

**ONTARIO
SUPERIOR COURT OF JUSTICE- COMMERCIAL LIST**

THE HONOURABLE	)	FRIDAY, THE 12 th
	)	
MR. JUSTICE WILTON-SIEGEL	)	DAY OF JUNE, 2009

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.

Applicant

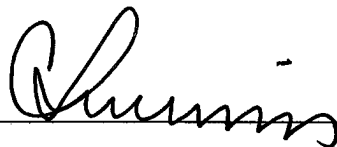
ORDER

THESE MOTIONS made by Borden Ladner Gervais LLP, National Viatical, Inc. ("NVI") and Gilbert Pereira ("Mr. Pereira"), were heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the motion records of the parties, filed, and on hearing the submissions of counsel for the Applicant, Borden Ladner Gervais LLP, NVI and Mr. Pereira:

1. THIS COURT ORDERS that the settlement agreement between the Applicant and Borden Ladner Gervais LLP in the form attached hereto as Schedule "A" is hereby approved;

2. THIS COURT ORDERS that the motion of NVI is dismissed without costs on the basis of NVI's confirmation to the Court that it does intend to submit an alternative Plan of Compromise and Arrangement in this proceeding; and
3. THIS COURT ORDERS that the motion of Mr. Pereira is adjourned pending a determination of whether Mr. Pereira wishes to proceed to a trial of the matter.



Christina Irwin
Registrar, Superior Court of Justice

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

JUN 17 2009

PER / PAR 

SCHEDULE "A"

The following are the terms of the agreement between Borden Ladner Gervais LLP ("BLG") and Universal Settlements International Inc. ("USI") with respect to the settlement of BLG's motion and the claim that has been filed by BLG in USI's CCAA proceedings. All capitalized terms not defined herein shall have the meaning ascribed to them in USI's Plan.

1. USI and the Monitor will accept as proved BLG's claim in the amount of \$1,300,000 (the "**BLG Proven Claim**").
2. The amount of \$160,000 of the BLG Proven Claim shall be acknowledged as Post Filing Goods and Services and will be paid to BLG by USI on a *pro rata* basis along with payments to other Professional Advisors, commencing July 1, 2009.
3. The remaining \$1,140,000 of the BLG Proven Claim will be dealt with as follows:
 - a. \$840,000 will be allowed as a secured claim in favour of BLG, secured by way of solicitor's lien against the Litigation Recovery (which shall, in connection with this proposal, include the Arbitration and related proceedings), such secured claim to be paid subsequent to the reimbursement of the "Litigation Contribution sourced from cash", as such reimbursement is described in Section 4.5(a) of USI's Plan;
 - b. \$300,000 will be allowed as an unsecured claim and will be treated as a Proven Claim of an Ordinary Creditor, as defined in the Plan, and any resulting distribution from the Ordinary Creditor Pool pursuant to the Plan; and
 - c. \$840,000 will be allowed as a contingent unsecured claim (the "**Contingent Claim**"), which will be subject to receipt of \$840,000 from the secured claim noted in (a), above. If BLG does not receive \$840,000 from its secured claim, the Contingent Claim will be treated as an additional Proven Claim of an Ordinary Creditor. If BLG receives \$840,000 from its secured claim, the Contingent Claim will be waived.
4. BLG agrees that, any combination of funds received by BLG from (i) the Post Filing Goods and Services; (ii) the secured claim against the Litigation Recovery; (iii) the Ordinary Creditor Pool; and (iv) the Contingent Claim, shall not exceed \$1,000,000 (the "**Total Recovery**"). Once BLG has received the Total Recovery, the balance of the BLG Proven Claim shall be waived.
5. BLG shall provide all related documents to USI and its counsel, without additional charge, promptly upon request, and shall meet with USI, the Monitor and their respective counsel in USI's efforts to prosecute the Canadian Action (including the Arbitration) for two (2) hours or as further agreed by BLG.

6. This settlement is subject to approval of the Court, which will be sought on June 12th. Notwithstanding such approval, the settlement is subject to a further condition that the Plan not be subsequently amended in any manner that has a materially adverse effect on the substance of this settlement.
7. USI's Plan will be amended, as necessary, to reflect this settlement, once approved by the Court.
8. BLG releases all of its rights, remedies and claims against the Shareholders and against the Escrow Fund. The Shareholders and USI release all of their rights, remedies and claims against BLG. Upon the request of BLG or the Shareholders, a full and final mutual release will be exchanged, which release shall exclude the obligations arising in connection with the terms of settlement set out herein.

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

Court File No.: 08-CL-7878

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

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding commenced at Toronto

ORDER

OGILVY RENAULT LLP
Royal Bank Plaza, South Tower
3800 - 200 Bay Street
Toronto ON M5J 2Z4

William McNamara (LSUC#: 23153S)
Tel: (416) 216-3906
Fax: (416) 216-3930

Lawyers for the Applicant