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 OF ARRANGEMENT OF UNIVERSAL SETTLEMENTS INTERNATIONAL INC.

Applicant

AFFIDAVIT OF CHRISTOPHER HALAS
(Sworn November 25, 2014)

I, CHRISTOPHER HALAS, of the City of Burlington, Province of Ontario, MAKE OATH AND SAY:

1. I am the Vice-President and Secretary of Universal Settlements International Inc. ("**USI**"). I have personal knowledge of the matters to which I depose in this Affidavit. Where I do not have personal knowledge, I have stated the sources of my information and believe such information to be true.

2. I swear this affidavit in support of USI's Motion for an order amending the Amended Plan of Compromise and Arrangement of the Applicant dated June 16, 2009 (the "**Plan**") in accordance with a proposed amendment to the Plan (the "**Plan Amendment**"), and for an order approving and sanctioning the Plan, as amended by the Plan Amendment, pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985 c. C-36, as amended (the "**CCAA**").

3. USI is an Ontario corporation that is in the business of "life settlements". Investing in life settlements involves the purchase of life insurance policies from insured individuals at a discount from the face value of the policies, and the sale of interests in those policies to investors. Investment returns are intended to be earned on the maturity of the policies.

4. On December 2, 2008, USI filed for and obtained protection from its creditors under the CCAA, pursuant to the provisions of an initial order dated December 2, 2008 (the "**Initial Order**"). A copy of the Initial Order is attached hereto as Exhibit "**A**".

5. Pursuant to the Initial Order, Ernst & Young Inc. was appointed as the monitor (the "**Monitor**") of the Company.

6. The Plan was sanctioned by the Court on June 22, 2009. Under the Plan all policies were pooled to be held in trust by USI for the benefit of USI's two classes of creditors, Purchasers and Ordinary Creditors (collectively, the "**Creditors**"). Since implementation, USI has been administering the policies on behalf of Creditors. Attached hereto as Exhibit "**B**" is a copy of the Plan.

7. After almost six years since the implementation of the Plan, no proceeds have been available to make any distributions to Creditors, as contemplated by the Plan. Insufficient proceeds have been generated by the policies held pursuant to the Plan to pay the costs of maintenance, and USI has been required to incur the costs of financing in order to ensure that policies do not lapse.

8. As of September 18, 2014, USI projected that it had sufficient funds available to maintain its expenses until April 2015, after which time USI has no additional resources to maintain the policy premiums after that date. This assumes that no policies mature in the intervening time.

Proposed Plan Amendment to Address Liquidity Crisis

9. To address this liquidity issue, USI, in consultation with the Monitor, has recommended to its Creditors that the Monitor be permitted to conduct a process to market and sell the Policies. In order to ensure that all options are canvassed, the process proposed will also solicit potential investment, financing or re-financing proposals for the policies.

10. The Plan does not permit a sales process to commence under the current circumstances. Accordingly, USI, in consultation with the Monitor, has proposed the Plan Amendment which, among other things, would amend the Sale Process provisions in section 4.9 of the Plan, to allow the Monitor to commence a process for the sale of or investment in, financing or re-financing of all or some of the policies that have not matured pursuant to a proposed sale and investor solicitation process (the "**SISP**").

11. On October 1, 2014, the Applicant sought and obtained two orders:

(a) a Meetings Order authorizing and approving the calling and holding of meetings of Purchasers and Ordinary Creditors on November 5, 2014 for purposes of considering and voting on the proposed Plan Amendment (the "**Creditors' Meetings**"); and

(b) an order approving the proposed SISP and authorizing the Monitor to commence the implementation of the SISP immediately upon and in the event of the achievement of the requisite statutory thresholds for approval of the Plan Amendment at the Creditors' Meetings, and the issuance of an order sanctioning the Plan Amendment (the "**SISP Approval Order**");

Adjournment of the Meetings and Amendment of the SISP

12. Notice of the Creditors' Meetings was provided by the Monitor in accordance with the Meetings Order. Information packages in respect of the proposed Plan Amendment, as prescribed by the Meetings Order (the "**Meetings Materials**"), were mailed by the Monitor to Creditors on or about October 6, 2014.

13. Pursuant to the Meetings Order, the Creditors' Meetings were originally scheduled to be held on November 5, 2014. However, on or about November 4, 2014, it became apparent to USI and the Monitor that certain Creditors in Europe, and in particular in Austria, Switzerland and Germany, had not yet received their Meetings Materials. In light of this delay, USI proposed that the Creditors Meetings' be adjourned, and the Monitor agreed.

14. The Creditors' Meetings were adjourned to November 24, 2014 in order to permit Creditors additional time to receive and consider the Meetings Materials and to submit their proxies to the Monitor.

15. As described in more detail in the Twenty-First Report of the Monitor dated November 17, 2014, during the period of the adjournment, the Monitor took additional steps to bring the date of the Creditors' Meetings and notice of the proposed Plan Amendment to the attention of Creditors.

16. By order dated November 19, 2014, the Court issued an order authorizing and approving an amendment and restatement of the SISP in order to adjust the timelines outlined in the SISP required because of the adjournment of the Creditors' Meetings (the "**SISP Amendment Order**"). Attached as Exhibit "**C**" is a copy of the SISP Amendment Order, approving an amended and restated SISP attached to the order as Schedule "A" (the "**Amended and Restated**

SISP").

The Plan Amendment has Been Approved by the Creditors

17. The Creditors' Meetings proceeded on November 24, 2014. The requisite majority of Purchasers and Ordinary Creditors, either in person or by proxy, voted in favour of the resolution proposing the Plan Amendment, which will permit the commencement of the SISP, as it has been amended and restated. A copy of the Plan Amendment and Amended and Restated SISP, as approved by Purchasers and Ordinary Creditors at the Creditors' Meetings, are attached to Monitor's Twenty-Second Report and to the draft Sanction Order appended as Schedule "A" to the Applicant's Notice of Motion.

18. The Creditors' Meetings were supervised by the Monitor and conducted in accordance with the Meetings Order.

19. USI now seeks, among other things, an order amending the Plan in accordance with the Plan Amendment and the Court's approval and sanction of the Plan as amended by the Plan Amendment.

AFFIRMED before me at the City of Toronto, in the Province of Ontario, this 25th day of November, 2014.	))))))))	
A Commissioner, for Taking Affidavits, etc.		**Christopher Halas**

Re Universal Settlements International Inc. **Court File No.: 08-CL-7878**

ONTARIO
SUPERIOR COURT OF JUSTICE
(Commercial List)

PROCEEDINGS COMMENCED AT Toronto

AFFIDAVIT OF CHRISTOPHER HALAS
(SWORN NOVEMBER 25, 2014)

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Lawyers for Universal Settlements International Inc.

THIS IS EXHIBIT *"A"*

REFERRED TO IN THE AFFIDAVIT OF
CHRISTOPHER HALAS

SWORN BEFORE ME THIS

25th DAY OF November 2014.

Commissioner for Taking Affidavits, etc.

Court File No. 08-CL-7878

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE	)	TUESDAY, THE 2nd
	)	
JUSTICE H. WILTON-SIEGEL	)	DAY OF DECEMBER, 2008

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")

INITIAL ORDER

THIS APPLICATION, made by the Applicant, pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "CCAA") was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of Christopher Halas sworn December 2, 2008 (the "Halas Affidavit") and the Exhibits thereto and on hearing the submissions of counsel for the Applicant, and on reading the consent of Ernst & Young to act as the Monitor,

SERVICE

1. THIS COURT ORDERS that the time for service of the Notice of Application and the Application Record is hereby abridged so that this Application is properly returnable today and hereby dispenses with further service thereof.

APPLICATION

2. THIS COURT ORDERS AND DECLARES that the Applicant is a company to which the CCAA applies.

FURTHER HEARING

3. THIS COURT ORDERS that a further hearing in this Application shall be made on notice to investors and held on December 18, 2008 or such alternate date as this Court may fix, at which time this Order may be supplemented or otherwise varied, and the Stay Period (as herein defined) extended or terminated. The Applicant and the Monitor shall serve their materials for this further hearing on all parties who serve a Notice of Appearance on the Applicant and the Monitor, such materials to be served by no later than 3 days prior to the date scheduled for the further hearing.

POSSESSION OF PROPERTY AND OPERATIONS

4. THIS COURT ORDERS that the Applicant shall remain in possession and control of its current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the "Property"). Subject to further Order of this Court, the Applicant shall continue to carry on business in a manner consistent with the preservation of its business (the "Business") and Property. The Applicant shall be authorized and empowered to continue to retain and employ the employees, consultants, agents, experts, accountants, counsel and such other persons (collectively "Assistants") currently retained or employed by it, with liberty to retain such further Assistants as it deems reasonably necessary or desirable in the ordinary course of business or for the carrying out of the terms of this Order.

5. THIS COURT ORDERS that the Applicant shall have the right to pursue the sale of its TPI Portfolio (as defined in the Halas Affidavit), in whole or part, subject to prior approval of any sale being obtained on further motion before this Court.

6. THIS COURT ORDERS that the Applicant shall be entitled but not required to pay the following expenses whether incurred prior to or after this Order:

(a) all outstanding and future wages, salaries, employee and pension benefits, vacation pay, bonuses and expenses payable on or after the date of this Order, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements; and

(b) the fees and disbursements of any Assistants retained or employed by the Applicant in respect of these proceedings, at their standard rates and charges.

7. THIS COURT ORDERS that, except as otherwise provided to the contrary herein, the Applicant shall be entitled but not required to pay all reasonable expenses incurred by the Applicant in carrying on the Business in the ordinary course after this Order, and in carrying out the provisions of this Order, which expenses shall include, without limitation:

(a) all expenses and capital expenditures reasonably necessary for the preservation of the Property or the Business including, without limitation, payments on account of insurance (including directors and officers insurance), maintenance and security services; and

(b) payment for goods or services actually supplied to the Applicant following the date of this Order.

8. THIS COURT ORDERS that the Applicant shall remit, in accordance with legal requirements, or pay:

(a) any statutory deemed trust amounts in favour of the Crown in right of Canada or of any Province thereof or any other taxation authority which are required to be deducted from employees' wages, including, without limitation, amounts in respect of (i) employment insurance, (ii) Canada Pension Plan, (iii) Quebec Pension Plan, and (iv) income taxes;

(b) all goods and services or other applicable sales taxes (collectively, "Sales Taxes") required to be remitted by the Applicant in connection with the sale of goods and services by the Applicant, but only where such Sales Taxes are accrued or collected after the date of this Order, or where such Sales Taxes were accrued or collected prior to the date of this Order but not required to be remitted until on or after the date of this Order, and

(c) any amount payable to the Crown in right of Canada or of any Province thereof or any political subdivision thereof or any other taxation authority in respect of municipal realty, municipal business or other taxes, assessments or levies of any nature or kind which are entitled at law to be paid in priority to claims of secured creditors and which are attributable to or in respect of the carrying on of the Business by the Applicant.

9. THIS COURT ORDERS that, except as specifically permitted herein, the Applicant is hereby directed, until further Order of this Court: (a) to make no payments of principal, interest thereon or otherwise on account of amounts owing by the Applicant to any of its creditors as of this date; (b) to grant no security interests, trust, liens, charges or encumbrances upon or in respect of any of its Property; (c) to not grant credit or incur liabilities except in the ordinary course of the Business; (d) to make no payments of Death Benefits to investors; and (e) to hold Death Benefits received in the interim in an interest bearing trust account (the "Death Benefits Account").

NO PROCEEDINGS AGAINST THE APPLICANT OR THE PROPERTY

10. THIS COURT ORDERS that until and including December 31, 2008, or such later date as this Court may order (the "Stay Period"), no proceeding or enforcement process in any court or tribunal (each, a "Proceeding") shall be commenced or continued against or in respect of the Applicant or the Monitor, or affecting the Business or the Property, except with the written consent of the Applicant and the Monitor, or with leave of this Court, and any and all Proceedings currently under way against or in respect of the Applicant or affecting the Business or the Property are hereby stayed and suspended pending further Order of this Court.

APPLICANT ENTITLED TO CONTINUE ITS OUTSTANDING LITIGATION AND ARBITRATION PROCEEDINGS

11. THIS COURT ORDERS that the Applicant shall be entitled to continue its outstanding litigation and arbitration proceedings, and pay all reasonable expenses incurred as a result thereof and as are in accordance the Projected Cash Flow Statement attached as Exhibit "D" to the Halas Affidavit, as follows:

(a) *Universal Settlements Inc. v. James Torchia, Marc Celello and National Viaticals Inc.*; and

(b) *Universal Settlements Inc. v. Antonio Duscio.*

NO EXERCISE OF RIGHTS OR REMEDIES

12. THIS COURT ORDERS that during the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being "Persons" and each being a "Person") against or in respect of the Applicant or the Monitor, or affecting the Business or the Property, are hereby stayed and suspended except with the written consent of the Applicant and the Monitor, or leave of this Court, provided that nothing in this Order shall (i) empower the Applicant to carry on any business which the Applicant is not lawfully entitled to carry on, (ii) exempt the Applicant from compliance with statutory or regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH RIGHTS

13. THIS COURT ORDERS that during the Stay Period, no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Applicant, except with the written consent of the Applicant and the Monitor, or leave of this Court.

CONTINUATION OF SERVICES

14. THIS COURT ORDERS that during the Stay Period, all Persons having oral or written agreements with the Applicant or statutory or regulatory mandates for the supply of goods and/or services, including without limitation all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation, services, utility or other services to the Business or the Applicant, are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Applicant, and that the Applicant shall be entitled to the continued use of its current premises, telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Applicant in accordance with normal payment practices of the Applicant or such other practices as may be agreed upon by the supplier or service provider and each of the Applicant and the Monitor, or as may be ordered by this Court.

NON-DEROGATION OF RIGHTS

15. THIS COURT ORDERS that, notwithstanding anything else contained herein, no creditor of the Applicant shall be under any obligation after the making of this Order to advance or re-advance any monies or otherwise extend any credit to the Applicant. Nothing in this Order shall derogate from the rights conferred and obligations imposed by the CCAA.

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

16. THIS COURT ORDERS that during the Stay Period, and except as permitted by subsection 11.5(2) of the CCAA, no Proceeding may be commenced or continued against any of the former, current or future directors or officers of the Applicant with respect to any claim against the directors or officers that arose before the date hereof and that relates to any obligations of the Applicant whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers for the payment or performance of such obligations, until a compromise or arrangement in respect of the Applicant, if one is filed, is sanctioned by this Court or is refused by the creditors of the Applicant or this Court.

DIRECTORS' AND OFFICERS' INDEMNIFICATION AND CHARGE

17. THIS COURT ORDERS that the Applicant shall indemnify its directors and officers from all claims, costs, charges and expenses relating to the failure of the Applicants, after the date hereof, to make payments of the nature referred to in subparagraphs **[6(a)], [8(a)], [8(b)] and [8(c)]** of this Order which they sustain or incur by reason of or in relation to their respective capacities as directors and/or officers of the Applicants except to the extent that, with respect to any officer or director, such officer or director has actively participated in the breach of any related fiduciary duties or has been grossly negligent or guilty of wilful misconduct.

18. THIS COURT ORDERS that the directors and officers of the Applicant shall be entitled to the benefit of and are hereby granted a charge (the "Directors' Charge") on the Property, which charge shall not exceed an aggregate amount of $1 million, as security for the indemnity provided in paragraph [17] of this Order. The Directors' Charge shall have the priority set out in paragraphs [31] and [33] herein.

19. THIS COURT ORDERS that, notwithstanding any language in any applicable insurance policy to the contrary, (a) no insurer shall be entitled to be subrogated to or claim the benefit of the Directors' Charge, and (b) the Applicant's directors and officers shall only be entitled to the benefit of the Directors' Charge to the extent that they do not have coverage under any directors' and officers' insurance policy, or to the extent that such coverage is insufficient to pay amounts indemnified in accordance with paragraph [17] of this Order.

PROCEEDINGS AGAINST TRUSTEES

20. THIS COURT ORDERS that during the Stay Period no Proceeding may be commenced or continued against the Applicant's former trustees Christopher Halas and William Potoczak (the "Trustees") with respect to any claim against the Trustees that arose before the date hereof and that relates to any obligations of the Applicant whereby the Trustees are alleged under any law to be liable in their capacity as Trustees for the payment or performance of such obligations, until a compromise or arrangement in respect of the Applicant, if one is filed, is sanctioned by this Court or is refused by the creditors of the Applicant or this Court.

TRUST FUNDS

21. THIS COURT ORDERS that the trustee William Potoczak is entitled to use the US$300,000, which he holds in escrow in the ordinary course to fund the payment of premiums as they fall due and in accordance with specific insurance policies to which the funds have been designated, with such use to be monitored by the Monitor (as defined below).

22. THIS COURT ORDERS that Ogilvy Renault LLP is entitled to release US$778,000 out of the finds it holds in escrow for the Applicant, to the Applicant for the purposes of funding its operations.

23. THIS COURT ORDERS that Ogilvy Renault LLP is entitled to release the balance of the funds it holds in escrow for the Applicant, to the Applicant for the purposes of establishing an account from which premium payments can be made (the "Premium Reserve Account"), as they fall due and in accordance with specific insurance policies to which the funds have been designated, with such payments to be monitored by the Monitor (as defined below).

APPOINTMENT OF MONITOR

24. THIS COURT ORDERS that Ernst & Young Inc. is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the Property and the Applicant's conduct of the Business with the powers and obligations set out in the CCAA or set forth herein and that the Applicant and its shareholders, officers, directors, and Assistants shall advise the Monitor of all material steps taken by the Applicant pursuant to this Order, and shall co-operate fully with the Monitor in the exercise of its powers and discharge of its obligations.

25. THIS COURT ORDERS that the Monitor, in addition to its prescribed rights and obligations under the CCAA, is hereby directed and empowered to:

(a) send notice of the Order, within three (3) days, to every known creditor of the Applicant as of the date of this Order, advising that such creditor may obtain a copy of the Order on the internet at the website of the Monitor at www.ey.com/ca/UniversalSettlements (the "Website") or, failing that, from the

Monitor and the Monitor shall provide it. Such notice shall be sufficient in accordance with Subsection 11(5) of the CCAA;

(b) monitor the Applicant's receipts and disbursements, including without limitation the oversight of the Death Benefits Account and the Premium Reserves Account;

(c) report to this Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, and such other matters as may be relevant to the proceedings herein;

(d) advise the Applicant in its development of the Plan and any amendments to the Plan;

(e) advise the Applicant in its preparation of the Applicant's cash flow statements and report to the Court on the compilation;

(f) assist the Applicant, to the extent required by the Applicant, with the holding and administering of creditors' or shareholders' meetings for voting on the Plan;

(g) have full and complete access to the books, records and management, employees and advisors of the Applicant and to the Business and the Property to the extent required to perform its duties arising under this Order;

(h) be at liberty to engage independent legal counsel or such other persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order; and

(i) perform such other duties as are required by this Order or by this Court from time to time.

26. THIS COURT ORDERS that the Monitor shall not take possession of the Property and shall take no part whatsoever in the management or supervision of the management of the Business and shall not, by fulfilling its obligations hereunder, be deemed to have taken or maintained possession or control of the Business or Property, or any part thereof.

27. THIS COURT ORDERS that, in addition to the rights and protections afforded the Monitor under the CCAA or as an officer of this Court, the Monitor shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded the Monitor by the CCAA or any applicable legislation.

28. THIS COURT ORDERS that the Monitor, counsel to the Monitor and counsel to the Applicant shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, by the Applicant as part of the costs of these proceedings. The Applicant is hereby authorized and directed to pay the accounts of the Monitor, counsel for the Monitor and counsel for the Applicant on a weekly basis and, in addition, the Applicant is hereby authorized to pay to the Monitor, counsel to the Monitor, and counsel to the Applicant, retainers in the amounts of $100,000, $50,000, and $50,000, respectively, to be held by them as security for payment of their respective fees and disbursements outstanding from time to time.

29. THIS COURT ORDERS that the Monitor and its legal counsel shall pass their accounts from time to time, and for this purpose the accounts of the Monitor and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

30. THIS COURT ORDERS that the Monitor, counsel to the Monitor, and the Applicant's counsel shall be entitled to the benefit of and are hereby granted a charge (the "Administration Charge") on the Property, which charge shall not exceed an aggregate amount of $1 million, as security for their professional fees and disbursements incurred at the standard rates and charges of the Monitor and such counsel, both before and after the making of this Order in respect of these proceedings. The Administration Charge shall have the priority set out in paragraphs [31] and [33] hereof.

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

31. THIS COURT ORDERS that the priorities of the Directors' Charge and the Administration Charge, as between them, shall be as follows:

First – Administration Charge (to the maximum amount of $1 million); and

Second – Directors' Charge (to the maximum amount of $1 million).

32. THIS COURT ORDERS that the filing, registration or perfection of the Directors' Charge and the Administration Charge (collectively, the "Charges") shall not be required, and that the Charges shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect.

33. THIS COURT ORDERS that each of the Directors' Charge and the Administration Charge (all as constituted and defined herein) shall constitute a charge on the Property and such Charges shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, statutory or otherwise (collectively, "Encumbrances") in favour of any Person.

34. THIS COURT ORDERS that except as otherwise expressly provided for herein, or as may be approved by this Court, the Applicant shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with, any of the Directors' Charge or the Administration Charge, unless the Applicant also obtains the prior written consent of the Monitor, and the beneficiaries of the Directors' Charge and the Administration Charge, or further Order of this Court.

35. THIS COURT ORDERS that the Directors' Charge and the Administration Charge, shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Charges thereunder shall not otherwise be limited or impaired in any way by (a) the pendency of these proceedings and the declarations of insolvency made herein; (b) any application(s) for bankruptcy order(s) issued pursuant to BIA, or any bankruptcy order made pursuant to such applications; (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (d) the provisions of any federal or provincial statutes; or (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an "Agreement") which binds the Applicant, and notwithstanding any provision to the contrary in any Agreement:

(a) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the creation of the Charges; and

(b) the payments made by the Applicant pursuant to this Order and the granting of the Charges, do not and will not constitute fraudulent preferences, fraudulent conveyances, oppressive conduct, settlements or other challengeable, voidable or reviewable transactions under any applicable law.

SERVICE AND NOTICE

36. THIS COURT ORDERS that the Applicant and the Monitor be at liberty to serve this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or electronic transmission to the Applicant's creditors or other interested parties at their respective addresses as last shown on the records of the Applicant and that any such service or notice by courier, personal delivery or electronic transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

37. THIS COURT ORDERS that the Applicant, the Monitor, and any party who has filed a Notice of Appearance may serve any court materials in these proceedings by e-mailing a PDF or other electronic copy of such materials to counsels' or any party's email addresses as recorded on the Service List from time to time, in accordance with the E-filing protocol of the Commercial List to the extent practicable, and the Monitor may post a copy of any or all such materials on the Website. Any party filing a Notice of Appearance or otherwise intending to participate in these proceedings shall provide to the Applicant and the Monitor an email address for purposes of service.

GENERAL

38. THIS COURT ORDERS that the Applicant or the Monitor may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

39. THIS COURT ORDERS that nothing in this Order shall prevent the Monitor from acting as an interim receiver, a receiver, a receiver and manager, or a trustee in bankruptcy of the Applicant, the Business or the Property.

40. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada, the United States or any other foreign jurisdiction to give effect to this Order and to assist the Applicant, 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 the Applicant and to the Monitor, as an officer of this Court, 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 the Applicant and the Monitor and their respective agents in carrying out the terms of this Order.

41. THIS COURT ORDERS that each of the Applicant and the Monitor be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order.

42. THIS COURT ORDERS that any interested party (including the Applicant and the Monitor) may apply to this Court to vary or amend this Order on not less than seven (7) days notice to any other party or parties likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

43. THIS COURT ORDERS that this Order and all of its provisions are effective as of 12:01 a.m. Eastern Standard Time on the date of this Order.

~~JUSTICE H. WILTON-SIEGEL~~

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

DEC 0 2 2008

PER / PAR: TV

Toni Vecchiola
Registrar, Superior Court of Justice

DOCSTOR: 1577835\8

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 OR ARRANGEMENT OF UNIVERSAL SETTLEMENTS INTERNATIONAL INC.

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding commenced at Toronto

INITIAL ORDER

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Lawyers for the Applicant

DOCSTOR: 1580895\1

THIS IS EXHIBIT *"B"*

REFERRED TO IN THE AFFIDAVIT OF
CHRISTOPHER HALAS

SWORN BEFORE ME THIS
25th DAY OF November 2014.

Commissioner for Taking Affidavits, etc.

UNIVERSAL SETTLEMENTS INTERNATIONAL INC.

AMENDED PLAN OF COMPROMISE AND ARRANGEMENT

PURSUANT TO THE

***COMPANIES' CREDITORS ARRANGEMENT ACT* (CANADA)**

June 16, 2009

This Plan has not been approved or sanctioned in any way by the Ontario Superior Court of Justice (the "Court") pursuant to the proceeding brought by the Applicant under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. c-36, as amended, and bearing Court File No. 08-CL-7878. Rather, the Court has only authorized that this Plan be sent to creditors of the Applicant for the purposes of allowing the Applicant to hold a meeting of creditors wherein its creditors may vote on whether or not to approve the Plan. Nothing in this Plan is to be taken as the Court having passed on the merits of this Plan.

AMENDED PLAN OF COMPROMISE AND ARRANGEMENT

This is the amended plan of compromise and arrangement of Universal Settlements International Inc. (the "**Plan**").

ARTICLE 1
INTERPRETATIONS

1.1 Definitions

In this Plan, unless otherwise stated or the context otherwise requires:

"**Actions**" has the meaning given to that term in Section 2.3 of this Plan.

"**Administrative Fee**" means the administrative fee set out in Schedule A to this Plan, for the performance of the services also set out in Schedule A to this Plan, payable to the Applicant monthly in advance from the Monitored Trust Account for each month (or part thereof) starting on Plan Implementation and continuing until the earlier of (i) the date on which one hundred percent (100%) of the Original Investment of Purchasers has been paid, (ii) six years from the Plan Implementation Date, and (iii) the Court otherwise directs.

"**Agent**" means any Person who acted to facilitate a purchase of a Life Settlement by a Purchaser, and for the purposes of this Plan shall include Universal Settlements Vermogensberatung GmbH.

"**Annuities**" means annuities payable to the Applicant or Mills under the Policies.

"**Applicant**" means Universal Settlements International Inc.

"**Borrowings**" means any borrowings for the payment of Premiums, the Professional Costs, the Administrative Fee and/or Mills' fees, as permitted by Section 4.4 of this Plan.

"**Borrowing Costs**" means any borrowing costs incurred with respect to Borrowings.

"**Business Day**" means a day other than a Saturday or Sunday, on which banks are generally open for business in Toronto, Ontario, Canada.

"**Cash on Hand**" has the meaning given to that term in Section 2.4 of this Plan.

"**CCAA**" means the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended.

"**CCAA Proceedings**" means the proceedings under the CCAA commenced by the Applicant in the Ontario Superior Court of Justice, Toronto (Commercial List) under Court File No. 08-CL-7878.

"**Charges**" means the Administration Charge and Directors' Charge, as those terms are defined in the Initial Order.

"**Claim**" means (i) any right of any Person against the Applicant in connection with any indebtedness, liability or obligation of any kind of the Applicant, whether liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, present, future, known, or unknown, by guarantee, surety or otherwise and whether or not such right is executory in nature, including the right or ability of any Person to advance a claim for contribution or indemnity or otherwise with respect to any matter, action, cause or chose in action, whether existing at present or commenced in the future, which indebtedness, liability or obligation is based in whole or in part on facts existing on or prior to the Valuation Date or which would have been claims provable in bankruptcy had the Applicant become bankrupt on the Valuation Date (each a "Claim", and collectively, the "Claims"), and (ii) any right of any Person against the Directors of the Applicant that relates to the Claims for which the Directors of the Applicant are by law liable to pay in their capacity as directors, provided however that the terms "Claim" and "Claims" shall not include (i) Unaffected Claims, (ii) any claims made in the Actions.

"**Claims Procedure Order**" means the Order of the Court made on January 23, 2009 in the CCAA Proceedings.

"**Classes**" means the classes of Creditors for the purposes of considering and voting upon this Plan in accordance with the provisions of this Plan, and receiving Distributions hereunder.

"**Corporate Policies**" means the interests in life insurance policies that are not identified on the records of the Applicant or Mills as allocated to a Purchaser as of the Valuation Date, and in which the Applicant had retained such interest for its sole benefit, including any interest of the Applicant in policies held in the USII Trust.

"**Costs**" has the meaning given to that term in Section 4.2 of this Plan.

"**Court**" means the Ontario Superior Court of Justice (Commercial List) in Canada.

"**Creditor**" means any Purchaser, Ordinary Creditor, or any other Person having a Claim, and "**Creditors**" means all of such Persons.

"**Creditor Approval**" means the approval of this Plan by each Class of Creditors.

"**Crown**" means Her Majesty the Queen in the Right of Canada or any province thereof.

"**Death Benefit Maturity Funds**" means all monies that have been or are received by the Applicant prior to the Plan Implementation Date from matured Policies, and which monies continue to be held by the Applicant on the Plan Implementation Date.

"**Director**" means any director of the Applicant as of the date of this Plan, and "**Directors**" means all of such directors.

"**Distributions**" are the amounts available for distribution to Purchasers and to Ordinary Creditors, from the Purchaser Pool, ROI Pool and the Ordinary Creditor Pool, respectively.

"**Effective Time**" means noon (Eastern Standard/Daylight Time) on the Plan Implementation Date.

"**Escrow Fund**" means those monies paid into escrow pursuant to an interim award of the arbitrator dated January 16, 2007, in Re In the Matter of an Arbitration between The Brokerwise Group Inc. and 1508211 Ontario Inc., claimants, vs. Antonio Duscio and Martina Capital Corporation, respondents, and the term "Escrow Fund" shall include (i) any amounts previously paid out of the Escrow Fund to Antonio Duscio and which are subsequently repaid by him to the Escrow Fund, and (ii) any interest or gains on the Escrow Fund, net of applicable taxes, but for the purposes of this definition, Escow Fund shall be net of any legal costs or disbursements incurred to recover the Escrow Fund.

"**Initial Order**" means the Order of the Court dated December 2, 2008, made in the CCAA Proceedings.

"**Initial Order Date**" means December 2, 2008.

"**Insurance Proceeds**" means death benefits in respect of matured Policies together with any Annuities, interest and dividends, any return or refund of Premiums, and any other amounts paid by insurance companies with respect to the matured Policies.

"**Life Settlement**" means a financial transaction whereby owners of life insurance policies sell their legal title and beneficial interest in such policies to a third party at a discount from the face value of such policies.

"**Litigation Contribution**" means an amount not to exceed the aggregate of (i) U.S. $500,000 to be contributed, pursuant to Section 4.5 of this Plan, from the Monitored Trust Account toward payment of the legal fees and disbursements incurred by the Applicant in the Actions, and (ii) the Escrow Funds to be paid to the Monitored Trust Account pursuant to Section 2.5 of this Plan and to be applied toward payment of any additional legal fees and disbursements incurred by the Applicant in the Actions.

"**Litigation Recovery**" means any proceeds received by the Applicant from the determination or settlement of either or both of the Actions, and shall include any costs recovered by the Applicant in the Actions, but shall exclude the Escrow Funds payable to the Monitored Trust Account in accordance with Section 2.5 of this Plan.

"**M-Series Trust**" means the trust created pursuant to a Master Declaration of Trust dated March 21, 2008 between Universal Settlements International Inc. and Mills (as defined below).

"**mature**": a Policy matures when the individual whose life is insured under that Policy dies, and "**maturity**" and "**Matured Policy**" shall have a corresponding meaning.

"**Meeting Order**" means the Order of the Court made on May 11, 2009 in the CCAA Proceedings.

"**Meeting**" and "**Meetings**" means the meeting or meetings of Creditors called for the purpose of considering and voting in respect of this Plan pursuant to the CCAA.

"**Mills**" means Mills, Potoczak & Company, in its capacity as the United States of America service agent for the Policies on behalf of the Applicant.

"**Monitor**" means Ernst & Young Inc., solely in its capacity as the Monitor appointed pursuant to the Initial Order, and not in its personal capacity.

"**Monitored Trust Account**" means a bank account established by the Applicant and held at a Canadian chartered bank, into which (from and after Plan Implementation) shall be deposited the Cash on Hand, all Insurance Proceeds, all Litigation Recovery and any TPI Proceeds.

"**Monitored Account Agreement**" means the agreement to be executed by the Monitor and the Applicant as provided for under Section 4.2 of this Plan.

"**Order**" means any order of the Court in the CCAA Proceedings.

"**Ordinary Creditors**" means all Creditors other than Purchasers.

"**Original Investment**" means the initial investment made by a Purchaser, as determined pursuant to the Claims Procedure Order or any subsequent Order, without interest or any other return on such initial investment.

"**Ordinary Creditor Pool**" means a pool of funds created for payment of Distributions to Ordinary Creditors, as described in Section 4.8 of this Plan.

"**Person**" means any individual, partnership, joint venture, trust, corporation, unincorporated organization, government or agency or instrumentality thereof, or any other juridical entity howsoever designated or constituted.

"**Plan**" means this plan of compromise and arrangement filed by the Applicant pursuant to the Initial Order and the CCAA, as such Plan may be further amended, varied or supplemented from time to time.

"**Plan Circular**" means a circular dated May 5, 2009 wherein this Plan is summarized and discussed.

"**Plan Implementation Date**" means the date that is one (1) Business Day after the satisfaction of all conditions precedent in section 6.2 of this Plan, or such later date as the Applicant and the Monitor may agree in writing, and "**Plan Implementation**" shall have a corresponding meaning.

"**Policies**" means Purchaser Policies and Corporate Policies.

"**Pools**" means, collectively, the Purchaser Pool, the ROI Pool and the Ordinary Creditor Pool.

"**Premiums**" mean the amounts payable by the Applicant to keep the Policies in good standing, as determined by the Applicant and Mills.

"**Premium Reserves**" means the funds that were previously segregated for the purposes of paying Premiums for specific Policies.

"**Professional Costs**" has the meaning given to that term in Section 2.6 of this Plan.

"**Proven Claim**" means the Claims of Creditors which are Proven Claims within the meaning given to that term in the Claims Procedure Order.

"**Purchaser**" means a person who, pursuant to a purchase agreement with the Applicant or an Agent, purchased an interest in a Life Settlement, and from whom the Applicant received monies for this purpose.

"**Purchaser Policies**" means the interests in life insurance policies that are identified on the records of the Applicant or Mills as allocated to a Purchaser as of the Valuation Date, but not including those Purchasers' interests in policies held in the M-Series Trust or in the USII Trust.

"**Purchaser Pool**" means a pool of funds created to provide Purchasers with a return of their Original Investments, as described in Section 4.6 of this Plan.

"**Reserve for Costs**" has the meaning given to that term in Section 4.3 of this Plan.

"**ROI Pool**" means a pool of funds created to provide Purchasers with an amount over and above their Original Investments, as described in Section 4.7 of this Plan.

"**Sale Process**" means a sale process that may be conducted by the Monitor in accordance with and upon fulfillment of the conditions set out in Section 4.9 of this Plan.

"**Sanction Order**" means an Order on terms satisfactory to the Applicant and the Monitor approving and sanctioning this Plan.

"**Secured Claim**" means any Claim or portion thereof that is secured by a security interest, pledge, mortgage, lien, hypothec or charge on any property of the Applicant, but only to the extent of the value of the security in respect of the Claim, and for greater certainty, the Charges each constitute a Secured Claim.

"**Shareholders**" means the current shareholders of the Applicant, being The Brokerwise Group Inc. and 1508211 Ontario Inc.

"**Success Fee**" means the success fee, if any, payable to the Applicant pursuant to Section 4.10 and Schedule B of this Plan.

"**Tax Refunds**" means all tax refunds, including sales tax refunds, received by the Applicant at any time and relating to the period prior to the Initial Order Date.

"**TPI Proceeds**" means the net proceeds from the sale of the TPI Portfolio, approved by the Court by Order dated December 23, 2008.

"Unaffected Claims" has the meaning given to such term in section 2.6 of this Plan and "Unaffected Claim" means any one of such Unaffected Claims.

"Undistributed Distributions" has the meaning given to such term in Section 5.5 of this Plan.

"USII Trust" means the trust created pursuant to a Trust Agreement dated June 30, 2008 between Universal Settlements International Inc. and Valenzano & Pillo LLP.

"Valuation Date" means January 23, 2009.

1.2 Construction

In this Plan, unless otherwise stated or the context otherwise requires:

(a) the division of the Plan into articles and sections and the use of headings are for convenience of reference only and do not affect the construction or interpretation of the Plan;

(b) the words "hereunder", "hereof" and similar expressions refer to this Plan and not to any particular article, section or schedule and references to "Articles", "Sections", and "Schedules" are to articles and sections of and schedules to this Plan;

(c) words importing the singular include the plural and vice versa and words importing any gender include all genders;

(d) the word "including" means "including without limiting the generality of the foregoing";

(e) a reference to any statute is to that statute as now enacted or as the statute may from time to time be amended, re-enacted or replaced and includes any regulation made thereunder;

(f) a reference to any agreement, indenture or other document is to that document as amended, supplemented, restated or replaced from time to time;

(g) references to dollar amounts are to Canadian dollars, unless otherwise indicated;

(h) Undistributed Distributions shall be deemed to be paid as of the date of the payment of the Distributions to which they relate, for the purposes of (A) determining when contributions to the Purchaser Pool cease, and contributions to the ROI Pool begin, (B) determining when a transfer from the Purchaser Pool to the ROI Pool should occur, pursuant to Section 4.10(a) of this Plan, (C) determining if and when the initial Success Fee (of U.S. $1,000,000) should be paid, (D) determining the date on which payment of the Administrative Fee ceases; and

(i) references to times are to local time in Toronto, Ontario, Canada.

1.3 Conversion

The Claims of Purchasers are in U.S. dollars, and may be dealt with entirely in U.S. dollars. All payments hereunder to Purchasers shall be in U.S. dollars. The Claims of Ordinary Creditors that are denominated in a currency other than lawful money of Canada are to be converted to the equivalent thereof in lawful money of Canada at the noon rate of exchange as quoted by the Bank of Canada on the Valuation Date.

1.4 Deeming Provisions

In the Plan, the deeming provisions are not rebuttable and are conclusive and irrevocable.

1.5 Date for any Action

If any date on which any action required to be taken hereunder by a Person is not a Business Day, such action must be taken on the next succeeding day which is a Business Day.

1.6 Schedules

The following are the Schedules to this Plan:

Schedule A	Administrative services to be provided
Schedule B	Methodology for payment of Distributions from the ROI Pool

ARTICLE 2
PURPOSE AND EFFECT OF THE PLAN

2.1 Purpose

The purpose of the Plan is to effect a compromise and arrangement of all Claims.

2.2 Overview

This overview is provided to assist the reader in understanding the Plan. Reference is also made to the Plan Circular, wherein further information with respect to the Plan is provided. In the event of an inconsistency between the overview in this Section 2.2 and the other provisions of the Plan, such other provisions shall govern. In the event of an inconsistency between the Plan Circular and the provisions of this Plan, this Plan shall govern.

The structure of the Plan and the flow of monies thereunder may be summarized as follows:

(a) Commencing on Plan Implementation, all Cash on Hand, Litigation Recovery, and remaining TPI Proceeds will be paid into the Monitored Trust Account. All Insurance Proceeds will continue to be received from the respective insurance companies by the Applicant, or Mills, each of whom shall receive such funds in trust for the benefit of this Plan, and each of whom will immediately pay and deposit the Insurance Proceeds into the Monitored Trust Account.

(b) Pursuant to the declaration of trust referred to in Section 6.2(e) of the Plan, effective on the Plan Implementation Date the Applicant will declare that it holds all Policies, Insurance Proceeds, Cash on Hand, Litigation Recovery, Tax Refunds, remaining TPI Proceeds and any other amounts to be deposited into the Monitored Trust Account in trust for the beneficiaries of the Plan, and that the Policies, Insurance Proceeds, Cash on Hand, Litigation Recovery, remaining TPI Proceeds and any other amounts shall be dealt with only in the manner provided for in the Plan. Pursuant to the trust declaration, no alteration in the Plan will affect the fact that the Policies are held in trust for the beneficiaries of the Plan.

(c) The Monitor and the Applicant shall enter into the Monitored Account Agreement.

(d) The majority of funds in the Monitored Trust Account will be available to pay Distributions to Purchasers and Ordinary Creditors in accordance with this Plan. However, the funds in the Monitored Trust Account will also be used to pay certain limited costs, being (i) Premiums on the Policies as and when due, (ii) Borrowing Costs, (iii) Professional Costs, (iv) the Administrative Fee and Mills' fees, (v) the Litigation Contribution, and (vi) Unaffected Claims, as provided for at Section 4.2 of the Plan.

(e) A Reserve for Costs will be maintained in the Monitored Trust Account, in accordance with Section 4.3 of the Plan. Once the funds available in the Monitored Trust Account exceed the Reserve for Costs amount by U.S. $5 million or more, 96.15% of such excess will be transferred into the Purchaser Pool (or the ROI Pool, as the case may be), which shall be used to pay Distributions to Purchasers, and 3.85% of such excess will be transferred into the Ordinary Creditor Pool, which shall be used to pay Distributions to Ordinary Creditors.

(f) Due to the costs of making a Distribution, it is anticipated that Distributions will be paid annually, and in any event not more frequently than semi-annually, in each case subject to availability of funds for the payment of Distributions.

(g) Distributions will be paid out of the Purchaser Pool until such time as Purchasers have been paid one hundred percent (100%) of their Original Investments, in aggregate. Distributions out of the Purchaser Pool will be calculated and paid based on the Original Investments, without interest or any other return. The Applicant anticipates that over approximately a six-year period the Purchaser Pool will pay sufficient Distributions to pay to Purchasers one hundred percent (100%) of their Original Investments.

(h) After Purchasers have been paid one hundred percent (100%) of their Original Investments, the ROI Pool shall be funded from the Monitored Trust Account, if additional monies are available. In addition, the Applicant is entitled to a Success Fee if one hundred and ten percent (110%) of Purchasers' Original Investments are paid, as described in Section 4.10 of this Plan.

(i) Distributions out of the ROI Pool will enable Purchasers to obtain a return on their investments, over and above their Original Investments; such Distributions will be paid based on the methodology found in Schedule B to this Plan.

(j) Distributions to Ordinary Creditors will be paid out of the Ordinary Creditor Pool, based on the Proven Claims of those Ordinary Creditors.

(k) A Sale Process relating to the Policies may in appropriate circumstances be conducted, as set out in Section 4.9 of this Plan.

2.3 Benefits of the Plan

It is the Applicant's view that the Plan offers several benefits to the Creditors, and will result in a maximization of the Distributions available to Creditors. The Applicant has identified the following benefits of a successful Plan implementation:

(a) This Plan will prevent a liquidation sale of the Applicant's portfolio of Policies. The Applicant believes that such a liquidation sale would generate net proceeds well below what this Plan will return to Creditors, and well below the Original Investments of Purchasers.

(b) The Applicant and Mills are very familiar with the portfolio of Policies and have been managing and administering this portfolio since inception. As such, there are existing processes and procedures in place, including databases, document management capabilities, insured monitoring protocols and other technological systems, all of which provide for the efficient maintenance of the portfolio. In addition, the Applicant and Mills have qualified administration staff who have relationships with insurance carriers, agents and the insured persons, and who routinely process premiums, track insured lives, and process death claims.

(c) This Plan will also permit the Applicant to utilize the Litigation Contribution to continue with two actions (the "**Actions**") currently outstanding, being *Universal Settlements International Inc.* v. *James Torchia, Marc Celello* and *National Viaticals Inc.* (United States District Court, Western District of Michigan, Court file no. 1:07-cv-1243) and in *Universal Settlements International Inc.* v. *Antonio Duscio et al.* (Ontario Superior Court of Justice, Court file no. 06-CV-323645 PD3), from which the Applicant expects to receive a net recovery. The potential benefit of the Actions may be lost if the Applicant does not continue to operate. As described in Section 4.5 of this Plan, all Litigation Recovery will be paid into the Monitored Trust Account.

(d) A typical Life Settlement transaction between the Applicant and a Purchaser commenced with the execution of a purchase agreement. The terms of the Applicant's purchase agreements evolved slightly over time as programs changed. The terms of many purchase agreements are ambiguous in some respects, and there is some doubt as to whether some Purchasers have (i) a claim only as a creditor of the Applicant, and no direct claim to the Policies purchased by the Applicant on their behalf, or (ii) a direct claim in the Policies purchased by the Applicant on their behalf. Except with respect to the life insurance policies held in the M-Series Trust or the USII Trust, since such policies are held in trust for the Purchasers of such policies, for the purposes of the Plan, all Purchasers will be treated as Creditors. The Applicant is strongly of the view that the approval and implementation of the Plan will return to Purchasers, in aggregate, more than the Purchasers would realize if they were to assert a direct ownership or beneficial interest in the Policies previously allocated to the Purchasers.

2.4 Cash on Hand to be paid into Monitored Trust Account

As of the close of business on June 25, 2009, the estimated Plan Implementation Date, the Applicant anticipates that the aggregate of approximately U.S. $8.7 million will be available for contribution into the Monitored Trust Account, such aggregate amount consisting of (i) cash in possession of the Applicant as of Plan Implementation Date, (ii) Premium Reserves, and (iii) Death Benefit Maturity Funds (collectively, "**Cash on Hand**").

2.5 Escrow Fund

The Shareholders have agreed that any and all portions of the Escrow Fund that are released to the Shareholders, or the Applicant, shall be paid into the Monitored Trust Account. Upon any release of all or any part of the Escrow Fund, it shall be deposited directly to the Monitored Trust Account, pursuant to a direction to be executed by the Applicant and the Shareholders. If all or any part of such amount is needed for the payment of the Applicant's legal fees and disbursements in the Actions, the Applicant shall be entitled to the release of all or part of such amount, upon presentation to the Monitor of a copy of an invoice or other similar documentary record of the amount to be paid, to the Applicant for such purpose. If not needed for payment of the Applicant's legal fees and disbursements in the Actions, 50% of the remaining balance of the Escrow Fund shall be paid directly to the Shareholders and the remaining 50% shall remain in the Monitored Trust Account to be distributed as otherwise provided for in this Plan. The

Monitor shall not be obliged to consider the reasonableness of the request for payment of any amount for the payment of legal fees equal to the amount of the Escrow Fund deposited to the Monitored Trust Account.

2.6 Unaffected Claims

This Plan does not affect the following claims, liabilities or other obligations of the Applicant, except as may expressly provided under the terms of any Order:

(a) *Post Filing Goods and Services* – the claims arising in respect of goods or services supplied after the Initial Order Date and prior to Plan Implementation;

(b) *Professional Advisors* - the claims of the Monitor and of the legal advisors to the Applicant and the Monitor for fees and disbursements (the "**Professional Costs**") incurred or to be incurred in connection with and incidental to (i) the CCAA Proceedings, (ii) the preparation, approval and administration of this Plan, and (iii) the recovery of Insurance Proceeds and the protection of the Policies, in each case other than fees and disbursements incurred with respect to the Actions.

(c) *Directors and Officers* – the Claims of individuals who are current officers or Directors of the Applicant for indemnity pursuant to indemnities provided by the Applicant.

(d) *Secured Creditors* – the Secured Claim of any Person.

(e) *Insured Claims* – the Claims arising in the ordinary course of business against the Applicant which are covered by insurance held by the Applicant ("Insured Claims"), including the Claims or portions of Claims which are below the deductible amounts in such insurance policies, provided, however, that the Applicant shall not be obliged to pay any obligations in respect of deductibles arising on or before the Initial Order Date. For greater certainty, Insured Claims shall have recourse solely against the applicable insurers, and neither the Person having an Insured Claim, nor the insurer itself (whether by subrogation or otherwise) shall have any recourse with respect to the Insured Claim as against the Applicant, or any Proven Claim for the purpose of the Plan.

(f) *Claims of the Crown* – Claims of the Crown referred to in paragraph 18.2(1) of the CCAA.

2.7 Affected Persons

On Plan Implementation, the Plan will become effective and be binding on the Applicant and the Creditors and all other Persons affected by the provisions of this Plan.

Other than the Corporate Policies, this Plan does not affect any policies held in the M-Series Trust or the USII Trust, since such policies are held in trust for the Purchasers of such policies. For greater certainty, however, this Plan does affect, compromise and release any Claim that any Purchaser of such policies may have against the Applicant or other Persons.

2.8 Persons not affected by this Plan

Except to the extent that they may be generally affected by the declarations of trust herein, (i) Persons holding Unaffected Claims shall not be affected by the compromise and arrangements set out in this Plan, and (ii) Persons with claims in the Actions shall not be affected by the compromise and arrangements set out in this Plan.

ARTICLE 3
CLASSIFICATION OF CREDITORS

3.1 Classification of Creditors

The classification of Creditors for the purpose of considering and voting on this Plan and receiving Distributions hereunder are:

(a) Purchasers; and

(b) Ordinary Creditors.

ARTICLE 4
TREATMENT OF CREDITORS

4.1 Compromise of Claims of Creditors

For the purposes of this Plan, the Creditors shall receive the treatment as provided in Article 4 of the Plan and on the Plan Implementation Date, Claims will be settled in accordance with the terms hereof.

Creditor Approval of this Plan shall be deemed to occur if each Class of Creditors (being Purchasers and Ordinary Creditors) approves this Plan in accordance with the CCAA at duly constituted Meetings of such Creditors, in which case this Plan and its terms shall bind all Creditors.

4.2 The Monitored Trust Account

The Monitored Trust Account shall be a segregated bank account or bank accounts in a Canadian chartered bank, established by the Applicant and, subject to the terms of this Plan, shall be held in trust for the Purchasers and the Ordinary Creditors, pursuant to a Declaration of Trust to be executed by the Applicant. As trustee for the Monitored Trust Account, the Applicant will enter into an agreement (the "Monitored Account Agreement") with the Monitor which will provide for the mechanics of operation of the Monitored Trust Account and the terms of oversight of the Monitored Trust Account to be provided by the Monitor.

The Monitored Trust Account may be held in Canadian or U.S. dollars, or in such other currencies as the Monitor may deem appropriate.

All Policies, Insurance Proceeds, Litigation Recovery, Cash on Hand, Tax Refunds, and remaining TPI Proceeds in possession of or received by the Applicant or Mills on or after Plan Implementation shall be held in trust by the Applicant, or Mills, as the case may be, pursuant to Declarations of Trust to be executed by the Applicant and Mills in favour of the Purchasers and the Ordinary Creditors. All Insurance Proceeds, Litigation Recovery, Cash on Hand, and remaining TPI Proceeds shall be paid forthwith after Plan Implementation by the Applicant, or Mills, as the case may be, for deposit into the Monitored Trust Account.

The funds may be disbursed out of the Monitored Trust Account in accordance with the Monitored Account Agreement and this Plan, to pay the following (collectively, the "**Costs**"):

1. Premiums;
2. Professional Costs;
3. Administrative Fees and Mills' fees;
4. Borrowing Costs ;
5. the Litigation Contribution; and
6. Unaffected Claims;

In addition, any bank charges related to the Monitored Trust Account may be deducted by the bank from the account.

Payment of such amounts are subject to:

- confirming that the Costs are due and are a permitted disbursement pursuant to the Plan;
- there being sufficient funds in the Monitored Trust Account to make such payments;
- the Monitor's review of the Costs for reasonableness;
- the Court's approval of fees and disbursements, where applicable; and
- the Monitor's ability to apply for direction from the Court, if necessary, prior to paying any Cost.

Payments out of the Monitored Trust Account on account of any Canadian taxes or withholdings as required by law shall also be permitted.

There shall be no obligation to pay Costs pro rata, in the event that sufficient funds are not available from time to time to pay all Cost, and the timing of the payment of all Costs shall be at the discretion of the Monitor, or as the Court may direct. The Monitor shall not incur any liability for the payment or non-payment of any Costs, or the timing or manner of such payments.

Subject to the Reserve for Costs described at Section 4.3 below, and the payment of Costs, funds may be made available to the Purchaser Pool, the ROI Pool and the Ordinary Creditor Pool in accordance with this Plan, to allow for the payment of Distributions from those Pools to Creditors. No payments shall be made directly to Creditors out of the Monitored Trust Account and Creditors shall not be entitled to assert any direct claim to the funds in the Monitored Trust Account, without Order of the Court.

4.3 Reserve for Costs

A reserve (the "**Reserve for Costs**") shall be established in the Monitored Trust Account in order to fund the Costs. As of Plan Implementation Date, the opening balance of the Reserve for Costs shall be the amount of the Cash on Hand. Thereafter, the Reserve For Costs shall be maintained in an amount sufficient, in the Monitor's sole discretion, to pay the anticipated Costs for the following two years. In determining the Reserve for Costs, the Monitor shall be entitled to rely on the information provided by the Applicant, Mills and the insurance companies, relating to projected Premium liabilities, Borrowing Costs, Professional Costs, Litigation Costs, the amount of any Unaffected Claims, and any other amounts or issues affecting the amount of Reserve for Costs.

Upon the maturity of all Policies and receipt of all Insurance Proceeds, or upon the completion of the Sale Process and the closing of all transactions for the sale of all remaining Policies, the remaining balance of the Reserve For Costs shall be available to pay any remaining Costs and to make transfers to the Pools for the payment of Distributions to Creditors.

4.4 Power to Borrow

The Applicant, with the Monitor's prior written consent, shall be entitled to borrow money against the Policies, and to grant security interests in the Policies to secure such loans, where such borrowings are necessary in the Monitor's opinion to provide funds for the payment of Premiums, the Professional Costs, the Administrative Fee and/or Mills' fees. Any such funds borrowed shall be deposited directly into the Monitored Trust Account to be used to pay the Premiums, Professional Costs, the Administration Fee, and Mills' fees. Other than borrowings for these purposes, the Applicant shall not borrow money against the Policies nor grant security interests in the Policies to secure any indebtedness or other obligations.

4.5 Litigation Contribution and Litigation Recovery

The Applicant shall have the power to continue the Actions, and the Litigation Contribution (including any portion of the Escrow Fund deposited into the Monitored Trust Account in accordance with Section 2.5 of this Plan) shall be made available to the Applicant and its counsel for the payment of the Applicant's legal fees and disbursements with respect to the Actions. As noted in the definition of "Litigation Contribution", U.S. $500,000 of the Litigation Contribution shall be made available from the Monitored Trust Account. In this Section 4.5, this is referred to as the "Litigation Contribution sourced from cash". In addition, any portion of the Escrow Fund paid into the Monitored Trust Account shall also be available as part of the Litigation Contribution. In this Section 4.5, this is referred to as the "Litigation Contribution sourced from the Escrow Fund".

No amount in excess of the Litigation Contribution shall be paid out of the Monitored Trust Account toward payment of the Applicant's legal fees and disbursements with respect to the Actions.

To the extent that the Litigation Contribution sourced from the Escrow Fund is not needed to pay the Applicant's legal fees and disbursements with respect to the Actions, the Escrow Fund shall be distributed from the Monitored Trust Account in accordance with Section 2.5 of this Plan.

The amount of the Litigation Contribution actually used to pay the Applicant's legal fees and disbursements related to the Actions shall be considered a deduction from the monies otherwise transferable from the Monitored Trust Account to the Ordinary Creditor Pool. The Litigation Contribution may be paid out of the Monitored Trust Account at any time, and from time to time, provided that sufficient funds are available in the Monitored Trust Account, and regardless of whether the funds at that time available for transfer to the Ordinary Creditor Pool are greater than or less than the amount of the Litigation Contribution sought by the Applicant at that time. However, no transfer from the Monitored Trust Account to the Ordinary Creditor Pool shall take place until the funds available for transfer to the Ordinary Creditor Pool in accordance with Section 4.8 of this Plan exceed the Litigation Contribution previously paid out of the Monitored Trust Account and then outstanding.

All Litigation Recovery will be deposited into the Monitored Trust Account, and shall be applied as follows (in each case without interest or deduction):

(a) first, to reimburse the Monitored Trust Account for the full amount of any Litigation Contribution sourced from cash and previously paid out to fund the Applicant's legal fees and disbursements with respect to the Actions;

(b) next, to pay to Borden Ladner Gervais LLP the amount of its Claim secured by a solicitor's lien, to the maximum amount of $840,000, in accordance with a settlement agreement approved by the Court on June 12, 2009;

(c) next, on a *pari passu* basis, to (i) reimburse the Monitored Trust Account for fifty percent (50%) of any Litigation Contribution sourced from the Escrow Fund and previously paid out to fund the Applicant's legal fees and disbursements with respect to the Actions, and (ii) pay to the Shareholders an equal amount;

(d) if payment of any portion of the Litigation Contribution previously resulted in a lower amount being transferred from the Monitored Trust Account to the Ordinary Creditor Pool, then the reimbursements in paragraphs (a) and (c)(i) of this Section 4.5, together with such additional funds as are available in the Monitored Trust Account from the Litigation Recovery, shall be paid into the Ordinary Creditor Pool to restore it to the position that it would have been in, had the Litigation Contribution not been paid out;

(e) next, an additional amount of the Litigation Recovery, equal to the total amount of the Litigation Contribution paid out to fund the Applicant's legal fees and disbursements, shall be transferred from the Monitored Trust Account into the Ordinary Creditor Pool, without regard to the formulae set out in Sections 4.6 and 4.8 of this Plan; and

(f) any remaining Litigation Recovery shall remain in the Monitored Trust Account for disbursement in accordance with this Plan.

The Applicant has agreed to establish a committee of three Creditors to consult with the Applicant with respect to the conduct of the Actions and the fees and disbursements incurred in prosecuting the Actions.

4.6 Purchaser Pool

The Applicant shall establish a segregated bank account into which funds from the Monitored Trust Account, for payment of Distributions to Purchasers, will be deposited and held in trust by the Applicant, pursuant to a Declaration of Trust to be executed by the Applicant. The payment of all amounts to be paid out of the Purchaser Pool will be subject to the provisions of the Monitored Account Agreement.

Upon declaring a Distribution, the Purchaser Pool shall be funded out of the proceeds held in the Monitored Trust Account based upon the following formula (all amounts in the following formula are in U.S. dollars):

> (Purchaser Policies' face values and Premium Reserves at Plan Implementation Date) / (Purchaser Policies' and Corporate Policies' face values[1] and Premium Reserves at Plan Implementation Date) = Purchaser Pool allocation
>
> = ($185,040,918 + $2,709,072) / ($185,040,918 + $7,473,456 + $2,744,944)
>
> = 96.15%

The Purchaser Pool shall be funded based upon the above formula until such time as (i) the Purchaser Pool is in an amount sufficient to pay Distributions to Purchasers equal to one hundred percent (100%) of their Original Investments, or (ii) there are no funds available in the Monitored Trust Account for such purpose.

4.7 ROI Pool

The Applicant shall establish a segregated bank account for purposes of establishing the ROI Pool, which shall be held in trust by the Applicant pursuant to a Declaration of Trust to be executed by the Applicant for purposes of paying Distributions to Purchasers. The payment of

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[1] Excluding the Applicant's interest in policies in the USII Trust, which the Applicant believes have negligible value.

all amounts to be paid out of the ROI Pool will be subject to the provisions of the Monitored Account Agreement.

Upon the payment into the Purchaser Pool of sufficient funds to pay to Purchasers amounts equal to one hundred percent (100%) of their Original Investments, funds shall be transferred to the ROI Pool from the Monitored Trust Account based upon the same formula used by the Monitor for transfers to the Purchaser Pool, as described in Section 4.6 above (that is, 96.15%).

4.8 Ordinary Creditor Pool

The Applicant shall establish a segregated bank account into which funds from the Monitored Trust Account, for payment of Distributions to Ordinary Creditors, will be deposited and held in trust by the Applicant, pursuant to a Declaration of Trust to be executed by the Applicant. The payment of all amounts to be paid out of the Ordinary Creditor Pool will be subject to the provisions of the Monitored Account Agreement.

Upon declaring a Distribution, the Monitor shall fund the Ordinary Creditor Pool out of the proceeds held in the Monitored Trust Account based upon the following formula (all amounts in the following formula are in U.S. dollars):

> (Corporate Policies' face values[2] + Premium Reserves at Plan Implementation Date) / (Purchaser Policies' and Corporate Policies' face values[3] + all Premium Reserves at Plan Implementation Date) = Ordinary Creditor Pool allocation
>
> = ($7,473,456 + $35,872) / ($185,040,918 + $7,473,456 + $2,744,944)
>
> = 3.85%

The Ordinary Creditor Pool shall be funded based upon the above formula until such time as (i) the Ordinary Creditor Pool is in an amount sufficient to pay Distributions to Ordinary Creditors equal to one hundred percent (100%) of their Proven Claims, or (ii) there are no funds available in the Monitored Trust Account for such purpose.

4.9 Sale Process

The Applicant may request that the Monitor commence a Sale Process with respect to some or all Policies that have not matured under the following circumstances:

(a) After sufficient funds are available in the Purchaser Pool to pay to Purchasers Distributions equal to one hundred percent (100%) of their Original Investments; or

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[2] See footnote 1, above.

[3] See footnote 1, above.

(b) Prior to there being sufficient funds in the Purchaser Pool to pay to Purchasers Distributions equal to one hundred percent (100%) of their Original Investments if the proceeds from the Sale Process would be sufficient to pay to Purchasers Distributions equal to one hundred percent (100%) of their Original Investments.

Such a Sale Process shall be commenced only if market conditions are such that the financial recovery from the sale of the Policies is determined by the Applicant, in consultation with the Monitor, to be more advantageous to Purchasers and Ordinary Creditors than the continued payment of the Costs and the continued collection of death benefits in respect of the Policies under the terms of this Plan. Such Sale Process shall not be held without further Order.

The net proceeds from the sale of any Policies shall be deposited into the Monitored Trust Account and distributed in accordance with this Plan.

4.10 Disbursements from Pools

Funds shall be transferred to the Purchaser Pool (or the ROI Pool, as the case may be) and to the Ordinary Creditor Pool from the Monitored Trust Account as frequently as the Monitor deems prudent, or as directed by the Court, taking into account the amount contained in the Monitored Trust Account from time to time, the required amount of Reserve for Costs, timing, any disputed issues outstanding, and any other issues that may then exist, subject to the Reserve for Costs remaining in the Monitored Trust Account at all times and subject to all applicable tax payment or withholding obligations, and provided that a decision by the Monitor or the Court as to the frequency of Distributions is final and binding for all purposes. Distributions shall be paid from the Pools, in accordance with this Plan. The payment of the first Distribution, subject to the above conditions, will be made as soon as practicable after June 1, 2010.

Distributions will be paid from the Pools as follows:

(a) *Purchaser Pool*: Distributions from the Purchaser Pool shall be paid to Purchasers *pro rata* calculated on the basis of the amount of Purchasers' Original Investment, and without regard to (i) the date of that Original Investment, or (ii) any Claim based on interest or other return on the Original Investments of Purchasers. If at any time there are more monies in the Purchaser Pool than are necessary to pay to Purchasers one hundred percent (100%) of the Original Investments made by Purchasers, then the excess monies shall be transferred from the Purchaser Pool to the ROI Pool. Other than Distributions to Purchasers and the transfer of excess monies from the Purchaser Pool to the ROI Pool, no payments shall be made out of the Purchaser Pool.

(b) *ROI Pool*: Distributions from the ROI Pool shall be paid to Purchasers based on the methodology set out in Schedule B to this Plan, which includes the payment of the Success Fee to the Applicant. Payment of the Success Fee is aligned with the interests of the Purchasers since it shall only be paid to the Applicant after Distributions totalling 110% of Purchasers' Original Investments have been distributed to Purchasers. The Success Fee is calculated as follows:

U.S. $1 million Success Fee paid when 110% of Original Investments is paid to Purchasers; and

After payment of U.S. $1 million Success Fee, proceeds shared 75% / 25% (Purchasers / Applicant) for that portion of the ROI Pool in excess of 110% of Original Investments paid to Purchasers.

(c) *Ordinary Creditor Pool*: Distributions from the Ordinary Creditor Pool shall first be used to pay to Ordinary Creditors on a *pro rata* basis 100% of the lesser of $250,000 or the total of each Proven Claim, and thereafter *pro rata* based on the remaining unpaid balance of each Proven Claim, at the same times as from the Purchaser Pool (or the ROI Pool, as the case may be). If the funds available in the Ordinary Creditor Pool exceed the aggregate amount of all Claims of Ordinary Creditors as of the Valuation Date, the Applicant shall transfer any remaining funds in the Ordinary Creditor Pool to the ROI Pool.

Notwithstanding the foregoing restrictions on disbursements from the Pools, disbursements may also be made on account of any clearance certificates or other legal or regulatory pre-conditions to payment of Distributions.

In making Distributions, the Applicant and the Monitor shall take into account the most cost-effective means of doing this, from both the Applicant's / Monitor's perspective, and also from the recipient's perspective.

4.11 Right to Vote and Receive Distributions

Only Creditors with a Proven Claim shall be entitled to vote or receive any Distribution under the Plan or in respect of a Claim, unless otherwise ordered by the Court. Notwithstanding the foregoing, if any Claims have not been finally determined pursuant to the Claims Procedure Order by the date of the Meeting, then a vote with respect to these unresolved Claims shall be recorded by the Monitor in accordance with Section 28 of the Claims Procedure Order. Purchasers shall not be entitled to recovery of any Claims out of any funds other than the Purchaser Pool and ROI Pool, and Ordinary Creditors shall not be entitled to recovery of any Claims out of any funds other than the Ordinary Creditor Pool.

4.12 Crown Priority Claims

Within six months after the date of the Sanction Order, the Applicant will pay in full all Claims pursuant to Section 18.2(1) of the CCAA.

4.13 Effect of Plan Generally

Save and except as otherwise provided herein, on the Plan Implementation Date the treatment of Claims under this Plan shall be final and binding on the Applicant and all Creditors (and their respective heirs, executors, administrators, legal or personal representatives, successors and assigns), and the Plan shall constitute (i) full, final and absolute settlement of all rights of the holders of all Claims; and (ii) an absolute release and discharge of all indebtedness, liabilities and obligations of the Applicant, any Director, and any Agent in respect of any Claim.

From and after the Plan Implementation Date, no Creditor shall have any right to assert any claim against the Applicant, the Directors, the Monitor, or any Agent based, without limitation, on an assertion of a beneficial interest, ownership interest, trust interest, or any other proprietary interest against the Applicant or in any of its assets (including the Policies, the Premium Reserves and any Death Benefit Maturity Funds).

Further, on the Plan Implementation Date, all Creditors release and shall be deemed to release the Applicant, the Directors, the Monitor, and all Agents, of and from all obligations, liabilities, claims and causes of action, as set out more fully in Section 7.4 of this Plan.

4.14 Events of Default

If in the Monitor's opinion, acting reasonably, the Applicant has defaulted in the performance of this Plan, the Monitor shall promptly provide written notice to the Applicant of such default. If within thirty (30) days of written notice of default the Applicant has not remedied the default identified by the Monitor, and if the Monitor has not withdrawn its written notice of default, then the Monitor shall apply to the Court for such directions or Orders as it deems appropriate in the circumstances. As provided in Section 7.8 of this Plan, the Applicant and the Monitor may also, at any time, seek directions from the Court. If the urgency of the default is such that the Monitor, acting reasonably, cannot give the notice required herein, then the Monitor may apply to the Court for directions, on such notice as the Court may direct.

ARTICLE 5
MONITOR'S ROLE AND OTHER MATTERS

5.1 Monitor's Role

In addition to any role that it may have under any Order, the Monitor shall supervise this Plan and monitor the Applicant's compliance with this Plan. The Monitor shall have access to the Applicant's books and records for the purposes of such supervision and monitoring, but shall not assume management or control of the Applicant or its business. The Applicant shall at the Monitor's request compile and make commercially reasonable efforts to obtain information relating to verifications of coverage of Policies, annual reports from insurance companies, tracking reports of maturities, Premium illustrations, correspondence with insurance companies, Unaffected Claims, due diligence of Policy portfolio for purposes of the Sale Process, and previously transferred Policies, and shall provide all such information to the Monitor at the Monitor's request. The Monitor may report to the Court and/or Creditors and seek directions from the Court from time to time as to the status of the Plan, the Monitored Trust Account, the Reserve for Costs, Borrowings, or any other matter.

5.2 Protections relating to the Monitor

Ernst & Young Inc. is acting as Monitor in the CCAA Proceedings with respect to the Applicant and not in its personal or corporate capacity and will not be responsible or liable for any obligations of the Applicant. The Monitor shall be entitled to rely on information provided by the Applicant, subject only to the Monitor's review of such information for reasonableness. Ernst & Young Inc. in its capacity as Monitor will have the powers and protections granted to it by this Plan, the CCAA, the Initial Order, the Meeting Order, the Sanction Order and any other Order. When in the Monitor's view (i) all or substantially all of the obligations under the Plan have been performed, or (ii) a material adverse change with respect to the Plan has occurred, it may apply to the Court for directions with respect to the performance of any remaining obligations under the Plan or any other matter, and may seek its discharge as Monitor.

5.3 Role of Mills

As the United States of America service agent for the Policies on behalf of the Applicant, Mills will continue to service 138 of the 155 open Policies for the Applicant. Mills will execute a declaration of trust pursuant to the terms of the Plan. Pursuant to direction from the Applicant, Mills will perform limited policy administration services, including the payment of Premiums and Premium Reserves and the collection of death benefits. Further, Mills will correspond with insurance companies as required and directed by the Applicant, and assist the Applicant in managing any issues which arise with respect to Policies. For its services, Mills will charge a transaction based fee. Mills fee will not be paid from the Administrative Fee set out in Schedule A to this Plan.

5.4 Risks related to the Plan

The implementation and funding of the Plan is subject to a number of risks, which include without limitation:

(a) it may take significantly longer than anticipated for Policies to mature, resulting in additional costs incurred by the Monitored Trust Account to pay the Premiums and Costs necessary to maintain the Policies;

(b) if funds are not available (in the Reserve for Costs, or by way of Borrowings) to pay Premiums at any time, Policies may lapse;

(c) if there is a dispute with the insurance company issuing any of the Policies, payment of Insurance Proceeds with respect to such Policies may be delayed or may not be received;

(d) if the insured Person under any Policy cannot be located by the Applicant, or if a death certificate for that Person cannot be obtained on maturity of the Policy, the death benefit payable under the Policy may be delayed or may not be received;

(e) certain Policies do not record the Applicant as the owner of such Policies, and such Policies could in some circumstances be revoked by the Person recorded as the owner of such Policies;

(f) certain Policies are term life insurance policies, and may not be convertible to whole life policies, or may be subject to renewal at higher premiums;

(g) the insolvency of any life insurance company would jeopardize the Policies insured by that insurer;

(h) the Applicant's ability to retain its operations and perform the services outlined in Schedule A may in the future be adversely affected by changes in its business environment, by staff departures, or by other factors affecting its business, including without limitation any claims against it in the Actions.

5.5 Unpaid or Unclaimed Distributions

It is the Creditor's responsibility to ensure that the Creditor's current address is provided to the Applicant and the Monitor, and to advise the Applicant and the Monitor in writing if that address changes.

If the Monitor does not have the correct address for any Creditor entitled to a Distribution pursuant to this Plan, then such Distribution to that Creditor shall not be paid, and the amount of such Distribution shall remain in the applicable Pool. If such Creditor later provides a current address, the Distribution shall then be paid to the Creditor, without interest. Nothing contained in this Plan shall require the Applicant or the Monitor to locate such Creditor.

If prior to the time of the final payment of Distributions to Creditors from any Pool (i) any prior Distribution has not been paid to a Creditor, (ii) any cheque with respect to a prior Distribution has not been cashed, or (iii) the Monitor does not have any Creditor's then-current address for payment of any Distribution, then the Monitor shall deal with such Distributions ("**Undistributed Distributions**") in the manner then required by the CCAA, or as the Court may direct.

5.6 Effect of Sanction Order

The Applicant will seek a Sanction Order that will, in addition to sanctioning the Plan, and without limitation to any other terms that it may contain:

(a) declare that the compromises effected hereby are approved, binding and effective as herein set out upon all Creditors;

(b) approve all steps and transactions contemplated by the Plan, including, without limitation, those taken in connection with the completion of the restructuring;

(c) stay any and all steps or proceedings commenced, taken or proceeded with or that may be commenced, taken or proceeded with against any or all Directors or Agents in respect of any Claim compromised or released hereby; and

(d) be in form and substance satisfactory to the Applicant and to the Monitor, acting reasonably.

ARTICLE 6
CONDITIONS PRECEDENT

6.1 Application for Sanction Order

The Applicant will apply to the Court for the Sanction Order within 10 days following the date upon which Creditor Approval is obtained. On the Plan Implementation Date, subject to the satisfaction or waiver of the conditions contained in section 6.2, the Plan shall be implemented by the Applicant and shall be binding upon all Creditors and all other Persons affected by the provisions of this Plan.

6.2 Conditions Precedent to the Implementation of the Plan

The implementation of this Plan will be conditional on the satisfaction of the following conditions:

(a) *Creditor Approval* - The Plan has been approved pursuant to the CCAA by each Class of Creditors;

(b) *Approval* - The Applicant shall have taken all corporate actions and proceedings which, in their reasonable opinion, are necessary to approve this Plan, and to enable them to execute, deliver and perform their obligations under this Plan;

(c) *Sanction Order* - The Sanction Order has been issued by the Court on or before June 22, 2009, or such later date as the Applicant and the Monitor deems reasonable, and any other order deemed necessary or desirable by the Applicant or the Monitor has been obtained;

(d) *Payment of Unaffected Claims* - all of the Unaffected Claims accrued to the Plan Implementation Date shall have been paid, or provision for payment of the Unaffected Claims shall have been made (in the opinion of both the Applicant and the Monitor, each acting reasonably);

(e) *Declaration of Trust* – the Applicant shall have delivered to the Monitor a declaration of trust, wherein the Applicant declares that effective on the Plan Implementation Date the Applicant holds all Policies and all funds deposited into the Monitored Trust Account in trust for the beneficiaries of this Plan, and that the Policies and Insurance Proceeds and all other funds held in the Monitored Trust Account shall be dealt with only in the manner provided for in this Plan;

(f) *Deliveries of Instruments* – The Applicant shall have executed and delivered all such other agreements, indentures, documents and other instruments which, in its opinion, and the Monitor's opinion, acting reasonably, are necessary to be executed and delivered by the Applicant in order to implement the Plan and perform its obligations hereunder;

(g) *Directions and declarations of trust, generally* – all directions and declarations of trust to be delivered pursuant to this Plan shall have been delivered in a form satisfactory to the Applicant and the Monitor, each acting reasonably; and

(h) *Deliveries of Documents* - all relevant Persons have executed, delivered and filed all documents and other instruments that, in the opinion of the Applicant and the Monitor, acting reasonably, are necessary to implement the provisions of the Plan or the Sanction Order.

ARTICLE 7
GENERAL

7.1 Binding Effect

At the Effective Time on the Plan Implementation Date, the Plan will become effective and be binding on and enure to the benefit of the Applicant, the Creditors and all other Persons named or referred to in, or subject to, this Plan and their respective heirs, executors, administrators and other legal representatives, successors and assigns.

7.2 Amendments

(a) The Applicant reserves the right, at any time and from time to time, to amend modify and/or supplement this Plan, provided that any such amendment, modification or supplement must be contained in a written document which is filed with the Court and (i) if made prior to any meeting of Creditors called for the purpose of considering and voting in respect of the Plan pursuant to the CCAA, communicated to the Creditors in the manner deemed appropriate by the Monitor; and (ii) if made following such meeting, approved by the Court following notice to the Creditors affected thereby.

(b) Any amendment, modification or supplement may be made by the Applicant following the Sanction Order, with the consent of the Monitor, provided that it concerns a matter which, in the opinion of the Applicant, acting reasonably, is of an administrative nature required to better give effect to the implementation of the Plan and to the Sanction Order and is not adverse to the financial or economic interests of the Creditors.

(c) Any supplementary plan or plans of compromise or arrangement filed with the Court and, if required by this Section, approved by the Court, shall, for all purposes, be and be deemed to be a part of and incorporate into this Plan.

7.3 Termination

At any time prior to the Plan Implementation Date, the Applicant may determine not to proceed with this Plan, notwithstanding any prior approvals given at any Meeting or the obtaining of the Sanction Order.

7.4 Releases

Other than in respect of Unaffected Claims and obligations under the Plan, as at the Effective Time, each Creditor will be deemed to forever release, waive and discharge all Claims, obligations, suits, judgments, damages, demands, debts, rights, causes of action and liabilities (including any claim of a beneficial interest, ownership interest, trust interest, or any other proprietary interest against the Applicant or in any of its assets, including the Policies and the Premium Reserves), in each case whether liquidated or unliquidated, fixed or contingent, matured or unmatured, known or unknown, foreseen or unforeseen, then existing or thereafter arising, in law, equity or otherwise that are based in whole or in part on any act, omission, transaction, event or other occurrence taking place on or prior to the Valuation Date in any way relating to the Applicant, the CCAA Proceedings or this Plan against: (i) the Applicant; (ii) the Directors and those Persons who were employees of the Applicant as of the Valuation Date or thereafter; (iii) Persons who may claim contribution or indemnification against or from the Applicant; (iv) Agents, (v) the Monitor, and (vi) the legal counsel and other professional advisors to the Applicant or the Monitor, provided that nothing herein will release or discharge (A) directors or officers of the Applicant in respect of any claim referred to in paragraph 5.1(2) of the CCAA, or (B) any claims made in the Actions against the Applicant.

7.5 Consents, Waivers and Agreements

At the Effective Time, each Creditor shall be deemed to have consented and agreed to all of the provisions of this Plan, as an entirety. Without limitation to the foregoing, each Creditor will be deemed:

(a) to have executed and delivered to the Applicant all consents, assignments, releases and waivers, statutory or otherwise, required to implement and carry out this Plan as an entirety;

(b) to have waived any default by or rescinded any demand for payment against the Applicant that has occurred on or prior to the Plan Implementation Date pursuant to, based on or as a result of any provision, express or implied, in any agreement or other arrangement, written or oral, existing between such Creditor and such Applicant with respect to a Claim; and

(c) to have agreed that, if there is any conflict between the provisions, express or implied, of any agreement or other arrangement, written or oral, existing between such Creditor and the Applicant with respect to a Claim as at the Plan Implementation Date and the provisions of this Plan, then the provisions of this Plan take precedence and priority and the provisions of such agreement or other arrangement are amended accordingly.

7.6 Severability of Plan Provisions

If, prior to the Effective Time, any provision of this Plan is held by the Court to be invalid, void or unenforceable, the Court, at the request of the Monitor may alter such provision to make it valid or enforceable to the maximum extent practicable, consistent with the original purpose of such provision, and such provision will then be applicable as altered and the remainder of the provisions of this Plan will remain in full force and effect and will in no way be invalidated by such alteration.

7.7 Governing Law

This Plan will be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein. All questions as to the interpretation of or application of this Plan and all proceedings taken in connection with this Plan and its provisions shall be subject to the exclusive jurisdiction of the Court.

The Applicant agrees to execute and deliver, on or after the Effective Time, all such agreements, instruments and documents and to take all further actions as may be reasonably necessary from time to time to carry out the intent and purposes of this Plan.

7.8 Directions

The Applicant or the Monitor may at any time, and with such notice as the Court may require, seek directions from the Court with respect to this Plan and the provisions hereof, including the Schedules.

7.9 Notices

Any notice or other communication to be delivered or filed hereunder must be in writing and reference this Plan and may, subject as hereinafter provided, be made or given by personal delivery, courier, registered mail, electronic mail or by facsimile addressed to the respective parties as follows:

(a) if to the Monitor:

Ernst & Young Inc.
Court-appointed Monitor of Universal Settlements International Inc.
222 Bay Street, Suite 1600
Toronto, Ontario M5K 1J7
Canada

Attention: Brian Denega
Fax No.: (416) 943-3300
Email: universal.settlements@ca.ey.com

(b) if to a Creditor:

to the last known address (including facsimile number) for such Creditor, or to such address specified in an Acknowledgement of Claim or Request for Amendment (each as defined in the Claims Procedure Order) or a Proof of Claim relating to such Creditor, or as such Creditor has otherwise specified in writing to the Monitor.

(c) if to the Applicant:

Universal Settlements International Inc.
5500 North Service Road
Burlington, Ontario
Canada L7L 6W6

Attention: Jeff Panos, President
Fax No.: (905) 331-6011
Email: jpanos@universalsettlements.com

with a copy to:

Rueter Scargall Bennett LLP
Brookfield Place
161 Bay Street, Ste 4220
Box 226
Toronto, Ontario M5J 2S1 Canada

Attention: Randy Bennett
Fax No.: (416) 869-3411
Email: randy.bennett@rslawyers.com

with a copy to:

Ogilvy Renault LLP / S.E.N.C.R.L., s.r.l.
Suite 3800, P.O. Box 84
Royal Bank Plaza, South Tower
200 Bay Street
Toronto, Ontario M5J 2Z4 Canada

Attention: William McNamara
Fax No.: (416) 216-3930
Email: wmcnamara@ogilvyrenault.com

or to such other address as any party may from time to time notify the others in accordance with this Section. All such communications that are delivered will be deemed to have been received on the day of delivery. All such communications that are sent by facsimile or electronic mail will be deemed to be received on the day sent if sent before 5:00 p.m. on a Business Day and otherwise will be deemed to be received on the Business Day next following the day upon which such facsimile or electronic mail was sent. Any notice or other communication sent by registered mail will be deemed to have been received on the third day after the date of mailing.

SCHEDULE A
(administrative services to be provided)

In consideration of the payment of the Administrative Fee of CDN $100,000 per month, the Applicant (with the assistance of Mills) shall provide the following services relating to the administration of the Policies and to the discharge by the Applicant of its duties under the Plan:

The Applicant will continue to do the following:

1. **Premium management and funding**

   - Premium payments.
   - monthly Premium reports.
   - Premium payment optimization. Modifying the Premiums needed on a regular basis so as to minimize the Premiums needed to maintain Policies in good standing as new data is received.

2. **Performing cash-value analyses and borrowing against or from Policies, where permitted by the Plan and for the purposes specified therein**

3. **Active management of cash surrender values on Policies**

4. **Insured tracking**

   - Monitoring the status of each insured person within the portfolio.
   - Maintain direct personal contact with each insured person quarterly.

5. **Group policy and Premium waiver management**

6. **Processing death claims as policy maturities occur, utilizing where possible the Applicant's relationships with insurers to facilitate the processing and collection of death benefits**

7. **Investor communications and information updates**

   - Collection of verifications of coverage annually and other information and documents from insurance companies as required.
   - Collection of updated medical information and life expectancy reports as requested by the Monitor.
   - Maintain, update and enhance Policy databases and related spreadsheets.
   - Database updates and administrative processing of investor requests such as collateral assignments, beneficiary changes etc.
   - Continuing to liaise with all Purchasers to ensure that everybody understands processes.
   -

8. **Maintaining web access for investors to view documents online.**

   - Maintain Purchaser communication tools like website and corporate updates.

9. **Provide written reports to Purchasers as requested.**

10. Customer support for Purchasers' telephone, fax or email inquiries, on Business Days during normal business hours.

11. Daily cash-flow reconciliations and reports.

12. Regular reporting to Monitor and Purchasers as mandated by the Court.

13. Ensuring regulatory compliance with respect to the Policies.

In the event that the Applicant defaults in the performance of these services for any reason, the Monitor shall be entitled to take the steps outlined in Section 4.14 of the Plan or, if the urgency of the default is such that the Monitor, acting reasonably, cannot give the notice required by Section 4.14 of the Plan, then the Monitor may apply to the Court for directions, on such notice as the Court may direct.

SCHEDULE B
(Methodology for payment of Distributions from the ROI Pool)

The monies in the ROI Pool shall be paid by the Monitor in the following order and in accordance with the following terms:

FIRSTLY, if monies are available in the ROI Pool after the payment of one hundred percent (100%) of Purchasers' Original Investments, then the Monitor shall pay Distributions to each Purchaser based on each Purchaser's proportionate entitlement, calculated in accordance with the following formula:

2009 minus the year in which the Original Investment was made by the Purchaser;

add one (1);

multiply by the amount of the Original Investment made by the Purchaser;

the product will then represent each Purchaser's proportionate entitlement to Distributions from the monies available in the ROI Pool.

FOR EXAMPLE:

Purchaser A invested $100,000 in 2001, and Purchaser B invested $100,000 in 2005. Their respective proportionate entitlements would be:

Purchaser A – 2009 minus 2001 equals 8, plus 1 equals 9, multiplied by $100,000 equals 900,000 'units' for the purposes of calculating sharing of the monies available in the ROI Pool

Purchaser B – 2009 minus 2005 equals 4, plus 1 equals 5, multiplied by $100,000 equals 500,000 'units' for the purposes of calculating sharing of the monies available in the ROI Pool

Such Distributions shall continue until Purchasers in aggregate are paid one hundred and ten percent (110%) of their Original Investments.

SECONDLY, the Monitor shall pay the next U.S. $1,000,000 to the Applicant as a success fee.

THIRDLY, any monies remaining in the ROI Pool shall be distributed (i) seventy-five percent (75%) to the Purchasers, in accordance with the above formula, and (ii) twenty-five percent (25%) to the Applicant.

THIS IS EXHIBIT *"C"*

REFERRED TO IN THE AFFIDAVIT OF
CHRISTOPHER HALAS

SWORN BEFORE ME THIS

25th DAY OF November 2014.

Commissioner for Taking Affidavits, etc.

Court File No. 08-CL-7878

ONTARIO
SUPERIOR COURT OF JUSTICE

THE HONOURABLE [illegible]	)	WEDNESDAY, THE 19TH
	)	
JUSTICE [illegible]	)	DAY OF NOVEMBER, 2014
	)	

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

(SISP AMENDMENT)

THIS MOTION, made by the Applicant, Universal Settlements International Inc., ("**USI**") for an order approving an amended and restated sale and investor solicitation process in the form attached hereto as Schedule "A" (the "**SISP**"), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Applicant's Notice of Motion and Motion Record dated November 17, 2014, the Twentieth Report of Ernst & Young Inc. (solely in its capacity as monitor and not in its personal or corporate capacity, the "**Monitor**") in its capacity as Monitor dated September 19, 2014 (the "**Twentieth Report**"), and the Twenty-First Report of the Monitor dated November 17, 2014, and on hearing the submissions of counsel for the

Applicant, counsel for the Monitor, no one else appearing, and on reading the affidavits of service filed,

1. **THIS COURT ORDERS** that any capitalized terms not defined herein shall have the meanings set out in the SISP.

2. **THIS COURT ORDERS** that the sale and investor solicitation process approved by the Order (Approval of Sale and Investor Solicitation Process) dated October 1, 2014 (the "**SISP Approval Order**"), be and is hereby amended in the form of the SISP attached hereto as Schedule "A", subject to such non-material amendments as may be agreed to by USI and the Monitor. Subject to the terms of the SISP Approval Order, the Monitor is authorized and directed to carry out the SISP in accordance with its terms, the SISP Approval Order and this Order and is authorized and directed to take such steps as it considers necessary or desirable in carrying out its obligations thereunder.

3. **THIS COURT ORDERS** that in carrying out the SISP, the Monitor shall continue to have all of the protections set out in the SISP Approval Order.

4. **THIS COURT ORDERS AND DECLARES** that at any time prior to, or after the SISP Commencement Date (as defined in the SISP), the Monitor is authorized, but not required, to post the form of Confidentiality Agreement to be used in the SISP on the Monitor's Website.

5. **THIS COURT ORDERS AND REQUESTS** the aid and recognition of any court and of any judicial, regulatory or administrative body in any province or territory of

Canada (including the assistance of any court in Canada pursuant to section 17 of the CCAA) and the Federal Court of Canada and any judicial, regulatory or administrative tribunal or other court constituted pursuant to the Parliament of Canada or the legislature of any province and any court or any judicial, regulatory or administrative body of the Republic of Austria, the Federal Republic of Germany, Spain, Switzerland or the United States of America and any other nation or state, to act in aid of and to be complementary to this Court in carrying out the terms of this Order.

6. **THIS COURT ORDERS** that each of the Applicant and the Monitor be at liberty and are hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Monitor is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

7. **THIS COURT ORDERS** that this order shall constitute an "Order" for purposes of the Plan.

Penny J.

NOV 19 2014

SCHEDULE "A"

AMENDED AND RESTATED SALE AND INVESTOR SOLICITATION PROCEDURES

Universal Settlements International Inc.
Procedures for the Sale and Investor Solicitation Process

Recitals

A. On December 2, 2008, Universal Settlements International Inc. (the "**Company**") filed for and obtained protection from its creditors under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36 (as amended, the "**CCAA**") pursuant to the provisions of an order (the "**Initial Order**") of the Ontario Superior Court of Justice (Commercial List) (the "**Court**").

B. Pursuant to the Initial Order, Ernst & Young Inc. was appointed as monitor (in its capacity as monitor and not in its personal and corporate capacity, the "**Monitor**") during the CCAA proceedings (the "**CCAA Proceedings**").

C. Pursuant to the Plan and the Declaration of Trust, the Company agreed to hold certain assets and property of the Company, including the Policies, in trust for the Plan Beneficiaries;

D. On October 1, 2014, the Court issued an order (the "**SISP Approval Order**") approving a sale and solicitation process to be commenced one (1) Business Day after the issuance of the Plan Amendment Sanction Order (the "**SISP Commencement Date**"), on the terms and conditions set out ~~herein (~~therein. On November 19, 2014, the Court issued an order (the "**SISP Amendment Order**") approving an amended and restated sale and solicitation process to be commenced on the SISP Commencement Date, on the terms and conditions set out herein (as amended and restated, the "**SISP**") and the SISP procedures set forth herein describing, among other things, the Policies available for sale, the opportunity to invest in or refinance or finance the Policies, the manner in which prospective bidders may gain access to or continue to have access to due diligence materials concerning the Policies, the manner in which bidders and bids become Qualified Bidders and Qualified Bids, the receipt and negotiation of Qualified Bids received, the ultimate selection of one or more successful bids, and the process for approval by the Court thereof (these "**SISP Procedures**").

E. The SISP Approval Order, the SISP Amendment Order, the SISP and these SISP Procedures shall exclusively govern the process for soliciting and selecting bids for the sale of all or substantially all of the Policies, an investment in the Policies or the refinancing or financing of the Policies.

F. Unless otherwise indicated herein, any event that occurs on a day that is not a Business Day shall be deemed to occur on the next Business Day.

Defined Terms

1. The following capitalized terms shall have the following meanings when used in this SISP:

(a) "**Approval Motion**" shall mean the motion before the Court for an order approving the Successful Bid and authorizing the Company to enter into any and all necessary agreements with respect to the Successful Bid and to undertake such other actions as may be necessary or appropriate to give effect to the Successful Bid;

(b) "**Bid Deadline**" shall have the meaning given to it in paragraph 3120;

(c) "**Business Day**" shall mean any day other than (a) a Saturday or Sunday, or (ii) a day which is a statutory holiday in Toronto, Ontario;

(d) "**CCAA**" shall have the meaning given to it in Recital A;

(e) "**CCAA Proceedings**" shall have the meaning given to it in Recital B;

(f) "**Company**" shall have the meaning given to it in Recital A;

(g) "**Confidentiality Agreement**" shall have the meaning given to it in paragraph ~~5~~4(c);

(h) "**Court**" shall have the meaning given to it in the Recital A;

(i) "**Data Room**" shall have the meaning given to it in paragraph ~~5~~4(d);

(j) **"Declaration of Trust"** means the declaration of trust by the Company dated as of July 17, 2009 pursuant to which the Company agreed to hold certain property of the Company, including the Policies, in trust for the Plan Beneficiaries in accordance with the Plan;

(k) **"Deposit"** shall have the meaning given to it in paragraph ~~22~~21(e);

(l) **"Escrow Period"** means in the case of a Successful Bid that is a Sale Proposal, the period between the closing of the Successful Bid and the full and complete release to the Company, as trustee for the Plan Beneficiaries, of the full purchase price proceeds or consideration paid by the Successful Bidder to the Company in escrow pursuant to the terms of the definitive purchase agreement relating to such Successful Bid;

(m) **"Form of APA"** means the form of purchase agreement to be provided to Phase II Qualified Bidders as part of the SISP, which is to be marked by Phase II Qualified Bidders to show proposed changes pursuant to paragraph ~~22~~21(c);

(n) **"Initial Order"** shall have the meaning given to it in Recital A;

(o) **"Investment Proposal"** shall have the meaning given to it in paragraph 7;

(p) **"LOI"** shall have the meaning given to it in paragraph ~~17~~16;

(q) **"LOI Deadline"** shall have the meaning given to it in paragraph ~~17~~16;

(r) **"Management Bid"** means a prospective bid involving a Prospective Bidder in respect of which one or more members of the USI Management Team is participating in any manner;

~~(s) **"Management Participation Notice"** shall have the meaning given to in paragraph 12(b);~~

(s) ~~(t)~~ **"Monitor"** shall have the meaning given to it in Recital B;

(t) ~~(u)~~ **"Monitored Account Agreement"** means the monitored account agreement dated as of July 17, 2009 between the Company and the Monitor, as it may be amended, supplemented or restated from time to time;

(u) ~~(v)~~ "**Monitored Trust Account**" means the Monitored Trust Account as defined in the Monitored Account Agreement;

(v) ~~(w)~~ "**Monitor's Website**" means the Monitor's website for the CCAA Proceedings located at www.ey.com/ca/universalsettlements;

(w) ~~(x)~~ "**Outside Date**" shall mean March ~~13,~~ 18, 2015 or such other date as the Monitor may agree from time to time;

(x) ~~(y)~~ "**Phase I Qualified Bidder**" shall have the meaning given to it in paragraph ~~13~~12;

(y) ~~(z)~~ "**Phase II Qualified Bidder**" shall have the meaning given to it in paragraph ~~20~~19;

(z) ~~(aa)~~ "**Plan**" means the amended plan of compromise and arrangement dated June 16, 2009;

(aa) ~~(bb)~~ "**Plan Amendment Sanction Order**" means the order of the Court dated ~~October 1, 2014~~ approving an amendment to the Plan, as it may be amended, restated or supplemented from time to time;

(bb) ~~(cc)~~ "**Plan Beneficiaries**" means the Purchasers (as defined in the Plan), Ordinary Creditors (as defined in the Plan) and any other parties receiving benefits under the Plan;

(cc) ~~(dd)~~ "**Policies**" means the life insurance policies held by the Company for the benefit of the Plan Beneficiaries, and all rights associated with such policies, including the right to death benefits thereunder, and for great certainty does not include any monies in the Monitored Trust Account;

(dd) ~~(ee)~~ "**Prospective Bidder**" shall have the meaning given to it in paragraph ~~11(a)~~10(a), but shall not include any one or more members of the USI Management Team, and "**Prospective Bidders**" shall mean more than one of them;

(ee) ~~(ff)~~ "**Prospective Bidder Deadline**" shall have the meaning given to it in paragraph ~~12~~11;

(ff) ~~(gg)~~ "**Qualified Bid**" shall have the meaning given to it in paragraph ~~22~~21, but shall not include a Management Bid, and "**Qualified Bids**" means more than one of them;

(gg) ~~(hh)~~ "**Qualified Bidder**" means a Phase I Qualified Bidder or a Phase II Qualified Bidder, but shall not include any one or more members of the USI Management Team, and "**Qualified Bidders**" means more than one of them;

(hh) ~~(ii)~~ "**Sale Proposal**" shall have the meaning given to it in paragraph ~~7~~6;

(ii) ~~(jj)~~ "**Selected Bidders**" shall have the meaning given to it in paragraph ~~29~~28(b);

(jj) ~~(kk)~~ "**Service List**" means the service list in the CCAA Proceedings as posted on the Monitor's Website, as it may be updated from time to time;

(kk) ~~(ll)~~ "**SISP**" shall have the meaning given to it in Recital D;

(ll) "**SISP Amendment Order**" shall have the meaning given to it in Recital D;

(mm) "**SISP Approval Order**" shall have the meaning given to it in Recital D;

(nn) "**SISP Commencement Date**" shall have the meaning given to it in Recital D;

(oo) "**SISP Procedures**" shall have the meaning given to it in Recital D;

(pp) "**Successful Bid**" shall have the meaning given to it in paragraph ~~29~~28(a);

(qq) "**Successful Bidder**" shall have the meaning given to it in paragraph ~~29~~28(a);

(rr) "**Teaser Letter**" shall have the meaning given to it in paragraph ~~11~~10(b); and

(ss) **USI Management Team**" means Jeff Panos, Chris Halas and Riaz Khan and any other employee of the Company from time to time designated by the Monitor, in its sole discretion, as being a member of the USI Management Team.

__Conduct of the SISP__

2. The SISP will be carried out by the Monitor. The Monitor is fully and exclusively authorized, empowered and directed to take any and all actions and steps, pursuant to the SISP and these SISP Procedures. If it is determined at any time by the Monitor that it may not be in the best interests of the Plan Beneficiaries to commence or continue with the SISP, the Monitor shall as soon as reasonably practicable file a motion with the Court seeking advice and directions with the respect to the commencement, modification, continuation or termination of the SISP, on notice to the Service List.

3. ~~Subject to paragraph 4 below, at~~At any time during the SISP, the Monitor may from time to time (a) consult with the Company or such other parties as the Monitor considers appropriate in respect of the conduct of the SISP, (b) retain such agents, consultants or brokers as it considers appropriate to assist it in the conduct of the SISP (and any references herein to the Monitor shall include any such agents, consultants or brokers), and/or (c) apply to the Court for advice and directions with respect to the discharge of any of its power and duties hereunder.

~~4. Notwithstanding any other provision in this SISP, if a Management Participation Notice is received by the Monitor, until such time as (a) a Management Bid that participates in the SISP is rejected by the Monitor and is no longer being considered by the Monitor in the SISP, (b) no LOI or Qualified Bid is submitted by the LOI Deadline or the Bid Deadline, as applicable, in respect of such Management Bid, or (c) the Management Participation Notice is irrevocably withdrawn by the Phase I Qualified Bidder or Phase II Qualified Bidder, (A) no member of the USI Management Team shall participate in any consultation with the Monitor with respect to any matters relating to this SISP, and (B) the Monitor will negotiate and execute any Confidentiality Agreement for and behalf of the Company with any Prospective Bidder. For greater certainty, these SISP Procedures apply to any Management Bid. For greater certainty, notwithstanding the foregoing, members of the USI Management Team shall continue to assist the Monitor with the population of due diligence materials for the Data Room and with information requests arising during the SISP process, including clarifications on factual matters, and the restriction above shall not include any such assistance.~~

4. ~~5.~~ The Monitor's primary responsibilities will include:

(a) preparing a list of Prospective Bidders;

(b) drafting the Teaser Letter;

(c) assisting legal counsel with the preparation of the template form of confidentiality agreement to be executed by Prospective Bidders (the "**Confidentiality Agreement**"), and posting such Confidentiality Agreement on the Monitor's Website;

(d) establishing and managing the electronic data room for this SISP (the "**Data Room**");

(e) assisting legal counsel with the preparing the template Form of APA;

(f) managing all communications with Prospective Bidders and Qualified Bidders, prior to and after receipt of the LOIs and Qualified Bids. These communications include, without limitation, facilitating the delivery of all communications, contacting Prospective Bidders and providing them with the Teaser Letter, coordinating the execution of the Confidentiality Agreements by Prospective Bidders and managing the process of answering all inquiries from Prospective Bidders and Qualified Bidders;

(g) negotiating with Prospective Bidders and Qualified Bidders; and

(h) reviewing and considering the LOIs and Qualified Bids.

5. ~~6.~~ The Company shall assist the Monitor with the preparation of all of the materials listed above and with the population of due diligence materials for the Data Room and shall generally cooperate with the Monitor with respect to all actions necessary to achieve the objectives of this SISP which are to solicit offers for the sale of, or investment in, or the refinancing or financing of, the Policies which will be in the best interests of the Plan Beneficiaries.

Sale, Investment and Financing Opportunities

6. ~~7.~~ Qualified Bidders will have the opportunity to submit a bid to purchase all or substantially all of the Policies (a "**Sale Proposal**") or for an investment in the Policies (an

"**Investment Proposal**") or for a refinancing or financing of the Policies (a "**Financing Proposal**"). One or more Qualified Bids for less than substantially all of the Policies will not be precluded from consideration, either alone or in combination, as a Qualified Bid or Successful Bid. For greater certainty, a Management Bid shall not be a Qualified Bid.

"As is, Where Is"

7. ~~8.~~ Any Sale Proposal and Investment Proposal shall be made on an "as is, where is" basis, without surviving representations or warranties of any kind or nature except to the extent otherwise set forth in a definitive transaction documentation with a Successful Bidder.

8. ~~9.~~ The Monitor and the Company are not responsible for, and will have no liability with respect to, any information obtained by any Prospective Bidder, Qualified Bidder or Successful Bidder in connection with the Policies. The Monitor and the Company and their respective advisors do not make any representations or warranties whatsoever as to the information or the materials provided through the due diligence process or otherwise made available to any Prospective Bidder, Phase I Qualified Bidder, Phase II Qualified Bidder, Selected Bidder or the Successful Bidder, including any information contained in the Data Room, except, in the case of the Company, to the extent provided under any definitive transaction documentation executed and delivered by a Successful Bidder and the Company, as trustee of the Policies.

Free of Any and All Claims and Interests

9. ~~10.~~ In the event of a Sale Proposal for all or a portion of the Policies, all of the right, title and interests of the Company and the Plan Beneficiaries in and to the Policies to be acquired will be sold free and clear of all pledges, liens, security interests, charges, options, hypothecs, mortgages and interests thereon, except to the extent otherwise set forth in a definitive purchase agreement executed with a Successful Bidder.

Solicitation of Interest

10. ~~11.~~ As soon as practicable after the granting of the Plan Amendment Sanction Order, the Monitor will:

(a) compile a listing of prospective purchasers, investors and financiers (a "**Prospective Bidder**"), which list will include both strategic and financial parties who in the Monitor's reasonable business judgment may be interested in acquiring the Policies or making an investment in or providing refinancing or financing of the Policies; and

(b) send to each Prospective Bidder a solicitation letter summarizing the acquisition, investment and/or financing opportunity with respect to the Policies (the "**Teaser Letter**"). The Teaser Letter will attach a form of Confidentiality Agreement, which Confidentiality Agreement may also be found on the Monitor's Website. Such Confidentiality Agreement shall include provisions whereby the Prospective Bidder agrees to accept and be bound by the provisions of this SISP and the SISP Procedures contained herein. The Prospective Bidders will be required, among other things, to sign a Confidentiality Agreement in order to gain access to confidential information (including access to the Data Room), and an opportunity to meet with such parties as the Monitor may arrange, to perform due diligence.

(c) The Monitor reserves the right to limit any Qualified Bidder's access to any information in the Data Room where, in the Monitor's discretion, such access could negatively impact the SISP, the ability to maintain the confidentiality of the confidential information, or the value of the Policies. Requests for additional information will be made to the Monitor.

Participation Requirements

11. ~~12.~~ Unless otherwise provided for herein, ordered by the Court or agreed to by the Monitor, in order to participate in the SISP and be considered for qualification as a Phase 1 Qualified Bidder or Phase II Qualified Bidder, a Prospective Bidder must deliver the following to the Monitor so as to be received by the Monitor not later than 5:00 p.m. (Toronto time) on Monday, ~~December 1, 2014~~January 26, 2015 or such later date or time as the Monitor may determine appropriate or as may be ordered by the Court (the "**Prospective Bidder Deadline**"):

(a) an executed Confidentiality Agreement, which shall inure to the benefit of any purchaser of or investor in any of the Policies;

~~(b) in the case of any Prospective Bidder in respect of which one or more members of the USI Management Team is participating in any manner, a written notice disclosing such participation by no later than the SISP Commencement Date (the "**Management Participation Notice**");~~

(b) ~~(c)~~ a specific indication of the anticipated sources of capital for such Prospective Bidder and preliminary evidence of the availability of such capital, or such other form of financial disclosure and credit support or enhancement that will allow the Monitor, to make, in its reasonable business or professional judgment, a reasonable determination as to the Prospective Bidder's financial and other capabilities to consummate a transaction;

(c) ~~(d)~~ a letter setting forth the identity of the Prospective Bidder, the contact information for such Prospective Bidder, and if requested by the Monitor, full disclosure of the direct and indirect owners of the Prospective Bidder and their principals;

(d) ~~(e)~~ an indication of whether the Prospective Bidder will be offering to (i) acquire all or substantially all of the Policies, or (ii) make an investment in the Policies; or (iii) to refinance or finance the Policies; and

(e) ~~(f)~~ a written acknowledgement of receipt of a copy of the SISP Approval Order, the SISP Amendment Order (including these SISP Procedures) and agreeing to accept and be bound by the provisions contained therein.

12. ~~13.~~ A Prospective Bidder will be considered by the Monitor to be a "**Phase I Qualified Bidder**" if (a) such Prospective Bidder has satisfied all of the requirements described in paragraph ~~12~~11 above; and (b) such Prospective Bidder's financial information and credit support or enhancement demonstrate to the satisfaction of the Monitor, in its reasonable business judgment, the financial capability of such Prospective Bidder to consummate a transaction and that such Prospective Bidder is likely (based on availability of financing,

experience and other considerations) to consummate either a Sale Proposal, Investment Proposal or Financing Proposal, as applicable.

13. ~~14.~~ The Monitor may seek clarifications with any Prospective Bidder with respect to any of the requirements described in paragraph ~~12~~11 above and such Prospective Bidder's financial capability to consummate a transaction, and the Monitor may grant extensions to the Prospective Bidder Deadline and shall comply with any extensions as may be ordered by the Court. The Monitor may waive compliance with any one or more of the requirements specified in paragraph ~~12~~11 and deem any Prospective Bidder to be a Phase I Qualified Bidder.

14. ~~15.~~ The determination by the Monitor as to whether a Prospective Bidder is a Phase I Qualified Bidder will be made as promptly as practicable but no later than two (2) Business Days after a Prospective Bidder delivers all of the materials required under paragraph ~~12~~11 hereof. If it is determined by the Monitor that a Prospective Bidder is a Phase I Qualified Bidder, the Monitor will promptly notify the Prospective Bidder that it is a Phase I Qualified Bidder.

15. ~~16.~~ If it is determined by the Monitor that there are no Phase I Qualified Bidders in accordance with this the terms of this SISP, and, that as a consequence proceeding with the SISP will not be in the best interests of the Plan Beneficiaries, the Monitor shall as soon as reasonably practicable file a motion with the Court on notice to the Service List seeking advice and directions with respect to the modification, continuation, suspension or termination of the SISP.

Submission of Non-Binding Letters of Intent

16. ~~17.~~ In order for a Phase 1 Qualified Bidder to continue to participate in the SISP, the Monitor must receive (at the address set out in the Teaser Letter) from such Phase 1 Qualified Bidder a non-binding letter of intent or, in the case of a Financing Proposal, a non-binding financing discussion paper or term sheet (a "**LOI**") on or before 5:00 p.m. Toronto Time on ~~Wednesday, December 10, 2014~~Monday, February 2, 2015 or such later date as the Monitor may determine appropriate or the Court may order (the "**LOI Deadline**"), which LOI shall be in writing and include the following:

(a) if the LOI is in respect of a Sale Proposal or an Investment Proposal:

(i) a reasonably detailed listing and description of the Policies to be included in the Sale Proposal, and in the case of an Investment Proposal, a reasonably detailed description of the manner in which the investment is to be made;

(ii) an indication of the proposed purchase price or financial terms of such Sale Proposal or Investment Proposal;

(iii) an acknowledgment that the Sale Proposal or Investment Proposal, as applicable, will be made on an "as is, where is basis";

(iv) a description of any liabilities to be assumed by the Phase I Qualified Bidder;

(v) a list of any additional due diligence required to be completed before making a Qualified Bid;

(vi) any anticipated regulatory and other approvals required to close the proposed transaction and the anticipated time frame and any anticipated impediments for obtaining any such approvals;

(vii) all conditions to closing that the Phase I Qualified Bidder may wish to impose;

(viii) a timeline to closing, which is to occur on or before the Outside Date, with critical milestones;

(ix) any other terms and conditions which the Qualified Bidder believes are material to the transaction; and

(x) such other information reasonably requested by the Monitor.

(b) if the LOI is in respect of a Financing Proposal, the LOI may be in the form of a non-binding financing discussion paper or term sheet outlining the terms under which the Phase I Qualified Bidder would be prepared to refinance or finance the Policies. Such LOI would include the following:

(i) the amount of financing available;

(ii) the cost of such financing, including fees and interest;

(iii) the terms of repayment and term of the facility/facilities;

(iv) any conditions of financing, including details regarding further due diligence required;

(v) any approvals required to close the proposed transaction and the anticipated time frame and any anticipated impediments for obtaining any such approvals;

(vi) a timeline to closing, which is to occur on or before the Outside Date, with critical milestones;

(vii) any other terms and conditions which the Qualified Bidder believes are material to the proposed refinancing or financing; and

(viii) such other information reasonably requested by the Monitor.

17. ~~18.~~ In addition, in order to be considered by the Monitor, financial information reasonably requested by the Monitor to demonstrate that the Phase I Qualified Bidder has the financial resources to consummate the transaction contemplated by the LOI must be provided. If the Phase I Qualified Bidder intends to acquire the Policies or provide an investment through a special purpose vehicle, the equity holders or sponsors of such special purpose vehicle must guarantee the special purpose vehicle's obligations.

18. ~~19.~~ The Monitor will review and evaluate the LOIs based on, among other things, the ability of each Phase I Qualified Bidder to complete due diligence on a timely basis as well as other purchaser or investor selection criteria that may be developed by the Monitor. For greater certainty, the Monitor shall be entitled, either prior to or following the LOI Deadline, to seek to clarify the terms of an LOI received prior to the LOI Deadline. The Monitor may grant extensions to the LOI Deadline and shall comply with any extensions thereof as may be ordered by the Court. The Monitor may waive compliance with any one or more of the requirements specified in paragraph ~~17~~16 and deem any non-compliant LOI to be a qualifying LOI.

Identification of Phase II Qualified Bidder(s)

19. ~~20.~~ The Monitor shall consider each ~~of the LOIs~~LOI upon its submission and determine whether it will be in the best interests of the Plan Beneficiaries to ~~continue with the SISP.~~ ~~Any Phase I Qualified Bidder(s)~~ with ~~whom the Monitor seeks to~~ pursue a transaction on the terms set out in the applicable LOI with such Phase I Qualified Bidder. Any Phase I Qualified Bidder with whom the Monitor seeks to pursue a transaction with on the terms set out in the applicable LOI shall be deemed to be a Phase II qualified bidder(s) (the "**Phase II Qualified Bidder**"). The determination by the Monitor as to whether a Phase I Qualified Bidder is a Phase II Qualified Bidder will be made as promptly as practicable after the delivery by the Phase I Qualified Bidder of an LOI, or any clarification that may be sought by the Monitor pursuant to paragraph 18. Phase I Qualified Bidders will be promptly advised by the Monitor if they have been selected as a Phase II Qualified Bidder, and will thereafter be provided an opportunity to access additional due diligence materials, complete due diligence and submit a binding Sale Proposal, Investment Proposal or Financing Proposal. ~~If~~No LOIs will be considered for qualification as a Phase II Qualified Bidder after the LOI Deadline. If at any point before the LOI Deadline the Monitor determines that it will not be in the best interests of the Plan Beneficiaries to continue with the SISP, the Monitor shall as soon as reasonably practicable file a motion to the Court on notice to the Service List for advice and directions with respect to the continuation, modification, suspension or termination of the SISP.

Submissions of Binding Qualified Bids

20. ~~21.~~ Under the bid procedure set out herein, all Qualified Bids for a Sale Proposal, Investment Proposal or Financing Proposal must be submitted in writing by a Phase II Qualified Bidder to the Monitor at the address set out in the Teaser Letter and received on or before 5:00 p.m. Toronto Time on ~~Friday, January 30,~~ Tuesday, February 10, 2015 or such later date as the Monitor may determine appropriate or the Court may order (the "**Bid Deadline**").

Requirements for Qualified Bids

21. ~~22.~~ A Sale Proposal will be considered a "**Qualified Bid**" only if (i) it is submitted by a Phase II Qualified Bidder on or before the Bid Deadline, and (ii) the Sale Proposal

complies with the following requirements:

(a) it fully discloses the identity of each person or entity that will be sponsoring or participating in the Qualified Bid, including, if requested by the Monitor, the identification of the Phase II Qualified Bidder's direct and indirect owners and their principals, and the complete terms of such participation;

(b) it contains evidence of authorization and approval from the Phase II Qualified Bidder's board of directors, investment committee, credit committee or comparable governing body, as applicable, with respect to the submission, execution, delivery and closing of the sale transaction contemplated by the Qualified Bid;

(c) it includes in a letter that the bid is a binding offer capable of acceptance by the Company, as owner of the Policies and as trustee for the Plan Beneficiaries, irrevocable and open for acceptance until at least 11:59 p.m. Toronto Time on the Business Day after the closing of a Successful Bid,

(d) it includes a reasonably detailed listing and description of the Policies to be included in the Sale Proposal;

(e) it includes (A) a duly authorized and executed purchase agreement based on the Form of APA, (B) all exhibits and schedules thereto, and such ancillary agreements as may be required by the Phase II Qualified Bidder with all exhibits and schedules thereto, (C) a mark-up of the Form of APA showing amendments and modifications made thereto, and (D) a refundable cash deposit in the form of a wire transfer (to a bank account specified by the Monitor) or such other form of deposit as is acceptable to the Monitor, payable to the order of the Monitor, in trust (the "**Deposit**"), in an amount equal to fifteen percent (15%) of the purchase price contemplated therein,

(f) it includes an acknowledgement and representation that the Phase II Qualified Bidder: (i) has relied solely upon its own independent review, investigation and/or inspection of any documents and/or the assets to be acquired and liabilities to be assumed in making its bid, including the Policies, (ii) except as expressly stated in the definitive sale agreement, did not rely upon any written or oral statements, representations, promises, warranties or guaranties whatsoever, whether express or implied (by operation of law or otherwise), regarding the Policies or any liabilities to be assumed or the completeness of any information provided in connection therewith, including but not limited, to (A) the enforceability, validity or status of any of the Policies, (B) the nature and condition of Policies, (C) the nature, condition or health of any of the insureds, (D) the amount of the premiums payable or death benefits available with respect to or under any of the Policies, (E) the condition or status, financial or otherwise, or nature of the insurance company issuing any of the Policies, or (F) the accuracy or completeness of any actuarial valuation or stochastic analysis obtained by the Company in respect of the Policies; and (iii) is a knowledgeable, experienced and sophisticated purchaser with respect to life insurance policies and life settlement contracts, has been provided access to and has reviewed the Policies and is relying on its own expertise and that of its own consultants, accountants, actuaries and legal and tax advisors in making its Qualified Bid;

(g) it includes either written evidence of a firm, irrevocable commitment for all required funding and/or financing from a credit worthy bank or financial institution, or other evidence of financial ability to close the transaction, that will allow the Monitor to make a reasonable determination as the Phase II Qualified Bidder's (and its direct and indirect owners and their principals, as applicable) financial and other capabilities to consummate the sale transaction contemplated by the Qualified Bid;

(h) it includes whether the Phase II Qualified Bidder is able to provide any financing to the Company, as trustee of the Policies, during the Escrow Period (whether from the Deposit, any other escrowed purchase price funds and/or otherwise);

(i) if the Phase II Qualified Bidder is an entity newly formed for the purpose of the sale transaction, the bid shall contain an equity or debt commitment letter from the parent entity or sponsor, which is satisfactory to the Monitor that names the Company as a third party beneficiary of any such commitment letter with recourse against such parent entity or sponsor;

(j) it shall not be conditional upon, among other things;

(i) the outcome of unperformed due diligence by the Phase II Qualified Bidder; or

(ii) obtaining any financing; or

(iii) approval of the Qualified Bid by the Phase II Qualified Bidder's board of directors, investment committee, credit committee or comparable governing body, as applicable;

and shall include an acknowledgement and representation that the Phase II Qualified Bidder had the opportunity to conduct any and all due diligence prior to making its Qualified Bid;

(k) it includes a detailed list of conditions to closing, including any anticipated regulatory and other approvals required to close the proposed transaction, and the anticipated time frame and any anticipated impediments for obtaining any such approvals;

(l) it provides a timeline to closing with critical milestones and provides for a closing of the proposed transaction by no later than the Outside Date;

(m) it is in the Monitor's reasonable business judgment reasonably likely to close on or before the Outside Date;

(n) it does not request or entitle the Phase II Qualified Bidder to any break-fee, termination fee, expense reimbursement or other type of compensation or payment; and

(o) it contains such other information reasonably requested by the Monitor.

22. ~~23.~~ An Investment Proposal will be considered a "**Qualified Bid**" only if (i) it is submitted by a Phase II Qualified Bidder on or before the Bid Deadline, and (ii) the Investment Proposal complies with the following requirements:

(a) it fully discloses the identity of each person or entity that will be sponsoring or participating in the Qualified Bid, including, if requested by the Monitor, the identification of the Phase II Qualified Bidder's direct and indirect owners and their principals, and the complete terms of such participation;

(b) it contains evidence of authorization and approval from the Phase II Qualified Bidder's board of directors, investment committee, credit committee or comparable governing body, as applicable, with respect to the submission, execution, delivery and closing of the investment transaction contemplated by the Qualified Bid;

(c) it includes in a letter that the bid is a binding offer capable of acceptance by the Company, as owner of the Policies and as trustee for the Plan Beneficiaries, irrevocable and open for acceptance until at least 11:59 p.m. Toronto Time on the Business Day after the closing of a Successful Bid;

(d) it includes a reasonably detailed description of the manner in which the investment is to be made;

(e) it includes, (A) such duly authorized and executed documents as the Monitor may accept, including exhibits and schedules thereto, and (B) a Deposit in an amount equal to fifteen percent (15%) of the total proposed investment therein;

(f) it includes an acknowledgement and representation that the Phase II Qualified Bidder: (i) has relied solely upon its own independent review, investigation and/or inspection of any documents and/or the assets to be acquired and liabilities to be assumed in making its bid, including the Policies, (ii) except as expressly stated in the definitive transaction documentation, did not rely upon any written or oral statements, representations, promises, warranties or guaranties whatsoever, whether express or implied (by operation of law or otherwise), regarding the Policies or any liabilities to be assumed or the completeness of any information provided in connection therewith, including but not limited, to (A) the enforceability, validity or status of any of the Policies, (B) the nature and condition of Policies, (C) the nature, condition or health of any of the insureds, (D) the amount of the premiums payable or death benefits available with respect to or under any of the Policies, (E) the condition or status, financial or otherwise, or nature of the insurance company issuing any of the

Policies, or (F) the accuracy or completeness of any actuarial valuation or stochastic analysis obtained by the Company in respect of the Policies; and (iii) is a knowledgeable, experienced and sophisticated purchaser with respect to life insurance policies and life settlement contracts, has been provided access to and has reviewed the Policies and is relying on its own expertise and that of its own consultants, accountants, actuaries and legal and tax advisors in making its Qualified Bid;

(g) it includes either written evidence of a firm, irrevocable commitment for all required funding and/or financing from a credit worthy bank or financial institution, or other evidence of financial ability to close the investment transaction, that will allow the Monitor to make a reasonable determination as the Phase II Qualified Bidder's (and its direct and indirect owners and their principals, as applicable) financial and other capabilities to consummate the transaction contemplated by the Qualified Bid;

(h) it includes whether the Phase II Qualified Bidder is able to provide any financing to the Company, as trustee of the Policies, pending closing of the investment transaction contemplated by the Qualified Bid;

(i) if the Phase II Qualified Bidder is an entity newly formed for the purpose of the investment transaction, the bid shall contain an equity or debt commitment letter from the parent entity or sponsor, which is satisfactory to the Monitor that names the Company as a third party beneficiary of any such commitment letter with recourse against such parent entity or sponsor;

(j) it shall not be conditional upon, among other things:

   (i) the outcome of unperformed due diligence by the Phase II Qualified Bidder; or

   (ii) obtaining any financing; or

   (iii) approval of the Qualified Bid by the Phase II Qualified Bidder's board of directors, investment committee, credit committee or comparable governing body, as applicable, and shall include an acknowledgement and representation that the Phase II Qualified Bidder had the opportunity to conduct any and all due diligence prior to making its Qualified Bid;

(k) it includes a detailed list of conditions to closing, including any anticipated regulatory and other approvals required to close the proposed transaction, and the anticipated time frame and any anticipated impediments for obtaining any such approvals;

(l) it provides a timeline to closing with critical milestones and provides for a closing of the proposed transaction by no later than the Outside Date;

(m) it is in the Monitor's reasonable business judgment reasonably likely to close on or before the Outside Date;

(n) it does not request or entitle the Phase II Qualified Bidder to any break-fee, termination fee, expense reimbursement or other type of compensation or payment; and

(o) it contains such other information reasonably requested by the Monitor.

23. ~~24.~~ A Financing Proposal will be considered a "**Qualified Bid**" only if (i) it is submitted by a Phase II Qualified Bidder on or before the Bid Deadline, and (ii) the Financing Proposal complies with the following requirements:

(a) it fully discloses the identity of each person or entity that will be sponsoring or participating in the Qualified Bid, including, if requested by the Monitor, the identification of the Phase II Qualified Bidder's direct and indirect owners and their principals, and the complete terms of such participation;

(b) it contains evidence of authorization and approval from the Phase II Qualified Bidder's board of directors, investment committee, credit committee or comparable governing body, as applicable, with respect to the submission, execution, delivery and closing of the refinancing or financing contemplated by the Qualified Bid;

(c) it is in the form of a binding commitment letter or term sheet that is a binding offer capable of acceptance by the Company, as owner of the Policies and as trustee for the Plan Beneficiaries, irrevocable and open for acceptance until at least 11:59 p.m. Toronto Time on the Business Day after the closing of a Successful Bid;

(d) it includes the amount of the proposed refinancing or financing available;

(e) it includes the cost of the proposed refinancing or financing, including fees and interest;

(f) it includes the terms of repayment and term of the facility/facilities;

(g) it includes an acknowledgement and representation that the Phase II Qualified Bidder: (i) has relied solely upon its own independent review, investigation and/or inspection of any documents and/or the assets to be acquired and liabilities to be assumed in making its bid; including the Policies, (ii) did not rely upon any written or oral statements, representations, promises, warranties or guaranties whatsoever, whether express or implied (by operation of law or otherwise), regarding the Policies or any liabilities to be assumed or the completeness of any information provided in connection therewith, including but not limited, to (A) the enforceability, validity or status of any of the Policies, (B) the nature and condition of Policies, (C) the nature, condition or health of any of the insureds, (D) the amount of the premiums payable or death benefits available with respect to or under any of the Policies, (E) the condition or status, financial or otherwise, or nature of the insurance company issuing any of the Policies, or (F) the accuracy or completeness of any actuarial valuation or stochastic analysis obtained by the Company in respect of the Policies, except as expressly stated in the definitive transaction documentation; and (iii) is a knowledgeable, experienced and sophisticated financier with respect to life insurance policies and life settlement contracts, has been provided access to and has reviewed the Policies and is relying on its own expertise and that of its own consultants, accountants, actuaries and legal and tax advisors in making its Qualified Bid;

(h) it includes either written evidence of a firm, irrevocable commitment for all required funding and/or financing from a credit worthy bank or financial institution, or other evidence of financial ability to close the transaction, that will allow the Monitor to make a reasonable determination as the Phase II Qualified Bidder's (and its direct and indirect owners and their principals, if applicable) financial and other capabilities to consummate the financing transaction contemplated by the Qualified Bid;

(i) if the Phase II Qualified Bidder is an entity newly formed for the purpose of the financing transaction, the bid shall contain an equity or debt commitment letter from the parent entity or sponsor, which is satisfactory to the Monitor that names the Company as a third party beneficiary of any such commitment letter with recourse against such parent entity or sponsor;

(j) it shall not be conditional upon, among other things;

 (i) the outcome of unperformed due diligence by the Phase II Qualified Bidder; or

 (ii) obtaining any financing; or

 (iii) approval of the Qualified Bid by the Phase II Qualified Bidder's board of directors, investment committee, credit committee or comparable governing body, as applicable,

and shall include an acknowledgement and representation that the Phase II Qualified Bidder had the opportunity to conduct any and all due diligence prior to making its Qualified Bid.

(k) it includes a detailed list of conditions to closing, including any anticipated regulatory and other approvals required to close the proposed transaction, and the anticipated time frame and any anticipated impediments for obtaining any such approvals;

(l) it provides a timeline to closing with critical milestones and provides for a closing of the proposed transaction by no later than the Outside Date;

(m) it is in the Monitor's reasonable business judgment reasonably likely to close on or before the Outside Date;

(n) it does not request or entitle the Phase II Qualified Bidder to any break-fee, termination fee, expense reimbursement or other type of compensation or payment, other than a commitment fee, standby facility fees and other normal course financing fees, consistent with industry standard; and

(o) it contains such other information reasonably requested by the Monitor.

24. ~~25.~~ Each Qualified Bid will be considered by the Monitor. The Monitor may seek clarifications to any Qualified Bids following the Bid Deadline, and the Monitor may grant extensions to the Bid Deadline set out herein and shall comply with any extensions thereof as may be ordered by the Court. The Monitor may (i) waive compliance with any one or more of the requirements specified herein and deem such non-compliant bids to be a Qualified Bid, and (ii) aggregate separate bids to create one "Successful Bid" from more than one Phase II Qualified Bidder.

Assessment of Qualified Bids

25. ~~26.~~ In assessing Qualified Bids in respect of a Sale Proposal, the Monitor will consider, among other things, the following:

(a) the purchase price and net value (including all assumed liabilities and other obligations to be performed by the Phase II Qualified Bidder) provided by such Qualified Bid;

(b) the provision and terms and conditions of any financing to be provided by the Phase II Qualified Bidder to the Company, as trustee of the Policies, during the Escrow Period;

(c) the firm, irrevocable commitment for financing the transaction or other evidence of ability to consummate the proposed sale transaction;

(d) the claims likely to be created by such Qualified Bid in relation to other Qualified Bids;

(e) the counterparties to the proposed sale transaction;

(f) the proposed revisions to the Form of APA and the terms of the proposed sale transaction documents;

(g) other factors affecting the speed, certainty and value of the transaction (including any regulatory approvals and other conditions required to close the proposed sale transaction by the Outside Date);

(h) the assets included or excluded from the bid and the transaction costs and risks associated with closing multiple transactions versus a single sale transaction for all or substantially all of the Policies;

(i) the conditions to closing of the proposed sale transaction;

(j) any transition services required from the Company post-closing and any related restructuring costs; and

(k) the likelihood and timing of the consummation of the proposed sale transaction and whether, in the Monitor's reasonable business judgment, the proposed sale transaction is reasonably likely to close on or before the Outside Date.

26. ~~27.~~ In assessing Qualified Bids in respect of an Investment Proposal, the Monitor will consider, among other things, the following:

(a) the amount of equity and debt investment and the proposed sources and uses of such capital;

(b) in the provision and terms and conditions of any financing to be provided by the Phase II Qualified Bidder to the Company, as trustee of the Policies, during the Escrow Period;

(c) the debt to equity structure post-closing;

(d) the counterparties to the proposed investment transaction;

(e) the terms of the proposed investment transaction documents;

(f) other factors affecting the speed, certainty and value of the proposed investment transaction (including any regulatory approvals and other conditions required to close the proposed investment transaction);

(g) the planned treatment of the Plan Beneficiaries; and

(h) the likelihood and timing of the consummation of the proposed investment transaction and whether, in the Monitor's reasonable business judgment, the proposed investment transaction is reasonably likely to close on or before the Outside Date.

27. ~~28.~~ In assessing Qualified Bids in respect of a Financing Proposal, the Monitor will consider, among other things, the following:

(a) the amount of financing available;

(b) the cost of such financing, including fees and interest;

(c) the terms of repayment and term of the facility/facilities;

(d) any conditions of financing;

(e) the ability of such proposed refinancing or financing to facilitate a distribution to the Plan Beneficiaries; and

(f) other factors affecting the speed, certainty and value of the proposed financing transaction (including any regulatory approvals and other conditions required to close the proposed financing transaction); and

(g) the likelihood and timing of the consummation of the proposed financing transaction and whether, in the Monitor's reasonable business judgment, the proposed financing transaction is reasonably likely to close on or before the Outside Date.

28. ~~29.~~ If one or more Qualified Bids are received in accordance with the bid procedure set out herein, the Monitor may choose to:

(a) accept one Qualified Bid (the "**Successful Bid**" and the Phase II Qualified Bidder making the Successful Bid being the "**Successful Bidder**") and take such steps as are necessary to finalize and complete an agreement for the Successful Bid with the Successful Bidder. For greater certainty, the Monitor may accept more than one separate bid from more than one Phase II Qualified Bidder to create one "Successful Bid" and in such case, the Phase II Qualified Bidders will become the "Successful Bidders"; or

(b) continue negotiations with a selected number of Phase II Qualified Bidders (collectively, the "**Selected Bidders**") with a view to finalizing an agreement with one or more of the Selected Bidders, with one or more of such Selected Bidders being the Successful Bidder(s).

29. ~~30.~~ The Monitor may (a) reject, at any time any bid that is (i) inadequate or insufficient, (ii) not in conformity with the requirements of the CCAA, these SISP Procedures or any orders of the Court applicable to the Company, or (iii) contrary to the best interests of the Plan Beneficiaries as determined by the Monitor; (b) in accordance with the terms hereof accept bids not in conformity with these SISP Procedures to the extent that the Monitor determines, in its reasonable business judgment that doing so would benefit the Plan Beneficiaries; and (c) in accordance with the terms hereof extend the Prospective Bidder Deadline, LOI Deadline and Bid Deadline, and (d) reject all bids. For greater certainty, the Monitor shall be under no obligation to accept the highest or best offer and the selection of the Successful Bid and/or the Selected Bidders shall be entirely in the discretion of the Monitor.

30. ~~31.~~ If the Monitor determines that no Qualified Bid was received or rejects all Qualified Bids because it is not in the best interests of the Plan Beneficiaries, the Monitor shall as soon as reasonably practicable file a motion with the Court to seek advice and directions with respect to the continuation, modification or termination of the SISP.

Approval Motion

31. ~~32.~~ After a definitive agreement(s) in respect of the Successful Bid have been finalized in accordance with these SISP Procedures, the Monitor will apply to the Court as soon as reasonably practicable for the Approval Motion.

32. ~~33.~~ The Approval Motion will be held on a date to be scheduled by the Court that will be on at least fourteen (14) days' notice to the Service List and the Company's creditors in the CCAA Proceedings in accordance with the SISP Approval Order, and the SISP Amendment Order. The Approval Motion may be adjourned or rescheduled by the Monitor by an announcement of the adjourned date at the Approval Motion or by notice to the Service List maintained by the Monitor in these CCAA Proceedings and no further notice shall be required.

33. ~~34.~~ All Qualified Bids (other than the Successful Bid) will be deemed rejected on the date of approval of the Successful Bid by the Court.

34. ~~35.~~ For the avoidance of doubt, the approvals required pursuant to the terms hereof are in addition to, and not in substitution for, any other approvals required by the CCAA or any other statute or as otherwise required at law in order to implement a Successful Bid.

Deposit

35. ~~36.~~ All Deposits will be retained by the Monitor and invested in an interest bearing trust account. If there is a Successful Bid, the Deposit (plus accrued interest) paid by the Successful Bidder whose bid is approved by the Court will be applied to the purchase price to be paid by the Successful Bidder upon closing of the approved transaction or as otherwise set out in the definitive agreement and will be non-refundable. The Deposits (plus applicable interest) of Qualified Bidders not selected as the Successful Bidder will be return to such bidders within ten (10) Business Days of the date on which the Successful Bid is approved by the Court. If there is no Successful Bid, subject to the following paragraph ~~37.~~ 36, all Deposits (plus applicable interest) will be returned to the Qualified Bidders within ten (10) Business Days of the date on which the SISP is terminated in accordance with this SISP.

36. ~~37.~~ If a Successful Bidder breaches any of its obligations under the terms of the SISP or any definitive transaction documentation, its Deposit will be forfeited as liquidated damages and not as a penalty.

Reservation of Rights and Monitor's Conduct of the SISP

37. ~~38.~~ This SISP and these SISP Procedures do not, and will not be interpreted to, create any contractual or other legal relationship between the Company or the Monitor or between any of them and any bidder, other than as specifically set forth in a definitive agreement that any such bidder may enter into with the Company, as owner and as trustee of the Policies.

38. ~~39.~~ The Monitor may from time to time extend any of the time limits set out in these SISP Procedures, as the Monitor determines appropriate.

39. ~~40.~~ In conducting the SISP, the Monitor is not, and shall not be or be deemed to be, a director, officer or employee of the Company and the Monitor shall not incur any liability or obligation as a result of its conduct of the SISP, including any solicitations, advertising, marketing, negotiation or completion of a transaction pursuant to the SISP on behalf of USI (if so directed by the Court), the exercise or performance of the Monitor's powers and duties hereunder, save and except as may result from gross negligence or wilful misconduct of the Monitor.

No Amendment

40. ~~41.~~ There will be no amendments to the SISP or these SISP Procedures without the approval of the Court on notice to the Service List, subject to such non-material amendments as may be agreed to by the Monitor and the Company. The Monitor and any other person may seek advice and directions from the Court on notice to the Service List with respect to the conduct of the SISP.