

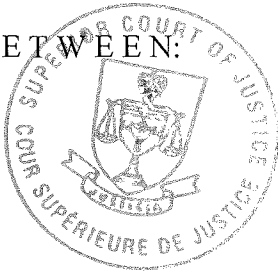
**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

THE HONOURABLE MR.  
JUSTICE MORAWETZ

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)  
)

THURSDAY, THE 28<sup>th</sup>  
DAY OF MARCH, 2013

BETWEEN:



**ROYAL BANK OF CANADA**

Applicant

- and -

**MARNLEN MANAGEMENT LTD. AND 1547937 ONTARIO LTD.**

Respondents

**APPLICATION UNDER 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 by PricewaterhouseCoopers Inc. ("**PwCI**") in its capacity as the Court-appointed receiver (the "**Receiver**") of the undertaking, property and assets of Marnlen Management Ltd. ("**Marnlen**") and 1547937 Ontario Ltd. (formerly Labelad Ltd. and, together with Marnlen, the "**Debtors**") for an order:

- (a) approving the Third Report of the Receiver, dated March 21, 2013 (the "**Third Report**"), and the activities of the Receiver described therein;
- (b) approving the Receiver's Statement of Receipts and Disbursements for the period to February 28, 2013;

- (c) approving the fees and disbursements of the Receiver and its counsel;
- (d) approving certain distributions of assets and cash to Nanlark Holdings Limited (“**Nanlark**”);
- (e) vesting in Nanlark the Debtors’ right, title and interest in and to the assets distributed to Nanlark;
- (f) discharging PwCI as Receiver of the undertaking, property and assets of the Debtors, subject to the conditions set out in paragraph 7 of this Order; and
- (g) releasing PwCI from any and all liability, as set out in paragraph 8 of this Order, and

was heard this day at 330 University Avenue, Toronto, Ontario.

**ON READING** the Third Report and the exhibits thereto, including the Affidavit of Fees of Tracey Weaver sworn March 7, 2013, filed, and the Affidavit of Fees of Steven Graff sworn March 13, 2013, filed, *the Supplement to the Third Report dated Nov. 28, 2013, filed* and on hearing the submissions of counsel for the Receiver, counsel for Nanlark, *counsel for Royal Bank of Canada* and no one appearing for any other person on the service list, although properly served as appears from the affidavit of Daphne Porter sworn March 21, 2013, filed:

1. **THIS COURT ORDERS** that the Third Report and the activities of the Receiver set out therein are hereby approved.
2. **THIS COURT ORDERS** that the Receiver’s Statement of Receipts and Disbursements for the period to February 28, 2013 be and the same is hereby approved.
3. **THIS COURT ORDERS** that the fees and disbursements of the Receiver with respect to the Debtor for the period from October 1, 2012 to January 31, 2013, in the amount of \$51,003.76 (excluding HST), and its estimated remaining fees and disbursements from February 1, 2013 to completion of the administration of the receivership of the Debtors (the “**Receivership**”), in the amount of \$23,500.00 (excluding HST), be and the same are hereby approved.
4. **THIS COURT ORDERS** that the fees and disbursements of the Receiver’s legal counsel, Aird & Berlis LLP, for the period from September 26, 2012 to January 31, 2013, in the

amount of \$10,225.12 (excluding HST), and its estimated remaining fees and disbursements from February 1, 2013 to completion of the administration of the Receivership, in the amount of \$10,000.00 (excluding HST), be and the same are hereby approved.

5. **THIS COURT ORDERS** that the Receiver may make the following distributions to Nanlark, and the same be and are hereby approved:

- (a) a distribution-in-kind of the Art Assets, as defined in the Third Report;
- (b) a distribution by assignment of the Debtors' rights to the potential refunds from Washington International Insurance Co., defined in the Third Report as the Contingent Refunds;
- (c) an interim distribution in the amounts of CAD \$62,000.00 and US \$18,000.00; and
- (d) such subsequent distributions as the Receiver determines are appropriate, subject to maintaining sufficient reserves to satisfy the Accrued Obligations and Reserves, as defined in the Third Report, and to complete the administration of the Receivership.

6. **THIS COURT ORDERS AND DECLARES** that, upon the making of the distribution-in-kind, the distribution by assignment and any subsequent distributions of any of the Debtors' rights and assets described in subparagraphs 5(a), (b) and (c) above, all of the Debtor's right, title and interest in and to the Art Assets, the Contingent Refunds and any of the Debtors' rights and assets distributed by the Receiver as the Receiver determines are appropriate pursuant to subparagraph 5(d) above (collectively, the "**Distributed Assets**") shall vest absolutely in the Purchaser, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise including, without limiting the generality of the foregoing, (i) any encumbrances or charges created by the Order of the Honourable Justice Perell dated July 18, 2012, and (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system (all of

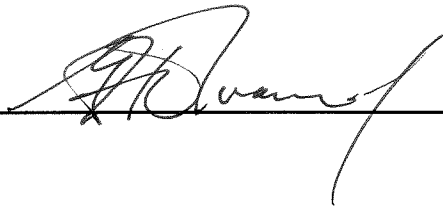
which are collectively referred to as the “**Encumbrances**”) and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Distributed Assets are hereby expunged and discharged as against the Distributed Assets.

7. **THIS COURT ORDERS** that upon the Receiver filing a certificate substantially in the form attached as **Schedule “A”** hereto (the “**Receiver's Certificate**”) certifying that it has completed the other activities described in the Third Report and all matters to be attended to in connection with the Receivership have been provided for to the satisfaction of the Receiver, PwCI shall be discharged as Receiver of the undertaking, property and assets of the Debtors, provided, however, that, notwithstanding its discharge herein, (a) the Receiver shall remain Receiver for the performance of such incidental duties as may be required to complete the administration of the Receivership, and (b) the Receiver shall continue to have the benefit of the provisions of all Orders made in the Receivership proceedings, including all approvals, protections and stays of proceedings in favour of PwCI in its capacity as Receiver.

8. **THIS COURT ORDERS AND DECLARES** that, effective upon filing of the Receiver’s Certificate pursuant to paragraph 7 of this Order, and subject to paragraph 5 of this Order, PwCI is hereby released and discharged from any and all liability that PwCI now has or may hereafter have by reason of, or in any way arising out of, the acts or omissions of PwCI while acting in its capacity as Receiver herein, save and except for any gross negligence or wilful misconduct on the Receiver’s part. Without limiting the generality of the foregoing, PwCI 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 Receivership proceedings, save and except for any gross negligence or wilful misconduct on the Receiver’s part.

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

MAR 28 2013



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**Schedule "A" to Discharge Order – Form of Receiver's Certificate**

Court File No. CV-12-9788-00CL

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

**B E T W E E N:**

**ROYAL BANK OF CANADA**

Applicant

- and -

**MARNLEN MANAGEMENT LTD. AND 1547937 ONTARIO LTD.**

Respondents

**APPLICATION UNDER 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**

**RECEIVER'S CERTIFICATE**

**RECITALS**

A. Pursuant to an Order of the Honourable Justice Perell of the Ontario Superior Court of Justice (the "**Court**") dated July 18, 2012, PricewaterhouseCoopers Inc. ("**PwCI**") was appointed as the receiver (the "**Receiver**"), without security, of all of the assets, undertakings and properties of Marnlen Management Ltd. ("**Marnlen**") and 1547937 Ontario Ltd., then known as Labelad Ltd. (together with Marnlen, the "**Debtors**").

B. Pursuant to an Order of the Court dated March 28, 2013 (the "**Discharge Order**"), PwCI was discharged as Receiver of the undertaking, property and assets of the Debtors to be effective upon the filing by the Receiver with the Court of a certificate confirming that the Receiver has completed the activities described in the Third Report and all matters to be attended to in connection with the Receivership have been provided for to the satisfaction of the Receiver.

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

**THE RECEIVER CERTIFIES** that the Receiver has completed all activities described in the Third Report and all matters to be attended to in connection with the Receivership have been provided for to the satisfaction of the Receiver.

**PRICEWATERHOUSECOOPERS INC.,  
solely in its capacity as court-appointed  
receiver and manager of the assets,  
undertaking and property of Marnlen  
Management Ltd. and 1547937 Ontario  
Ltd., and not in its personal or corporate  
capacity**

Per: \_\_\_\_\_  
Name:  
Title:

**ROYAL BANK OF CANADA**

and

**MARNLEN MANAGEMENT LTD. AND 1547937 ONTARIO LTD.**

Applicant

Respondents

Court File No. CV-12-9788-00CL

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***ONTARIO***  
**SUPERIOR COURT OF JUSTICE**  
**COMMERCIAL LIST**  
**Proceedings commenced at Toronto**

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**ORDER**

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*Lawyers for PricewaterhouseCoopers Inc.*