



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

**THE HONOURABLE MR.
JUSTICE NEWBOULD**

) **MONDAY, THE 16TH**
)
) **DAY OF MAY, 2011**

**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.**

**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**

**VESTING ORDER
(re Spice Intellectual Property)**

THIS MOTION, made by Ernst & Young, Inc., in its capacity as the Court-appointed receiver (the "**Receiver**") of the undertaking, property and assets 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. (collectively, the "**Debtors**") for an order vesting in Poppa Corn Corp. (the "**Purchaser**") the Debtors' right, title and interest in and to the assets (the "**Purchased Assets**") described in the bill of sale (the "**Sale Agreement**") between the Receiver and the Purchaser dated April 15, 2011 and appended to the Third Report of the Receiver dated May 9, 2011 (the "**Third Report**"), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Notice of Motion, the Motion Record and the Third Report and on hearing the submissions of counsel for the Receiver, and such other counsel as were present, no one appearing for any other person on the service list, although properly served as appears from the Affidavit of Service of Miriam Sinclair, sworn May 10, 2011, filed:

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Motion Record is and is hereby abridged such that the motion is returnable today and that further service thereof is hereby dispensed with.

2. **THIS COURT ORDERS AND DECLARES** that all of the Debtors' right, title and interest in and to the Purchased Assets described in the Sale Agreement and listed on Schedule A hereto be and is hereby vested absolutely in the Purchaser, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "**Claims**") including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of the Honourable Justice Wilton-Siegel dated November 26, 2010; and (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system (all of which are collectively referred to as the "**Encumbrances**") and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.

3. **THIS COURT ORDERS** that for the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Assets shall stand in the place and stead of the Purchased Assets, and that from and after the making of this Order all Claims and Encumbrances shall attach to the net proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

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

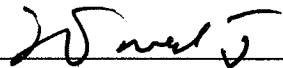
- (a) the pendency of these proceedings;

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

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

5. **THIS COURT ORDERS AND DECLARES** that the transaction effected by the Sale Agreement is exempt from the application of the *Bulk Sales Act* (Ontario).

6. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, governmental, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Receiver and its 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 Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.



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

MAY 16 2011

PER/PAR:



Schedule A – Purchased Assets

<u>Trade-mark</u>	<u>Appl'n No.</u>	<u>Reg. No.</u>
LORETTA Design	1,494,609	
SPORTS NUTS	0,747,638	TMA444,031
LORETTA	0,771,091	TMA455,484
PALM SPICES	0,760,546	TMA447,427
LORETTA	1,246,936	TMA709,143
DONNA	0,767,462	TMA446,295
1ST PRIZE & Design	0,68,817	TMA408,003
JIMMY POP CORN	1,184,301	TMA622,533
AMIGOS & Design	1,140,487	TMA589,918
AMIGOS	1,128,220	TMA586,972
DONNA	0,397,099	TMA223,134
ORIGINAL TREASURES	0,801,587	TMA475,657

Labels

Loretta Plus
Bacon Labels
Panko Labels
Fish Fry Labels
Flax Labels
Motts 75g Label
Motts 200g Label
8.4 oz Labels
Extract Labels
6.5 oz Labels
32 oz Labels
Jug Labels
Loretta Bulk Labels

Labels cont'd

Loretta 16oz Labels
Loretta Grinder Labels
Longos Large Grinder Labels
Longos 16oz Labels
Longos Labels
Geronimo 32 oz Labels
Geronimo Jug Labels
International 32 oz Label
International Jugs Label
Fiormart 32 oz Labels
Fiormart Jug Labels
Clear thermal label 4x1
3 x 4 White Label
2 x 4 White Label
Safety Seals
Small Printing ribbon
Large Printing Ribbon

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PROCEEDINGS COMMENCED AT TORONTO

VESTING ORDER

(re Spice Intellectual Property)

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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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