

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

THE HONOURABLE) FRIDAY, THE 25TH DAY
MR. JUSTICE PATTILLO) OF MAY, 2012

IN THE MATTER OF THE RECEIVERSHIP OF 2110458 ONTARIO
LIMITED o/a LORETTA FLOUR, 2131413 ONTARIO LIMITED o/a
LORETTA FOODS, 787755 ONTARIO LIMITED o/a NEW DURHAM
TRADING, and o/a NDT FOOD SERVICE and o/a SKYWAY
WHOLESALE and TARBRAC HOLDINGS INC.



THE MATTER OF SECTION 243(1) OF THE *BANKRUPTCY AND
INSOLVENCY ACT*, R.S.C. 1985, c. B-3, as amended, and SECTION 101 OF THE
COURTS OF JUSTICE ACT, R.S.O. 1990, c. C. 43, as amended

DISCHARGE ORDER

THIS MOTION, made by Ernst & Young Inc., (“EYI”) in its capacity as receiver and receiver and manager (in such capacities, the “**Receiver**”) without security, of all of the assets, undertakings and properties of 2110458 Ontario Limited o/a Loretta Flour (“**211**”), 2131413 Ontario Limited o/a Loretta Foods (“**213**”), 787755 Ontario Limited o/a New Durham Trading, NDT Food Service and Skyway Wholesale (“**787**”) and Tarbrac Holdings Inc. (“**Tarbrac**”, and, together with 211, 213 and 787, the “**Debtors**”) was heard this day at 330 University Ave, Toronto, Ontario.

ON READING the Notice of Motion dated 18 May 2012, the Motion Record, the Fifth Report of the Receiver dated 18 May 2012 (the “**Fifth Report**”), the Affidavit of Mike P. Dean sworn 18 May 2012, the Affidavit of Roger Jaipargas sworn 18 May 2012, the Affidavit of Mark Lieberman sworn 3 February 2012 and the Affidavit of Tricia A. Sherick sworn 28 February 2012 (collectively, the “**Fee Affidavits**”), filed, and on hearing the submissions of counsel for

the Receiver and such other counsel as were present, and on reading the Affidavit of Service of Mary Arzoumanidis, sworn on 22 May 2012, filed;

1. **THIS COURT ORDERS** that the time for service and filing of the Notice of Motion and the Motion Record in respect hereof be and is hereby abridged and validated so that the motion is properly returnable today and that further service on any interested party is hereby dispensed with.

2. **THIS COURT ORDERS** that the Fifth Report and the activities of the Receiver, as set out in the Fifth Report, are hereby approved.

3. **THIS COURT ORDERS** that the fees and disbursements of the Receiver and its counsel, as set out in the Fifth Report and the Fee Affidavits, are hereby approved.

4. **THIS COURT ORDERS** that the Receiver's Statement of Receipts and Disbursements, as set out in the Fifth Report, is hereby approved.

5. **THIS COURT ORDERS** that, after the payment of the fees and disbursements herein approved, the Receiver shall pay any monies, including all further monies received in relation to the Debtors and the Debtors' property, assets and undertaking, to Bank of Montreal ("**BMO**") on account of the Receiver's borrowings from BMO pursuant to the Order of The Honourable Mr. Justice Wilton-Siegel dated 26 November 2010 until those borrowings are paid in full.

6. **THIS COURT ORDERS** that pursuant to the Orders of The Honourable Mr. Justice Morawetz dated 10 February 2011 and 7 November 2011, BMO and Signature Bank ("**Signature**"), and their respective legal and financial advisors, shall continue to have access to, and the Receiver shall permit BMO and Signature, and their respective legal and financial advisors to make, retain and take away copies of, the books, records, documents and other information of the Debtors' in the possession or control of the Receiver (the "**Books and Records**") until the expiry of the Retention Period (as defined below), provided that BMO and Signature shall pay the fees and disbursements incurred by the Receiver in connection with fulfilling its obligations under paragraph 6 of this Order.

7. **THIS COURT ORDERS** that, for the duration of the Retention Period (as defined below), the Receiver is hereby authorized to grant access to U.S. authorities including the United

States Attorney's Office for the Eastern District of New York and Canadian authorities including the Royal Canadian Mounted Police, and their respective legal advisors to the Books and Records, and to permit them to make, retain and take away copies of the Books and Records provided that such access is in respect of possible investigation or litigation of the affairs of the Debtors, provided that U.S. authorities including the United States Attorney's Office for the Eastern District of New York and Canadian authorities including the Royal Canadian Mounted Police shall pay the fees and disbursements incurred by the Receiver in connection with fulfilling its obligations under paragraph 7 of this Order.

8. **THIS COURT ORDERS** that upon payment of the amounts set out herein, and upon the Receiver filing a Discharge Certificate substantially in the form attached hereto as "Schedule A" certifying that it has completed the other activities described in the Fifth Report, EYI shall be discharged as Receiver of the undertaking, property and assets of the Debtors, provided however that notwithstanding its discharge herein,

- (a) the Receiver shall retain the Books and Records as Receiver for the purposes of paragraphs 6 and 7 of this Order for a period of four years after the date of this Order (the "**Retention Period**");
- (b) the Receiver shall remain Receiver for the performance of such incidental duties as may be required to complete the administration of the receivership herein; and
- (c) the Receiver shall continue to have the benefit of the provisions of all Orders made in this proceeding, including all approvals, protections and stays of proceedings in favour of EYI in its capacity as Receiver.

9. **THIS COURT ORDERS** that upon the expiry of the Retention Period, the Receiver is hereby authorized to destroy and/or dispose of the Books and Records.

10. **THIS COURT ORDERS AND DECLARES** that EYI is hereby released and discharged from any and all liability that EYI now has or may have hereafter have by reason of, or in any way arising out of, the acts or omissions of EYI while acting in its capacity as Receiver herein, save and except for any gross negligence or wilful misconduct on the Receiver's part. Without limiting the generality of the foregoing, EYI is hereby forever released and discharged

SCHEDULE "A"

Form of Discharge Certificate

Court File No. CV-10-8991-00CL

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LORETTA FOODS, 787755 ONTARIO LIMITED o/a NEW DURHAM
TRADING, and o/a NDT FOOD SERVICE and o/a SKYWAY
WHOLESALE and TARBRAC HOLDINGS INC.**

**IN THE MATTER OF SECTION 243(1) OF THE *BANKRUPTCY AND
INSOLVENCY ACT*, R.S.C. 1985, c. B-3, as amended, and SECTION 101 OF THE
COURTS OF JUSTICE ACT, R.S.O. 1990, c. C. 43, as amended**

DISCHARGE CERTIFICATE

WHEREAS pursuant to the Order dated • 2012, the Ontario Superior Court of Justice ordered, among other things, that Ernst & Young Inc. ("EYI") would be discharged as receiver, and receiver and manager ("**Receiver**") of 2110458 Ontario Limited o/a Loretta Flour ("**211**"), 2131413 Ontario Limited o/a Loretta Foods ("**213**"), 787755 Ontario Limited o/a New Durham Trading, NDT Food Service and Skyway Wholesale ("**787**") and Tarbrac Holdings Inc. ("**Tarbrac**", and, together with 211, 213 and 787, the "**Debtors**") upon the filing of a Certificate by EYI certifying that it had completed the activities described in the Fifth Report of the Receiver dated 18 May 2012.

ERNST & YOUNG INC., in its capacity as Receiver of the Debtors, certifies that it has completed the activities described in the Fifth Report of the Receiver dated • 2012.

DATED at Toronto this ____ day of _____, 20____.

ERNST & YOUNG INC., in its capacity as Receiver of 2110458 Ontario Limited o/a Loretta Flour, 2131413 Ontario Limited o/a Loretta Foods, 787755 Ontario Limited o/a New Durham Trading and o/a NDT Food Service and o/a Skyway Wholesale and Tarbrac Holdings Inc. and not in its personal or corporate capacity.

Per: _____

IN THE MATTER OF THE RECEIVERSHIP OF 2110458 ONTARIO LIMITED o/a LORETTA FLOUR, 2131413 ONTARIO LIMITED o/a LORETTA FOODS, 787755 ONTARIO LIMITED o/a NEW DURHAM TRADING, and o/a NDT FOOD SERVICE and o/a SKYWAY WHOLESALE and TARBRAC HOLDINGS INC.

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PROCEEDINGS COMMENCED AT TORONTO

DISCHARGE CERTIFICATE

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2131413 Ontario Limited o/a Loretta Foods, 787755
Ontario Limited o/a New Durham Trading, and o/a NDT
Food Service and o/a Skyway Wholesale
and Tarbrac Holdings Inc.

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DISCHARGE ORDER

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