

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

**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 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**

**MOTION RECORD
(returnable • February 2011)**

BORDEN LADNER GERVAIS LLP

Barristers and Solicitors
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M5H 3Y4

Tel.: 416.367.6000
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**Michael MacNaughton -LSUC No. 25889U
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Harriet Greenwood - LSUC No. 58915H**

Lawyers for 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.

1. Notice of Motion returnable • February 2011
2. First Confidential Report of Ernst & Young Inc., as Receiver dated 4 February 2011
 - A Appendix A Interim Receivership Order dated 10 November 2010
 - B Appendix B Receivership Order dated 26 November 2010
 - C Appendix C Letter from BMO's counsel to Receiver's counsel dated 20 January 2011
 - D Appendix D Letter from Signature's counsel to Receiver's counsel dated 11 January 2011
3. Draft Order

TAB 1

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

**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**

**NOTICE OF MOTION
(returnable • February 2011)**

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”**) will make a motion before a judge presiding over the Commercial List on • February 2011 at 10:00 a.m. or as soon after that time as the motion can be heard, at 330 University Avenue, Toronto, Ontario.

**THE MOTION WILL BE HEARD ORALLY. IT IS REQUESTED THAT THIS
MOTION BE HEARD IN CAMERA.**

THE MOTION IS FOR AN ORDER:

1. dispensing with service such that this Motion is properly returnable on • February 2011;
2. granting leave for this motion to be heard in camera;

3. sealing and treating as confidential the First Confidential Report of the Receiver and all motion materials relating thereto and any Order or endorsement made by the Court in connection therewith;
4. for the relief set out in the Order attached as Tab 3 to this motion; and
5. such further and other relief as counsel may advise and this Honourable Court may permit.

THE GROUNDS FOR THE MOTION ARE:

1. EYI was appointed Interim Receiver of the Debtors by Order of Mr. Justice Campbell dated 10 November, 2010 (the “**Interim Receivership Order**”);
2. EYI was appointed Receiver of the Debtors by Order of Mr. Justice Wilton-Siegel dated 26 November 2010 (the “**Receivership Order**”);
3. both the Interim Receivership Order and the Receivership Order granted EYI investigatory powers with respect to the location and/or disposition of assets reasonably believed to be, or to have been, property of the Debtors;
4. as a result of its preliminary investigations, the Receiver has discovered unusual circumstances surrounding assets represented to be property of the Debtors, which call the existence and/or ownership of the assets into question;
5. the Receiver has received written requests from the Debtor’s two senior secured creditors, BMO and Signature, for access to and copies of books, records, and information of the Debtors’ in possession of the Receiver;
6. the Receivership Order authorizes the Receiver to share information with such affected persons as the receiver deems appropriate subject to such terms as to confidentiality as the receiver deems advisable;
7. the Receiver believes that the fundamental interests of BMO and Signature are in determining against whom they may have causes of action and in tracing funds and property;

8. the Receiver believes that the hearing of this motion in camera and the sealing order are necessary for the protection of the Debtors' estate;
9. section 243 of the *Bankruptcy and Insolvency Act* (Canada);
10. sections 135(2) and 137(2) of the *Courts of Justice Act* (Canada);
11. rules 2.01, 2.03, 3.02, 37 and 37.11(2) of the *Rules of Civil Procedure* (Ontario); and
12. such further and other grounds as counsel may advise and this Honourable Court may permit.

THE FOLLOWING DOCUMENTARY EVIDENCE will be used at the hearing of the motion:

1. the First Confidential Report to the Court of Ernst & Young Inc. as Receiver, dated 4 February 2011;
2. such further and other material as counsel may advise and this Honourable Court may permit.

4 February 2011

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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.

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

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

ONTARIO

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

PROCEEDINGS COMMENCED AT TORONTO

NOTICE OF MOTION
(returnable • February 2011)

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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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TAB 2

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

**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**

**FIRST CONFIDENTIAL REPORT TO THE COURT
OF ERNST & YOUNG INC. AS RECEIVER**

4 February 2011

BACKGROUND

Appointments

1. On 10 November 2010, Bank of Montreal ("BMO") made an application to the Court for an order, and the Court made an order (the "**Interim Receivership Order**"), appointing Ernst & Young Inc. ("EYI") as an interim receiver (the "**Interim Receiver**") pursuant to Section 47(1) of the *Bankruptcy & Insolvency Act* and pursuant to Section 101 of the *Courts of Justice Act* of 2110458 Ontario Limited ("211"), 2131413 Ontario Limited ("213"), 787755 Ontario Limited ("787") and Tarbrac Holdings Inc. ("Tarbrac"). A copy of the issued Interim Receivership Order is attached as Appendix "A" to this Report.

2. On 26 November 2010, Bank of Montreal (“**BMO**”) made an application to the Court for an order, and the Court made an order (the “**Receivership Order**”), appointing EYI as receiver and receiver and manager (the “**Receiver**”) pursuant to Section 243(1) of the *Bankruptcy & Insolvency Act* and pursuant to Section 101 of the *Courts of Justice Act* of the assets, undertakings and properties of 211 o/a Loretta Flour , 213 o/a Loretta Foods, 787 o/a New Durham Trading, and o/a NDT Food Service and o/a Skyway Wholesale and Tarbrac (collectively, the “**Debtors**”). A copy of the issued Receivership Order is attached as Appendix “**B**” to this Report.
3. Both the Interim Receivership Order and the Receivership Order, among other things, authorize and empower the Interim Receiver/Receiver to conduct any examinations deemed necessary and to undertake any investigations deemed necessary with respect to the location and/or disposition of assets reasonably believed to be, or to have been, property of the Debtors.
4. Paragraph 4(n) of the Receivership Order authorizes and empowers the Receiver to report to, meet with and discuss with such affected Persons as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable.

Business of the Debtors

5. 211 operates primarily from leased premises located in Whitby, Ontario. 211 operates under the registered trade name “**Loretta Flour**” and is also known as the “Loretta Flour Division” of the Loretta Group’s operations. 211 produces various types of hard wheat flour from wheat sourced from Ontario and Western Canada.
6. 213 operates from leased premises in Mississauga, Ontario under the registered trade name “**Loretta Foods**” and is also known as the “Loretta Spice Division” of the Loretta Group’s operation. 213 is responsible for sourcing and redistributing spices and food mixes globally, as well as blending and repackaging spices for use in various packs and sizes to satisfy home use and institutional customers.

7. 787 operates from leased premises in Mississauga, Ontario, and is also known as the "Food Service and Catering Division" of the Loretta Group's operations. Operating under the registered trade name "NDT Food Service", 787 is responsible for the daily production of food items for sale by or in mobile caterers, vending machines, contract caterers and convenience stores. In the recent past, 787 has also engaged in trading bulk sugar, flour, spices and other items, operating under the registered trade names "New Durham Trading" and/or "Skyway Wholesale."

Secured Creditors

8. The primary secured creditors of the Debtors are BMO and Signature Bank, a New York-based financial institution ("Signature").
9. The Receiver understands that BMO is owed approximately US\$17.6 million and C\$50,000 excluding costs and excluding interest accruing from November 4, 2010 (the "BMO Debt"). The Receiver understands that BMO has security upon all of the personal property of the Debtors (including a pledge of the shares of 787) as security for those obligations, and these obligations are cross guaranteed by each of the four Debtors. The BMO Debt arises under two agreements. The first is a term sheet pursuant to which BMO provided four credit facilities to 787, 213 and 211. The second is a discounting facility agreement between 787 and BMO pursuant to which BMO factored certain of 787's accounts receivable. The Receiver has been provided with an opinion by its counsel, Borden Ladner Gervais LLP ("BLG"), that subject to usual qualifications, the security provided by the Debtors to BMO is registered in accordance with the Ontario *Personal Property Security Act* ("OPPSA") against all forms of collateral except consumer goods and is valid and enforceable. The security granted by each of the Debtors to BMO includes charges upon all of the "personal property" Debtors, which includes all of the Debtors books, records, documents and property upon which electronic information is stored.
10. The Receiver understands that 787, 211 and 213 are indebted to Signature in the amount of approximately US\$12.3 million (the "Signature Debt") and that those Debtors have granted security to Signature for that obligation. The Receiver also understands that the

principal of the Loretta Group and Tarbrac have guaranteed those obligations to Signature. The Receiver has been provided by BLG with an opinion that, subject to usual qualifications, the security granted by each of the Debtors to Signature is registered in accordance with the OPPSA against all forms of collateral except consumer goods and is valid and enforceable. The security granted by each of the Debtors to Signature includes charges upon all of the "personal property" of the Debtors, which includes all of the Debtors' books, records, documents and property upon which electronic information is stored.

11. The Receiver understands that there are approximately nine equipment lessors, some of whom may have priority over both BMO and Signature. The Receiver's counsel has not provided the Receiver with opinions in respect of that security.

Sales Process

12. The Receiver is currently implementing a sales process for the Food Service and Catering Division of the Debtors that was authorized by the Receivership Order. The sales process is proceeding in the ordinary course.
13. The Receiver has recently began to implement a marketing and sales process for the Loretta Flour Division and the Loretta Spice Division of the Debtors that was approved by Order of Marrocco J. of the Ontario Superior Court of Justice dated 17 January 2011.

Requests for Information

14. By letter dated 20 January 2011, the Receiver's counsel received a request from BMO's counsel for documentation in the Receiver's possession. Specifically, BMO requested copies of the Debtors' financial records and non-privileged correspondence, electronic and otherwise. A copy of the letter from BMO's counsel is attached as Appendix "C" to this Report.
15. By letter dated 11 January 2011, the Receiver's counsel received a request from Signature's counsel for documentation, electronic materials and information in the Receiver's possession and control. Specifically, Signature requested details regarding the

Debtors' financial records, the tracing of funds and unusual transactions, and information relating to investigations of the Debtor companies and their principals. A copy of the letter from Signature's counsel is attached as Appendix "D" to this Report.

16. As noted, the security granted by the Debtors to each of BMO and Signature extends to the books, records and information to which BMO and Signature have requested access.

PURPOSE

17. This is the first confidential report of the Receiver. The purpose of this First Confidential Report is to:
 - (a) report to the Court concerning the requests received from BMO and Signature;
 - (b) report to the Court on unusual circumstances relating to the Debtors; and,
 - (c) support the making of an Order by the Court authorizing and directing the Receiver to comply with the requests made by BMO and Signature on terms as to confidentiality that will safeguard the rights and interests of BMO, Signature and the Receiver.

TERMS OF REFERENCE

18. In developing this Report, the Receiver has relied upon the books and records of the Debtors, including images of the electronic information contained on the Debtors' computers and servers, and other information from various sources. The Receiver has not audited, reviewed or otherwise verified such information. Nor, for the reasons set out in this Report has the Receiver reviewed all of the information and documents in its possession or under its control.

PRELIMINARY INVESTIGATIVE PROCEDURES

19. The Interim Receivership Order contained powers of examination, and the Receivership Order contained powers of examination and investigation broader than those set out in the model orders.

20. As part of its preliminary review, the Receiver reviewed the Debtors' books and records, and imaged electronic information contained on the Debtors' computers and servers. Much of the information detailed below was obtained by the Receiver in its preliminary investigations. Some information was obtained from BMO, especially that information related to the factored accounts receivable.

ASSET EXISTENCE, OWNERSHIP AND/OR REALIZATION ISSUES

21. As a result of its preliminary investigations and inquiries, the Receiver has noted the following unusual circumstances surrounding assets represented to be property of the Debtors:

- (a) As reported in the First Report of the Interim Receiver to the Court, the Interim Receiver was unable to obtain access to the accounting system of the Debtors until November 18, 2010;
- (b) At or about the time of the appointment of the Interim Receiver, a principal of the Debtors advised the Interim Receiver that the inventory and accounts receivable balances (book value) recorded on the Debtors' most recent unaudited internal financial statements was overstated by approximately \$43 million (as against a stated book value of approximately \$58 million);
- (c) Certain inventory that was apparently represented to BMO to be property of the Debtors, and that was recorded on the Debtors' most recent unaudited internal financial statements at a book value of more than \$10 million, either never existed, was never property of the Debtors, or is unaccounted for;
- (d) There is some evidence of unusual and large transfers of money (millions of dollars) to third parties, including the wiring of money to US bank accounts, for which the Receiver has no explanation;
- (e) The Debtors conducted business with a group of companies in the US. While the relationship between the Debtors and the US entities is unclear, the Receiver has documents and information that appear to indicate that:

- (i) sales by the Debtors to the US entities were below the Debtors' cost;
 - (ii) some of the Debtors' inventory that is unaccounted for may have been located, or reported to have been located, on premises owned or leased by the US entities;
 - (iii) some of the large unexplained transfers appear to have been to persons or places related to or near the US entities or their principals;
 - (iv) there are records of communications between the principals of the Debtors and senior officers of the US entities that may indicate an arrangement that was designed to, and had the effect of, transferring significant amounts from the Debtors to others for no benefit to the Debtors;
- (f) The Receiver has communicated or attempted communications with account debtors or apparent account debtors in respect of outstanding factored accounts receivable (in the aggregate amount of approximately U.S. \$16.5 million). As of the date of this Report, the Receiver has received the following responses: Either
- (i) the account debtors have denied any knowledge of or dealings with the Debtors and alleged that documentation related to the account debts was fabricated;
 - (ii) the account debtors do not exist; or
 - (iii) no response has been received.

CURRENT STATUS

22. Based on the above, and on the responses received to date in the Receiver's sale initiatives, the realizations by the Receiver from the Debtors' will be substantially less than the BMO debt. The receivership is being funded by BMO through receiver's certificates. While certain of the businesses continue to operate in order to provide the prospect of going concern sales, they are cash flow negative, even before professional fees.

23. The principals of the Debtors have been unable to explain to the satisfaction of the Receiver how the assets of the Debtors dissipated to the extent described above, or the disposition of approximately \$30 million advanced to the Debtors by their secured creditors.
24. The Receiver believes that the Debtors and those through whom and with whom they were dealing are not likely aware that the Receiver has imaged the computers and has this information.
25. In the course of discussions about assets and realizations and the whereabouts of assets and the collectability of accounts receivable, the Receiver has disclosed to BMO and to Signature some information concerning the unusual circumstances of this case. In general terms, except for (i) information related to factored accounts receivable that has been provided to BMO (though more has been provided by BMO to the Receiver) and (ii) details of selected e-mails made available to BMO for illustrative purposes to assist BMO in deciding whether to fund further investigative work by the Receiver, the Receiver has not provided documentation or access to BMO or Signature.
26. Paragraph 4(n) of the Receivership Order permits the Receiver to share information with such affected persons as the receiver deems appropriate subject to such terms as to confidentiality as the receiver deems advisable.
27. Both Signature and BMO, through their counsel, have made written requests for access to and copies of books, records and information in the possession of the Receiver.
28. Public disclosure of these requests or the information requested may fundamentally restrict the ability of BMO and Signature to employ remedies.
29. The Receiver believes that the fundamental interests of BMO and Signature are in determining against whom they may have causes of action and in tracing funds and property. Therefore, it would be appropriate for the Receiver to provide the information requested on a confidential basis.

30. The provision of information to BMO and Signature is permitted by the Receivership Order. BMO and Signature both have proprietary security interests in the records to which they seek access.
31. In these circumstances, the Receiver respectfully recommends that it be authorized and directed to provide copies of documents in its possession as receiver and access to documents in its possession or under its control to BMO and Signature at their own cost and expense (including the fees and expenses incurred by the Receiver as proof of that process), and that the Receiver, acting reasonably, be authorized to request that BMO and/or Signature provide a retainer for the payment of the Receiver's fees and expenses in connection therewith.
32. The Receiver respectfully recommends that such copies and access be provided on terms as to confidentiality that will protect and not prejudice BMO or Signature as a consequence of the making of the Receiver's motion and the filing of this Report.

RELIEF SOUGHT BY THE RECEIVER

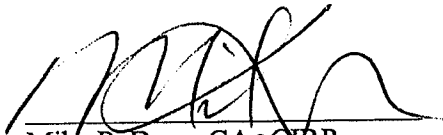
33. The Receiver respectfully requests that this Court grant an Order:
 - (a) authorizing the Receiver to allow BMO, Signature and their respective legal and financial advisors to have access to and make copies of, the records of the Debtors in the possession of the Receiver (the "Information"), at their own expense;
 - (b) providing that BMO and Signature shall not disclose the Information to any person except during the course of litigation;
 - (c) providing that if BMO or Signature obtain an order through the use of any Information, they shall advise the Receiver on a confidential basis;
 - (d) providing that if BMO or Signature commence public proceedings related to the Debtors they shall advise the Receiver and provide the Receiver with a copy of any originating process;

- (e) sealing and treating as confidential the First Confidential Report of the Receiver and all motion materials relating thereto and any Order or endorsement made by the Court in connection therewith; and,
- (f) providing that nothing in the Order affects the right of the Receiver to seek advice and directions from the Court.

All of which is respectfully submitted this 4 February 2011.

ERNST & YOUNG INC.

Acting in its capacity as Receiver and Receiver and Manager 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.



Mike P. Dean, CA•CRP
Senior Vice-President

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.

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

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

ONTARIO

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

PROCEEDINGS COMMENCED AT TORONTO

**FIRST CONFIDENTIAL REPORT TO
THE COURT OF ERNST & YOUNG
INC., AS RECEIVER**

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Receiver of 2110458 Ontario Limited o/a Loretta Flour,
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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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Appendix A

Court File No.: 10-CY-8991-00CL

THE HONOURABLE WJP
JUSTICE CL CAMPBELL

WEDNESDAY, THE 10th
DAY OF NOVEMBER, 2010

ONTARIO
SUPERIOR COURT OF JUSTICE
(Commercial List)

BETWEEN:

BANK OF MONTREAL

Applicant

and

2110458 ONTARIO LIMITED, 2131413 ONTARIO LIMITED,
787755 ONTARIO LIMITED AND TARBRAC HOLDINGS INC.

Respondents

APPLICATION UNDER SUBSECTION 47(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

ORDER

THIS MOTION made by Bank of Montreal for an Order pursuant to section 47.1(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "BIA") and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the "CJA") appointing Ernst & Young Inc. ("E&Y") as interim receiver (in such capacity the "Interim Receiver") without security, of all of the assets, undertakings and properties of 2110458 Ontario Limited ("211"), 2131413 Ontario Limited ("213"), 787755 Ontario Limited ("787") and Tarbrac Holdings Inc. ("Tarbrac", and, together with 211, 213 and 787, the "Debtors") was heard this day at 393 University Avenue, Toronto, Ontario.

ON READING the affidavit of Robert Kiefer, sworn November 10, 2010, and the Exhibits thereto and on hearing the submissions of counsel for Bank of Montreal, counsel for E&Y and counsel for the Debtors, no one else appearing, and on reading the consent of E&Y to act as the Interim Receiver,

SERVICE

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

APPOINTMENT

2. THIS COURT ORDERS that pursuant to section 47.1(1) of the BIA and section 101 of the CJA, E&Y is hereby appointed Interim Receiver, without security, of all of the assets, undertakings and properties of the Debtors acquired for, or used in relation to a business carried on by the Debtors, including any proceeds thereof (the "**Property**").

INTERIM RECEIVER'S POWERS

3. THIS COURT ORDERS that the Interim Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Interim Receiver is hereby expressly empowered and authorized to do any of the following where the Interim Receiver considers it necessary or desirable:

- (a) to receive, preserve, and protect the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;
- (b) to monitor the Debtors' receipts and disbursements, including, without limitation, the right to access all information relating to the Debtors' accounts or finance activities at any financial institution, with any trade creditor or with any other party;
- (c) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to

time and on whatever basis, including on a temporary basis, to assist with the exercise of the Interim Receiver's powers and duties, including, without limitation, those conferred by this Order;

- (d) to undertake environmental or workers' health and safety assessments of the Property and operations of the Debtors;
- (e) to develop a plan in furtherance of marketing any or all of the Property, including obtaining appraisals of all or any part of the Property as the Interim Receiver in its discretion may deem appropriate, advertising and soliciting offers in respect of the Property or any part or parts thereof, undertaking discussions and negotiations with parties known to have expressed an interest in any or all of the Property, and developing such terms and conditions of sale as the Interim Receiver in its discretion may deem appropriate;
- (f) to report to, meet with and discuss with such affected Persons (as defined below) as the Interim Receiver deems appropriate on all matters relating to the Property and the interim receivership, and to share information, subject to such terms as to confidentiality as the Interim Receiver deems advisable;
- (g) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (h) to exercise any shareholder, partnership, joint venture or other rights which the Debtors may have;
- (i) to conduct any examinations under oath deemed necessary, including, without limitation, examinations of Guiseppe Gatti, Peter Nelipa, ~~Taregh Bracken~~ or any other director, officer or employee of the Debtors; 
- (j) to undertake any investigations deemed necessary by the Interim Receiver with respect to the location and/or disposition of assets reasonably believed to be, or to have been, property of the Debtors; and

- (k) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations.

and in each case where the Interim Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined below), including the Debtors, and without interference from any other Person.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE INTERIM RECEIVER

4. THIS COURT ORDERS that (i) the Debtors, (ii) all of their current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on their instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being "**Persons**" and each being a "**Person**") shall forthwith advise the Interim Receiver of the existence of any Property in such Person's possession or control, and shall grant immediate and continued access to the Property to the Interim Receiver.

5. THIS COURT ORDERS that all Persons shall forthwith advise the Interim Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtors, any transfer of Property outside of the ordinary course of business or obligation incurred by the Debtors outside of the ordinary course of business, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "**Records**") in that Person's possession or control, and shall provide to the Interim Receiver or permit the Interim Receiver to make, retain and take away copies thereof and grant to the Interim Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 5 or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Interim Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

6. THIS COURT ORDERS that if any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Interim Receiver for the purpose of allowing the Interim Receiver to

recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Interim Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Interim Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Interim Receiver with all such assistance in gaining immediate access to the information in the Records as the Interim Receiver may in its discretion require including providing the Interim Receiver with instructions on the use of any computer or other system and providing the Interim Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

NO PROCEEDINGS AGAINST THE INTERIM RECEIVER

7. THIS COURT ORDERS that no proceeding or enforcement process in any court or tribunal (each, a "**Proceeding**"), shall be commenced or continued against the Interim Receiver except with the written consent of the Interim Receiver or with leave of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

8. THIS COURT ORDERS that all rights and remedies against the Debtors, the Interim Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Interim Receiver or leave of this Court, provided, however, that this stay and suspension does not apply in respect of any "eligible financial contract" as defined in the BIA, and further provided that nothing in this paragraph shall (i) empower the Debtors to carry on any business which the Debtors are not lawfully entitled to carry on, (ii) exempt the Interim Receiver or the Debtors 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 THE INTERIM RECEIVER

9. THIS COURT ORDERS that 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 Debtors, without leave of this Court.

CONTINUATION OF SERVICES

10. THIS COURT ORDERS that all Persons having oral or written agreements with the Debtors 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 Debtors are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services. The Debtors shall be entitled to the continued use of the Debtors' current 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 Debtors in accordance with normal payment practices of the Debtors or such other practices as may be agreed upon by the supplier or service provider and the Debtors, or as may be ordered by this Court.

EMPLOYEES

11. THIS COURT ORDERS that all employees of the Debtors shall remain the employees of the Debtors until such time as the Debtors may terminate the employment of such employees. The Interim Receiver shall not be liable for any employee-related liabilities, including any successor employer liabilities as provided for in section 14.06(1.2) of the BIA, other than such amounts as the Interim Receiver may specifically agree in writing to pay, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*.

LIMITATION ON ENVIRONMENTAL LIABILITIES

12. THIS COURT ORDERS that nothing herein contained shall require the Interim Receiver to occupy or to take control, care, charge, possession or management (separately and/or collectively, "**Possession**") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, or the *Ontario Occupational Health and Safety Act* and regulations thereunder (the "**Environmental Legislation**"), provided, however, that nothing herein shall

exempt the Interim Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Interim Receiver shall not, as a result of this Order or anything done in pursuance of the Interim Receiver's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

LIMITATION ON THE INTERIM RECEIVER'S LIABILITY

13. THIS COURT ORDERS that the Interim Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*. Nothing in this Order shall derogate from the protections afforded the Interim Receiver by section 14.06 of the BIA or by any other applicable legislation.

INTERIM RECEIVER'S ACCOUNTS

14. THIS COURT ORDERS that the Interim Receiver and counsel to the Interim Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, and that the Interim Receiver and counsel to the Interim Receiver shall be entitled to and are hereby granted a charge (the "**Interim Receiver's Charge**") on the Property, as security for such fees and disbursements, both before and after the making of this Order in respect of these proceedings, and that the Interim Receiver's Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

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

GENERAL

16. THIS COURT ORDERS that the Interim Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

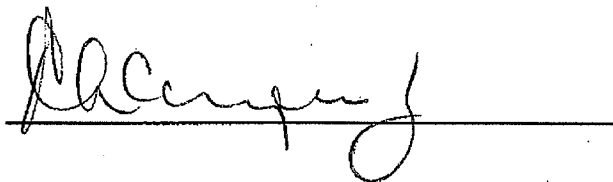
17. THIS COURT ORDERS that nothing in this Order shall prevent the Interim Receiver from acting as a trustee in bankruptcy of the Debtors.

18. 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 to give effect to this Order and to assist the Interim 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 Interim Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Interim Receiver and its agents in carrying out the terms of this Order.

19. THIS COURT ORDERS that the Interim Receiver 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, and that the Interim Receiver 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.

20. THIS COURT ORDERS that the Applicant shall have its costs of this Motion, up to and including entry and service of this Order, provided for by the terms of the Respondents' security or, if not so provided by the Respondents' security, then on a substantial indemnity basis to be paid by the Interim Receiver from the Debtors' estate with such priority and at such time as this Court may determine.

21. THIS COURT ORDERS that ^{four}any interested party may apply to this Court to vary or amend this Order on not less than ^{four}seven (7) days' notice to the Interim Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.



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LE / DANS LE REGISTRE NO.:

NOV 10 2010

PER / PAR:



BANK OF MONTREAL

- and -

**2110458 ONTARIO LIMITED, 2131413 ONTARIO LIMITED,
787755 ONTARIO LIMITED AND TARBRAC HOLDINGS INC.**

Applicant

Respondents

Court File No. CV-10-8991-000

**ONTARIO
SUPERIOR COURT OF JUSTICE
(Commercial List)
Proceedings commenced at Toronto**

INTERIM RECEIVERSHIP ORDER

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Lawyers for the Applicant

Appendix B

THE HONOURABLE MR.)
JUSTICE H.J. WILTON-SIDGOLD)

FRIDAY, THE 26th *Ans*

DAY OF NOVEMBER, 2010

ONTARIO
SUPERIOR COURT OF JUSTICE
(Commercial List)

BETWEEN:

BANK OF MONTREAL

Applicant

and

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 WHOLESAL
AND TARBRAC HOLDINGS INC.

Respondents

ORDER

THIS MOTION made by the Applicant for an Order pursuant to subsection 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "**BIA**"), and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the "**CJA**") appointing Ernst & Young Inc. ("**E&Y**") 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 393 University Avenue, Toronto, Ontario.

ON READING the affidavit of Robert Kiefer, sworn November 10, 2010, and the Exhibits thereto, and the first report of E&Y, dated November 25, 2010 (the "**First Report**"), prepared in

its capacity as interim receiver of the Debtors (in such capacity, the "**Interim Receiver**"), and on hearing the submissions of counsel for Bank of Montreal, ~~counsel for Signature Bank, both secured creditors of the Debtors,~~ ^{#15} counsel for the Interim Receiver and proposed Receiver and counsel for the Debtors, no one else appearing although duly served as appears from the affidavit of service of Stella Kostopoulos sworn November 25, 2010, and on reading the consent of E&Y to act as the Receiver,

SERVICE

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

TITLE OF PROCEEDINGS

2. THIS COURT ORDERS that the title of the within proceedings is hereby amended to such that the Respondents shall be hereafter identified as "**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.**".

APPOINTMENT

3. THIS COURT ORDERS that pursuant to section 243(1) of the BIA and section 101 of the CJA, E&Y is hereby appointed Receiver, without security, of all of the assets, undertakings and properties of the Debtors acquired for, or used in relation to a business carried on by the Debtors, including all proceeds thereof (the "**Property**").

RECEIVER'S POWERS

4. THIS COURT ORDERS that the Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality

of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:

- (a) to take possession of, and exercise control over, the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
- (b) to receive, preserve, and protect of the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;
- (c) to manage, operate, and carry on the business of the Debtors, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the Debtors;
- (d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;
- (e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtors or any part or parts thereof;

- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtors and to exercise all remedies of the Debtors in collecting such monies, including, without limitation, to enforce any security held by the Debtors;
- (g) to settle, extend or compromise any indebtedness owing to the Debtors;
- (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtors, for any purpose pursuant to this Order;
- (i) to undertake environmental or workers' health and safety assessments of the Property and operations of the Debtors;
- (j) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Debtors, the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;
- (k) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;
- (l) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business,

- (i) without the approval of this Court in respect of any transaction not exceeding \$250,000, provided that the aggregate consideration for all such transactions does not exceed \$1,000,000; and
- (ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;

and in each such case notice under subsection 63(4) of the Ontario *Personal Property Security Act* shall not be required, and in each case the Ontario *Bulk Sales Act* shall not apply.

- (m) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;
- (n) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;
- (o) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (p) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtors;

- (q) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtors, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtors;
- (r) to exercise any shareholder, partnership, joint venture or other rights which the Debtors may have;
- (s) to conduct examinations of any Person as the Receiver considers necessary or appropriate, including, without limitation, examinations of Guiseppe Gatti, Peter Nelipa, Taragh Bracken, Terry Mak, Michael Falcone or any other current or former director, officer, employee or independent contractor of the Debtors;
- (t) to undertake any investigations deemed necessary by the Receiver with respect to the location and/or disposition of assets reasonably believed to be, or to have been, property of the Debtors, including, without limitation, investigating the transactions entered into between one or more of the Debtors and North Dakota Holdings Ltd. ("NDHL"); and
- (u) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations.

and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined below), including the Debtors, and without interference from any other Person.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

5. THIS COURT ORDERS that (i) the Debtors, (ii) all of their current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons

acting on their instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being "**Persons**" and each being a "**Person**") shall forthwith advise the Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property to the Receiver upon the Receiver's request.

6. THIS COURT ORDERS that NDHL, its current and former directors, officers, employees and independent contractors shall provide such access to books records and documents, information, documents and assistance to the Receiver as the Receiver may request in connection with the dealings between NDHL and any of the Debtors and in connection with the business and affairs of NDHL as they relate to the business and affairs of the Debtors.

7. THIS COURT ORDERS that all Persons, including, without limitation, the current and former officers, directors and employees of any of the Debtors and NDHL shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtors, any transfer of Property outside of the ordinary course of business or obligation incurred by the Debtors outside of the ordinary course of business, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "**Records**") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 5 or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver

due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

8. THIS COURT ORDERS that if any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

9. THIS COURT ORDERS any and all Persons shall render any necessary assistance to the Receiver to locate, decode, access, and decrypt the Records and any and all information or electronic data to which the Receiver may not have ready and immediate access, including the provisions of all keys, information codes, passwords, pass phrases, or any other such information or knowledge necessary to achieve access thereto, and for the purpose of accessing electronic mail or other data operated or maintained by, or accessible to, the Debtors which may contain any of the Records, including, but not limited to, any electronic mail or other data stored on or pertaining to any email addresses used by the Debtors or their directors, officers and employees.

10. THIS COURT ORDERS that no Person shall destroy or alter any books, records, documents, information, material or Records related to or touching upon the Property, the Debtors, NDHL, or the business, affairs or dealings of the Debtors or NDHL.

11. THIS COURT ORDERS that, notwithstanding the generality of paragraphs 5 to 10 hereof, upon the Receiver's request:

- (a) NDHL shall provide copies of all Records in its possession relating to any transactions with one or more of the Debtors;
- (b) any financial institution which holds or has held accounts for one or more of the Debtors shall confirm the existence of such account(s) and shall provide copies of all statements relating to such account(s); and
- (c) Bell Sympatico, or any other provider of information technology services to the Debtors shall provide copies of any information related to the business of the Debtors requested by the Receiver.

NO PROCEEDINGS AGAINST THE RECEIVER

12. THIS COURT ORDERS that no proceeding or enforcement process in any court or tribunal (each, a "**Proceeding**"), shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Court.

NO PROCEEDINGS AGAINST THE DEBTORS OR THE PROPERTY

13. THIS COURT ORDERS that no Proceeding against or in respect of the Debtors or the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of the Debtors or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

14. THIS COURT ORDERS that all rights and remedies against the Debtors, the Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that this stay and suspension does not apply in respect of any "**eligible financial contract**" as defined in the BIA, and further provided that nothing in this paragraph shall (i) empower the Receiver or the Debtors to carry on any business which the Debtors are not lawfully entitled to carry on, (ii) exempt the Receiver or the Debtors 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 THE RECEIVER

15. THIS COURT ORDERS that 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 Debtors, without written consent of the Receiver or leave of this Court.

CONTINUATION OF SERVICES

16. THIS COURT ORDERS that all Persons having oral or written agreements with the Debtors 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 Debtors 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 Receiver, and that the Receiver shall be entitled to the continued use of the Debtors' current 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 Receiver in accordance with normal payment practices of the Debtors or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

RECEIVER TO HOLD FUNDS

17. THIS COURT ORDERS that all funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including without limitation the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "**Post Receivership Accounts**") and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further Order of this Court.

EMPLOYEES

18. THIS COURT ORDERS that all employees of the Debtors shall remain the employees of the Debtors until such time as the Receiver, on the Debtors' behalf, may terminate the employment of such employees. The Receiver shall not be liable for any employee-related liabilities, including any successor employer liabilities as provided for in section 14.06(1.2) of the BIA, other than such amounts as the Receiver may specifically agree in writing to pay, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*.

PIPEDA

19. THIS COURT ORDERS that, pursuant to clause 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act*, the Receiver shall disclose personal

information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a "**Sale**"). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Debtors, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

LIMITATION ON ENVIRONMENTAL LIABILITIES

20. THIS COURT ORDERS that nothing herein contained shall require the Receiver to occupy or to take control, care, charge, possession or management (separately and/or collectively, "**Possession**") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, or the *Ontario Occupational Health and Safety Act* and regulations thereunder (the "**Environmental Legislation**"), provided however that nothing herein shall exempt the Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Receiver shall not, as a result of this Order or anything done in pursuance of the Receiver's duties and powers under this Order, be deemed to be in

Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

LIMITATION ON THE RECEIVER'S LIABILITY

21. THIS COURT ORDERS that the Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*. Nothing in this Order shall derogate from the protections afforded the Receiver by section 14.06 of the BIA or by any other applicable legislation.

RECEIVER'S ACCOUNTS

22. THIS COURT ORDERS that the Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, and that the Receiver and counsel to the Receiver shall be entitled to and are hereby granted a charge (the "**Receiver's Charge**") on the Property, as security for such fees and disbursements, both before and after the making of this Order in respect of these proceedings, and that the Receiver's Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

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

24. THIS COURT ORDERS that prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including legal fees and disbursements, incurred at the normal rates

and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

FUNDING OF THE RECEIVERSHIP

25. THIS COURT ORDERS that the Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$500,000 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "**Receiver's Borrowings Charge**") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

26. THIS COURT ORDERS that neither the Receiver's Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.

27. THIS COURT ORDERS that the Receiver is at liberty and authorized to issue certificates substantially in the form annexed as **Schedule "A"** hereto (the "**Receiver's Certificates**") for any amount borrowed by it pursuant to this Order.

28. THIS COURT ORDERS that the monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver's Certificates

evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.

SALE PROCESS FOR THE "FOOD SERVICE AND CATERING DIVISION"

29. THIS COURT ORDERS that the sale process developed by E&Y, in its capacity as the Interim Receiver, as outlined in the First Report, shall be carried out by the Receiver substantially in accordance with the timeline annexed as **Schedule "B"** hereto, with such changes as the Receiver deems appropriate in its sole discretion, acting reasonably.

GENERAL

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

31. THIS COURT ORDERS that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtors.

32. 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 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.

33. THIS COURT ORDERS that the Receiver 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, and that the Receiver 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.

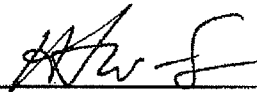
34. THIS COURT ORDERS that the Applicant shall have its costs of this Motion, up to and including entry and service of this Order, provided for by the terms of the Applicant's security or, if not so provided by the Applicant's security, then on a substantial indemnity basis to be paid by the Receiver from the Debtors' estate with such priority and at such time as this Court may determine.

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

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

NOV 26 2010

PER / PAR:



SCHEDULE "A"

RECEIVER'S CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that Ernst & Young Inc., the receiver (the "**Receiver**") of the assets, undertakings and properties 2110458 Ontario Limited o/a Loretta Flour ("**211**"), 2131413 Ontario Limited o/a Loretta Foods ("**213**"), 787755 Ontario Limited o/a New Durham Trading and NDT Food Service ("**787**") and Tarbrac Holdings Inc. ("**Tarbrac**", and, together with 211, 213 and 787, the "**Debtors**") acquired for, or used in relation to a business carried on by the Debtors, including all proceeds thereof (collectively, the "**Property**") appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated the ____ day of November, 2010 (the "**Order**") made in an action having Court file number ____-CL-_____, has received as such Receiver from the holder of this certificate (the "**Lender**") the principal sum of \$_____, being part of the total principal sum of \$_____ which the Receiver is authorized to borrow under and pursuant to the Order.

2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded [daily][monthly not in advance on the ____ day of each month] after the date hereof at a notional rate per annum equal to the rate of ____ per cent above the prime commercial lending rate of Bank of _____ from time to time.

3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.

4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at Toronto, Ontario.

5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver

to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

6. The charge securing this certificate shall operate so as to permit the Receiver to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.

7. The Receiver does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

DATED the _____ day of _____, 20__.

**ERNST & YOUNG INC., solely in its capacity
as Receiver of the Property, and not in its
personal capacity**

Per: _____
Name:
Title:

SCHEDULE "B"

TIMELINE FOR MARKETING AND SALE OF FRESH FOODS AND CATERING DIVISION

November 29 to December 11, 2010	• Prepare brief Confidential Information Memorandum (CIM), including required terms of sale and timeline for submission of purchase offers, and brief Investment Overview e-mail for distribution to prospective purchasers. • Compile list of industry participants that are most likely to be prospective purchasers. • Accumulate available due diligence information and populate electronic data room.
December 14, 2010 to January 7, 2011	• Contact prospective purchasers by phone and e-mail. • Circulate Confidentiality Agreements to interested parties. • Parties executing a Confidentiality Agreement will receive the CIM and access to the electronic data room. • Provide facility tours, as requested.
January 14, 2011	• Deadline for submission of purchaser offers, including required terms of sale.
January 15, 2011 to January 28, 2011	• Analysis and negotiation of purchaser offers. • Selection of successful purchaser. • Application to Court for approval of sale agreement and vesting order. • Closing of sale transaction.

BANK OF MONTREAL

- and -

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 WHOLESAL
AND TARBRAC HOLDINGS INC.
Respondents

Applicant

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

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST
Proceedings commenced at Toronto

RECEIVERSHIP ORDER

AIRD & BERLIS LLP
Barristers and Solicitors
Brookfield Place
Suite 1800, Box 754
181 Bay Street
Toronto, ON M5J 2T9
Tel: 416.863.1500
Fax: 416.863.1515

Steven L. Graff – LSUC No. 31871B
Aaron T. Collins – LSUC No. 55490T

Lawyers for the Applicant

Appendix C

Munaf Mohamed
Direct Line: 403.298.4456
e-mail: mohamedm@bennettjones.com
Our File No.: 13217-118

January 20, 2011

Via E-Mail

Mr. Michael J. MacNaughton
Borden Ladner Gervais LLP
Scotia Plaza
40 King Street West
Toronto, ON M5H 3Y4

Dear Mr. MacNaughton:

Re: Bank of Montreal - Project Loretta

We are counsel to Bank of Montreal ("BMO") and are reviewing the circumstances surrounding the facilities that were put in place for 2110458 Ontario Limited ("211"), 2131413 Ontario Limited ("213") and 787755 Ontario Limited ("787") and Tarbrac Holdings Inc. ("Tarbrac"). We understand that the Receiver of 211, 213, 787 and Tarbrac has taken possession of the records, both electronic and otherwise, of these companies. In order to advise BMO in relation to the circumstances surrounding the facilities as well as to determine whether any impropriety occurred in obtaining the facilities, we would be obliged if the Receiver could provide the following documentation:

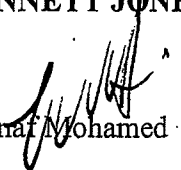
1. financial records including bank statements, deposit slips, cancelled cheques as well as any instruments as revealed in the bank statements whether with Bank of Montreal or other financial institutions;
2. non-privileged correspondence, electronic and otherwise contained in the paper files and the hard drives of 211, 213, 787 and Tarbrac, obviously including all of the employees of each of these companies.

As you know, BMO is the largest secured creditor and, as I understand it from our discussion, the Receiver is of the opinion that there is very little prospect that BMO will be able to realize upon its security and recover the outstanding debt from 211, 213, 787 or Tarbrac. Therefore we specifically ask that the Receiver keep confidential that it is providing this information to BMO. We recognize that the Receiver may also provide it to Signature Bank which has a subordinated interest to BMO.

January 20, 2011
Page Two

Yours,

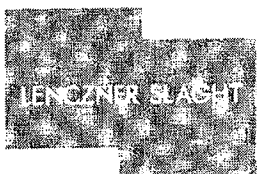
BENNETT JONES LLP


Munaf Mohamed

MM/cm

cc Mr. Steven L. Graff
Aird & Berlis LLP
Via E-Mail

Appendix D



BARRISTERS

Direct Line: (416) 865-2940
Direct Fax: (416) 865-2840
Email: mlerner@litigate.com

January 11, 2011

VIA EMAIL

Michael J. MacNaughton
Borden Ladner Gervais LLP
Scotia Plaza
40 King St. W.
Toronto, ON M5H 3Y4

Dear Mr. MacNaughton:

**Re: Receivership of 2110458 Ontario Limited, 2131413 Ontario Limited
787755 Ontario Limited and Tarbrac Holdings Inc.**

As you are aware, we act for Signature Bank in this matter, along with Grant Thornton who has been retained to assist in an advisory capacity.

In order for us to complete our mandate and advise Signature Bank with respect to next steps, we require certain documentation, electronic materials and information from the receiver which we understand that it has in its possession or control. Our client is entitled to this information pursuant to the loan agreements dated December 31, 2009.

Specifically, in order to avoid duplication of effort, we would be grateful if the receiver could outline what (if any) actions it has taken in respect of each of the following areas:

1. work undertaken by the receiver to examine the cash flows of the companies referenced above. In particular we request details of any tracing of funds and analyses of large or unusual transactions. In the event that this work is not complete, please provide details of the work plan and status. If no such work has been undertaken, we also request detailed banking records for the companies detailed above in order to complete our own analyses.
 - (a) The records that we would require are as follows:
 - (i) monthly bank statements;
 - (ii) copies of deposit slips and cancelled cheques; and
 - (iii) other supporting documentation including applications and other details for wire transfers, drafts etc.
 - (b) We will require all records outlined above for the period July 1, 2009 to January 1, 2011.

Michael J. MacNaughton

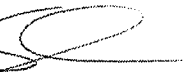
January 11, 2011

- (c) We request that Grant Thornton be provided with both paper and electronic records where available.
 - (d) Since we do not have the necessary information to identify the companies' accounts, please include all accounts that have been identified through the receiver's investigations and other activities.
2. Please outline any investigative steps that have been undertaken in respect of the relevant companies and provide us with copies of any reports and supporting documentation which pertain to this work. We also require details of any steps that have been taken to investigate the background of the various individuals who are involved in the companies concerned, including:
- (a) Mr. Giuseppe Gatti;
 - (b) Ms. Taragh Bracken;
 - (c) Mr. Peter Nelipa;
 - (d) Terri Mak; and
 - (e) any other relevant person who the receiver has investigated
3. We would be grateful if the receiver could provide us with the details of any interviews or examinations which have been conducted as part of its work. In the event that examinations have taken place, please also provide us with transcripts together with any other relevant interview notes or other such records. If there are still interviews or examinations outstanding, we would like to have those details so that we can make arrangements to attend, if appropriate.

I would be pleased to discuss any of the items above with you at your convenience.

Yours very truly,

**LENCZNER SLAGHT ROYCE
SMITH GRIFFIN LLP**

Per: 

For:
Matthew B. Lerner

MBL/slg

cc. Glenn Smith
George D. Crossman (Beard Winter LLP)
Rea Godbold (Grant Thornton)
Michael Creber (Grant Thornton)

TAB 3

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

**THE HONOURABLE) DAY, THE DAY
)
JUSTICE) OF FEBRUARY, 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**

ORDER

THIS MOTION, made *in camera* by Ernst & Young Inc., 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 at 330 University Avenue, Toronto, Ontario.

ON ORDERING that this motion be held *in camera*, and **ON READING** the Notice of Motion dated 3 February 2011, filed, and the First Confidential Report of the Receiver dated 3 February 2011, filed, and the Order of Justice Wilton-Siegel dated 26 November 2010 (the “**Receivership Order**”) and **ON HEARING** the submissions of counsel for the Receiver,

1. **THIS COURT ORDERS** that service of the Notice of Motion and the Motion Record is hereby dispensed with so that this Motion is returnable today;
2. **THIS COURT ORDERS** that the Receiver is hereby authorized to grant Bank of Montreal (“**BMO**”) and Signature Bank (“**Signature**”), and their respective legal and financial advisors, access to, and to 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 “**Information**”), at their own cost and expense, including the fees and expenses incurred by the Receiver in connection therewith, and the Receiver may, acting reasonably, request that BMO and/or Signature provide a retainer for the payment of the Receiver’s fees and expenses in connection therewith;
3. **THIS COURT ORDERS** that BMO, Signature, and their respective legal and financial advisors are hereby restrained and enjoined from disclosing to any person the terms of this Order or any of the Information except during the course of litigation;
4. **THIS COURT ORDERS** that in the event that BMO or Signature obtains an order of the court through the use of any of the Information, they shall forthwith advise the Receiver, on a confidential basis, unless and until any action commenced is made public;
5. **THIS COURT ORDERS** that in the event that BMO or Signature commence public proceedings related to the Debtors, they shall forthwith advise the Receiver and provide the Receiver with a copy of any originating process;
6. **THIS COURT ORDERS** that BMO and Signature are at liberty to commence proceedings against any of the Debtors provided that no such proceeding and no order made in any such proceeding shall affect the authority of the Receiver to deal with the Property (as defined in the Receivership Order) or any other order made in the receivership proceeding, and in no event shall the Receiver be obliged to defend the proceedings nor shall the Receiver be subject to production or discovery;
7. **THIS COURT ORDERS** that the First Confidential Report of the Receiver and all motion materials relating thereto and any Order or endorsement made by the Court in connection therewith (collectively, the “**Motion Materials**”) be sealed from the date of

this Order, and treated as confidential, and shall be secured by the Registrar, and the public shall not be granted access to the Motion Materials without an order of the Court;

8. **THIS COURT ORDERS** that nothing in this Order affects the right of the Receiver to seek advice and directions from the Court.
-

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 TARBAC HOLDINGS INC.

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

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

ONTARIO

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

PROCEEDINGS COMMENCED AT TORONTO

ORDER

BORDEN LADNER GERVAIS LLP

Barristers and Solicitors
Scotia Plaza
40 King Street West
Toronto, Ontario
M5H 3Y4

Tel.: 416.367-6000

Fax: 416.367-6749

Michael MacNaughton - LSUC No. 25889U

Mary Arzoumanidis - LSUC No. 53915V

Harriet Greenwood - LSUC No. 58915H

Lawyers for 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 Tarbac
Holdings Inc.

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 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

ONTARIO

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

PROCEEDINGS COMMENCED AT TORONTO

MOTION RECORD
(returnable • February 2011)

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Scotia Plaza

40 King Street West

Toronto, Ontario

M5H 3Y4

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Michael MacNaughton - LSUC No. 25889U

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Harriet Greenwood - LSUC No. 58915H

Lawyers for 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.

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