

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE MR.) MONDAY, THE 14th DAY
)
JUSTICE CAMPBELL) OF NOVEMBER, 2011



ONTARIO SECURITIES COMMISSION

Applicant

- and -

**NEW LIFE CAPITAL CORP., NEW LIFE CAPITAL INVESTMENTS INC., NEW LIFE
CAPITAL ADVANTAGE INC., NEW LIFE CAPITAL STRATEGIES INC., 1660690
ONTARIO LTD., 2126375 ONTARIO INC., 2108375 ONTARIO INC., 2126533
ONTARIO INC., 2152042 ONTARIO INC., 2100228 ONTARIO INC. and 2173817
ONTARIO INC.**

Respondents

ORDER

THIS MOTION made by KPMG Inc. in its capacity as the receiver and manager (the “**Receiver**”), without security, of all of the property, assets and undertaking of New Life Capital Corp., New Life Capital Investments Inc., New Life Capital Advantage Inc., New Life Capital Strategies Inc., 1660690 Ontario Ltd., 2126375 Ontario Inc., 2108375 Ontario Inc., 2126533 Ontario Inc., 2152042 Ontario Inc., 2100228 Ontario Inc. and 2173817 Ontario Inc. (collectively, the “**Companies**”) for an order, *inter alia*, approving the sale transaction (the “**Transaction**”) contemplated by a settlement contract (the “**Sale Agreement**”) between the Receiver and Spiritus Life, Inc. (the “**Purchaser**”) made as of November 9, 2011 and vesting in the Purchaser all right, title and interest, if any, in and to a certain insurance policy with Pacific

Life Insurance Company (the “**Pacific Life Policy**”) was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Eighth Report to the Court of the Receiver dated October 31, 2011 (the “**Eighth Report**”), the Supplemental Eighth Report to the Court of the Receiver dated November 4, 2011 (the “**Supplemental Report**”), the Second Supplement to the Eighth Report to the Court of the Receiver dated November 10, 2011 (the “**Second Supplemental Report**”) and on hearing the submissions of counsel for the Receiver and Kevin McElcheran and Heather Meredith of McCarthy Tetrault LLP as representative counsel, no one else appearing although duly served as appears from the affidavit of Danny M. Nunes sworn November 1, 2011 and November 9, 2011 sworn November 11, 2011, 2011 filed:

Service

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion dated November 1, 2011 and the Motion Record herein be and it is hereby abridged so that this Motion is properly returnable today and hereby dispenses with further service hereof.

The Settlement Contract

2. **THIS COURT ORDERS** that the Transaction is hereby approved and that the Sale Agreement is in the best interests of the Companies and their stakeholders. The execution of the Sale Agreement by the Receiver is hereby authorized and approved and the Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of the Pacific Life Policy to the Purchaser.

3. **THIS COURT ORDERS** that upon the delivery of a Receiver’s certificate to the Purchaser substantially in the form attached as Schedule “A” hereto (the “**Receiver’s Certificate**”), all of the right, title and interest of the Companies, if any, in and to the Pacific Life Policy shall vest absolutely in the Purchaser, free and clear of any and all security interests (whether contractual, statutory or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory or otherwise), liens, executions, levies, charges, or other financial

or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the “**Claims**”) including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Orders of the Honourable Mr. Justice Campbell dated December 17, 2008 (the “**Receivership Order**”) and June 4, 2009; and (ii) all charges, security interests or claims evidenced by registrations pursuant to any personal property registry system.

4. **THIS COURT ORDERS** that for the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Pacific Life Policy shall stand in the place and stead of the Pacific Life Policy, and that all Claims shall attach to the net proceeds from the sale of the Pacific Life Policy with the same priority as they had with respect to the Pacific Life Policy immediately prior to the sale, as if the Pacific Life Policy had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

5. **THIS COURT ORDERS** that, notwithstanding the pendency of these proceedings, any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of the Companies and any bankruptcy order issued pursuant to any such applications and any assignment in bankruptcy made in respect of the Companies, the vesting of the Pacific Life Policy in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Companies and shall not be void or voidable by creditors of the Companies, nor shall it constitute nor be deemed to be a settlement, fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

6. **THIS COURT ORDERS AND DECLARES** that the Transaction is exempt from the application of the *Bulk Sales Act* (Ontario).

Mid-City Holdings Claim

7. **THIS COURT ORDERS AND DECLARES** that amounts paid by Mid-City Holdings Ltd. (“**Mid-City**”) to New Life Capital Advantage Inc. constitute trust funds and the Receiver is hereby authorized to pay to Mid-City the net sum of \$180,000 in full and final satisfaction of Mid-City’s claim against New Life or the Receiver.

Miscellaneous Relief

8. **THIS COURT ORDERS** that the Receiver’s conduct and activities, as outlined in the Eighth Report, be and they are hereby approved.

9. **THIS COURT ORDERS** that the Receiver’s Combined Statements of Receipts and Disbursements for the period December 17, 2008 to October 28, 2011 be and they are hereby approved.

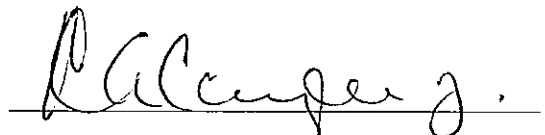
10. **THIS COURT ORDERS** that paragraph 22 of the Receivership Order is hereby amended to state that the Receiver may borrow by way of a revolving credit or otherwise such monies as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$2,000,000.

11. **THIS COURT ORDERS AND DIRECTS** that the Supplemental Report and all appendices thereto and Appendix A to the Second Supplemental Report be sealed pending further Order of this Honourable Court.

12. **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 such courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

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

NOV 14 2011



**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

B E T W E E N:

ONTARIO SECURITIES COMMISSION

Applicant

- and -

**NEW LIFE CAPITAL CORP., NEW LIFE CAPITAL INVESTMENTS INC., NEW LIFE
CAPITAL ADVANTAGE INC., NEW LIFE CAPITAL STRATEGIES INC., 1660690
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ONTARIO INC.**

Respondents

RECEIVER'S CERTIFICATE

RECITALS

A. Pursuant to the Orders of the Honourable Mr. Justice Campbell of the Ontario Superior Court of Justice (the "**Court**") dated December 17, 2008 and March 18, 2009, KPMG Inc. was appointed as the receiver and manager (the "**Receiver**") of the undertaking, property and assets of New Life Capital Corp., New Life Capital Investments Inc., New Life Capital Advantage Inc., New Life Capital Strategies Inc., 1660690 Ontario Ltd., 2126375 Ontario Inc., 2108375 Ontario Inc., 2126533 Ontario Inc., 2152042 Ontario Inc., 2100228 Ontario Inc., and 2173817 Ontario Inc. (collectively, the "**Debtor**").

B. Pursuant to an Order of the Court dated November 14, 2011 (the "**Approval and Vesting Order**"), the Court approved the settlement contract made as of November 9, 2011 (the "**Sale Agreement**") between the Receiver and Spiritus Life, Inc. (the "**Purchaser**") and provided for the vesting in the Purchaser of the right, title and interest in and to Pacific Life Insurance policy number VF51641220 (the "**Pacific Life Policy**"), which vesting is to be effective with respect to

the Pacific Life Policy upon the delivery by the Receiver to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the Purchase Price for the Pacific Life Policy; (ii) that the conditions to closing as set out in the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and (iii) the transaction contemplated in the Sale Agreement has been completed to the satisfaction of the Receiver.

C. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Sale Agreement.

D. Pursuant to the Approval and Vesting Order, the Court sealed the Sale Agreement (the “**Sealed Document**”) pending further Order of the Court.

THE RECEIVER CERTIFIES the following:

1. the Purchaser has paid and the Receiver has received the Purchase Price for the Pacific Life Policy payable on the closing date pursuant to the Sale Agreement;
2. the conditions to closing as set out in the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser;
3. the transaction contemplated in the Sale Agreement has been completed to the satisfaction of the Receiver;
4. pursuant to the Approval and Vesting Order, the Sale Agreement attached as Appendix A to the Second Supplement to the Eighth Report to the Court of the Receiver dated November 10, 2011 remains sealed pending further Order of the Court; and
5. this Certificate was delivered by the Receiver to the Purchaser on November 10, 2011.

KPMG Inc., in its capacity as Receiver of the undertaking, property and assets of the Debtor, and not in its personal capacity

Per: _____
Name:
Title:

ONTARIO SECURITIES COMMISSION

and

NEW LIFE CAPITAL CORP., et al

Applicant

Respondent

Court File No.: 08-CL-7832

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

Proceedings commenced at **Toronto**

ORDER

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