

ONTARIO

**SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE) THURSDAY THE 27TH DAY OF
MADAM JUSTICE HOY) MARCH, 2008

**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
R.S.C. 1985, c. C-36, AS AMENDED**

**AND IN THE MATTER OF A PROPOSED PLAN OF COMPROMISE
OR ARRANGEMENT WITH RESPECT TO CFG HOLDINGS INC.
FORMERLY CERVUS FINANCIAL GROUP INC.**

ORDER

THIS MOTION, made by CFG Holdings Inc. formerly known as Cervus Financial Group Inc. (the "**Applicant**") for an Order extending the "Stay Date" referred to in Paragraph 4 of the Initial Order of Justice Morawetz dated June 8, 2006, as amended by the Order of Justice Cumming dated June 15, 2006 (the "**Initial Order**"), to approve the conduct and activities of KPMG Inc. ("**KPMG**") and to approve proposed activities for the final administration of this proceeding was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Notice of Motion of the Applicant, the Twelfth Report (the "**Twelfth Report of the Monitor**") of KPMG Inc. in its capacity as monitor of the Applicant (the "**Monitor**"), the Third Report of KPMG Inc. in its capacity as Court appointed liquidator of the Applicant (the "**Liquidator**") under the *Alberta Corporations Act* (the "**ACA**") (the "**Third Report of the Liquidator**") and the Second Report of KPMG Inc. (the "**Second Report of the**

Receiver") (collectively, the "**Reports**") in its capacity as Court Appointed Receiver (the "**Receiver**") of CMB I GP Limited (the "**GP**") and CMB I Limited Partnership ("**CMB**") appointed under the Order of the Honourable Justice Swinton, dated August 29th, 2007, and the Order of Justice Burrows, dated April 19, 2007, of the Alberta Court of Queen's Bench, the Affidavit of Service, filed, and on hearing the submissions of counsel for the Applicant, counsel for the Monitor, the Liquidator and the Receiver and counsel for the Canada Revenue Agency, no one else appearing:

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Motion Record is hereby abridged so that this motion is properly returnable today, that all parties entitled to notice of this Motion have been duly served with notice of this Motion, and that any further service is hereby dispensed with.
2. **THIS COURT ORDERS** that the activities of KPMG Inc. as disclosed in each of the Twelfth Report of the Monitor, the Third Report of the Liquidator and the Second Report of the Receiver, are hereby approved.
3. **THIS COURT ORDERS** that the fees and disbursements of the Monitor and Receiver and its Counsel, and the fees and disbursements of Counsel for the Applicant, as set out in the Reports and the fee Affidavits, are hereby approved.
4. **THIS COURT ORDERS** that the "Stay Date" referred to in Paragraph 4 of the Initial Order be, and hereby is, extended the earlier of:
 - (a) July 31, 2008; or
 - (b) the date of filing of the Discharge Certificate (as defined in paragraph 6(c) below).
5. **THIS COURT ORDERS** that CRA and/or the Ministry of Finance (Ontario) and/or Revenu Quebec will provide notice within 30 days of the receipt of the outstanding returns for CMB and GP whether an audit or other reassessment process under the *Income Tax Act* (the "ITA") will be undertaken or confirming that the assessments are confirmed and will be subject to no further reassessment.

6. **THIS COURT ORDERS** that, provided that the tax liability of CMB and GP has been finally determined in accordance with the procedure set out in the ITA, then the following activities with respect to the final administration of the Receivership proceeding, the Liquidation proceeding before the Alberta Court of Queen's Bench under Action No. 0703 04915 (the "**Liquidation Proceedings**") and the CCAA proceeding are hereby authorized and approved:

- (a) The Liquidator will bring a motion in the Alberta Court in the Liquidation Proceeding seeking an order approving its reports, recognizing the Orders in this proceeding, approving its accounts and approving dissolution of CFG Holdings Inc. (the "**Alberta Order**");
- (b) Following the expiry of time for any appeals of the Alberta Order and this Order, then the Receiver is authorized to distribute available funds to the limited partners in accordance with the Reports;
- (c) Following distribution of funds referenced in paragraph (b) above and payment of outstanding professional fees, the Receiver and the Monitor are authorized to file a certificate with respect to the Receivership and the CCAA Proceeding substantially in the form attached as Schedule "A" to this Order (the "**Discharge Certificate**") with this Court certifying that (i) the distribution of funds to the limited partners referenced in paragraph (b) above has been completed and (ii) the administration of the receivership of CMB and the GP and the administration of the CCAA proceeding has been completed as described in the Reports;
- (d) Following filing of the Discharge Certificate, the Liquidator is authorized to seek the Certificate of Dissolution of CFG Holdings Inc. from the Registrar of Corporations, as described in the *Business Corporations Act* R.S.A. 2000 c. B-9, as contemplated in the Alberta Order.

7. **THIS COURT ORDERS** that upon the filing of the Discharge Certificate with the Ontario Superior Court of Justice (Commercial List):

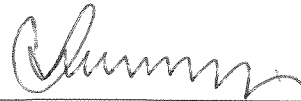
- (a) The Monitor shall be discharged as Monitor of the Applicant in these proceedings;
- (b) The Receiver is discharged as Receiver of the GP and CMB;

- (c) The CCAA Proceedings relating to the Applicant shall be terminated;
- (d) The Stay of Proceedings as set out in the Initial Order shall cease to be effective.

8. **THIS COURT ORDERS** that notwithstanding its discharge herein the Monitor and Receiver shall continue to have the benefit of the provisions of all Orders made in the proceedings referred to in the Reports, including all approvals, protections and stays of proceedings in favour of KPMG in its capacity as Monitor in the CCAA proceeding related to the Applicant, and as Receiver in the Receivership of the GP and CMB.

9. **THIS COURT ORDERS** that, 6 months after its discharge as Monitor, KPMG may remove all materials posted to its website in connection with the CCAA Proceeding, the Receivership and the Liquidation Proceeding.

10. **THIS COURT ORDERS AND DECLARES** that upon the filing of the Discharge KPMG Inc. is hereby released and discharged from any and all liability that KPMG Inc. now has or may hereafter have by reason of, or in any way arising out of, the acts or omissions of KPMG Inc. while acting in its capacity as Monitor and Receiver herein. Without limiting the generality of the foregoing, KPMG is hereby forever released and discharged from any and all liability relating to matters that were raised, or which could have been raised, in the within CCAA or in the receivership proceedings, relating to the GP and CMB.



Christina Irwin
Registrar, Superior Court of Justice

MAR 28 2008



Schedule "A"

Court File No. 06-CL-6482

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FORMERLY CERVUS FINANCIAL GROUP INC. (the "Applicant")

DISCHARGE CERTIFICATE

The undersigned hereby certifies for purposes of the Order made the ___ day of _____, 2008 in the matter of CFG HOLDINGS INC. FORMERLY CERVUS FINANCIAL GROUP INC. under Court File No. 06-CL- 6482 (the "CCAA Proceedings") that:

1. The distribution of funds to the limited partners referenced in the Second Report of the Receiver and the Twelfth Report of the Monitor (Collectively the "**Reports**") has been completed.
2. The administration of the receivership of the property, assets and undertaking of CMB I GP Limited (the "**GP**") and CMB I Limited Partnership ("**CMB**") and the administration of the CCAA proceeding as described in the Reports has been completed.

DATED at Toronto, Ontario, this ___ day of _____, 2008.

KPMG INC., in its capacity as Court Appointed Monitor of the Applicant CFG Holdings Inc.

Per: _____
(Authorized Signing Officer)

KPMG INC., in its capacity as Court Appointed Receiver of the property, assets and undertaking of CMB I GP Limited and CMB I Limited Partnership

Per: _____
(Authorized Signing Officer)

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT,
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OR ARRANGEMENT WITH RESPECT TO CFG HOLDINGS INC.
FORMERLY CERVUS FINANCIAL GROUP INC.

ONTARIO
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COMMERCIAL LIST

Proceeding commenced in Toronto

ORDER

Fraser Milner Casgrain LLP
1 First Canadian Place
100 King St. W.
Toronto, ON, M5X 1B2

Alex A. Ilchenko
Phone: 416.863.4748
Fax: 416.863.4592

Solicitors for the Applicants