



Court File No. 08-CL-7832

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE MR.) THURSDAY, THE 19TH DAY
JUSTICE CAMPBELL)
) OF AUGUST, 2010

BETWEEN:

ONTARIO SECURITIES COMMISSION

Plaintiff

- 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.**

Defendant

APPROVAL AND VESTING ORDER

THIS MOTION, made by KPMG Inc. in its capacity as the Court-appointed 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") for an order, among other things, approving the sale transaction (the "Transaction") contemplated by an agreement of purchase and sale between the Receiver and

George Conn Farlow and Patricia Farlow (the "Purchasers") made as of July 12, 2010 and an amendment to the agreement of purchase and sale dated August 6, 2010 (collectively, the "Sale Agreement") appended to the Seventh Report to the Court of the Receiver dated August 9, 2010 (the "Seventh Report"), and vesting in the Purchasers all right, title and interest in and to the real property described in Schedule B hereto (the "Real Property") was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Seventh Report and on hearing the submissions of counsel for the Receiver, the Ontario Securities Commission and Representative Counsel, no one appearing for any other person on the service list, although properly served as appears from the affidavit of Shirley Laviolette sworn August 10, 2010 filed:

Service

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion dated August 9, 2010 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 thereof.

The Sale Agreement

2. **THIS COURT ORDERS AND DECLARES** that the Transaction is hereby approved, and that the Sale Agreement is commercially reasonable and in the best interests of the Debtor and its 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 Real Property to the Purchasers.

3. **THIS COURT ORDERS AND DECLARES** that upon the delivery of a Receiver's certificate to the Purchasers substantially in the form attached as Schedule A hereto (the "Receiver's Certificate"), all of the right, title and interest in and to the Real Property described in the Sale Agreement shall vest absolutely in the Purchasers, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected,

registered or filed and whether secured, unsecured or otherwise (collectively, the "Claims") including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of the Honourable Mr. Justice Campbell dated December 17, 2008; (ii) all charges, security interests or claims evidenced by registrations pursuant to the Personal Property Security Act (Ontario) or any other personal property registry system; and (iii) those Claims listed on Schedule C hereto (all of which are collectively referred to as the "Encumbrances", which term shall not include the permitted encumbrances, easements and restrictive covenants listed on Schedule D) and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Real Property are hereby expunged and discharged as against the Real Property.

4. **THIS COURT ORDERS** that upon the registration in the Land Registry Office Number 59, Land Titles Division of Niagara South, of an Application for Vesting Order in the form prescribed by the *Land Titles Act*, the Land Registrar is hereby directed to enter the Purchasers as the owners of the Real Property in fee simple, and is hereby directed to delete and expunge from title to the Real Property all of the Claims listed in Schedule C hereto.

5. **THIS COURT ORDERS** that the following documents be and they are hereby sealed pending the completion of the Transaction as evidenced by the filing of the Receiver's Certificate:

- (a) the executed, unredacted copy of the Sale Agreement;
- (b) the unredacted copy of the Opinion of Value dated April 14, 2010 from Sutton Group Skyway Realty Inc.; and
- (c) the unredacted copy of the Letter of Opinion of Market Value dated April 14, 2010 from Coldwell Banker Momentum Realty.

6. **THIS COURT ORDERS** that for the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Real Property shall stand in the place and stead of the Real Property, and that from and after the delivery of the Receiver's Certificate all Claims and Encumbrances shall attach to the net proceeds from the sale of the Real Property with the same priority as they had with respect to the Real Property immediately prior to the sale, as if the

Real Property had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

7. **THIS COURT ORDERS AND DIRECTS** the Receiver to file with the Court a copy of the Receiver's Certificate, forthwith after delivery thereof.

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

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

the vesting of the Real Property in the Purchasers pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Debtor and shall not be void or voidable by creditors of the Debtor, nor shall it constitute nor be deemed to be a settlement, fraudulent preference, assignment, fraudulent conveyance 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.

Other Relief

9. **THIS COURT ORDERS** that the activities of the Receiver as described in the Seventh Report be and they are hereby approved.

10. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada, the United States or elsewhere including, without limitation, the Commonwealth of the Bahamas 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

Schedule A – Form of Receiver’s Certificate

Court File No. 08-CL-7832

ONTARIO

SUPERIOR COURT OF JUSTICE

COMMERCIAL LIST

BETWEEN:

ONTARIO SECURITIES COMMISSION

Plaintiff

- 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.**

Defendants

RECEIVER’S CERTIFICATE

RECITALS

A. Pursuant to an Order of the Honourable Mr. Justice Campbell of the Ontario Superior Court of Justice (the "Court") dated December 17, 2008, 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 August 19, 2010 (the "Approval and Vesting Order"), the Court approved the agreement of purchase and sale made as of July 12, 2010 (the "Sale Agreement") between the Receiver and George Conn Farlow and Patricia Farlow (collectively, the "Purchasers") and provided for the vesting in the Purchasers of the right, title and interest in and to the Real Property, which vesting is to be effective with respect to the Real Property upon the delivery by the Receiver to the Purchasers of a certificate confirming (i) the payment by the Purchasers of the Purchase Price for the Real Property; (ii) that the conditions to Closing as set out in the Sale Agreement have been satisfied or waived by the Receiver and the Purchasers; and (iii) the Transaction 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, an Opinion of Value dated April 14, 2010 from Sutton Group Skyway Realty Inc. and a Letter of Opinion of Market Value dated April 14, 2010 from Coldwell Banker Momentum Realty (collectively, the "Sealed Documents") pending the completion of the Transaction as evidenced by the filing of this Receiver's Certificate.

THE RECEIVER CERTIFIES the following:

1. The Purchasers have paid and the Receiver has received the Purchase Price for the Real Property 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 Purchasers;
3. The Transaction has been completed to the satisfaction of the Receiver; and
4. The Sealed Documents may be unsealed.
5. This Certificate was delivered by the Receiver at [TIME] on [DATE].

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:

Schedule B – Real Property

Property Description:

Part Lot 15, Concession Broken From South East Angle Willoughby as in AA77690; Fort Erie

Municipal Description:

3629 Niagara Boulevard, Fort Erie, Ontario

PIN:

64240-0293 (LT)

Schedule C – Claims to be deleted and expunged from title to Real Property

Application to Register Court Order registered as Instrument Number SN277165 on April 14, 2010.

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**Schedule D – Permitted Encumbrances, Easements and Restrictive Covenants
related to the Real Property**

(unaffected by the Approval and Vesting Order)

None

ONTARIO SECURITIES COMMISSION

and

Plaintiff(s)

NEW LIFE CAPITAL CORP., ET AL
Defendant (s)

Court File No.: 08-CL-7832

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

Proceedings commenced at Toronto

ORDER

Thornton GroutFinnigan LLP
Barristers and Solicitors
Suite 3200, P.O. Box 329
Canadian Pacific Tower
Toronto-Dominion Centre
Toronto, Ontario
M5K 1K7

James H. Grout (LSUC # 22741H 1B)
Seema Aggarwal (LSUC # 50674J)
Tel: 416-304-1616
Fax: 416-304-1313

Solicitors for the KPMG Inc., in its capacity as the Receiver
and Manager of New Life Capital Corp. et al.