

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE MR.
JUSTICE WILTON-SIEGEL

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THURSDAY, THE 18TH
DAY OF JULY, 2013

BETWEEN:

FREEPORT FINANCIAL LLC

Applicant

- and -

PRACS INSTITUTE CANADA B.C. LTD.

Respondent

IN THE MATTER OF AN APPLICATION UNDER SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O. 1990, c. C.43 and SECTION 243 OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c. B-3, AS AMENDED

DISTRIBUTION ORDER

THIS MOTION, made by PricewaterhouseCoopers Inc. in its capacity as the Court-appointed receiver (the “**Receiver**”), without security, over all of the assets, undertakings and property of PRACS Institute Canada B.C. LTD., was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Third Report of the Receiver, dated June 19, 2013 (the “**Third Report**”) and on hearing the submissions of counsel for the Receiver and Freeport, no one else appearing although served as evidenced by the Affidavit of Natalina Arvaj sworn June 20, 2013, filed:

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

2. **THIS COURT ORDERS** that all terms not otherwise defined herein shall have the meaning ascribed to them in the Third Report.
3. **THIS COURT ORDERS** that the activities of the Receiver, as set out in the Second Report and the Third Report, be and are hereby approved.
4. **THIS COURT ORDERS** that the Receiver be and is hereby authorized and directed to make the Interim Distribution in the amount of \$2,735,089.79 to Freeport, in its capacity as Agent on its own behalf and on behalf of the Lenders, from the Receiver's available cash on hand and the Interim Distribution (and any subsequent distributions pursuant to paragraph 6) shall be made free and clear of all claims, security interests and other encumbrances.
5. **THIS COURT ORDERS** that the Receiver is authorized to satisfy and pay the Reserve Obligations from the Reserve without further Order of this Court.
6. **THIS COURT ORDERS** that, upon payment of the Reserve Obligations as determined by the Receiver in its reasonable discretion, the Receiver be and is hereby authorized and directed to pay any residual amounts in the Reserve to Freeport, up to the amount of the Total Indebtedness without further Order of this Court.
7. **THIS COURT ORDERS** that the Receiver be and is hereby authorized and directed to pay amounts remaining in the receivership estate after payment of the Total Indebtedness, if any, to the Trustee, for distribution in accordance with the priority scheme of the BIA without further Order of this Court.

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



JUL 18 2013



FREEDPORT FINANCIAL LLC. and PRACS INSTITUTE CANADA B.C. LTD.
Applicant Respondent

Court File No: CV-13-10046-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
Proceeding commenced at Toronto

DISTRIBUTION ORDER

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