession](#), November 29, 2017, UVMs: 47,000
- Portland Business Journal, [People on the Move](#), July 28, 2017, UVMs: 9,417,917
- CPA Practice Advisor, [Professionals on the Move](#), July 31, 2017, UVMs: 152,253
- Geekwire, [Tech Moves](#), August 1, 2017, UVMs: 1,229,626
- Oregonian, [Business Movers](#), August 10, 2017, UVMs: 7,164,284
- Portland Business Journal, [Largest Software Firms \(#41\)](#), August 11, 2017, Print circulation: 10,856

A.2 Industry Awards

The company continues to be recognized both regionally in the Pacific Northwest as well nationally and internationally . Locally the company was selected #5 among [The 11 Best Startups To Work For In Portland, OR](#) Nationally VersAccounts was also named the [Bronze](#) winner in the [SMB Service of the Year](#) category in [Best in Biz Awards 2018](#).

Other awards received by the company include:

- American Business Awards, Gold Stevie Winner – New Product or Service of the Year - 2018
- SaaS Awards, finalist Best SaaS Product for Small Business 2018

- Best in Biz Awards, Bronze –SMB Service of the Year 2018.
- The 11 Best Startups To Work For In Portland, Oregon 2018

- Best in Biz Awards, Silver – Start-up of the Year 2017
- Cloud Awards, Cloud Awards Finalist 2017
- Oregon Entrepreneur Network, Startup of the Year Semi-Finalist 2017

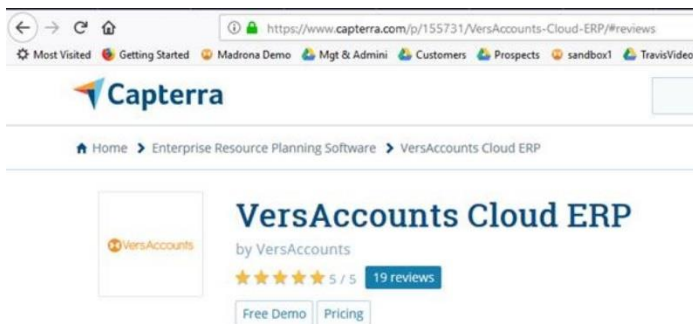
A.3 5/5 Stars Customer Feedback

Reviews of the VersAccounts product and the company as a whole by its own customers continues to remain strongly positive. The company currently has a perfect [5/5](#) score on the Capterra product search website.

Capterra is web based advisory service operated by the analyst firm Gartner Group. It is focused on helping companies of all sizes find the best possible business software solutions.

VersAccounts

<https://www.capterra.com/p/155731/VersAccounts-Cloud-ERP/#reviews>



Vs VersAccounts Competitors

Acumatica – 4/5

<https://www.capterra.com/p/96371/Acumatica-Cloud-ERP/>



SAP Business One – 4/5

<https://www.capterra.com/p/153505/SAP-Business-One/>

The screenshot shows the Capterra website interface for SAP Business One. At the top, there is a navigation bar with the Capterra logo and a breadcrumb trail: Home > Business Management Software > SAP Business One. Below this, the product name 'SAP Business One' is displayed in large blue text, followed by 'by Sapphire Systems'. A rating of 4.7/5 stars is shown with 66 reviews. The Sapphire logo is on the left.

Sage Business Cloud Financials aka Sage Live – 3.5/5

<https://www.capterra.com/p/155910/Sage-Live/>

The screenshot shows the Capterra website interface for Sage Business Cloud Financials. The breadcrumb trail is: Home > Accounting Software > Sage Business Cloud Financials. The product name 'Sage Business Cloud Financials' is displayed in large blue text, followed by 'by Sage'. A rating of 3.5/5 stars is shown with 12 reviews. The Sage logo is on the left.

Microsoft Dynamics 365 – 4/5

<https://www.capterra.com/p/157279/Dynamics-365/>

The screenshot shows the Capterra website interface for Microsoft Dynamics 365. The breadcrumb trail is: Home > Accounting Software > Dynamics 365. The product name 'Dynamics 365' is displayed in large blue text, followed by 'by Microsoft'. A rating of 4/5 stars is shown with 2300 reviews. The Microsoft logo is on the left.

NetSuite – 4/5

Sage Intacct – 4/5

Xero – 4/5

The screenshot shows a 'Popular Products' section with a heart icon. It lists three products with their ratings and review counts:

- Sage Intacct: 4.7/5 stars (242 reviews)
- Xero: 4.7/5 stars (1234 reviews)
- NetSuite: 4.7/5 stars (283 reviews)

A.4 Global Customers

Increasingly, VersAccounts customers tend to have global operations and manage multiple companies in a single VersAccounts system. Some of these customers are listed below. Two of them are public – one in India and one in Canada

1,4Group – Chemicals/Agriculture

<http://14group.com/>

Chagrin Valley Soap and Salve - Health and Beauty

<https://www.chagrinvalleysoapandsalve.com/>

Canadian Global - Top Drive Parts and Equipment

<http://canadianglobal.ca/about-us/>

Island Batik – Fabric

<https://www.islandbatik.com/>

Kora Organics by Mirand Kerr – Health and Beauty

<https://us.koraorganics.com/>

PRIVI Organics – Chemicals/Aromatics

<http://www.privi.com/>

Rapid Dose Therapeutics - Bio-Tech & Cannabis

<https://www.rapid-dose.com/>

The Gravity Cartel – iXS and SPANX Gravity Biking

<https://www.thegravitycartel.com/>

Torrot GasGas – Traditional and Electric Motorbikes & Scooters

<http://gasgas.com/>

Appendix B - Company Culture

The following copy is from the company website. Company culture is a key differentiator for us and we view team members values and attitude above everything else.

- Cultural fit is the most important characteristic that we look for in our colleagues at VersAccounts.
- Starting with a positive can-do attitude. The glass half-full person. Not the dreamer. But the pragmatist who sees the obstacles but also sees a way around them. Or over them. Or through them.
- With a strong bias for action. Someone who will try it out and see what happens rather than spend that time on analysis of what might happen
- Delivering results and meeting commitments is very important. Our goals are aggressive and we do what we promise.
- We don't sandbag.
- We enjoy what we do and have fun doing it.
- Teamwork is critical.
- Integrity is highly rated. Both intellectual as well as personal. We work transparently with no hidden agenda. We treat others fairly. And we are honest in all our interactions.
- We are respectful. All the time. To everyone. We strongly believe that everyone has something to contribute and the team as well as our customers and partners are best served by building people up rather than tearing them down.
- We are agile. Not just in engineering, But across the organization. Not just in execution. But in our thinking.
- We take small steps, evaluate results, and course correct as required. Continuously. Our approach to everything is incremental. We view progress in terms of the learning we have gained and how it is applied to take the next step.
- We are customer focused. In fact we are customer obsessed.
- We are empowered.
- Our org-chart is flat. And inverted. With the customer on top.
- We don't have much time for fancy offices. And boring titles
- Skills count, but the ability to learn new things quickly and apply them as you are still learning counts even more.

- Experience, is interesting. But what really matters is what you have learnt from the time you have put in. From your successes. And more so from your failures.
- And yes. We do try and hire the smartest people we can find. But never by compromising any our values.

THIS IS **EXHIBIT "I"** REFERRED TO IN THE
AFFIDAVIT OF **SUNIL PANDE**
SWORN BEFORE ME THIS 29th DAY
OF JANUARY, 2019



A Commissioner for Taking Affidavits



VERSACCOUNTS INDEPENDENT CONTRACTOR AGREEMENT

This INDEPENDENT CONTRACTOR AGREEMENT (this “**Agreement**”) is entered into on the Effective Date by and between

VersAccounts Limited, Inc. (“VersAccounts”), a Canadian Corporation, having a place of business at 2828 SW Corbett Ave. Suite 140B Portland, Oregon 97201

and

Richard (YIFENG) ZHOU of 7679 Newcombe St Burnaby BC V3N3W1 Canada (“Contractor”).

In consideration therefore, Contractor and VersAccounts agree as follows:

- A. VersAccounts develops, markets, publishes, distributes copies of, and renders services relating to business management software.
- B. Contractor is an independent contractor in the business of providing products and consulting services to businesses and has particular experience relevant to the provision of the “Services” set forth in and defined by the applicable Exhibit A-1, A-2, A-3, etc., Statement of Work.
- C. The Parties desire that Contractor render to VersAccounts the Services, in accordance with the terms and conditions set forth herein and in any applicable attached Statement of Work.

NOW, THEREFORE, in consideration of the foregoing recitals and the mutual covenants set forth in this Agreement, the Parties agree as follows:

1. Statements of Work for Services.

During the term hereof, VersAccounts may occasionally issue Statements of Work and Contractor will either accept every such Statement of Work or promptly notify VersAccounts of its rejection in writing. Every such Statement of Work, in order to be binding on the Parties, must be signed by an authorized VersAccounts employee and accepted by Contractor. Each Statement of Work will be identified as Exhibit A-1, A-2, A-3, etc., and a copy of each Statement of Work will be attached hereto and made apart hereof.

2. Fees, Invoices and Payment.

Section 2.1 Upon completion of Contractor’s performance pursuant to each Statement of Work or to any part thereof, Contractor shall submit to VersAccounts invoices pursuant to each applicable Statement of Work. Each itemized and complete invoice will reference the Agreement and the Statement of Work number set forth in the applicable Statement of Work.

Section 2.2 VersAccounts shall make payment of all undisputed invoices in accordance with the Statement of Work. Payment is made when VersAccounts’s check is mailed or funds transfer is initiated. VersAccounts will under no circumstances pay Contractor under any Statement of Work more than the Not To Exceed Amounts set forth on the Statement of Work, unless authorized in a subsequent writing by an authorized representative of VersAccounts.

3. Contractor's Representations and Warranties.

Section 3.1 Contractor represents and warrants that:

- (a) Contractor has confirmed that Contractor performing Services hereunder have the proper skill, training and background to perform the Services set forth in the applicable Statement of Work in a competent and professional manner and that all Services will be performed to VersAccount's satisfaction; and
- (b) Contractor who will be performing Services hereunder is fully qualified to perform such Services in compliance with all applicable federal, state/provincial, and local law and has lawful status to do so; and
- (c) Contractor is not and will not be subject to any agreements or obligations to another party that would conflict with their obligations under this Agreement; and
- (d) Contractor has not previously granted, assigned or licensed and will not assign or license any right, title, or interest in any Work Product to any third party; and
- (e) The Services and any rights granted hereunder will not infringe upon the rights of any person or entity, shall not violate or infringe any Canada/United States or foreign patent, trademark, trade secret, trade name, copyright or similar law or right; or breach or require payments from VersAccounts to any third party; or violate any agreements entered into by Contractor; and
- (f) Contractor has authority to enter into this Agreement, to carry out its obligations and to grant the rights purported to be granted to VersAccounts under this Agreement; and

4. Independent Contractor Relationship.

In the performance of its duties hereunder, Contractor, shall, at all times be, act, and perform as an independent contractor providing professional contractor services. It is expressly understood and agreed that Contractor shall perform Services under the control of VersAccounts as to the result of (including any deadlines for) such Services only and not as to the means and methods by which such result is accomplished, or the times or locations at which the Services will be performed. Contractor acknowledges that Contractor offers Services to multiple clients and possesses in Contractor's facilities, equipment and supplies that Contractor needs to render Services to its clients. Contractor shall be responsible for expenses incurred by Contractor while performing Services under this Agreement, except as specifically authorized in advance by VersAccounts.

Contractor shall not be treated as employees for any federal, state/provincial, and local tax purposes, and VersAccounts shall not withhold from Contractor's fees any amount as federal or state/provincial income tax withholding, social security, or other taxes on employee compensation.

Contractor agrees to be solely and exclusively responsible for all payment of all such taxes and withholdings on any compensation earned by Contractor under this Agreement. Contractor shall indemnify and hold harmless VersAccounts, its officers, directors, principals, employees, and/or agents and further provide its full cooperation to VersAccounts in support of this tax treatment

with respect to any and all claims made by any third party that VersAccounts is responsible for any of the foregoing payments, withholdings, benefits and taxes.

Contractor shall not be considered employees for purposes of fringe benefit programs which VersAccounts may offer exclusively to its own employees and thus Contractor shall have no claim against VersAccounts under this Agreement or otherwise for any such benefits.

In addition, Contractor is solely responsible for obtaining worker's compensation insurance and making state and federal unemployment compensation payments on behalf of itself.

5. Ownership.

Section 5.1 All proposals, research, records, reports, recommendations, manuals, findings, evaluations, forms, reviews, information, data, computer programs and written material (including every work of authorship and every invention) originated, prepared or delivered by Contractor for and in performance hereunder ("**Work Product**") is the exclusive property of VersAccounts, and Contractor hereby relinquishes and assigns to VersAccounts all right, title and interest in and to such material. Contractor will not disclose such material prepared for VersAccounts without the prior written consent of VersAccounts.

Section 5.2 All Work Product Contractor prepares in performance hereunder will constitute a work for hire, and VersAccounts is the author and owner of the copyright. If any Work Product Contractor prepares for VersAccounts hereunder does not constitute a work for hire, Contractor hereby assigns to VersAccounts all of Contractor's interest therein in each such Work Product, the copyright therein, every registration thereon, and any renewal or termination rights therein. VersAccounts will have exclusive title, including copyright and the right to register the copyright, to all such Work Product, whether a work for hire or an assigned work. Contractor hereby assigns any right it may have in any preexisting material it includes to VersAccounts and agrees to include the notice "Copyright [year] VersAccounts Limited, Inc. All rights reserved." on the material.

Section 5.3 All decisions with respect to the time, manner, form and extent of publication or other use or exploitation of the Work Product will rest exclusively with VersAccounts, and VersAccounts will not be obligated to publish or distribute the Work Product. At VersAccounts' option, reprint rights may be granted to any third party. VersAccounts will not pay Contractor any reprint fees for granting reprint rights to the Work Product.

Section 5.4 All equipment and supplies VersAccounts may provide to Contractor will remain the property of VersAccounts. All materials, including, but not limited to, vendor, customer, and employee data, documents, drawings, sketches, designs, specifications, flow charts, forecasts and lists, furnished by VersAccounts hereunder will remain the property of VersAccounts, and will be returned to VersAccounts promptly at VersAccount's request (or upon any termination or expiration of this Agreement), together with all copies made thereof.

6. License.

Section 6.1 Contractor agrees that, if in the course of providing the Services hereunder, Contractor incorporates into anything provided hereunder any proprietary information owned by Contractor or in which Contractor has an interest, VersAccounts is hereby granted and will have a non-exclusive, royalty-free, perpetual, irrevocable, worldwide license to make, have made, modify, use and sell such proprietary information.

7. Confidentiality Obligations.

Section 7.1 During the course of providing the Services, Contractor will have access to proprietary or confidential information related to the business of VersAccounts (the “**Confidential Information**”). The Confidential Information includes but is not limited to information regarding current, future or proposed products; business forecasts; vendor and customer information; employee information including, but not limited to confidential data; plans and technology; financial data; software source code and object code and related documentation; work-in-process; the existence of this Agreement and the terms hereof; and all communications between VersAccounts and Contractor related to this Agreement.

Section 7.2 Contractor will not, without the prior written consent of VersAccounts, disclose the Confidential Information to any third party, and Contractor will take reasonable and customary precautions to prevent disclosure of such Confidential Information to any such third party.

Section 7.3 Contractor will make no use of the Confidential Information except to the extent necessary to perform the Services, and in no event will Contractor make any use of the Confidential Information for Contractor’s own benefit or the benefit of any third party.

Section 7.4 The confidentiality obligations hereof will terminate with respect to any particular portion of Confidential Information when Contractor can document that:

- (a) It was in the public domain at the time of VersAccount’s communication thereof to Contractor, or it subsequently entered the public domain through no fault of Contractor;
- (b) It was in Contractor’s possession free of any obligation of confidence at the time of VersAccount’s communication thereof to Contractor, or it was subsequently rightfully communicated to Contractor free of any obligation of confidence; or
- (c) It has been communicated by VersAccounts to a third party free of any obligation of confidence.

Section 7.5 All information disclosed by VersAccounts to Contractor in connection with this Agreement, whether disclosed in writing or orally, and all information developed by Contractor in performing the Services described herein, will be treated as Confidential Information and will be subject to the confidentiality obligations hereof.

Section 7.6 If Contractor is requested or required in any legal or administrative proceeding to disclose any Confidential Information, Contractor will promptly notify VersAccounts of such request or requirement so that VersAccounts may obtain an appropriate protective order. Each Party will exercise best efforts to cooperate in obtaining a protective order or other reliable assurance that confidential treatment will be accorded the Confidential Information.

8. Indemnification.

Contractor will defend, indemnify, and hold harmless VersAccounts and VersAccounts’s officers, employees, partners, agents and affiliates, from and against any claim, loss, cost, expense and liability, including reasonable attorneys’ fees, to the extent based upon:

- (a) Any negligent or intentionally wrongful act or omission of Contractor arising out of the performance of this Agreement;

- (b) Any act by Contractor constituting, inducing or contributing to infringement of any intellectual property; or
- (c) Any failure by Contractor to make timely payment of all its taxes, fees, premiums or other charges.

9. Term and Termination.

Section 9.1 This Agreement is effective as of the Effective Date and will terminate as set forth herein.

Section 9.2 VersAccounts may in its sole discretion terminate this Agreement at any time with fifteen (15) business days written notice to the other party upon which termination VersAccount's sole obligation will be to pay Contractor any undisputed amounts due hereunder for Services completed to VersAccount's satisfaction through the effective date of termination.

Section 9.3 Immediately upon any expiration or termination of this Agreement, Contractor will return to VersAccounts all software, documents and other materials furnished to or developed by Contractor hereunder, together with all partial or complete copies thereof. Contractor will provide VersAccounts with written certification of compliance with this section.

10. Miscellaneous Provisions.

Section 10.1 Any notice or other communication required or permitted to be given by either Party will be given in writing, by facsimile transmission or by registered or certified mail, addressed to the other Party at the address written above, or to such other address as such other Party may indicate by proper notice to the other in the manner provided herein. All notices will be deemed to have been given when received.

Section 10.2 If any provision of this Agreement shall be unenforceable or illegal, such provision shall be severed and the remainder of this Agreement shall continue in full force and effect.

Section 10.3 This Agreement shall be governed by and interpreted in accordance with the laws of the Province of Ontario, Canada, without regard to conflict of laws principles. The parties hereto consent to the jurisdiction of the Province of Ontario, Canada and federal courts.

Section 10.4 Any waiver or delay by any Party in enforcing this Agreement will not deprive that Party of the right to take appropriate action later or for a subsequent breach.

Section 10.5 This Agreement supersedes all prior oral and written representations and promises that relate to the subject matter hereof.

Section 10.6 The Parties may execute this Agreement in counterparts, facsimiles are accepted.

Section 10.7 The Parties may not modify this Agreement except by a subsequent writing executed by each party.

Section 10.8 The Parties agree that courts should interpret this Agreement as if written jointly by the Parties.

Section 10.9 This Agreement will benefit, and be binding upon, permitted successors and assigns of the Parties.

Section 10.10 The provisions regarding Representations and Warranties, Independent Contractor Responsibilities, Ownership, Confidentiality Obligations, Indemnity and Miscellaneous Provisions will survive any termination hereof.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered by their proper and duly authorized representatives effective on the date last signed below (“Effective Date”).

VersAccounts Limited, Inc.

Contractor

Signature: _____

Signature: YF Zhou

Name: Sunil Pande

Name: Richard (YIFENG) ZHOU

Title: CEO

Title: Software Engineer

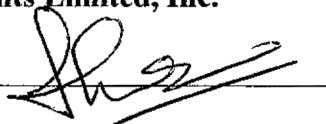
Effective Date: September 11th, 2018

Date: Sep 11th 2018

Section 10.10 The provisions regarding Representations and Warranties, Independent Contractor Responsibilities, Ownership, Confidentiality Obligations, Indemnity and Miscellaneous Provisions will survive any termination hereof.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered by their proper and duly authorized representatives effective on the date last signed below ("Effective Date").

VersAccounts Limited, Inc.


Signature: 

Name: Sunil Pande

Title: CEO

Effective Date: September 11th, 2018

Contractor

Signature: 

Name: Richard (YIFENG) ZHOU

Title: Software

Date: Sep 11th,

STATEMENT OF WORK: Exhibit A-1

TOTAL NOT-TO-EXCEED DOLLAR AMOUNT OF PROJECT: USD \$9,000 per Month

This Statement of Work is part of the Independent Contractor Agreement, dated Effective Date, between VersAccounts Limited, Inc. (“VersAccounts”) and (“Contractor”).

1. SERVICES: Contractor to assist VersAccounts with the following:

Projects:

Specific projects related software development, software qa, devops, product demonstrations, product implementation, customer support as well as other projects to be defined and agreed upon from time to time by mutual consent between VersAccounts and Contractor.

Payment Terms:

Fees:

USD \$4,250 to be paid in arrears on the 1st and 15th of every month.

Costs:

No charges may be incurred by Contractor on behalf of VersAccounts without prior approval in writing by VersAccounts.

Other:

None

2. FIXED COST PROJECT:

NA

3. TERM:

Until terminated in writing by either Party.

In the event of conflict between the terms and conditions of this STATEMENT OF WORK and the Agreement, the terms and conditions of this STATEMENT OF WORK shall control. The Parties have executed this STATEMENT OF WORK effective on the date last signed below (“Effective Date”).

VersAccounts Limited, Inc.

Contractor

Signature: _____

Signature: YF Zhou

Name: Sunil Pande

Name: Richard (YIFENG) ZHOU

Title: CEO

Title: Software Engineer

Effective Date: September 11th, 2018

Date: Sep 11, 2018

STATEMENT OF WORK: Exhibit A-1

TOTAL NOT-TO-EXCEED DOLLAR AMOUNT OF PROJECT: USD \$9,000 per Month

This Statement of Work is part of the Independent Contractor Agreement, dated Effective Date, between VersAccounts Limited, Inc. ("VersAccounts") and ("Contractor").

- 1. **SERVICES:** Contractor to assist VersAccounts with the following:
Projects:

Specific projects related software development, software qa, devops, product demonstrations, product implementation, customer support as well as other projects to be defined and agreed upon from time to time by mutual consent between VersAccounts and Contractor.

Payment Terms:

Fees:

USD \$4,250 to be paid in arrears on the 1st and 15th of every month.

Costs:

No charges may be incurred by Contractor on behalf of VersAccounts without prior approval in writing by VersAccounts.

Other:

None

- 2. **FIXED COST PROJECT:**
NA

- 3. **TERM:**
Until terminated in writing by either Party.

In the event of conflict between the terms and conditions of this STATEMENT OF WORK and the Agreement, the terms and conditions of this STATEMENT OF WORK shall control. The Parties have executed this STATEMENT OF WORK effective on the date last signed below ("Effective Date").

VersAccounts Limited, Inc.

Contractor

Signature: _____



Signature: _____

Name: Sunil Pande

Name: Richard (YIFENG) ZHOU

Title: CEO

Title: _____

Effective Date: September 11th, 2018

Date: _____



THIS IS **EXHIBIT "J"** REFERRED TO IN THE
AFFIDAVIT OF **SUNIL PANDE**
SWORN BEFORE ME THIS 29th DAY
OF JANUARY, 2019



A handwritten signature in blue ink, appearing to read "Neil W. Daly", written over a horizontal line.

A Commissioner for Taking Affidavits





MILLER THOMSON
AVOCATS | LAWYERS

MILLER THOMSON LLP
700 - 9TH AVENUE S.W., SUITE 3000
CALGARY, AB T2P 3V4
CANADA

T 403.298.2400
F 403.262.0007

MILLERTHOMSON.COM

September 24, 2018

Kevin Riegelsberger
200 W Highland Drive
Unit 201
Seattle, WA 98119
VIA EMAIL TO KEVIN.RIEGELSBERGER@YAHOO.CA

Jim Welch
1798 Rosebella Avenue
Ottawa ON
K1T 1G5
VIA EMAIL TO JIM.WELCH@SINO-MAPLE.COM

Margaret Sims
Direct Line: 416.595.8577
Direct Fax: 416.595.8695
msims@millerthomson.com

File: 0236195-1

SENT VIA COURIER AND EMAIL

Dear Sirs:

Re: VersAccounts Limited (“VersAccounts” or the “company”)

We are counsel for Sunil Pande and Richard Zhou.

We write to open a dialogue to ensure the proper and orderly operation of VersAccounts and to demand that you immediately cease and desist from taking unauthorized steps which are harming VersAccounts and are oppressive and unfairly disregard the interests of Mr. Pande and Mr. Zhou. We propose a without prejudice meeting to see if the air can be cleared and a constructive plan in the best interest of the company can be formulated. Mr. Pande and Mr. Zhou are open to having productive discussions and moving beyond the chaotic events of the last two weeks.

Mr. Pande and Mr. Zhou have been and intend to maintain the status quo as best they can in all the circumstances and continue to fulfil their responsibilities in the best interest of the company. To that end, we require confirmation that:

1. You confirm that Mr. Zhou continues as Head of Engineering of the company, and you immediately contact all persons, which you advised of his purported termination, to confirm his status and authority with the company;
2. You will take no action to interfere with Mr. Zhou having access to required systems;
3. You confirm that Mr. Pande continues as the CEO of the company, and you immediately contact all persons, which you advised of his purported termination, to confirm his status and authority with the company; and

4. You immediately take steps to ensure that Mr. Pande has access to the offices and information systems, and authorization in respect of the bank and financial accounts of the company.

It is essential that these requirements are met to allow operations of VersAccounts to be regularized and it is our position that it is incumbent on you to do so in the best interests of the company, its shareholders and stakeholders. Your current actions are jeopardizing the company.

We are instructed that, unless these requirements are met to regularize operations by no later than September 27, 2018, then it is anticipated that the following significant and potentially irreversible damage to the company will occur.

- The company will be unable to fulfill its obligations to current customers, and as a result the company faces the significant risk of losing customers and being pursued by customers for default.
- Important new sales will be lost. The sales team has a high likelihood of closing approximately \$60,000 worth of new sales to Canadian Global, Rapid Dose and IQ America in the next 2 week, the sales team has 6 high quality prospects who have advised will be making decisions on quotes in September,¹ and there are 5 product demonstrations scheduled.² Unless the company's operations are stabilized, none of these pending sales will close and the scheduled product demonstrations will not go ahead.
- The company will lose the engineering contractor team due to the anticipated failure of the company to pay the contractors as required at month-end and their key relationship with Mr. Zhou.
- The company will lose its marketing suppliers, including its creative, PR, digital marketing and other key suppliers due to its anticipated failure to pay them as required at month-end.
- The company will lose the use of it data center services provider by Amazon Web Services and other providers due to the anticipated failure of the company to pay these suppliers as required, resulting in the termination of services to VersAccounts customer which will likely cause catastrophic losses to the companies most of whom have global operations and for whom 24x7x365 access to VersAccounts services and support is mission critical.
- The company will be unable to obtain the critically needed and immediate capital injection that Mr. Pande arranged from investors who have been waiting to make their investment since the summer of 2018.

¹ Academy Games (\$15,000), Falsetto Foods (\$12,899), Court Product (\$16,139), Safe Haven Bicycle (\$24,809), Mission Solutions Group (\$16,638), and One Up Components (\$19,439).

² Phivada, PK Produce, Technology Education, The Joxel Group, and Swidget



We are instructed and understand the legal situation to be, as follows.

1. VersAccounts is a corporation incorporated pursuant to the *Canada Business Corporations Act*.
2. Mr. Riegelsberger is a director of VersAccounts. He is not a shareholder, but is a noteholder under a Convertible Note Debenture and a potential investor under the proposed amended Convertible Note Debenture.
3. Mr. Welch is a director and a shareholder of VersAccounts. He holds 3,000,000 shares, which amount to 41.3% of the shares of the company. Mr. Welch resigned as Chief Technology Officer on May 8, 2018.
4. Mr. Pande is a shareholder, a director and the CEO of VersAccounts. He holds 1,500,000 shares of the company, which amount to 20.63% of the shares of the company.
5. Mr. Zhou is a shareholder of VersAccounts. He holds 1,500,000 shares of the company, which amount to 20.63% of the shares of the company.
6. Mr. Zhou has been engaged as an independent contractor or an employee of the VersAccounts since 2013. Under his employment agreement dated May 24, 2017, he was employed in the position of Head of Research & Development & Operations, reporting to Sunil Pande, CEO and he has continued in that position since that time.
7. On several occasions, Mr. Pande has clearly articulated to Mr. Riegelsberger and all others in the company, and Mr. Riegelsberger has agreed, that Mr. Zhou is essential to the ongoing operation of the business and it would cause harm to the business if he were to leave or be lost to the company for any reason.
8. Earlier in 2018, Mr. Welch improperly accused Mr. Pande of orchestrating improper reporting of financial and sales results. The accusations were untrue and defamatory to Mr. Pande. As you are both aware, Joe Munk, the company's Head of Finance and Administration, and Mr. Riegelsberger reviewed the issues raised, and Mr. Munk took sole responsibility for the inadvertent accounting error, and since that time all parties have made efforts to improve internal systems and administration to guard against such errors.
9. Unfortunately, at the time that Mr. Welch made these allegations and until now, Mr. Welch is acting, not in the best interest of the company, but is working to fulfill his personal agenda that he wishes to remove Mr. Pande as CEO and become CEO himself. As set out below in greater detail, removing Mr. Pande as CEO is not within the purview of the board of directors as it is a term of the unanimous shareholders agreement of the company that Mr. Pande be CEO. To further this agenda, it has come to the attention of my clients that, in breach of his employment contract and in breach of the obligations he owes to the company, Mr. Welch shared and is sharing confidential information with Brad Christakos and Steven Read, as well as his desire to replace Mr. Pande as CEO.



10. In the summer of 2018, the company made efforts to obtain interest from potential investors to raise additional funds by way of the existing Convertible Note Debenture for the company (the “**Additional Investment Round**”).
11. Mr. Riegelsberger's position was that, before he and the investors which he had arranged would proceed with the Additional Investment Round, improvements were required to the Convertible Note Debenture.
12. At the July 12, 2018 board meeting, the directors approved the Additional Round of Investment in principle and instructions were given to counsel to prepare the required documentations to permit the Additional Investment Round to Investment to proceed.
13. Also at the July 12, 2018 meeting, the board discussed the excellent work of Mr. Pande, Mr. Zhou and the sales team in respect of the Service Trade deal, which was the largest deal which the company has ever had at a minimum of \$150,000 in sales revenue per year. Since that meeting, Mr. Pande and Mr. Zhou worked to successfully launch the product in beta on September 19, 2018, and Service Trade made payments totalling \$50,000 to VersAccounts. Provided that company operations can be regularized, further milestone payments and recurring monthly payments are anticipated.
14. Beginning on July 25, 2018, efforts were made to have the board of directors formally approve the Additional Investment Round and the associated investor package prepared by counsel, which would facilitate injection of needed funds into the business. Mr. Pande executed the directors' resolution authorizing the Additional Investment Round. Mr. Riegelsberger abstained from executing the resolution³, which addressed specific terms of the debenture required by him, due to his conflict of interest as a potential investor under the Additional Investment Round.
15. Despite follow-up, the Mr. Welch refused or neglected to execute the resolution approving the Additional Investment Round.
16. Due to Mr. Welch failing to sign the required resolution authorizing the Additional Investment Round, it appeared that the company would not be able to move forward with the Additional Investment Round and other options needed to be considered.
17. Late in the day on Friday September 7, 2018, Mr. Riegelsberger sent an email setting out that:
 - he had been unreachable for the last few days due to a family emergency;
 - he had asked Mr. Munk to set up a board meeting on Monday September 10, 2018 (“**September 10, 2018 Meeting**”) to discuss:

³ The Resolution bears that the following conflict of interest notification in respect of Mr. Riegelsberger: “In accordance with section 120 of the *Canada Business Corporations Act*, the undersigned director hereby declares an interest in the transactions authorized by the foregoing resolution and accordingly refrains from voting on the foregoing resolution.



- (i) How to raise money for the company, if we can;
 - (ii) Should we investigate selling the company; and
 - (iii) Other options.
18. On Sunday September 9, 2018, Mr. Pande sent an email to Mr. Riegelsberger that he would be unable to attend the board meeting on Monday as scheduled, as there were very important meetings he needed to have before he could be fully prepared to discuss Mr. Riegelsberger proposed agenda items and he would require a week to be in a position to properly do so. Mr. Pande also restated his frustration on the inaction of Mr. Welch in failing to execute the resolution to approve the Additional Investment Round as this was hindering the operations of the business and threatening the viability of the company.
19. Early on September 10, 2018, Mr. Riegelsberger asked if Mr. Pande could attend a board meeting in the next few says, and Mr. Pande responded that he could attend but would not be in a position to speak to the topics raised by Mr. Riegelsberger. Mr. Riegelsberger then advised Mr. Pande that he would proceed with the board meeting scheduled for later that day and would like Mr. Pande at the meeting.
20. It has now been learned that, before the September 10, 2018 Meeting, Mr. Riegelsberger contacted Angela Jackson, an important contact in the Portland tech community and the representative of the landlord of the company in Oregon, and told her:
- “As you've heard, we are expecting to have a change in leadership at VersAccounts on Monday September 10, 2018. We would appreciate assistance from the the Portland Business Accelerator in either restricting the access of Sunil [Pande] to the office or by providing a secure office / location in which confidential corporate documents can be stored during this transition. Joe Munk (copied) can be our contact on behalf of VersAccounts
- Thank you,
- Kevin Riegelsberger
- Chairman of the board
VersAccounts”
21. The communication by Mr. Riegelsberger to Ms. Jackson was unauthorized, defamatory and has caused harm to the reputation of both Mr. Pande and to VersAccounts. This will negatively impact VersAccounts ability to raise capital, retain customers and make new sales.
22. At the September 10, 2018 Meeting and without any prior notice, Mr. Riegelsberger made a motion to terminate Mr. Pande as CEO. Mr. Pande noted that he is named as CEO in the unanimous shareholders agreement and the board does not have the power to terminate him by resolution; any such termination requires an amendment to the



- unanimous shareholders agreement. Any resolution by the board to terminate Mr. Pande is an unauthorized nullity.
23. At the September 10, 2018 Meeting and without any prior notice, Mr. Riegelsberger made a motion to terminate Mr. Zhou. Mr. Pande voted against the motion and noted his position that as CEO, this was a decision within his purview and the board did not have authority to terminate Mr. Zhou. Decisions on key employee positions is within the purview of the CEO of the company, and any attempt to usurp the CEO's ability in this regard is a colourable attempt of Mr. Riegelsberger to circumvent the unanimous shareholders agreement and strip Mr. Pande of his authority as CEO. The board of directors does not have power to terminate Mr. Pande, and it does not have the power to take actions to take steps which are tantamount to terminating him as CEO. The motion to terminate Mr. Zhou is an unauthorized nullity.
 24. The company shareholders have all signed voting trust agreements, which on their face purport to have a shareholders share voted under the voting trust if a shareholder ceases to be an employee or independent contractor of the company and have a board resolution direct how the shares be voted. While the voting trust has never been used by the company, at the September 10, 2018 Meeting Mr. Welch stated that after Mr. Zhou's termination then he and Mr. Riegelsberger could pass resolutions to have the shares in the voting trust (which then would hold all company shares, except Mr. Pande's shares) change the shareholders agreement. The clear implication was that the reason for terminating Mr. Zhou was to orchestrate amendment to the shareholders agreement to terminate Mr. Pande and to amend the shareholders agreement to meet Mr. Riegelsberger's personal interest as an investor under Additional Investment Round.
 25. The motions made by Mr. Riegelsberger to purport to terminate Mr. Zhou and Mr. Pande were not motivated by Mr. Riegelsberger acting in the best interest of the company, but, instead, it is our position were motivated by improper purposes, including the scheme of having the shares of Mr. Zhou and Mr. Pande fall into the voting trust in order to permit all shares in the company to be voted as instructed by resolution of the board of directors and thereby have the shareholders agreement amended in accordance with Mr. Riegelsberger's requirements as a potential investor under the Additional Investment Round.
 26. After the September 10, 2018 Meeting, Mr. Riegelsberger wrote to Mr. Zhou to advise him that he was terminated effective immediately.
 27. Due to his commitment to the best interests of the company and his concern that Mr. Riegelsberger was taking unauthorized actions, Mr. Zhou has continued to fulfill his responsibilities and duties as Head of Research, Development and Operations of the company. There was no succession or transition plan, no team to transition to, and had Mr. Zhou ceased working the company operations, customer relations and very existence would be in jeopardy.
 28. Beginning on or about September 10, 2018, without proper authorization and acting with an ulterior motive, Mr. Riegelsberger and Mr. Welch have purported to terminate Mr. Pande as CEO and to deny him access to the offices, bank accounts and certain



information systems of the company. On September 20, 2018, Mr. Pande received a notice that the company had cancelled his health care coverage on September 13, 2018.

29. Due to his commitment to the best interests of the company and his concern that Mr. Riegelsberger and Mr. Welch were taking unauthorized actions, Mr. Pande has continued to fulfill his responsibilities and duties as CEO of the company the best of his abilities in these trying circumstances.

Based on the foregoing, and without limitation to setting out further facts and claims if this matter is required to proceed, it is our position that:

- The actions of Mr. Riegelsberger and Mr. Welch were unauthorized and are oppressive actions which unfairly disregard the interests of Mr. Pande and Mr. Zhou as shareholders and are not in the best interests of the company as those terms are used in section 241 of the *Canadian Business Corporations Act*.¹
- The purported termination of Mr. Zhou is a nullity and was not authorized. Further, it is voidable as it was done by Mr. Riegelsberger and Mr. Welch acting in bad faith, for ulterior motives and not in the best interest of the company and was undertaken for the ulterior motive of seeking to deprive Mr. Zhou of his ability to vote his shares and cause the voting of his shares to be governed by the Voting Trust Agreement
- As set out in his employment agreement, Mr. Zhou reports to the CEO, and Mr. Pande as CEO has not authorized this termination and, in fact, Mr. Pande has put the other directors on notice that Mr. Zhou is essential to the ongoing operation of the business and it would cause harm to the business if he were terminated. It is Mr. Pande who has authority to terminate Mr. Zhou and not the board acting for an ulterior motive.
- The purported termination of Mr. Zhou is an oppressive act under the *Canadian Business Corporations Act* by Mr. Riegelsberger and Mr. Welch, which was made in bad faith and unfairly disregards the interests of Mr. Pande and Mr. Zhou as minority shareholders and has, in bad faith, caused Mr. Zhou harm and distress by interfering with Mr. Zhou's shareholder and employment relationship with the company.
- The purported termination of Mr. Pande is a nullity. Mr. Pande is named as CEO in the unanimous shareholders agreement and the board does not have the power to terminate him by resolution; any such termination requires an amendment to the unanimous shareholders agreement.
- The actions of Mr. Riegelsberger and Mr. Welch to purport to terminate Mr. Pande as CEO and to deny him access to the offices, bank accounts and information systems of the company are unauthorized and are oppressive and were undertaken for an ulterior motive. These actions have caused Mr. Pande reputational harm and distress as the actions have interfered with Mr. Zhou's shareholder and employment relationship with the company and have damaged his reputation with stakeholders of the company and with the business community.



- As these acts were unauthorized actions taken by Mr. Riegelsberger and Mr. Welch, which were taken for personal gain and personal objectives, our position is that it is not appropriate for company counsel to act for them in this matter and it is not appropriate for the company to expend any monies to fund their retainer of legal counsel. We put you on notice that efforts to do so will be seen as further unauthorized, improper and oppressive actions.

If you have engaged counsel, please have them contact me or, otherwise, I invite you to contact me directly.

Yours truly,
MILLER THOMSON LLP



Margaret Sims
MRS/mrs

c. clients

Joe Munk
16 Del Prado St
Lake Oswego, OR 97035-1312
Email: joe.munk@versaccounts.com

Virginia K Schweitzer
Fasken
55 Metcalfe Street
Suite 1300
Ottawa , ON, K1P 6L5
Email: vschweitzer@fasken.com

Neil Nathanson
Perkins Coie LLP
1120 N.W. Couch Street Tenth Floor
Portland, OR 97209-4128
Email: NNathanson@perkinscoie.com

ⁱ Section 241 provides, in part:

Application to court re oppression

241 (1) A complainant may apply to a court for an order under this section.

Grounds

(2) If, on an application under subsection (1), the court is satisfied that in respect of a corporation or any of its affiliates

...

(c) the powers of the directors of the corporation or any of its affiliates are or have been exercised in a manner



that is oppressive or unfairly prejudicial to or that unfairly disregards the interests of any security holder, creditor, director or officer, the court may make an order to rectify the matters complained of.

Powers of court

- (3) In connection with an application under this section, the court may make any interim or final order it thinks fit including, without limiting the generality of the foregoing,
- (a) an order restraining the conduct complained of;
 - (b) an order appointing a receiver or receiver-manager;
 - (c) an order to regulate a corporation's affairs by amending the articles or by-laws or creating or amending a unanimous shareholder agreement;
 - (d) an order directing an issue or exchange of securities;
 - (e) an order appointing directors in place of or in addition to all or any of the directors then in office;
 - (f) an order directing a corporation, subject to subsection (6), or any other person, to purchase securities of a security holder;
 - (g) an order directing a corporation, subject to subsection (6), or any other person, to pay a security holder any part of the monies that the security holder paid for securities;
 - (h) an order varying or setting aside a transaction or contract to which a corporation is a party and compensating the corporation or any other party to the transaction or contract;
 - (i) an order requiring a corporation, within a time specified by the court, to produce to the court or an interested person financial statements in the form required by section 155 or an accounting in such other form as the court may determine;
 - (j) an order compensating an aggrieved person;
 - (k) an order directing rectification of the registers or other records of a corporation under section 243;
 - (l) an order liquidating and dissolving the corporation;
 - (m) an order directing an investigation under Part XIX to be made; and
 - (n) an order requiring the trial of any issue.

Duty of directors

- (4) If an order made under this section directs amendment of the articles or by-laws of a corporation,
- (a) the directors shall forthwith comply with subsection 191(4); and
 - (b) no other amendment to the articles or by-laws shall be made without the consent of the court, until a court otherwise orders.



THIS IS **EXHIBIT "K"** REFERRED TO IN THE
AFFIDAVIT OF **SUNIL PANDE**
SWORN BEFORE ME THIS 29th DAY
OF JANUARY, 2019



A Commissioner for Taking Affidavits



**REQUISITION OF MEETING OF SHAREHOLDERS
OF
VERSACCOUNTS LIMITED
(the Requisition)**

DELIVERED BY COURIER AND ELECTRONIC MAIL

November 28, 2018

TO: VersAccounts Limited (the **Corporation**)

1798 Rosebella Avenue
Ottawa ON K1T 1G5

(registered office of the Corporation)

840 – 56 Aberfoyle Crescent
Toronto, Ontario M8X 2W4

(mailing address of the Corporation)

2828 SW Corbett Avenue
Portland, Oregon 97201
United States

(place of business of the Corporation)

c/o Brad Christakos
West End Law Chambers
Sun Life Financial Centre
3300 Bloor Street West
Centre Tower, 10th Floor, Suite 3040
Toronto, Ontario, M8X 2X3

(address for notice of the Corporation under the Shareholders'
Agreement (as defined below))

AND TO: The board of directors of the Corporation, being:

Kevin Riegelsberger
200 W. Highland Drive
Unit 201 Seattle, WA 98119
VIA EMAIL TO KEVIN.RIEGELSBERGER@YAHOO.CA

James Warren Welch
1798 Rosebella Avenue
Ottawa ON K1T 1G5
VIA EMAIL TO JIM.WELCH@SINO-MAPLE.COM

Sunil Pande
5275 SW 85th Avenue
Portland, OR 97225
VIA EMAIL TO SUNILEDNAP@GMAIL.COM

and, for each such director, c/o the Corporation at the registered office, mailing address, place of business and address for notice under the Shareholders' Agreement as indicated above.

AND TO: Mark A. Richardson
 135 Hitching Post Lane
 Bedford, NH 03110
 VIA EMAIL TO MARK.RICHARDSON@ORBIAL.COM

and c/o the Corporation at the registered office, mailing address, place of business and address for notice under the Shareholders' Agreement as indicated above.

THE UNDERSIGNED being, as of the date hereof, the registered holders and beneficial owners (the **Concerned Shareholders** and each of them, a **Concerned Shareholder**) of not less than five per cent (5%) of the issued common shares of the Corporation that carry the right to vote at a shareholders' meeting (the **Shares**), hereby requisition the board of directors of the Corporation (the **Board**) to call a meeting of the shareholders of the Corporation (the **Meeting**) to be held on an expedited basis and no later than December **31**, 2018, for the transaction of the following business:

- 1 to consider and, if thought advisable, to pass a resolution to be approved by not less than 66.67% of the Shareholders to amend the shareholders' agreement dated July 8, 2013, between the Corporation and the shareholders of the Corporation (the **Shareholders' Agreement**) as follows:

The text of section 3.1 of the Shareholders' Agreement shall be deleted in its entirety and replaced with the following:

3.1 Directors

The Board shall consist of a minimum of two Directors and a maximum of five Directors as selected by the Shareholders. Sunil Pande shall at all times be a Director.

The text of section of 3.3 of the Shareholders' Agreement shall be deleted in its entirety and replaced with the following:

3.3 Quorum of Directors

Two Directors must be present at any meeting of Directors, one of whom must be Sunil Pande. If there are more than two Directors, a quorum of a majority of directors may proceed with the meeting, one of whom must be Sunil Pande.

- 2 to consider and, if thought advisable, to pass a resolution to be approved by a majority of votes cast at the Meeting electing the following nominee as a director of the Board:

Yi Feng (Richard) Zhou

(the **Concerned Shareholders' Nominee**), whose biography is set out in the attached Exhibit "A", to hold office until the close of the next annual meeting of the shareholders of the Corporation or until their successors are elected or appointed; and

- 3 to consider and, if thought advisable, to pass a resolution to be approved by a majority of votes cast at the Meeting to remove each of the following three (3) directors of the Board (the **Removal Resolution**):

James Warren Welch
Kevin Riegelsberger
Mark A. Richardson

and

4 the transaction of such other business as may properly come before the Meeting.

In the event the Board fails to call the Meeting within 21 days after receiving this Requisition as required pursuant to the *Canada Business Corporations Act*, the Board is hereby notified that any Concerned Shareholder may call the Meeting. This Requisition is made pursuant to Section 143 of the *Canada Business Corporations Act* by the undersigned on their own behalf.


The Concerned Shareholders hereby represent and warrant that as of the date hereof, they are the registered holders and beneficial owners of at least that number of Shares set out below its signing block on the following signature page.

This Requisition may be executed in counterparts, each of which shall be deemed to be an original and all of which taken together shall be deemed to constitute one and the same instrument. Delivery of an executed signature page of this Requisition by telecopy or other electronic transmission shall be effective as delivery of a manually executed signature page of this Requisition.

Please direct any communications regarding this Requisition to Norton Rose Fulbright Canada LLP, counsel to Sunil Pande and Yi Feng (Richard) Zhou, to the attention of Rahool Agarwal at 416.216.3943 and by e-mail at rahool.agarwal@nortonrosefulbright.com and Danny Urquhart at 416.216.1866 and by e-mail at danny.urquhart@nortonrosefulbright.com.


[Remainder of this page intentionally left blank. Signature page follows.]

DATED as of the date first above written.



Daniel Day Witness

Witness



Sunil Pande
Number of Shares owned: 1,500,000

Yi Feng (Richard) Zhou
Number of Shares owned: 1,500,000

DATED as of the date first above written.

Witness
Tianjiao Zhang

Witness
Tianjiao Zhang

Sunil Pande
Number of Shares owned: 1,500,000
[Signature]

Yi Feng (Richard) Zhou
Number of Shares owned: 1,500,000

EXHIBIT "A"

*This is Exhibit "A" to the requisition of a special meeting of shareholders of VersAccounts Limited made on November 28, 2018, by Sunil Pande and Yi Feng (Richard) Zhou (the **Requisition**). This Exhibit "A" is incorporated by reference in, and forms a part of, the Requisition. The profiles and information in respect of the Concerned Shareholder Nominee have been provided to the Concerned Shareholders by each respective Concerned Shareholder Nominee. Capitalized terms used herein without definition have the meanings ascribed thereto in the Requisition.*

Concerned Shareholder Nominee Biography

Name and Province/ State and Country of Residence	Present Principal Occupation, Business or Employment	Number of Common Shares Beneficially Owned or Controlled
Yi Feng (Richard) Zhou British Columbia, Canada	Head of Engineering & Operations at VersAccounts Ltd.	1,500,000

Mr. Zhou has been working in the software industry since 1998. During this period, he has built extensive experience supporting small and medium sized business and understand key accounting principles and business processes in the industry. Mr. Zhou also has experience starting and managing his own businesses, including a consulting business.

Other Information Concerning the Concerned Shareholder Nominee

To the knowledge of the Concerned Shareholders, the Concerned Shareholders' Nominee is not, at the date hereof, nor has been, within ten (10) years before the date hereof: (a) a director, chief executive officer or chief financial officer of any company that (i) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation that was in effect for a period of more than thirty (30) consecutive days (each, an order), in each case that was issued while the Concerned Shareholder Nominee was acting in the capacity as director, chief executive officer or chief financial officer, or (ii) was subject to an order that was issued after the Concerned Shareholder Nominee ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer; (b) a director or executive officer of any company that, while the Concerned Shareholder Nominee was acting in that capacity, or within one (1) year of the Concerned Shareholder Nominee ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or (c) someone who became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or became subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of such Concerned Shareholder Nominee.

To the knowledge of the Concerned Shareholders, as at the date hereof, the Concerned Shareholder Nominee has not been subject to: (a) any penalties or sanctions imposed by a court relating to securities legislation, or by a securities regulatory authority, or has entered into a settlement agreement with a securities regulatory authority; or (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for the Concerned Shareholder Nominee.

To the knowledge of the Concerned Shareholders, none of the Concerned Shareholders, nor any associates or affiliates of the foregoing, nor the Concerned Shareholder Nominee nor any of its respective

associates or affiliates, has: (a) any material interest, direct or indirect, in any transaction since the commencement of the Corporation's most recently completed financial year or in any proposed transaction which has materially affected or will materially affect the Corporation or any of its subsidiaries; or (b) any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter proposed to be acted on at the Meeting, other than the election of directors.

* * *



THIS IS **EXHIBIT "L"** REFERRED TO IN THE
AFFIDAVIT OF **SUNIL PANDE**
SWORN BEFORE ME THIS 29th DAY
OF JANUARY, 2019


A Commissioner for Taking Affidavits



November 28, 2018

By Courier

Virginia Schweitzer
Fasken Martineau DuMoulin LLP
55 Metcalfe Street, Suite 1300
Ottawa Ontario K1P 6L5
vschweitzer@fasken.com

Peter Mantas
Fasken Martineau DuMoulin LLP
55 Metcalfe Street, Suite 1300
Ottawa Ontario K1P 6L5
pmantas@fasken.com

Norton Rose Fulbright Canada LLP
Royal Bank Plaza, South Tower, Suite 3800
200 Bay Street, P.O. Box 84
Toronto, Ontario M5J 2Z4 Canada

F: +1 416.216.3930
nortonrosefulbright.com

Rahool P. Agarwal
+1 416.216.3943
rahool.agarwal@nortonrosefulbright.com

Your reference

Our reference

Dear Ms. Schweitzer and Mr. Mantas:

Requisition of a Meeting of the Shareholders of VersAccounts Limited

I have been retained as counsel to Sunil Pande and Yi Feng (Richard) Zhou.

Please find enclosed a shareholder's requisition pursuant to section 143 of the *Canada Business Corporations Act* (the **CBCA**) on behalf of our clients to the Board of Directors (the **Board**) of VersAccounts Limited (the **Corporation**). The requisition will require the Board to call a meeting of shareholders for the nomination and election of new directors to sit on the Board and for the removal of certain current directors, including to regularize the records by removing Mr. Richardson from the Board. The requisition calls for shareholders to vote on certain amendments to the Corporation's shareholders' agreement.

Pursuant to the Voting Trust Agreement of the Corporation, Mr. Pande is the trustee of the Voting Trust. In this capacity he is given the authority to vote the shares that are subject to the trust. The Voting Trust Agreement empowers Mr. Pande to enter these votes subject to the Voting Trust at his sole discretion and this power is made effective by a Power of Attorney.

The business put before the shareholders pursuant to the Requisition will be voted on in accordance with Mr. Pande's rights under the Voting Trust Agreement and Power of Attorney, including his right to enter the votes of all shareholders which are subject to the trust. Given that the shareholdings governed by the Voting Trust Agreement and Mr. Pande's shares represent more than a 66.6% share of the issued and outstanding shares of the Corporation, Mr. Pande will have substantial control over the outcome of the matters voted on by shareholders at the shareholders meeting.

The election of a new Board is a paramount concern to the Corporation. Certain members of the current Board have actively and deliberately acted contrary to the interests of the Corporation, without regard for their fiduciary duties, and with flagrant disregard for the expected standards of good corporate governance. These members of the Board have an extensive track record of putting their own interests ahead of the Corporation and have used their positions on the Board to advance their misconduct. In particular:

1. Mr. Welch and Mr. Riegelsberger have publicly made false or misleading statements disparaging the current CEO of the Corporation to the detriment of the Corporation and its ability to carry out its business;

CAN_DMS: \124083134

Norton Rose Fulbright Canada LLP is a limited liability partnership established in Canada.

Norton Rose Fulbright Canada LLP, Norton Rose Fulbright LLP, Norton Rose Fulbright Australia, Norton Rose Fulbright South Africa Inc and Norton Rose Fulbright US LLP are separate legal entities and all of them are members of Norton Rose Fulbright Verein, a Swiss Verein. Norton Rose Fulbright Verein helps coordinate the activities of the members but does not itself provide legal services to clients. Details of each entity, with certain regulatory information, are at nortonrosefulbright.com.

Virginia Schweitzer
Peter Mantas
Fasken Martineau DuMoulin LLP
November 28, 2018

2. Mr. Welch and Mr. Riegelsberger have publicly made false or misleading statements disparaging the Corporation, including statements that the Corporation is in an insolvent position when it is not;
3. Mr. Welch and Mr. Riegelsberger have conspired to remove the CEO in breach of the Corporation's Shareholders Agreement in retaliation for the CEO's resistance to amendments to the Corporation's constating documents that facilitate the sale of the Corporation at a devalued price;
4. Mr. Welch and Mr. Riegelsberger have conspired to prevent the Corporation from obtaining available financing under a convertible note for the purpose of starving the Corporation of necessary cash;
5. Mr. Welch and Mr. Riegelsberger have conspired to lower the value of the Corporation and terminate essential staff in order to compel Mr. Pande to sell his shares at a depreciated value;
6. Mr. Welch and Mr. Riegelsberger have obstructed funding for the Corporation's revenue generating operations causing significant harm to the profits and operations of the Corporation;
7. Mr. Welch and Mr. Riegelsberger have conspired to communicate confidential information of the Corporation to third parties, against the best interests of the Corporation;
8. Mr. Welch and Mr. Riegelsberger have refused to disclose important financial information and professional advice that the Corporation has received to the Corporation's CEO;
9. Mr. Welch and Mr. Riegelsberger have conspired to prevent the return of certain corporate assets, including bank accounts, to the Corporation after the end of Mr. Welch's employment with the Corporation;
10. Mr. Welch has deliberately made false accusations against others in order to provide a basis for removing them from their positions; and
11. Mr. Welch has falsely represented to third parties that he was acting with the actual authority of the Board of Directors when he was not.

All of this information will be communicated in detail at the requisitioned shareholders meeting.

In addition, we believe that the Company's counsel, Fasken Martineau DuMoulin LLP (**Faskens**) may be in a conflict of interest. We understand Faskens has given advice to Messrs. Welch and Riegelsberger in the absence of Mr. Pande. Given Mr. Pande did not receive the advice even though he is a member of the Board, in our view, Faskens's advice was given to Messrs. Welch and Riegelsberger in their personal capacities. Faskens cannot advise Messrs. Welch and Riegelsberger personally and at the same time act as counsel to the Company (see: *Rice v. Smith et al.*, 2013 ONSC 1200).

THIS IS **EXHIBIT "M"** REFERRED TO IN THE
AFFIDAVIT OF **SUNIL PANDE**
SWORN BEFORE ME THIS 29th DAY
OF JANUARY, 2019


A Commissioner for Taking Affidavits



FASKEN

Fasken Martineau DuMoulin LLP
Barristers and Solicitors
Patent and Trade-mark Agents

55 Metcalfe Street, Suite 1300
Ottawa, Ontario K1P 6L5
Canada

T +1 613 236 3882
+1 877 609 5685
F +1 613 230 6423

fasken.com

December 6, 2018
File No.: 295035.00001

Virginia Schweitzer
Direct +1 613 696 6889
vschweitzer@fasken.com

WITHOUT PREJUDICE

By Email and by Courier

Norton Rose Fulbright Canada LLP
Royal Bank Plaza, South Tower, Suite 3800
200 Bay Street, P.O. Box 84
Toronto, ON M5J 2Z4

Attention: Mr. Rahool P. Agarwal

Dear Mr. Agarwal:

Re: VersAccounts Limited

We are in receipt of your letter dated November 28, 2018 indicating that you have been retained as counsel for Sunil Pande and Yi Feng (Richard) Zhou. Can you please confirm that Margaret Sims at Miller Thompson is no longer counsel for Messrs. Pande and Zhou.

In your letter you made allegations against certain members of the Board of VersAccounts Limited, namely, Mr. Welch and Mr. Riegelsberger. Although we have not examined or analysed the allegations in depth, on their face some of these allegations would appear to be allegations against these individuals in their personal capacity and not as directors of the Corporation. We note for your information that Fasken does not act for either Mr. Welch or Mr. Riegelsberger in their personal capacities. We have passed along a copy of your letter to each of Mr. Welch and Mr. Riegelsberger and we have indicated to each of them that they should seek their own legal counsel in respect of the allegations as they relate to them personally. Separately, we note that we understand that at different times during the last months, Mr. Welch has been personally represented by counsel, namely, Brad Christakos.

Additionally, in your letter you have identified that you believe that Fasken Martineau DuMoulin LLP ("Fasken") may be in a conflict of interest. We note that Fasken has represented only the Corporation since it was originally retained and has only been asked to represent the Corporation in connection with these matters. At different times during the relationship with the Corporation over the last few years, we have been instructed as counsel to the Corporation by members of the management team and at other times by a majority of the directors sitting on the Board of Directors of the Corporation from time to time and acting on behalf of the Corporation. We further note that the individuals who formed the majority of the directors providing instructions



FASKEN

to Fasken have changed from time to time depending on the circumstances and the actions being undertaken by the Corporation. In practical terms, the conduct of the majority of the Board in continuing our engagement, receiving our advice and instructing us should meet the standards of good corporate governance and is consistent with the conduct of the relationship between the Corporation and Fasken.

We note that Margaret Sims at Miller Thompson had raised the issue of conflict of interest as well and we confirmed the same information to Ms. Sims. Peter Mantas discussed this issue with Ms. Sims and throughout the negotiations that commenced in September and had been ongoing until early November, Ms. Sims confirmed that there was no issue in Fasken continuing to act for the Corporation as the parties attempted to come to a negotiated resolution which would see the Corporation continue as a going concern and viable business. It now appears the parties have moved into a new phase of the dispute.

Please confirm if you believe Fasken is in a conflict of interest. If this continues to be your belief in light of the information above, although we do not believe or admit it to be correct, we will ask Messrs. Welch and Riegelsberger and Mr. Mark Richardson, who was recently appointed as Board member, on behalf of the Corporation to confirm our engagement or to terminate it, as they may choose. We look forward to your responses and hope that the parties will be able to resolve their differences.

Yours truly,

FASKEN MARTINEAU DuMOULIN LLP



Virginia Schweitzer

VS/jf

Enclosure

cc: Peter Mantas

Kevin Riegelsberger (by email)

Jim Welch (by email)

Mark Richardson (by email)

THIS IS **EXHIBIT "N"** REFERRED TO IN THE
AFFIDAVIT OF **SUNIL PANDE**
SWORN BEFORE ME THIS 29th DAY
OF JANUARY, 2019


A Commissioner for Taking Affidavits



From: Agarwal, Rahool
Sent: December-06-18 12:21 PM
To: Virginia Schweitzer
Cc: Peter Mantas
Subject: RE: VersAccounts [NRFC-EDRMS.FID11546278]

Ms. Schweitzer, thank you for your correspondence.

Regarding the potential conflict, I am not in a position to confirm when you are or are not in a conflict. If in the course of your dealings with Messrs. Welch and Reigelsberger (and more recently Mr. Richardson) you gave them advice with respect to their desire to depose Mr. Pande from his officer position and Board position, or affect the share interests of Messrs. Pande and Zhou, in our view that would put Fasken into a conflict with their role as company counsel. But we do not have that information, and your letter does confirm whether or not such advice was ever given.

That said, it appears to us that such advice may have been given, and accordingly we believe this matter should be raised to the Board for a discussion, We do not agree that the matter should be raised to the Board members excluding Mr. Pande. The entire Board, which includes Mr. Pande, should be given full disclosure on the advice that has been given, and the Board should then discuss that and make a decision. That discussion and the decision should be recorded in the Board meeting minutes. The fact that you have suggested this decision could be made by three members of the Board without input from or disclosure to the fourth, who also happens to be my client, suggest to us that Fasken has been giving advice to Messrs. Welch Reigelsberger in connection with their dispute with Messrs. Pande and Zhou regarding control, not in their capacity as members of the Board.

Your letter does not address the shareholder meeting requisition sent by my clients. Given your role as company counsel, please advise as to whether the majority Board members have sought out advice regarding

the requisition, whether Fasken has provided any advice, what the nature of that advice was, whether the majority Board members have confirmed they will call a shareholder meeting as required by the requisition and the CBCA, and the date of the meeting. Again, Mr. Pande is entitled all of this information in his capacity as a member of the Board.

Regards,
Rahool

Rahool Agarwal
Partner

Norton Rose Fulbright Canada LLP / S.E.N.C.R.L., s.r.l.
Royal Bank Plaza, South Tower, Suite 3800
200 Bay Street, P.O. Box 84, Toronto, ON M5J 2Z4 Canada
T: +1 416.216.3943 | F: +1 416.216.3930
rahool.agarwal@nortonrosefulbright.com


NORTON ROSE FULBRIGHT

From: Virginia Schweitzer [<mailto:VSchweitzer@fasken.com>]
Sent: December-06-18 11:31 AM
To: Agarwal, Rahool
Cc: Peter Mantas
Subject: VersAccounts

Dear Mr. Agarwal,

Please see attached.

Regards
Virginia Schweitzer

 Virginia Schweitzer
PARTNER

FASKEN

Fasken Martineau DuMoulin LLP
T. +1 613 696 6889 | F. +1 613 230 6423
vschweitzer@fasken.com | www.fasken.com/en/virginia-schweitzer
55 Metcalfe Street, Suite 1300, Ottawa, Ontario K1P 6L5

This email contains privileged or confidential information and is intended only for the named recipients. If you have received this email in error or are not a named recipient, please notify the sender and destroy the email. A detailed statement of the terms of use can be found at the following address
<https://www.fasken.com/en/terms-of-use-email/>.

Ce message contient des renseignements confidentiels ou privilégiés et est destiné seulement à la personne à qui il est adressé. Si vous avez reçu ce courriel par erreur, S.V.P. le retourner à l'expéditeur et le détruire. Une version détaillée des modalités et conditions d'utilisation se retrouve à l'adresse suivante
<https://www.fasken.com/fr/terms-of-use-email/>.



THIS IS **EXHIBIT "O"** REFERRED TO IN THE
AFFIDAVIT OF **SUNIL PANDE**
SWORN BEFORE ME THIS 29th DAY
OF JANUARY, 2019


A Commissioner for Taking Affidavits



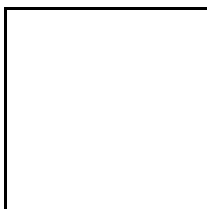
From: Robyn White
Sent: December-10-18 5:30 PM
To: Agarwal, Rahool
Cc: vschweitzer@fasken.com; pmantas@fasken.com; Hylton Levy ; Noah Litwack
Subject: RE: VersAccounts [NRFC-EDRMS.FID11546278]

Mr. Agarwal,

I acknowledge receipt of your email and the correspondence attached.

Please deal with the company directly and their counsel with respect to any substantive or procedural matters raised.

Thank you

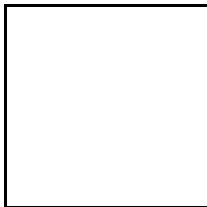


Robyn White, CPA, CGA, CIRP, LIT
Managing Director | Restructuring
T: +1 (647) 796-6030 | **M:** +1 (647) 225-8635
farbergroup.com



150 York Street, Suite 1600
Toronto, ON, Canada, M5H 3S5

[Subscribe Now](#)



This message is intended only for the use of the intended recipients, and it may be privileged and confidential. If you are not the intended recipient, you are hereby notified that any review, retransmission, conversion to hard copy, copying, circulation or other use of this message is strictly prohibited and may be illegal. If you are not the intended recipient, please notify me immediately by return email and delete this message from your system. Thank you.

From: Agarwal, Rahool
Sent: Thursday, December 6, 2018 10:59 AM
To: Robyn White
Cc: vschweitzer@fasken.com; pmantas@fasken.com
Subject: VersAccounts [NRFC-EDRMS.FID11546278]
Importance: High

Dear Ms. White,

We are counsel to Sunil Pande and Richard Zhou. Sunil and Richard are significant shareholders of VersAccounts, and Sunil is the company President and CEO.

We understand you have been retained by VersAccounts as trustee for a potential bankruptcy filing by the company.

Please be advised that the control and financial status of the company are in serious dispute. Please see attached correspondence that was sent to company counsel last week which outlines our clients' position. The letter also encloses a requisition that was issued by Messrs Pande and Zhou for the company to call a shareholders' meeting, the purpose of which is to replace the Board and make amendments to the governing Unanimous Shareholder Agreement.

In the circumstances, our expectation is that no steps will be taken with respect to any insolvency filing until the company control and governance issues are resolved. Any attempt to move forward with such a process will be vigorously contested by my clients.

I also note that Mr. Pande, despite repeated requests, has been given virtually no information about your retainer or the process behind the contemplated filing. I am aware that he had a call with you last week, but the call was abruptly cut short for no apparent reason. Given his role as shareholder, officer and Board member, this is highly troubling.

Please confirm your receipt of this email and that you will not be taking any steps until, at the very least, after a new Board has been duly elected at the contemplated special shareholders' meeting.

I have copied company counsel.

Regards,
Rahool Agarwal
Partner

Norton Rose Fulbright Canada LLP / S.E.N.C.R.L., s.r.l.
Royal Bank Plaza, South Tower, Suite 3800
200 Bay Street, P.O. Box 84, Toronto, ON M5J 2Z4 Canada
T: +1 416.216.3943 | F: +1 416.216.3930
rahool.agarwal@nortonrosefulbright.com

NORTON ROSE FULBRIGHT

Law around the world
nortonrosefulbright.com

CONFIDENTIALITY NOTICE: This email is confidential and may be privileged. If you are not the intended recipient please notify the sender immediately and delete it.



THIS IS **EXHIBIT “P”** REFERRED TO IN THE
AFFIDAVIT OF **SUNIL PANDE**
SWORN BEFORE ME THIS 29th DAY
OF JANUARY, 2019


A Commissioner for Taking Affidavits



VERSACCOUNTS LIMITED
1798 Rosebella Avenue, Ottawa, Ontario K1T 1G5

NOTICE OF THE SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that the special meeting of the shareholders (the “Meeting”) of VersAccounts Limited (the “Corporation”) will be held at the Courtyard by Marriott Ottawa Downtown, 350 Dalhousie Street, Ottawa, ON K1N 7E9 on Saturday, February 9, 2018 commencing at 11:00 a.m. Facilities will also be provided to allow shareholders to participate via conference telephone using the following information to dial into the Meeting:

One tap mobile
+19292056099,374096495# US
+16699006833,374096495# US (San Jose)

Dial by your location
+1 929 205 6099 US
+1 669 900 6833 US (San Jose)

Meeting ID: 374 096 495
Find your local number: <https://zoom.us/j/374096495>

The Board of Directors of the Corporation received on November 28, 2018 a requisition entitled Requisition of Meeting of Shareholders of VersAccounts Limited from Sunil Pande and Yi Feng (Richard) Zhou (the “**Requisitioning Shareholders**”). The Requisitioning Shareholders requested that three resolutions (the “**Requisitioned Resolutions**”) be put before the shareholders of VersAccounts Limited. See a copy of the Requisition of Meeting of Shareholders received by the Corporation attached as Schedule A hereto.

The Board of Directors of the Corporation is putting forward at this Special Meeting of Shareholders for the shareholders consideration of the Requisitioned Resolutions each as identified below as Requisitioned Resolution #1, Requisitioned Resolution #2 and Requisitioned Resolution #3, and also described in Schedule A hereto, as well as the following two alternate resolutions of the Board of Directors of the Corporation, identified below as Board Resolution #1 and Board Resolution #2.

Set out below are the Requisitioned Resolutions #1, #2 and #3

1. **Requisitioned Resolution #1**

to consider any, if thought advisable, to pass a resolution to be approved by not less than 66.67% of the Shareholders to amend the shareholders’ agreement dated July 8, 2013, between the Corporation and the shareholders of the Corporation (the **Shareholders’ Agreement**) as follows:

The text of section 3.1 of the Shareholders’ Agreement shall be deleted in its entirety and replaced with the following:

3.1 Directors

The Board shall consist of a minimum of two Directors and a maximum of five Directors as selected by the Shareholders. Sunil Pande shall at all times be a Director.

The text of section 3.3 of the Shareholders' Agreement shall be deleted in its entirety and replaced with the following:

3.3 Quorum of Directors

Two Directors must be present at any meeting of Directors, one of whom must be Sunil Pande. If there are more than two Directors, a quorum of a majority of directors may proceed with the meeting, one of whom must be Sunil Pande.

A copy of the Shareholders' Agreement is attached as Schedule B hereto.

2. **Requisitioned Resolution #2**

To consider and, if thought advisable, to pass a resolution to be approved by a majority of the vote cast at the meeting electing the following nominee as a director of the Board:

Yi Feng (Richard) Zhou

(the **Concerned Shareholders' Nominee**), whose biography is set out in Exhibit "A" to Schedule A attached hereto, to hold office until the close of the next annual meeting of the shareholders of the Corporation or until their successors are elected or appointed.

3. **Requisitioned Resolution #3**

To consider and, if thought advisable, to pass a resolution to be approved by the majority of votes cast at the Meeting to remove each of the following three (3) directors of the Board (the **Removal Resolution**):

James Warren Welch
Kevin Riegelsberger
Mark A. Richardson

Set out below are the alternate Board Resolutions #1 and #2

4. **Board Resolution #1**

to consider and, if thought advisable, to pass a resolution to be approved by a majority of votes cast at the Meeting the following nominees as directors of the Corporation, who are the current directors of the Corporation:

Kevin Riegelsberger
James Warren Welch
Mark A. Richardson
Sunil Pande

(the “**Board Nominees**”), biographies from the Corporation’s website or as provided to the Corporation by the director, are attached Schedule C, to hold office until the close of the next annual meeting of the shareholders of the Corporation or until their successors are elected or appointed.

5. **Board Resolution #2**

to consider and, if thought advisable, to pass a resolution to be approved by shareholders holding not less than 66.67% of the shares of the Corporation through votes cast at a meeting to amend the Shareholders’ Agreement dated July 8, 2013 (the “**Shareholders Agreement**”), a copy of the Shareholders Agreement is attached as Schedule B hereto, between the Corporation and shareholders identified therein:

The text of Section 3.3 of the Shareholders Agreement shall be deleted in its entirety and replaced with the following:

“At any meeting of Directors, a quorum of a majority of directors may proceed with the meeting.”

To remove Section 3.4 of the Shareholders Agreement shall be deleted in its entirety and replaced with the following:

“Intentionally Deleted”.

6. to transact such other business as may properly come before the Meeting or any adjournment or adjournments thereof.

The shares held by shareholders of VersAccounts who are subject to the Voting Trust Agreement will be voted in accordance with the provisions of the Voting Trust Agreement.

Shareholders who are not subject to the Voting Trust Agreement, can vote in person or by proxy.

All shareholders are encouraged to attend the Meeting in person, by proxy or by electronic means in order to participate in the discussions on the matters to be considered at the Meeting.

If there are questions in connection with the meeting please contact the Chairman of the Board of Directors, Kevin Riegelsberger at (425) 503-1021.

DATED this 17th day of December, 2018.

By Order of the Board of Directors

/s/ Kevin Riegelsberger

Kevin Riegelsberger
Chairman

Each biographical summary was taken from the VersAccounts Limited website or provided by the individual director.

Sunil Pande
CEO

Sunil brings over 25 years of experience delivering embedded, on-premise cloud, and mobile products to market and creating successful global businesses around them.

Previously with Sage Software, Sunil worked on the Sage North America executive team to transition the company to a subscription based business. This included launching a portfolio of new small business focused cloud and mobile products including SageOne, as well as extending existing products for cloud and mobile use. In addition, Sunil served on Sage Group's Global Technology Advisory Board reporting to the company's Board of Directors where his responsibilities included working on the Sage Group M&A team to evaluate global acquisition opportunities.

Prior to Sage, Sunil was Founder & CTO of Entomo, a leading supplier of cloud-based supply chain and distribution channel management solutions for Fortune 1000 companies. Sunil started his career at Intel where he spent 10 years in a variety of global roles bringing several successful embedded and retail products to market. Sunil has a M.Sc. in computer science from the Birla Institute of Technology & Science (BITS) Pilani, and a M.S. in computer science from the University of Oregon.

Sunil spends most of his time outside of work supporting his daughter's passion for dance by attending every single competition in which her dance team performs. Additionally, his goal for 2018 is to get back into the cockpit and renew his pilot's license.

Mark Richardson

Mark has been a corporate, product and marketing strategy leader within the global ERP sector for over 25 years. He has held senior leadership positions at Epicor, Sage, SAP, Avalara and most recently Plex Systems. He maintains specific expertise in the launch of products and supporting infrastructure for international markets. A certified accountant (ACCA) from the United Kingdom since 1986, Mark also holds an additional MSc in Accounting and Global Strategy from the University of London and has been a certified QuickBooks ProAdvisor since 2006.

Kevin Paul Riegelsberger
CHAIRMAN

Kevin brings not only a 35-year highly successful track record of leading early-stage tech companies to significant growth and profitability, but also a dynamic and versatile leadership style necessary for rapidly-growing tech markets. His breadth of global experience in scaling SaaS companies, along with financial and management expertise align perfectly with mission at VersAccounts.

Kevin is best known for founding Platinum Software Corp. (now known as Epicor) - a leading financial and ERP software provider. During his 15 years at Platinum, he grew the company from a 7-person start-up team to the world's 8th largest publicly traded enterprise software company with over \$250M in annual revenue.

Most recently has held executive roles at Avalara - web-based sales tax automation and services, CapitalStream - automatic front office solutions for commercial banking and financial organizations, and Estorian Inc - provider of software solutions for mainframe storage optimization and e-discovery archiving and compliance.

James Warren Welch

Jim conceived VersAccounts in early 2007, had a MVP online by August and then incorporated VersAccounts April 4, 2008. Since then, Jim has been a driving force behind VersAccounts' evolution from a relatively simple accounting application and a mid-tier ERP solution, helping to design and implement virtually all of the major functional capabilities. Jim brings over 30 years of engineering development and operations management to the board.

THIS IS **EXHIBIT “Q”** REFERRED TO IN THE
AFFIDAVIT OF **SUNIL PANDE**
SWORN BEFORE ME THIS 29th DAY
OF JANUARY, 2019


A Commissioner for Taking Affidavits



Rahool P. Agarwal

Direct 416 645 1787
ragarwal@lolg.ca

Lax O'Sullivan Lisus Gottlieb LLP
Suite 2750, 145 King St W
Toronto ON M5H 1J8 Canada
T 416 598 1744 F 416 598 3730
www.lolg.ca



December 19, 2018

VIA EMAIL

Virginia Schweitzer
Fasken
55 Metcalfe Street, Suite 1300
Ottawa Ontario K1P 6L5

Dear Ms Schweitzer:

Re: VersAccounts Limited

We are writing further to the meeting of the Board of Directors of VersAccounts Limited (the **Company**) held this past Friday, December 14, 2018.

The Board meeting gave rise to a number of concerns for our clients with respect to corporate governance and the management of the Company. In light of the apparently imminent filing of a notice of intention, our clients' most immediate concern is with respect to disclosure. Messrs. Riegelsberger, Welch and Richardson (the **majority Board members**) made it clear that they have no intention of voluntarily giving, or directing the Company's legal and professional advisers to give, Mr. Pande disclosure of any material information regarding the Company or the planned bankruptcy process, despite Mr. Pande's clear entitlements as a director.

We strongly urge the majority Board members to reconsider their position. Their position is clearly in contravention of both the words and spirit of the *Canada Business Corporations Act*, as well as the Company's By-laws. We request that the majority Board members confirm that they will:

- (a) give immediate disclosure, or direct that immediate disclosure be given, of all prior communications between any or all of the majority Board members and the Company's professional and legal advisers regarding the management/operations of the Company, including (but not limited to) the Company's finances, Mr. Pande's performance, and the decision making process relating to the planned filing of a notice of intention;
- (b) give immediate disclosure of all communications amongst the majority Board members regarding the Company's finances, Mr. Pande's

performance, and the decision making process relating to the planned filing of a notice of intention;

- (c) give immediate disclosure of all fees paid by the Company to legal and professional advisers;
- (d) include Mr. Pande in any and all discussions, meetings, communications, etc., going forward, amongst the Board members and/or with professional and legal advisers, regarding the management/operations of the Company, including (but not limited to) the Company's finances, the planned filing of a notice of intention, and the preparation of a proposal to creditors.

We ask that the majority Board members provide a response to this request by no later than **4:00 pm EST on Friday, December 21, 2018**. If the majority Board members are unwilling to agree to our clients' request, we will seek direction from the Court on an expedited basis.

Our client also remains concerned about the manner in which Fasken has been discharging its role as Company counsel. We have asked on several occasions for a substantive response from Fasken as to how it can seek direction from, and provide advice to, only a certain segment of the Board. We have yet to receive a substantive response addressing this issue. Please be advised that we have instructions to address this issue with the Court as well to the extent it is not addressed satisfactorily.

Yours truly,



Rahool P. Agarwal

RPA/jlc

- c. Robyn White, Farber
Neil Nathanson, Perkins Coie LLP
Phil Underwood, Lax O'Sullivan Lissus Gottlieb LLP

THIS IS **EXHIBIT "R"** REFERRED TO IN THE
AFFIDAVIT OF **SUNIL PANDE**
SWORN BEFORE ME THIS 29th DAY
OF JANUARY, 2019



A Commissioner for Taking Affidavits



From: Sunil Pande <sunil.pande@versaccounts.com>

Sent: Friday, December 21, 2018 8:31 AM

To: 'Kevin Riegelsberger' <kevin.riegelsberger@yahoo.com>; 'Mark Richardson' <mark.richardson@orbial.com>; jim.welch@sino-maple.com

Cc: Schweitzer_Virginia (VSchweitzer@fasken.com) <VSchweitzer@fasken.com>; 'pmantas@fasken.com' <pmantas@fasken.com>; NNathanson@perkinscoie.com; 'joemunk@gmail.com' <joemunk@gmail.com>; 'Robyn White' <rwhite@farbergroup.com>

Subject: FW: CONFIDENTIAL: VersAccounts Acquisition Interest

Dear Kevin, Jim and Mark:

Please refer to the email below from ServiceTrade.

This is further to the discussion I had in August with Kevin with respect to his request that VersAccounts pursue opportunities for acquisition as an alternative to further fund raising.

ServiceTrade was one of the companies I had approached and those discussions have continued contingent on the rollout of our solution to their customers which seems to have been very successful.

I have already had a brief call with Billy and will be talking more to him.

I look forward to your support in moving this matter forward that that we can ensure the best possible outcome for all stakeholders including the highest return for them under the most favorable conditions.

Consequently no action should be taken by the company that would negatively impact negotiations with ServiceTrade including the valuation we could receive and the terms of a potential deal.

I am happy to answer questions and intend to keep the board advised of progress as it happens.

Regards

Sunil

Sunil Pande, CEO

VersAccounts Limited

Email: sunil.pande@versaccounts.com

Tel: [+1-855-445-2281](tel:+1-855-445-2281) x701

Mobile: [+1-503-432-1737](tel:+1-503-432-1737)

Twitter: [@sunilpande](https://twitter.com/sunilpande) #VersAccounts

www.versaccounts.com

VersAccounts offers a Modern Mobile Cloud ERP solution for Small and Medium Sized Businesses

From: Sunil Pande

Sent: Friday, December 21, 2018 7:40 AM

To: 'Billy Marshall'

Subject: RE: CONFIDENTIAL: VersAccounts Acquisition Interest

Hi Billy:

Great to hear of the progress with PartsLedger. Congratulations to your team. I will call you to FUP on the rest.

Regards

Sunil

From: Billy Marshall

Sent: Friday, December 21, 2018 6:41 AM

To: Sunil Pande

Subject: CONFIDENTIAL: VersAccounts Acquisition Interest

Good Morning Sunil,

Following up from our earlier conversation as we engaged in our licensing negotiation, we are seeing strong interest in our market for the PartsLedger capability we are OEMing from your company. In a discussion with my board members, I was asked to explore the possibility of acquiring VersAccounts so that we could own all of the upside associated with the various products we intend to offer that incorporate the ledger functionality that our product lacks.

We have already sold over a dozen customers on our initial offering of PartsLedger, and we are seeing very strong demand in the market. Please let me know how we can proceed with some discovery regarding your existing customer base, your capitalization, revenue, technology underpinning, title to all intellectual property, engineering team makeup, and any obligations you have that must be relieved as part of an acquisition.

Please suggest a schedule of meetings we should undertake to begin a diligence process. Happy Holidays!

Billy

--

Billy Marshall
ServiceTrade

THIS IS **EXHIBIT "S"** REFERRED TO IN THE
AFFIDAVIT OF **SUNIL PANDE**
SWORN BEFORE ME THIS 29th DAY
OF JANUARY, 2019


A Commissioner for Taking Affidavits



From: Mark Richardson <mark.richardson@orbial.com>
Sent: Tuesday, January 22, 2019 8:04 AM
To: sunil.pande@versaccounts.com
Cc: 'Kevin Riegelsberger' <kevin.riegelsberger@yahoo.com>; jim.welch@sino-maple.com
Subject: RE: ServiceTrade Deal

Hi Sunil,

I am travelling today with limited availability. I think any proposal that is to be submitted to Service Trade should be approved by a majority of the board before it is submitted. If you have details for a proposal could you send them to all of the directors and we can all then consider the appropriate steps that need to be taken?

Regards,
Mark

From: Sunil Pande <sunil.pande@versaccounts.com>
Sent: Tuesday, January 22, 2019 4:20 AM
To: 'Mark Richardson' <mark.richardson@orbial.com>
Cc: 'Kevin Riegelsberger' <kevin.riegelsberger@yahoo.com>; jim.welch@sino-maple.com;
richard.zhou@versaccounts.com
Subject: ServiceTrade Deal

The ServiceTrade board meeting is 1/23

I have not hear from you with respect to how the majority board would like to proceed.

So I plan to go ahead and engage with ServiceTrade and that a proposal may be presented for consideration by their board at the meeting

Sunil

Sunil Pande, CEO
VersAccounts Limited
Email: sunil.pande@versaccounts.com
Tel: [+1-855-445-2281](tel:+1-855-445-2281) x701
Mobile: [+1-503-432-1737](tel:+1-503-432-1737)
Twitter: @sunilpande #VersAccounts

www.versaccounts.com

VersAccounts offers a Modern Mobile Cloud ERP solution for Small and Medium Sized Businesses

From: Sunil Pande <sunilednap@gmail.com>

Sent: Tuesday, January 15, 2019 12:07 PM

To: 'Mark Richardson' <mark.richardson@orbial.com>

Cc: 'Kevin Riegelsberger' <kevin.riegelsberger@yahoo.com>; jim.welch@sino-maple.com

Subject: Re: Notes on Meeting with Billy

Thanks.

My Notes and Feedback below.

=====
MY NOTES
=====

Billy

- Not interested in buying a Canadian company – customers, revenue stream, liabilities etc.
- Just interested in buying and having complete control over a more liberal license to the technology as well as owing the team
- Very nice piece of engineering delivered by Richard and his team
- Cash payment for technology based on projected 4 year royalty stream
- Plus recurring payment to help support the product and help build the development team – 1 year to start + 1 year extension if required
- Want to control what we do, when we do it, for our market
- Possible license limitations
 - Sublicense
 - Market
 - Some functionality if VA insists on it
- License requirements
 - Derivative works
 - Market exclusive

Mark

- I am talking to ServiceTrade because company is short of cash
- \$1M obligations
- \$700K Note
- \$300K AP + Accrued Payroll

Sunil

- FYI Billy
- Mark and I have not discussed financials
There is a dispute on board
Mark is on other side of dispute
Don't agree with financials or related conclusions
Take that as you will

- FYI Mark

Have not discussed anything more than the fact that there is a dispute with Billy

Billy does not have details of dispute and did not have financials

In any case our job is to protect Billy from impact of any dispute or issue we have internally and we have done that to date.

Mark

- There is dispute
- Worked with Sunil for 1 year
- Relationship has been cordial
- Not a shareholder, nor Note holder
- UK CA, can read a balance sheet
- Hoping to help situation

Billy

- Not my business but why not convert Note to shares?
- Converted \$3M at \$9.5M CAP when ServiceTrade started

Mark

- Don't know
- Have not talked to Note holders
- Under the impression that they will not want to convert
- They get 2x if the company is sold
- \$300K ARR excluding ServiceTrade deal
- 40 customers
- Quorum of board members considering insolvency
- Wanted to share so we could see how our needs match up with what you can do
- Want to understand your process and timelines moving forward

Billy

- Your problem not my problem
- What I will offer for the license is easy to calculate
 - Project sales 5 Years and what I would owe based on that
 - Subtract costs
 - Discount it
 - Add support
- May or may not solve your problem
- ServiceTrade board meeting on 1/23. Can present deal to board if we have an agreement
- Board aware of our discussions

Mark

- ServiceTrade board meeting may be too far out for us
- Nothing more to discuss
- Will share meeting details with others and get back to you

Sunil

- Can you provide an update on product?

Billy

- Market acceptance of current PartsLedger product good
- \$100K in ARR sold to 15 customers in last 45 days
- Target for 2019 is \$400K – higher price and more customers
- Original product sold for \$22/Mo/User in 2013. Now \$80/Mo/User
- Started product development in 2010
- Sold 1 customer in 2013

=====
 FEEDBACK ON MARK'S NOTES
 =====

Introduction

1. Don't understand what you mean by "the timeframe would be problematic"?

There is an opportunity on the table that will put \$M in our bank account. We have to decide if we want to do it or not. That is all.

2. Not sure what you mean by "a deal along the lines that Billy indicated would likely create its own longer-term risks. His wish to have exclusivity in his market, and therefore limit VersAccounts' own market reach, would reduce the overall attractiveness of the VersAccounts solution to any other potential acquirer".

On the one hand we say we are short of cash and need to seek protection
 On the other we are worried about "long term risks"

What are these risks exactly?
 Can they be quantified?

I don't see anything negative about an exclusive deal.
 Companies do these kinds of deals all the time.
 It is just a matter of terms and price.

The deal with ServiceTrade should be pursued aggressively.
 If a deal was to be reached it could easily help push out Series A by a year or even two which would mean equity dilution would be substantially reduced.

What is the other option?
 Is there another potential acquirer?

Jay Deubler, Joe Davie, Barrett Newberry have been previously put forward
Other not previously discussed?

Is there a post insolvency plan that can be shared that makes this deal unattractive?

VA Current financial position

3. Per my feedback before the meeting

Should not have presented financials

Should not have presented insolvency as an option the company is considering.

Not sure what purpose it served.

Billy pretty much told us he did not care - our problem was not our problem

It most definitely puts ServiceTrade in a stronger position in any negotiation

4. I don't agree company is or should be insolvent

Nor do I agree it needs to seek insolvency protection

I have no idea how the numbers presented to Billy were generated and don't agree with them or conclusions based on them

I do know that close to 80% of the company revenues come in Q4 and Q1

That there are plenty of investors willing to invest and/or buy out the existing Note holders.

Only some of the Note holders want their money back so the Note obligation is not \$700K. It is max \$410K plus interest.

Plus Employees owed a majority of the payroll are willing to defer or forgive if needed – though I don't think that would be needed with the available investment.

I am not aware of any discussions that have taken place with suppliers to develop payment plans or anything like that?

On top of all this there is a \$M deal available for us to execute.

Companies take months to become insolvent and try hard to avoid it

How does VersAccounts become insolvent overnight?

What has it done to try an avoid insolvency?

5. The reason for the dispute is not because of a disagreement on financial condition of the company.

In any case reason for the dispute was not presented nor discussed.

Next Steps

6. The next ServiceTrade board meeting is 1/23 and he said he would be able to put an offer in front of the board if we presented one to the board at that time

Summary and Interpretation

7. Not sure what you mean by "he already knows that the money he is prepared to offer will not cover all of the short-term VA obligations". This deal should generate a \$M+ infusion into the company as well as provide an ongoing revenue stream of \$100K+ with no dilution of the equity.

8. Per my earlier comments. Exclusivity is not a problem.

9. Filing for insolvency protection will release the escrowed source code to ServiceTrade to use as he does today.

It will also kill any future payments from ServiceTrade immediately – the code is considered paid for in full on filing.

It will just allow ServiceTrade to purchase what they need on better terms and at a better price down the road.

10. Not sure who the company is trying to protect from by filing since there is no creditor breaking down the doors to be paid and as far as I know no efforts at all have been made to figure out a way to pay those who need to be paid.

Besides, that there are plenty of investors who want to invest and/or take over the notes as well as enough cash from operations. If the board was functioning normally it would be focused on building the business and trying its best to avoid any kind of insolvent situation. There is no evidence that effort is being made.

The goal should be to normalize operations and build the business while working to resolve the dispute in parallel rather than using the threat of disrupted operations and insolvency filings etc. to gain leverage in the dispute.

From: Mark Richardson <mark.richardson@orbial.com>
Sent: Monday, January 14, 2019 6:02 PM
To: sunil.pande@versaccounts.com
Cc: kevin.riegelsberger@yahoo.com; jim.welch@sino-maple.com
Subject: Notes on Meeting with Billy

Hi Sunil,

Here are my notes and initial thoughts based on our conversation with Billy last week. I thought the conversation was cordial and Billy knows what he wants. Overall I felt Service Trade **could partly** contribute to covering some of the amounts due to creditors if Billy were able to act immediately. However I felt his **timeframe was problematic**. Additionally, a deal along the lines that Billy indicated would likely create **its own longer-term risks**. His wish to have exclusivity in his market, and **therefore limit VersAccounts' own market reach**, would reduce the **overall attractiveness of the VersAccounts solution to any other potential acquirer**.

Regards,
 Mark

1. What is Billy's interest?

- He is not interested in acquiring the VA company
- He is interested in purchasing the source code for his company, but for his industry only
- He is not interested in the current customer base or the broader ERP market
- He was non-committal when specifically asked on the huge cost of supporting his own ERP solution vs the lowered cost of working with a partner that maintains the code
- He is looking for exclusivity for his market and similarly he is willing to identify and limit the industries he markets to
- My general feeling is that he wants the code to be able to expand the solution offering to his target customer-type only
- He will require additional functionality that his current license does not afford
- He also indicated that he is willing to pay for a warranty that provides additional cash up-front for VA

- Billy indicated that Service Trade has already closed a number of PartsLedger deals (VA white label name) deals which appeared to average out at around \$8k ARR per customer. He is clearly enthused about VA can help his business.

2. VA Current financial position

- We shared with Billy some financial data to help him appreciate the level of funding needed at this point
- We disclosed approximately \$1m in overall obligations
- We discussed the \$700k in convertible notes and provided insight into the terms under which these notes would have to be repaid or converted on a change of control
- We did not delve into the other \$300k in additional liabilities
- We disclosed the approximately \$300k in ARR and the number of customer at around 40 (excluding Service Trade business)
- We indicated the company is low on cash
- Sunil did indicate that there is some disagreement at the director level over interpretation of VA's current financial position
- I indicated that a quorum of the board has investigated whether some form of administrative event or insolvency may be required, that this is the reason for the disagreement at the board level, but this also indicates why there is urgency in terms of receiving a response from Billy
- While Billy is not interested in a change of control, it was important he appreciated the choices facing the company and the likely impact of his potential cash infusion in allowing the company to continue to operate

3. Next Steps

- Billy indicated that he could only pay "what the software was worth for Service Trade"
- He also indicated the "VA's problems are not his problems"
- He seems to be interested, and will discuss the opportunity with his board in two weeks' time
- The meeting ended with everyone agreeing to digest the discussion and get back to each other as appropriate with "next steps"

4. Summary and Interpretation

- Billy is not interested in buying VA
- He appears serious about acquiring a license to own a segment of VA code for his market only
- At the same time, any potential acquirer of VersAccounts will see this limitation of market in favor of Service Trade as problematic
- His responses in step 3 above suggested to me that he already knows that the money he is prepared to offer will not cover all of the short-term VA obligations (my opinion only)
- While a deal can surely be done it may not be within a timeframe that prevents insolvency steps being taken, nor does it preclude such a deal being undertaken after that point.

Mark Richardson

+1 603 471 1242



THIS IS **EXHIBIT "T"** REFERRED TO IN THE
AFFIDAVIT OF **SUNIL PANDE**
SWORN BEFORE ME THIS 29th DAY
OF JANUARY, 2019



A Commissioner for Taking Affidavits



From: Kevin Riegelsberger
Sent: Wednesday, January 23, 2019 6:54 PM
To: sunil.pande@versaccounts.com; Sunil Pande
Cc: jim.welch@sino-maple.com; Mark Richardson
Subject: Re: ServiceTrade Deal

Sunil - in accordance with the resolution made at the November 5, 2018 VersAccounts Limited Board of Directors Meeting, today VersAccounts Limited filed a Notice of Intention to Make a Proposal with the Office of the Superintendent of Bankruptcy (Canada). VersAccounts will be shortly applying to the Court for the approval of a Stalking Horse Sale process of all of its property, assets and undertaking to be conducted by Farber & Partners Inc. as Proposal trustee. In that regard, Farber may be in touch with you to organize the company's assets for purposes of the Sale Process and Farber's Data Room in particular. I noted your draft presentation to prospective investors. The proposed sale process will provide the opportunity for persons including such investors and yourself to put together an acquisition proposal for the company's assets, in order to maximize recoveries to the company's creditors.

regards,

Kevin R
(425) 503-1021

On Tuesday, January 22, 2019 08:03:48 AM PST, Mark Richardson <mark.richardson@orbial.com> wrote:

Hi Sunil,

I am travelling today with limited availability. I think any proposal that is to be submitted to Service Trade should be approved by a majority of the board before it is submitted. If you have details for a proposal could you send them to all of the directors and we can all then consider the appropriate steps that need to be taken?

Regards,
Mark

From: Sunil Pande <sunil.pande@versaccounts.com>
Sent: Tuesday, January 22, 2019 4:20 AM
To: 'Mark Richardson' <mark.richardson@orbial.com>
Cc: 'Kevin Riegelsberger' <kevin.riegelsberger@yahoo.com>; jim.welch@sino-maple.com;
richard.zhou@versaccounts.com
Subject: ServiceTrade Deal

The ServiceTrade board meeting is 1/23

I have not hear from you with respect to how the majority board would like to proceed.

So I plan to go ahead and engage with ServiceTrade and that a proposal may be presented for consideration by their board at the meeting

Sunil

Sunil Pande, CEO

VersAccounts Limited

Email: sunil.pande@versaccounts.com

Tel: +1-855-445-2281 x701

Mobile: +1-503-432-1737

Twitter: @sunilpande #VersAccounts

www.versaccounts.com

VersAccounts offers a Modern Mobile Cloud ERP solution for Small and Medium Sized Businesses

From: Sunil Pande <sunilednap@gmail.com>

Sent: Tuesday, January 15, 2019 12:07 PM

To: 'Mark Richardson' <mark.richardson@orbial.com>

Cc: 'Kevin Riegelsberger' <kevin.riegelsberger@yahoo.com>; jim.welch@sino-maple.com

Subject: Re: Notes on Meeting with Billy

Thanks.

My Notes and Feedback below.

=====

MY NOTES

=====

Billy

- Not interested in buying a Canadian company – customers, revenue stream, liabilities etc.
- Just interested in buying and having complete control over a more liberal license to the technology as well as owing the team
- Very nice piece of engineering delivered by Richard and his team
- Cash payment for technology based on projected 4 year royalty stream
- Plus recurring payment to help support the product and help build the development team – 1 year to start + 1 year extension if required
- Want to control what we do, when we do it, for our market
- Possible license limitations
 - Sublicense
 - Market
 - Some functionality if VA insists on it
- License requirements
 - Derivative works
 - Market exclusive

Mark

- I am talking to ServiceTrade because company is short of cash

- \$1M obligations
- \$700K Note
- \$300K AP + Accrued Payroll

Sunil

- FYI Billy

Mark and I have not discussed financials

There is a dispute on board

Mark is on other side of dispute

Don't agree with financials or related conclusions

Take that as you will

- FYI Mark

Have not discussed anything more than the fact that there is a dispute with Billy

Billy does not have details of dispute and did not have financials

In any case our job is to protect Billy from impact of any dispute or issue we have internally and we have done that to date.

Mark

- There is dispute
- Worked with Sunil for 1 year
- Relationship has been cordial
- Not a shareholder, nor Note holder
- UK CA, can read a balance sheet
- Hoping to help situation

Billy

- Not my business but why not convert Note to shares?
- Converted \$3M at \$9.5M CAP when ServiceTrade started

Mark

- Don't know
- Have not talked to Note holders
- Under the impression that they will not want to convert
- They get 2x if the company is sold
- \$300K ARR excluding ServiceTrade deal
- 40 customers
- Quorum of board members considering insolvency
- Wanted to share so we could see how our needs match up with what you can do
- Want to understand your process and timelines moving forward

Billy

- Your problem not my problem

- What I will offer for the license is easy to calculate
 - Project sales 5 Years and what I would owe based on that
 - Subtract costs
 - Discount it
 - Add support
- May or may not solve your problem
- ServiceTrade board meeting on 1/23. Can present deal to board if we have an agreement
- Board aware of our discussions

Mark

- ServiceTrade board meeting may be too far out for us
- Nothing more to discuss
- Will share meeting details with others and get back to you

Sunil

- Can you provide an update on product?

Billy

- Market acceptance of current PartsLedger product good
- \$100K in ARR sold to 15 customers in last 45 days
- Target for 2019 is \$400K – higher price and more customers
- Original product sold for \$22/Mo/User in 2013. Now \$80/Mo/User
- Started product development in 2010
- Sold 1 customer in 2013

=====
 FEEDBACK ON MARK'S NOTES
 =====

Introduction

1. Don't understand what you mean by "the timeframe would be problematic"?

There is an opportunity on the table that will put \$M in our bank account. We have to decide if we want to do it or not. That is all.

2. Not sure what you mean by "a deal along the lines that Billy indicated would likely create its own longer-term risks. His wish to have exclusivity in his market, and therefore limit VersAccounts' own market reach, would reduce the overall attractiveness of the VersAccounts solution to any other potential acquirer".

On the one hand we say we are short of cash and need to seek protection

On the other we are worried about "long term risks"

What are these risks exactly?

Can they be quantified?

I don't see anything negative about an exclusive deal.

Companies do these kinds of deals all the time.

It is just a matter of terms and price.

The deal with ServiceTrade should be pursued aggressively.

If a deal was to be reached it could easily help push out Series A by a year or even two which would mean equity dilution would be substantially reduced.

What is the other option?

Is there another potential acquirer?

Jay Deubler, Joe Davie, Barrett Newberry have been previously put forward

Other not previously discussed?

Is there a post insolvency plan that can be shared that makes this deal unattractive?

VA Current financial position

3. Per my feedback before the meeting

Should not have presented financials

Should not have presented insolvency as an option the company is considering.

Not sure what purpose it served.

Billy pretty much told us he did not care - our problem was not our problem

It most definitely puts ServiceTrade in a stronger position in any negotiation

4. I don't agree company is or should be insolvent

Nor do I agree it needs to seek insolvency protection

I have no idea how the numbers presented to Billy were generated and don't agree with them or conclusions based on them

I do know that close to 80% of the company revenues come in Q4 and Q1

That there are plenty of investors willing to invest and/or buy out the existing Note holders.

Only some of the Note holders want their money back so the Note obligation is not \$700K. It is max \$410K plus interest. Plus Employees owed a majority of the payroll are willing to defer or forgive if needed – though I don't think that would be needed with the available investment.

I am not aware of any discussions that have taken place with suppliers to develop payment plans or anything like that?

On top of all this there is a \$M deal available for us to execute.

Companies take months to become insolvent and try hard to avoid it

How does VersAccounts become insolvent overnight?

What has it done to try an avoid insolvency?

5. The reason for the dispute is not because of a disagreement on financial condition of the company.

In any case reason for the dispute was not presented nor discussed.

Next Steps

6. The next ServiceTrade board meeting is 1/23 and he said he would be able to put an offer in front of the board if we presented one to the board at that time

Summary and Interpretation

7. Not sure what you mean by "he already knows that the money he is prepared to offer will not cover all of the short-term VA obligations". This deal should generate a \$M+ infusion into the company as well as provide an ongoing revenue stream of \$100K+ with no dilution of the equity.

8. Per my earlier comments. Exclusivity is not a problem.

9. Filing for insolvency protection will release the escrowed source code to ServiceTrade to use as he does today. It will also kill any future payments from ServiceTrade immediately – the code is considered paid for in full on filing. It will just allow ServiceTrade to purchase what they need on better terms and at a better price down the road.

10. Not sure who the company is trying to protect from by filing since there is no creditor breaking down the doors to be paid and as far as I know no efforts at all have been made to figure out a way to pay those who need to be paid.

Besides, that there are plenty of investors who want to invest and/or take over the notes as well as enough cash from operations. If the board was functioning normally it would be focused on building the business and trying its best to avoid any kind of insolvent situation. There is no evidence that effort is being made.

The goal should be to normalize operations and build the business while working to resolve the dispute in parallel rather than using the threat of disrupted operations and insolvency filings etc. to gain leverage in the dispute.

From: Mark Richardson <mark.richardson@orbial.com>

Sent: Monday, January 14, 2019 6:02 PM

To: sunil.pande@versaccounts.com

Cc: kevin.riegelsberger@yahoo.com; jim.welch@sino-maple.com

Subject: Notes on Meeting with Billy

Hi Sunil,

Here are my notes and initial thoughts based on our conversation with Billy last week. I thought the conversation was cordial and Billy knows what he wants. Overall I felt Service Trade **could partly** contribute to covering some of the amounts due to creditors if Billy were able to act immediately. However I felt his **timeframe was problematic**. Additionally, a deal along the lines that Billy indicated would likely create **its own longer-term risks**. His wish to have exclusivity in his market, and **therefore limit VersAccounts' own market reach**, would reduce the **overall attractiveness of the VersAccounts solution to any other potential acquirer**.

Regards,

Mark

1. What is Billy's interest?

- He is not interested in acquiring the VA company
- He is interested in purchasing the source code for his company, but for his industry only
- He is not interested in the current customer base or the broader ERP market
- He was non-committal when specifically asked on the huge cost of supporting his own ERP solution vs the lowered cost of working with a partner that maintains the code
- He is looking for exclusivity for his market and similarly he is willing to identify and limit the industries he markets to
- My general feeling is that he wants the code to be able to expand the solution offering to his target customer-type only
- He will require additional functionality that his current license does not afford
- He also indicated that he is willing to pay for a warranty that provides additional cash up-front for VA
- Billy indicated that Service Trade has already closed a number of PartsLedger deals (VA white label name) deals which appeared to average out at around \$8k ARR per customer. He is clearly enthused about VA can help his business.

2. VA Current financial position

- We shared with Billy some financial data to help him appreciate the level of funding needed at this point
 - We disclosed approximately \$1m in overall obligations
 - We discussed the \$700k in convertible notes and provided insight into the terms under which these notes would have to be repaid or converted on a change of control
 - We did not delve into the other \$300k in additional liabilities
 - We disclosed the approximately \$300k in ARR and the number of customer at around 40 (excluding Service Trade business)
 - We indicated the company is low on cash
 - Sunil did indicate that there is some disagreement at the director level over interpretation of VA's current financial position
 - I indicated that a quorum of the board has investigated whether some form of administrative event or insolvency may be required, that this is the reason for the disagreement at the board level, but this also indicates why there is urgency in terms of receiving a response from Billy
 - While Billy is not interested in a change of control, it was important he appreciated the choices facing the company and the likely impact of his potential cash infusion in allowing the company to continue to operate
3. Next Steps
- Billy indicated that he could only pay “what the software was worth for Service Trade”
 - He also indicated the “VA's problems are not his problems”
 - He seems to be interested, and will discuss the opportunity with his board in two weeks' time
 - The meeting ended with everyone agreeing to digest the discussion and get back to each other as appropriate with “next steps”
4. Summary and Interpretation
- Billy is not interested in buying VA
 - He appears serious about acquiring a license to own a segment of VA code for his market only
 - At the same time, any potential acquirer of VersAccounts will see this limitation of market in favor of Service Trade as problematic
 - His responses in step 3 above suggested to me that he already knows that the money he is prepared to offer will not cover all of the short-term VA obligations (my opinion only)
 - While a deal can surely be done it may not be within a timeframe that prevents insolvency steps being taken, nor does it preclude such a deal being undertaken after that point.

Mark Richardson
+1 603 471 1242



**IN THE MATTER OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c. B-3, AS AMENDED
AND IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF VERSACCOUNTS LIMITED, OF
THE CITY OF OTTAWA, IN THE PROVINCE OF ONTARIO**

Court File No. 33-2466100
Estate File No. 33-2466100

***ONTARIO*
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST
(IN BANKRUPTCY AND INSOLVENCY)**

PROCEEDING COMMENCED AT
TORONTO

**RESPONDING MOTION RECORD OF SUNIL PANDE
AND RICHARD ZHOU (returnable January 30, 2019)**

LAX O'SULLIVAN LISUS GOTTLIEB LLP

Counsel
Suite 2750, 145 King Street West
Toronto ON M5H 1J8

Rahool P. Agarwal LSO#: 54528I
ragarwal@lolg.ca
Tel: 416 645 1787

Lars Brusven LSO#:66209G
lbrusven@lolg.ca
Tel: 416 645 5076
Fax: 416 598 3730

Lawyers for the Sunil Pande and Richard Zhou