Court File No. 08-CL-7878

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE	)	MONDAY, THE 3RD
	)	
JUSTICE	)	DAY OF FEBRUARY, 2020

B E T W E E N:

(Court Seal)

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

THIS MOTION, made by the Applicant, Universal Settlements International Inc. ("**USI**") for among other things, an order approving the Applicant's and/or the Monitor's Re-Distribution Plan, was heard this day at the court house, 330 University Avenue, Toronto, Ontario, M5G 1R7.

ON READING the USI's Notice of Motion, the Affidavit of Christopher Halas sworn December 19, 2019, the Supplemental Affidavit of Christopher Halas sworn January 23, 2020, the Twenty-Eighth Report of Ernst & Young Inc. (the "**Monitor**") dated January 28, 2020 (the "**Twenty-Eighth Report"**), the Affidavit of Milly Chow, sworn January 6, 2020 (the "**Chow Affidavit**"), filed, the Affidavit of Brian Denega, sworn January 23, 2020 (the "**Denega**

Affidavit"), filed, and hearing submissions of counsel for USI, the Monitor, and parties appearing on the counsel slip, no one appearing for the other parties served with the Applicant's Motion Record although duly served:

DEFINED TERMS

1. THIS COURT ORDERS the capitalized terms not otherwise defined in this Order shall have the meaning given to them in the Applicant's Amended Plan of Compromise and Arrangement dated June 16, 2009, as amended by the Amendment to the Amended Plan of Compromise and Arrangement dated November 24, 2014 (the "**Plan**").

SERVICE AND NOTICE

2. **THIS COURT ORDERS** that leave is granted abridging the time for service of the Applicant's Motion Record, so that this Motion is properly returnable today, and hereby dispenses with further service thereof.

APPROVAL OF REDISTRIBUTION PROTOCOL

3. **THIS COURT ORDERS** that the Applicants are hereby authorized and directed to transfer any amounts in the Monitored Trust Accounts, net of a cost reserve in the amount of US$200,000 (the "**Cost Reserve**") for costs incurred by the Applicant on and after April 1, 2020, into the Purchaser Pool for distribution to Purchaser Creditors in accordance with this Order, and notwithstanding anything in the Plan to the contrary, the Applicants shall not be required to remit any amounts to the Ordinary Creditor Pool or make any distributions to the Ordinary Creditors.

4. **THIS COURT ORDERS** that the Applicant is hereby authorized and directed to make a Distribution to Purchaser Creditors (the "**Re-Distribution**") on the following terms:

(a) On or about March 31, 2020, the Applicant shall make a *pari passu* Distribution of the funds in the Purchaser Pool to Purchaser Creditors who (i) at any time prior to March 31, 2020 have cashed a prior distribution cheque from the Applicants or received a distribution by wire transfer, and (ii) have an outstanding Proven Claim in excess of US$50,000.

(b) Distributions made pursuant to subparagraph 4(a) shall be made by wire transfer to any Purchaser Creditor who has successfully received a wire transfer from the Applicants prior to March 21, 2020, and by cheque to Purchaser Creditors who have cashed a cheque prior to March 31, 2020 but have not successfully received a wire transfer.

(c) Any Distributions payable to (i) Ordinary Creditors, (ii) Purchaser Creditors who have not cashed a prior distribution cheque from the Applicants or received a distribution by wire transfer, or (iii) Purchaser Creditors whose outstanding Proven Claim is less than US$50,000, shall be allocated *pari passu* to Purchaser Creditors entitled to a Distribution pursuant to subparagraph 4(a) hereof.

(d) On the date this is 6 months following the date of the Distribution authorized in subparagraph 4(a) hereof, all outstanding, uncashed Distribution cheques and any unprocessed wire Distributions shall be cancelled, and:

(i) if the aggregate amount of un-cashed cheque and unprocessed wire Distributions, together with any amount of the Cost Reserve that the Applicant determines, in consultation with the Monitor, is not required to fund the wind down of these CCAA proceedings and wind-up the Applicant (collectively, the "**Remaining Distributable Proceeds**") exceeds US$100,000, then the Applicant shall make a *pari passu* distribution to Purchaser Creditors who (a) received their Distribution authorized by subparagraph 4(a) hereof by wire transfer, and (b) have an outstanding Proven Claim in excess of US$100,000; and

(ii) if the aggregate Remaining Distributable Proceeds do not exceed US$100,000, then the Applicant shall distribute such Remaining Distributable Proceeds equally to World Vision Canada and the Canadian Red Cross.

APPROVAL OF ADMINISTRATION COSTS AND FEES

5. **THIS COURT ORDERS** that the Applicant is authorized to pay an Administration Fee in the amount of CDN$30,000 for each of the months of December 2019 through March 2020, and CDN$5,000 for each of the months of April 2020 through September 2020, provided that no additional Administration Fee shall be paid for the period following September 2020 without further order of the Court.

6. **THIS COURT ORDERS** that the Applicant and/or the Monitor are hereby authorized and directed to pay Patricio Munoz, South American Agent, for his assistance in locating creditors for his fees, in an amount not to exceed US$7,500.

TERMINATION OF CCAA PROCEEDINGS

7. THIS COURT ORDERS that upon the filing of a certificate of the Monitor substantially in the form attached hereto as Schedule "A" (the "**Monitor's Completion Certificate**") certifying that, to the best of the knowledge and belief of the Monitor, all matters to be attended to in connection with the CCAA proceedings have been completed, the within CCAA proceedings shall be terminated without any other act or formality (the "**CCAA Termination Time**").

8. **THIS COURT ORDERS** that the Administration Charge, and the Directors' Charge (each as defined in the Order of Mr. Justice Wilton-Siegel dated December 2, 2008) shall be and are hereby terminated, released and discharged at the CCAA Termination Time.

DISCHARGE OF MONITOR

9. **THIS COURT ORDERS** that the Monitor shall, at least seven (7) days prior to the proposed CCAA Termination Time, provide notice to the Service List of the Monitor's intention to file the Monitor's Completion Certificate and that upon the filing of the Monitor's Completion Certificate, the release and discharge of the Subsequent Released Claims (as defined below) shall be deemed effective unless any objection is received by the Monitor in accordance with paragraph 13 hereof.

10. **THIS COURT ORDERS AND DECLARES** that effective at the CCAA Termination Time, Ernst & Young Inc. ("**EY**") shall be and is hereby discharged as Monitor and shall have no further duties, obligations or responsibilities as Monitor from and after the CCAA Termination Time.

11. **THIS COURT ORDERS** that effective as of the date of this Order, in addition to the protections in favour of the Monitor in any Order of this Court in these CCAA proceedings or the CCAA, EY, Blake, Cassels & Graydon LLP ("**Blakes**"), in its capacity as counsel to the Monitor, and each of their respective affiliates and officers, directors, partners, employees and agents (collectively, the "**Released Parties**") are hereby released and discharged from any and all claims that any person may have or be entitled to assert against the Released Parties, whether known or unknown, matured or unmatured, foreseen or unforeseen, existing or hereafter arising, based in whole or in part on any act or omission, transaction, dealing or other occurrence existing or taking place on or prior to the date of this Order in any way relating to, arising out of or in respect of the within CCAA proceedings or with respect to their respective conduct in the within CCAA proceedings (collectively, the "**Released Claims**"), and any such Released Claims are hereby released, stayed, extinguished and forever barred and the Released Parties shall have no liability in respect thereof, provided that the Released Claims shall not include any claim or liability arising out of any gross negligence or willful misconduct on the part of the Released Parties.

12. **THIS COURT ORDERS** that effective as of the CCAA Termination Time, in addition to the protections in favour of the Monitor in any Order of this Court in these CCAA proceedings or the CCAA, the Released Parties are hereby released and discharged from any and all claims that any person may have or be entitled to assert against the Released Parties, whether known or unknown, matured or unmatured, foreseen or unforeseen, existing or hereafter arising, based in whole or in part on any act or omission, transaction, dealing or other occurrence existing or taking place following the date of this Order in any way relating to, arising out of or in respect of the within CCAA proceedings or with respect to their respective conduct in the within CCAA proceedings (collectively, the "**Subsequent Released Claims**"), and any such Subsequent

Released Claims are hereby released, stayed, extinguished and forever barred and the Released Parties shall have no liability in respect thereof, provided that the Subsequent Released Claims shall not include any claim or liability arising out of any gross negligence or willful misconduct on the part of the Released Parties.

13. **THIS COURT ORDERS** that in the event that any person objects to the release and discharge of the Subsequent Released Claims pursuant to paragraph 12 hereof, that person must send a written notice of objection and the grounds therefor to the Monitor at the address set out on the Service List such that the objection is received by the Monitor prior to the proposed CCAA Termination Time. If no objection is received by the Monitor prior to the proposed CCAA Termination Time, the release and discharge of Subsequent Released Claims pursuant to paragraph 12 hereof shall be automatically deemed effective upon the CCAA Termination Time up to and including the CCAA Termination Time, without further Order of the Court.

14. **THIS COURT ORDERS** that if an objection to the release of the Subsequent Released Claims pursuant to paragraph 12 hereof is received by the Monitor in accordance with paragraph 13 hereof, the release and discharge of the Subsequent Released Claims pursuant to paragraph 12 hereof shall only become effective if the objection is resolved or upon further Order of the Court. For greater certainty, no objection received in accordance with paragraph 13 hereof shall affect the release and discharge of the Released Claims pursuant to paragraph 11 hereof, which shall be effective as of the date of this Order.

15. **THIS COURT ORDERS** that no action or other proceeding shall be commenced against any of the Released Parties in any way arising from or related to the within CCAA proceedings, except with prior leave of this Court on at least seven days' prior written notice to the applicable

Released Party, and provided that any such Order granting leave includes a term granting the applicable Released Party security for its costs and the costs of its counsel in connection with any proposed action or proceeding, such security to be on terms this Court deems just and appropriate.

16. **THIS COURT ORDERS** that, notwithstanding any provision of this Order and the termination of the within CCAA proceedings, nothing herein shall affect, vary, derogate from, limit or amend, and the Monitor shall continue to have the benefit of, any of the protections in favour of the Monitor at law or pursuant to the CCAA or any Order of this Court in the within CCAA proceedings or otherwise.

APPROVAL OF ACTIVITIES, FEES AND DISBURSEMENTS

17. **THIS COURT ORDERS** that the Twenty-Eighth Report and the activities, actions, and conduct of the Monitor set out therein are hereby ratified and approved, provided, however, that only the Monitor, in its personal capacity and only with respect to its own personal liability, shall be entitled to rely upon or utilize in any way such approval.

18. **THIS COURT ORDERS** that the fees and disbursements of EY, in its capacity as Court-appointed Monitor, and the fees and disbursements of Blakes, for the periods set out in the Chow Affidavit and the Denega Affidavit, are hereby approved.

19. **THIS COURT ORDERS** that the Monitor, Blakes and Rueters LLP are, from time to time, authorized to be paid all legal fees, disbursements, and administrative fees incurred or to be incurred from the Cost Reserve, until the Re-Distribution has been completed, the CCAA proceedings have terminated and the Monitor has been discharged, without further Order of the Court.

GENERAL

20. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States, or in any other 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.

Schedule A – Form of Monitor's Completion Certificate

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ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

B E T W E E N:

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Applicant

MONITOR'S COMPLETION CERTIFICATE

RECITALS

A. Pursuant to an Order of the Honourable Mr. Justice Wilton-Siegel of the Ontario Superior Court of Justice (the "**Court**"), on December 2, 2008, Ernst & Young Inc. was appointed as the monitor (the "**Monitor**") of the Applicant. The proceedings commenced by the Applicant under the CCAA will be referred to herein as the "**CCAA Proceedings**".

B. The CCAA Proceedings have been completed in accordance with the Orders of this Court and under the supervision of the Monitor.

C. Pursuant to the Order of this Court dated February 3, 2020 (the "**CCAA Termination Order**"), the Monitor shall be discharged and the CCAA Proceedings shall be terminated upon the filing of this Monitor's Completion Certificate with the Court.

D. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the CCAA Termination Order.

THE MONITOR CERTIFIES the following:

1. To the best of the Monitor's knowledge and belief, all matters to be attended to in connection with the CCAA Proceedings have been completed.

ACCORDINGLY, the CCAA Termination Time as defined in the CCAA Termination Order has occurred.

DATED at Toronto, Ontario this ______ day of ______________, _______.

Ernst & Young Inc., in its capacity as Monitor of the Applicant, and not in its personal capacity

Per: ____________________________________

Name:

Title:

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ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding commenced at Toronto

ORDER
(Distribution and Termination)

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