

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

THE HONOURABLE MR. ) TUESDAY, THE 28<sup>TH</sup> DAY OF  
JUSTICE NEWBOULD )  
OCTOBER, 2014



**BANK OF AMERICA, N.A.,  
as Administrative Agent**

Applicant

- and -

**CPI CORP., CPI PORTRAIT STUDIOS OF CANADA CORP. and  
CPI CANADIAN IMAGES**

Respondents

**DISCHARGE ORDER**

**THIS MOTION** made by Duff & Phelps Canada Restructuring Inc. (“**D&P**”) in its capacity as Court-appointed receiver and receiver and manager (in such capacities, the “**Receiver**”) without security, of all of the assets, undertakings and properties (the “**Property**”) of CPI Corp., an unlimited liability company organized under the laws of Nova Scotia, CPI Portrait Studios of Canada Corp., an unlimited liability company organized under the laws of Nova Scotia, and CPI Canadian Images, an Ontario partnership (collectively, the “**Debtors**”), for an order, *inter alia*: (i) approving the activities of the Receiver as set out in the Fifth Report of the Receiver dated October 21, 2014 (the “**Fifth Report**”); (ii) approving the fees and disbursements of the Receiver and its counsel; (iii) discharging D&P as Receiver of the Property

of the Debtors; and (iv) releasing D&P from any and all liability, as set out in paragraph 10 of this Order was heard this day at 330 University Avenue, Toronto, Ontario.

**ON READING** the Notice of Motion of the Receiver, the Fifth Report and the affidavits of the Receiver and its counsel as to fees and on hearing the submissions of counsel to the Receiver and Bank of America N.A. and those parties listed on the counsel slip, no one else appearing although served as appears from the affidavit of service of Karin Schwarz dated October 22, 2014 filed.

#### **DEFINITIONS**

1. **THIS COURT ORDERS** that all terms not defined herein shall have the meanings ascribed thereto in the Fifth Report.

#### **SERVICE**

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

#### **APPROVAL OF ACTIVITIES**

3. **THIS COURT ORDERS** that the Fourth Report dated August 14, 2014 and the activities of the Receiver described therein be and are hereby approved.

4. **THIS COURT ORDERS** that the Fifth Report dated October 21, 2014 and the activities of the Receiver described therein be and are hereby approved.

## **APPROVAL OF FEES**

5. **THIS COURT ORDERS** that the fees and disbursements of D&P for the period July 1, 2013 to September 30, 2014 as set out in the Fifth Report and the Affidavit of David Sieradzki sworn October 21, 2014, are hereby approved.

6. **THIS COURT ORDERS** that the fees and disbursements of Osler, Hoskin & Harcourt LLP for the period July 1, 2013 to September 30, 2014 as set out in the Fifth Report and the Affidavit of Marc Wasserman sworn October 21, 2014, are hereby approved.

7. **THIS COURT ORDERS** that the Fee Accrual is hereby approved.

## **DISCHARGE OF THE RECEIVER AND THE CRO**

8. **THIS COURT ORDERS** that effective as of the date that the Receiver files a certificate in the form attached hereto as Schedule "A" (the "**Discharge Certificate**"), certifying that: (i) all Distributions to the Agent set forth in the Fifth Report have been made; (ii) the Receiver has paid all of the Reserve Amounts to the appropriate parties described in the Fifth Report; and (iii) the Receiver has completed all activities described in the Fifth Report, the Receiver shall be discharged as Receiver of the Property 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 herein; and (b) the Receiver shall continue to have the benefit of the provisions of all Orders made in this proceeding, including all approvals, protections and stays of proceedings in favour of D&P in its capacity as Receiver.

9. **THIS COURT ORDERS AND DECLARES** that upon filing of the Receiver's Certificate, the Receiver shall have no duty or obligation to direct or cause CPI Corp. to make

Special Payments or to continue to carry out any Plan Administration Activities (each as defined in the Order granted by the Court on April 30, 2013) (collectively the “**Pension Obligations**”).

10. **THIS COURT ORDERS AND DECLARES** that effective as of the date the Receiver files the Discharge Certificate, D&P shall be released and discharged from any and all liability that D&P then has or may thereafter have by reason of, or in any way arising out of, the acts or omissions of D&P while acting in its capacity as Receiver, including with respect to the Pension Obligations, save and except for any gross negligence or wilful misconduct on the Receiver's part. Without limiting the generality of the foregoing, upon the filing of the Discharge Certificate, D&P shall be forever released and discharged from any and all liability relating to matters that were raised, or which could have been raised in the within receivership proceedings, save and except for any gross negligence or wilful misconduct on the Receiver's part.

11. **THIS COURT ORDERS** that effective as of the date that the Receiver files the Receiver's Certificate, Keystone shall be discharged as CRO of the Debtors.

12. **THIS COURT ORDERS AND DECLARES** that effective as of the date the Receiver files the Receiver's Certificate, Keystone shall be released and discharged from any and all liability that Keystone then has or may thereafter have by reason of, or in any way arising out of, the acts or omissions of Keystone while acting in its capacity as CRO, save and except for any gross negligence or wilful misconduct on Keystone's part. Without limiting the generality of the foregoing, upon the filing of the Receiver's Certificate, Keystone shall be forever released and discharged from any and all liability relating to matters that were raised, or which could have been raised, in the within receivership proceedings, save and except for any gross negligence or wilful misconduct on Keystone's part.

**BANKRUPTCY & DISSOLUTION**

13. **THIS COURT ORDERS** that from and after the date the Receiver files the Receiver's Certificate, the Receiver be and is hereby authorized to dissolve CPI Canadian Images and to execute any documents necessary in order to effect the dissolution.

14. **THIS COURT ORDERS AND DECLARES** that from and after the date the Receiver files the Receiver's Certificate, the Receiver be and is hereby authorized and directed to file an assignment in bankruptcy for and on behalf of the Debtors with D&P named as trustee.

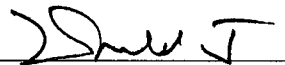
**GENERAL**

15. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body or US bankruptcy trustee having jurisdiction in Canada, the United States of America or elsewhere to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All 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 the Order or to assist the Receiver and its agents in carrying out the terms of this Order.

ENTRÉ EN REGISTRE À TORONTO  
ON / BOOK NO.:  
LE / DANS LE REGISTRE NO.:



OCT 28 2014



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**Schedule A - Form of Receiver's Discharge Certificate**

Court File No: CV13-10069-00CL

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

BETWEEN:

**BANK OF AMERICA, N.A.,  
as Administrative Agent**

Applicant

-and-

**CPI CORP., CPI PORTRAIT STUDIOS OF CANADA CORP. and  
CPI CANADIAN IMAGES**

Respondent

**DISCHARGE CERTIFICATE**

1. Pursuant to an Order of ● of the Ontario Superior Court of Justice (Commercial List) made October 28, 2014 (the "Discharge Order"), Duff & Phelps Canada Restructuring Inc. was discharged as receiver and receiver and manager (the "**Receiver**"), without security, over all of the assets, undertakings and property of CPI Corp., an unlimited liability company organized under the laws of Nova Scotia, CPI Portrait Studios of Canada Corp., an unlimited liability company organized under the laws of Nova Scotia, and CPI Canadian Images, an Ontario partnership (collectively, the "**Debtors**") acquired for, or used in relation to the Debtor's business, and not in its personal or corporate capacity, with such discharge to be effective upon the Receiver filing a certificate with this Court certifying that: (i) all Distributions to the Agent set forth in the Fifth Report have been made; (ii) the Receiver has paid all of the Reserve

Amounts; and (iii) the Receiver has completed all activities described in the Fifth Report dated October 21, 2014 (the "**Fifth Report**") and in connection with the receivership proceedings.

2. All terms not otherwise defined herein shall have the meaning ascribed to in the Fifth Report dated October 21, 2014.

**THE UNDERSIGNED HEREBY CERTIFIES** as follows:

In accordance with Paragraph 8 of the Discharge Order: (i) all Distributions to the Agent set forth in the Fifth Report have been made; (ii) the Receiver has paid all of the Reserve Amounts; and (iii) the Receiver has completed all activities described in the Fifth Report.

**DATED** at Toronto, Ontario this \_\_\_ day of \_\_\_\_\_, 2014

**DUFF&PHELPS CANADA  
RESTRUCTURING INC. solely in its  
capacity as receiver of CPI Corp., CPI  
Portrait Studios of Canada Corp., and CPI  
Canadian Images**

By: \_\_\_\_\_  
Name:  
Title:

**BANK OF AMERICA, N.A., as Administrative Agent**  
Applicant

v. **CPI CORP. et al**  
Respondents

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

Proceeding commenced at Toronto

**DISCHARGE ORDER**

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Lawyers for the Receiver