

**Form 10-3
(Rule 10-3)**

COURT FILE NUMBER 1331 of 2012

COURT OF QUEEN'S BENCH FOR SASKATCHEWAN

JUDICIAL CENTRE SASKATOON

PLAINTIFF BANK OF MONTREAL

DEFENDANTS SHANE SCOTT and MICHELLE SCOTT

ORDER APPROVING SETTLEMENT

Before the Honourable Madam Justice A.R. Rothery in chambers the 24th day of October, 2013.

Upon the Application of Mike Russell, lawyer on behalf of PricewaterhouseCoopers Inc., and upon hearing from Mike Russell and Jeffrey M. Lee, Q.C., on behalf of the Receiver, Heather MacMillan-Brown, Q.C., on behalf of Federated Co-operatives Limited, David Bishop, on behalf of West Coast Reduction Ltd., and counsel for all other interested parties, and on reading the Notice of Application on behalf of the Receiver dated October 21, 2013, the Final Report of the Receiver dated October 21, 2013, the Confidential Addendum to the Final Report dated October 21, 2013, and a draft of this Order, endorsed by Rod Rath, Q.C., on behalf of Southwest Co-operative Limited, and Heather MacMillan-Brown, Q.C., on behalf of Federated Co-operatives Limited, all filed, and the pleadings and proceedings herein:

The Court orders:

Definitions and Interpretation

1. For the purposes of this Order Approving Settlement, the following terms shall have the corresponding meanings ascribed thereto:
 - (a) **"Claim"** means any and all claims, counterclaims, liabilities, obligations, demands, actions, causes of action, proceedings, suits, debts, damages, losses, expenses, set-off or costs whatsoever and howsoever arising, whether now discovered or not, which any of the Parties had, has or may at any time have against one or more of the other Parties in regard to the Litigation;
 - (b) **"Court"** means the Court of Queen's Bench for Saskatchewan;

- (c) **"Discharge Order"** means the Discharge Order of the Honourable Madam Justice A.R. Rothery dated October 24, 2013, issued concurrently with this Order in these proceedings;
- (d) **"FCL"** means Federated Co-operatives Limited, its directors, officers, employees, servants, successors, affiliates, insurers, representatives and agents, and each of them;
- (e) **"FCL Litigation"** means the action commenced by FCL against the Scotts in the Judicial Centre of Swift Current in the Court of Queen's Bench For Saskatchewan as Q.B. No. 999 of 2009;
- (f) **"Litigation"** means the Scott Litigation and the FCL Litigation;
- (g) **"MLT"** means legal counsel to the Receiver, MacPherson Leslie & Tyerman LLP;
- (h) **"Parties"** means the Scotts, WCR, FCL and Southwest;
- (i) **"Person"** is to be broadly interpreted and includes any individual, firm, corporation, limited or unlimited liability company, general limited partnership, association, trust, unincorporated organization, joint venture, government authority or any agency, regulatory body, officer or instrumentality thereof, or any other entity, whether or not having legal status and whether acting on its own or in a representative capacity;
- (j) **"Professional Fees Amount"** means the amount of \$10,000.00 paid on behalf of WCR, FCL and Southwest to the Receiver, in addition to the Settlement Amount, on account of the professional fees incurred by the Receiver and MLT in relation to the Settlement;
- (k) **"Receiver"** means PricewaterhouseCoopers Inc., in its capacity as Court-appointed Receiver of substantially all of the property of the Scotts, and not in its personal or corporate capacity;
- (l) **"Receivership Order"** means the Amended and Restated Receivership Order of the Honourable Madam Justice A.R. Rothery dated February 15, 2013;
- (m) **"Scotts"** means Shane Scott and Michelle Scott or either of them, and their heirs, executors, administrators, successors, assigns, insurers, representatives and agents, and each of them;
- (n) **"Scott Litigation"** means the action commenced by the Scotts against WCR, FCL and Southwest in the Judicial Centre of Swift Current in the Court of Queen's Bench For Saskatchewan as Q.B. No. 1 of 2009;

- (o) **"Settlement"** means the proposed full and final settlement by the Receiver, pursuant to paragraph 3(j) of the Receivership Order, of all Claims in relation to the Litigation for the amount and upon the terms set forth herein;
- (p) **"Settlement Amount"** means the amount set forth in the Confidential Addendum to the Final Report of the Receiver to be paid on behalf of WCR, FCL and Southwest in regard to the Settlement;
- (q) **"Southwest"** means Southwest Co-operative Limited, its directors, officers, employees, servants, successors, affiliates, insurers, representatives and agents, and each of them;
- (r) **"WCR"** means West Coast Reduction Ltd., its directors, officers, employees, servants, successors, affiliates, insurers, representatives and agents, and each of them.

2. All references herein to the word "including" shall mean "including, without limitation", and all references herein to the singular shall include the plural, and *vice versa*.

Abridgment of Service

3. The time for service of the Notice of Application and other materials filed in support of this Order (collectively, the **"Application Materials"**) shall be and is hereby abridged, such that service of the Application Materials shall be deemed to be good, valid and timely.

Limitation of Liability and Protection of the Receiver

4. Further to the limitation of liability and protection of the Receiver pursuant to the Receivership Order, the Discharge Order, all other Orders issued in these proceedings and as an officer of the Court, the Receiver, in carrying out the terms of this Order:
- (a) shall incur no liability or collateral obligation; and
 - (b) shall be entitled to rely upon all documents of the Parties and any other information provided by any of them, all without independent investigation, and the Receiver shall not incur any liability or be responsible for any errors or omissions in regard to such documents or information.

Approval of the Settlement


5. The Settlement shall be and is hereby approved in the amount of the Settlement Amount, upon the terms set forth herein.

Terms of and Implementation of the Settlement

6. MLT shall be and is hereby authorized and directed to release to the Receiver the Settlement Amount and the Professional Fees Amount presently held in trust for the Receiver by MLT.
7. Upon receipt of the Settlement Amount and the Professional Fees Amount, the Receiver shall be and is hereby authorized and directed to:
 - (a) distribute the Settlement Amount in accordance with the Discharge Order;
 - (b) apply the Professional Fees Amount: first, towards payment of the professional fees of MLT identified by MLT as being in relation to the Settlement; second, towards payment of the professional fees of the Receiver identified by the Receiver as being in relation to the Settlement; and, thereafter to distribute any remainder of the Professional Fees Amount in accordance with the Discharge Order.
8. The Local Registrar of the Court of Queen's Bench For Saskatchewan, Judicial Centre of Swift Current shall be and is hereby directed to discontinue Q.B. No. 1 of 2009 and Q.B. No. 999 of 2009 forthwith, without costs payable by any Party.
9. The Scotts shall be and are hereby forever barred from making or enforcing any Claim against any or all of WCR, FCL and Southwest or any other Person who may make a Claim for contribution or indemnity from WCR, FCL or Southwest, and:
 - (a) all such Claims shall be and are forever extinguished; and
 - (b) any such Claim commenced hereafter by the Scotts or any other Person shall be a nullity.
10. Each of WCR, FCL and Southwest shall be and is hereby forever barred from making or enforcing any Claim against the Scotts or any other Person who may make a Claim for contribution or indemnity from the Scotts, and:
 - (a) all such Claims shall be and are forever extinguished; and
 - (b) any such Claim commenced hereafter by any of WCR, FCL or Southwest or any other Person shall be a nullity.
11. Nothing in this Order shall preclude either WCR or FCL from pursuing any Claim by either one against the other in Q.B. No. 142 of 2009.

12. Nothing in this Order shall be construed as constituting an admission of liability by any Party.

ISSUED at Saskatoon, Saskatchewan, this 25th day of October, 2013.


(Deputy) Local Registrar

NOTICE

Take notice that, unless the order is consented to by the respondent or a person affected by the order or unless otherwise authorized by law, every order made without notice to the respondent or a person affected by the order may be set aside or varied on application to the Court. You should consult your lawyer as to your rights.

CONTACT INFORMATION AND ADDRESS FOR SERVICE

If prepared by a lawyer for the party:

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