Court File No. 08-CL-7878

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE MR.	)	THURSDAY, THE 9th DAY
	)	
JUSTICE PATTILLO	)	OF APRIL, 2015

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF UNIVERSAL SETTLEMENTS INTERNATIONAL INC. (the "Applicant")

APPROVAL AND VESTING ORDER

THIS MOTION, made by Universal Settlements International Inc. ("**USI**") for an order approving the sale transaction (the "**Transaction**") contemplated by an asset purchase agreement (the "**Sale Agreement**") between USI, in its capacity as trustee for the Plan Beneficiaries (as defined in the Sale Agreement) (the "**Vendor**") and Vida Capital, Inc. (the "**Purchaser**") dated March 23, 2015 and appended to the Twenty-Third Report (the "**Report**") of Ernst & Young Inc. in its capacity as monitor and not in its personal or corporate capacity (the "**Monitor**"), and vesting in the Purchaser all right, title and interest of the Vendor and the Plan Beneficiaries in and to the Purchased Policies (as defined in the Sale Agreement, "**Purchased Policies**") was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Notice of Motion, the Affidavit of Chris Halas sworn March 24, 2015 (the "**Affidavit**"), and the Report and on hearing the submissions of counsel for USI, counsel for the Monitor, counsel for Cajubi Caja Paraguaya de Jubilaciones y Pensiones, and counsel for

Buonavita Investments Limited, no one appearing for any other person on the service list, although properly served as appears from the affidavits of service filed:

1. **THIS COURT ORDERS AND DECLARES** that the Transaction is hereby approved, and the execution of the Sale Agreement by the Vendor for and on behalf of the Plan Beneficiaries is hereby authorized and approved, with such minor amendments as the Vendor may deem necessary. The Vendor is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of the Purchased Policies to the Purchaser.

2. **THIS COURT ORDERS AND DECLARES** that upon the delivery of a Monitor's certificate to the Purchaser (the "**Effective Date**") substantially in the form attached as Schedule A hereto (the "**Monitor's Certificate**"), all right, title and interest of the Vendor and the Plan Beneficiaries in and to the Purchased Policies described in the Sale Agreement and listed at Schedule "B" hereto, including any right, title and interest established or created in favour of the Plan Beneficiaries and/or the Vendor pursuant to the Amended Plan of Compromise and Arrangement dated June 16, 2009, shall vest absolutely in the Purchaser, free and clear of and from any and all legal and beneficial interests, security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, encumbrances, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "**Claims**") including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of the Honourable Justice Wilton-Siegel dated December 2, 2008 or any other orders issued in respect of these proceedings; and (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system; but excluding those Assumed Liabilities (as defined in the Sale Agreement) expressly assumed by the Purchaser under the Sale Agreement. For greater certainty, this Court orders that all Claims affecting or relating to the Purchased Policies other than Assumed Liabilities are hereby expunged and discharged as against the Purchased Policies.

3. **THIS COURT ORDERS** that for the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Policies (the "**Proceeds of Sale**") shall

stand in the place and stead of the Purchased Policies, and that from and after the delivery of the Monitor's Certificate all Claims shall attach to the Proceeds of Sale with the same priority as they had with respect to the Purchased Policies immediately prior to the sale, as if the Purchased Policies had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

4. **THIS COURT ORDERS AND DIRECTS** the Monitor to file with the Court a copy of the Monitor's Certificate, forthwith after delivery of the Monitor's Certificate to the Purchaser. The Monitor shall be at liberty to rely exclusively on the Conditions Certificates (as defined in the Sale Agreement) in issuing the Monitor's Certificate, without any obligation to independently confirm or verify the waiver or satisfaction of the applicable conditions contained in the Sale Agreement.

5. **THIS COURT ORDERS** that, in accordance with clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, the Vendor and/or the Monitor are authorized and directed to disclose and transfer to the Purchaser all personal information of identifiable individuals in the Vendor's records pertaining to Purchased Policies, including personal information of individual insureds. The Purchaser shall maintain and protect the privacy of such information and shall be entitled to use and disclose the personal information provided to it only in a manner which is in all material respects compliant with all Applicable Privacy Laws (as defined in the Sale Agreement). Nothing herein shall derogate from any obligations assumed by the Purchaser in any confidentiality agreement executed by it in connection with its participation in the Amended and Restated Sale and Investor Solicitation Process as approved by Order dated October 1, 2014 and as amended and restated by Order dated November 19, 2014 (the "**SISP**"), any confidentiality obligations undertaken by the Purchaser under the Sale Agreement, or any other requirements under any federal, state or other privacy legislation or regulation in the United States, including the *Health Insurance Portability and Accountability Act*, or any other applicable jurisdiction.

6. **THIS COURT ORDERS AND DECLARES** that from and after the Effective Date regardless of whether such vesting has been recorded on the books and records of the Issuing Insurance Company (as defined in the Sale Agreement), the Purchaser is entitled to, among other things, cease the payment of premiums in respect of any of the Zero Valued Policies (as defined

in the Sale Agreement) and permit any of such Zero Valued Policies to lapse or to direct the Vendor to surrender any of such Zero Valued Policies, in each case in accordance with the terms of the Sale Agreement. From and after the Effective Date, the Vendor and the Monitor shall have no responsibility or liability in respect of any Zero Valued Policies that have been lapsed or surrendered at the decision or the direction of the Purchaser.

7. **THIS COURT ORDERS** that, notwithstanding:

(a) the pendency of these proceedings;

(b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of USI and any bankruptcy order issued pursuant to any such applications; and

(c) any assignment in bankruptcy made in respect of USI;

the vesting of the Purchased Policies in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of USI and shall not be void or voidable by creditors of USI, nor shall it constitute nor be deemed to be a fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal, provincial or other legislation or regulation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal, provincial or other legislation or regulation.

8. **THIS COURT ORDERS AND DECLARES** that the Transaction is exempt from the application of the *Bulk Sales Act* (Ontario).

9. **THIS COURT ORDERS** that subject to the reserve provided for at section 8.6 of the Sale Agreement, and subject to the provisions of the Amended Plan of Compromise and Arrangement dated June 16, 2009, as amended by an Amendment to the Amended Plan of Compromise and Arrangement dated November 24, 2014 (the "**Plan**"), USI may from time to time apply funds arising from the Proceeds of Sale, as and when available, to the repayment of the debt owing to Buonavita Investments Limited pursuant to a revolving loan in the amount of

US $7,863,061.18, plus any interest accrued from March 31, 2015, in accordance with the provisions of the Plan. Any such repayments shall be made prior to any distributions to be made to Purchasers or Ordinary Creditors (as defined in the Plan) as provided for under the Plan.

10. **THIS COURT ORDERS** that Confidential Appendices "E", "F", "G" and "I" to the Report shall be sealed and kept confidential and not form part of the public record pending further Order of this Court.

11. **THIS COURT ORDERS** that the Report and the conduct of the Monitor described therein, including the conduct of the SISP by the Monitor and its negotiations and discussions with bidders thereunder, be and are hereby approved.

12. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States or in any other nation, state or jurisdiction to give effect to this Order and to assist USI, the Purchaser and the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to USI, the Purchaser and the Monitor as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist USI and the Monitor and their respective agents in carrying out the terms of this Order.

ENTERED AT / INSCRIT À TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO.:

APR 9 2015

Schedule A – Form of Monitor's Certificate

Court File No. 08-CL-7878

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF UNIVERSAL SETTLEMENTS INTERNATIONAL INC.
(the "Applicant")

MONITOR'S CERTIFICATE

RECITALS

A. Pursuant to an Order of the Honourable Justice Wilton-Siegel of the Ontario Superior Court of Justice (the "**Court**") dated December 2, 2008, Universal Settlements International Inc. ("**USI**") commenced proceedings pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985 c. C-36, as amended ("**CCAA**"), and Ernst & Young Inc. was appointed as the monitor (in such capacity and not in its personal or corporate capacity, the "**Monitor**") in these proceedings.

B. Pursuant to an Order of the Court dated April 9, 2015, the Court approved the agreement of purchase and sale dated March 23, 2015 (the "**Sale Agreement**") between USI, in its capacity as trustee for the Plan Beneficiaries (the "**Vendor**") and Vida Capital, Inc. (the "**Purchaser**") and provided for the vesting in the Purchaser of all right, title and interest of the Vendor and the Plan Beneficiaries in and to the Purchased Policies, which vesting is to be effective with respect to the Purchased Policies upon the delivery by the Monitor to the Purchaser of a certificate confirming (i) the Escrow Agent has received payment of the Escrow Payment and the Purchaser Premiums in the amount provided at section 3.4(b) of the Sale Agreement, in each case as adjusted to account for any Matured Policies that have come to the attention of the Vendor and the Purchaser prior to Closing; and (ii) that it has received the Conditions Certificates from the Vendor and the Purchaser.

C. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Sale Agreement.

THE MONITOR CERTIFIES the following:

1. The Monitor confirms that the Escrow Agent has received the Escrow Payment and the Purchaser Premiums in the amount provided at section 3.4(b) of the Sale Agreement from the Purchaser, in each case as adjusted to account for any Matured Policies that have come to the attention of the Vendor and the Purchaser prior to Closing.

2. The Monitor has received the Conditions Certificates from the Vendor and the Purchaser.

3. This Certificate was delivered by the Monitor at ________ [TIME] on ______ [DATE].

Ernst & Young Inc. solely in its capacity as Monitor in the CCAA proceedings of USI, and not in its personal or corporate capacity

Per: ______________________________

Name:
Title:

Schedule B – Purchased Policies

SCHEDULE "B"
PURCHASED POLICIES
(Subject to adjustment in accordance with Section Error! Reference source not found. **of the Sale Agreement)**

Case ID	Net Death Benefits ($US)
A.B.(#327)	1,000,000
A.B.(#430)-(#436)	2,000,000
A.K. (#377)	190,800
B.D. (#637), (#639)	124,000
B.W.(#248)	26,000
C.W. (#386), D.H. (#387)	8,000,000
C.Y. (#418) - (#420)	9,750,000
D.C. (#164)	225,000
D.C.(#455)-(#457)	825,000
D.C.(#458)	1,130,000
D.P. (#284), (#576), (#649)	1,000,000
D.Z. (#414), (#415), (#417), (#438) & S.Z. (#416)	7,500,000
E.J. (#367), (#626)	482,431
E.T. (#572), (#573)	1,000,000
E.T. (#584) - (#586)	1,000,000
E.T. (#613) - (#616)	1,000,000
F.C.	50,000
F.R. (#177)	100,000
G.D. (#361), (#602)	3,000,000
H.L. #2 (#360)	8,000,000
H.L. (#359), (#623)	3,963,159
H.Y. (#362), (#612)	2,000,000
H.Y. (#506), (#508), (#510) - (#520), (#628)	2,000,000
I.A.(#342),(#574),(#653)	1,279,000
J.A.(#339)	2,100,000
J.B.	67,000
J.B.(#498),(#501)	586,719
J.C. (#396), (#399) - (#401)	3,000,000
J.C.(#347)	10,000,000
J.F. (#266)	300,000
J.F. (#528)	173,651
J.R. (#141)	201,000
J.S. (390), (408)-(413), (469), (556), (559),(562)	8,000,000
J.T. (#642)	750,000
JC (#407)	400,000
K.D. (#651)	53,284
K.M. (#221)	195,000
L.L. (#368)	2,000,000
L.W. (#437)	2,000,000
M.M. (#309)	113,866
P.S. (#552), (#560), (#564), (#565), (#577)	10,000,000
P.V. (#329), (#542), (#543)	5,000,000
R.B.#2(#279),(#563),(#568)	981,135
R.B.#3(#280),(#569),(#570)	1,505,604

Case ID	Net Death Benefits ($US)
R.B.(#224)	750,000
R.B.(#278),(#567)	1,115,560
R.M. & D.M. (#337)	2,000,000
S.L. (#487) - (#489)	5,000,000
S.M. (#471) - (#473)	2,000,000
S.M. (#647)	500,000
S.D.Z. 440	890,803
S.M.G. (#441)	135,975
T.H. (#466) - (#468)	4,000,000
T.H. (#527), (#541)	1,000,000
T.N.	23,000
T.W. (#237)	100,000
W.G. (#326)	1,000,000
W.W.	49,000
B.O. (#292)	88,991
C.A.(#293)	43,929
C.D. (#161)	45,000
C.D. (#203), (#578)	20,000
C.D. (#204)	50,000
C.D. (#205)	15,000
C.T.(#249)	25,000
D.B.(#173)	40,000
D.C.(#176)	167,857
D.F.	2,361,013
D.F. (#277)	466,875
D.P. (#226)	87,000
D.P. (#227)	44,899
D.V. (#283)	100,000
DF #2	1,500,000
E.B.	5,000
E.B.(#404),(#462),(#620)	5,000,000
E.B.(#405),(#406),(#463)	5,000,000
F.A.(#545)	49,031
H.M. (#428), (#429), (#611)	200,000
J.B.(#209)	41,399
J.B.D. (#163)	30,000
J.C.(#217)	42,000
J.G. (#299)	50,000
J.G. (#306)	159,000
J.H.(#264)	110,794
J.R. (#303)	300,000
J.T. (#296)	34,683
K.S. (#317)	93,416
L.D. (#241)	100,000
L.L. #2 (#369), (#619)	2,000,000
L.P.L. (#169)	25,000
L.S.	50,000
M.L.(#272)	99,076
M.W. (#600) - (#601)	3,750,000

Case ID	Net Death Benefits ($US)
N.G. (#168)	100,000
P.T. (#311)	100,000
R.J. (#298)	50,000
R.O. (#211)	52,000
R.W. (#638)	250,000
S.B.(#289)	58,002
S.C. #2(#276)	215,000
S.C.(#275)	43,000
S.L. (#165)	40,000
S.P. (#403), (#603)	50,000
T.P. (#315)	178,000
V.G. (#158)	36,000
V.R.	50,000
V.S. #2 (#243)	85,975
V.S. (#287)	100,000
V.S.#1(#245)	40,000
V.S.(#286)	25,000
110 Policies	**145,304,927**

COURT FILE NO. 08-CL-7878

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OF ARRANGEMENT OF UNIVERSAL SETTLEMENTS INTERNATIONAL INC.

ONTARIO
SUPERIOR COURT OF JUSTICE
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PROCEEDING COMMENCED IN TORONTO

O R D E R

RUETER SCARGALL BENNETT LLP
250 Yonge Street
Suite 2200
P.O. Box 4
Toronto, Ontario
M5B 2L7

SARA ERSKINE
LSUC# 46856G
Telephone No: (416) 597-5408
Facsimile No: (416) 869-3411