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**Second Report to the Court of  
Duff & Phelps Canada  
Restructuring Inc. as Liquidator of  
Coventree Inc.**

April 20, 2012

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

**DUFF & PHELPS CANADA RESTRUCTURING INC. IN  
ITS CAPACITY AS LIQUIDATOR OF COVENTREE INC.**

APPLICANT

**APPLICATION UNDER SECTION 207 OF THE  
BUSINESS CORPORATIONS ACT, R.S.O. 1990, C. B.16,  
AS AMENDED**

**IN THE MATTER OF THE WINDING-UP OF  
COVENTREE INC.**

**SECOND REPORT OF DUFF & PHELPS CANADA RESTRUCTURING INC.  
AS LIQUIDATOR OF COVENTREE INC.**

**APRIL 20, 2012**

## **1.0 Introduction**

On June 30, 2010, the shareholders of Coventree Inc. ("Coventree" or the "Company") passed a special resolution approving, among other things: a) the voluntary winding-up of Coventree pursuant to Section 193 of the *Business Corporations Act*, R.S.O. 1990, c. B.16, as amended (the "OBCA") at a time to be determined by the directors of Coventree; and b) a plan of liquidation and distribution substantially in the form attached to such special resolution.

On January 23, 2012, the board of directors of Coventree adopted a finalized plan of liquidation and distribution (the "Liquidation Plan") substantially in the form approved by the special resolution passed by the shareholders. Duff & Phelps Canada Restructuring Inc. ("D&P") is the liquidator named in the Liquidation Plan.

All capitalized terms used in this report (the "Report") that are not otherwise defined shall have the meanings ascribed to such terms in the Liquidation Plan.

By resolution of the board of directors of Coventree Inc., February 15, 2012 was determined to be the Effective Date of the Liquidation Plan.

Pursuant to Section 4.3(k) of the Liquidation Plan, the Liquidator made an application to the Ontario Superior Court of Justice – Commercial List (the “Court”) under Section 207 of the OBCA for orders: a) to have the winding-up of Coventree supervised by the Court (the “Winding-Up Order”); and b) establishing a process for the identification, resolution and barring of claims against the Company, its subsidiaries and their respective directors and officers, both past and present (the “Claims Procedure Order”).

On February 15, 2012, the Court made the Winding-Up Order and the Claims Procedure Order. Copies of these orders are provided as Appendices “A” and “B”, respectively. The Liquidation Plan is appended to the Winding-Up Order.

This Report is being filed by D&P in its capacity as the Liquidator.

## **1.1 Purposes of this Report**

The purposes of this Report are to:

- a) Provide background information about the Company;
- b) Summarize the results of the claims process undertaken pursuant to the Claims Procedure Order;
- c) Summarize the activities of the Liquidator from February 15, 2012 to the date of this Report; and
- d) Recommend that the Court make an order:
  - Approving an interim distribution to the Company’s shareholders as set out in Section 7 of this Report;
  - Approving the Liquidator’s fees and disbursements from February 15, 2012 to March 31, 2012 and the fees and disbursements of Davies Ward Phillips & Vineberg LLP (“Davies”), the Liquidator’s legal counsel, for the same period, as described in Section 9 of this Report; and
  - Approving this Report and the Liquidator’s activities as described in this Report.

## 1.2 Restrictions

In preparing this Report, the Liquidator has relied upon unaudited financial information prepared by the Company's representatives, the Company's books and records and discussions with the Company's representatives and legal counsel. The Liquidator has not performed an audit or other verification of such information. The Liquidator expresses no opinion or other form of assurance with respect to the accuracy of any financial information presented in this Report, or relied upon by the Liquidator.

## 2.0 Background

The Company was incorporated in 1998 under the OBCA. The Company's shares (the "Common Shares") were publicly traded under the symbol "COF-H" on the NEX, a board of the TSX Venture Exchange. On February 14, 2012, the Common Shares ceased trading.

Coventree was a financial intermediary specializing in structuring and funding solutions for clients using special purpose trusts established by Coventree and funded by asset-backed commercial paper ("ABCP"). The Company also provided financial and administrative services to conduits sponsored by third parties.

The Company's business was materially impacted on August 13, 2007 when ABCP conduits sponsored by Coventree and other conduit sponsors that were not among the five largest Canadian banks, were unable to place sufficient new ABCP to fund the repayment of previously issued ABCP that matured that day and were unable to draw on market disruption liquidity facilities (the "Market Disruption"). A restructuring plan pursuant to the *Companies' Creditors Arrangement Act* for parties impacted by the Market Disruption was ultimately concluded on January 21, 2009.

The Company has effectively been winding down its business since shortly after the Market Disruption. Since May, 2009, the Company's primary source of revenue has been limited to interest income earned on cash and cash equivalents held by the Company.

More detailed background information on the Company, including its dealing with the Ontario Securities Commission ("OSC"), is contained in the Liquidator's First Report to Court dated February 7, 2012 (the "First Report"). A copy of the First Report and other materials filed with the Court as well as the Company's press releases are posted on the Liquidator's website at [www.duffandphelps.com/restructuringcases](http://www.duffandphelps.com/restructuringcases).

### **3.0 Inspectors**

Pursuant to the Liquidation Plan, on the Effective Date the directors of Coventree were deemed to have resigned and each of Messrs. Brendan Calder, Geoffrey Cornish and Wesley Voorheis were appointed inspectors of the Company's liquidation pursuant to Section 194 of the OBCA. Messrs. Calder and Cornish subsequently resigned their positions and were replaced by Messrs. William Aziz and Joseph Wiley (together with Mr. Voorheis, the "Inspectors") as provided for under Section 6.5 of the Liquidation Plan. None of the Inspectors are shareholders of the Company.

### **4.0 Reporting Exemption**

On February 23, 2012, the Company submitted a coordinated review application pursuant to National Policy 11-203 - *Process for Exemptive Relief Applications in Multiple Jurisdictions* for a decision that Coventree is no longer required to be a reporting issuer. The purpose of seeking an exemption from reporting requirements of a public company was to, among other things, reduce costs as the Company winds up its affairs.

Coventree did not qualify for voluntary surrender of its reporting issuer status in British Columbia nor was it eligible to use the simplified procedure under CSA Staff Notice 12-307, as it currently has more than 50 security holders in total in Canada.

On March 12, 2012, the Company received a response from the OSC asking for, among other things, a geographic breakdown of the location of the registered and beneficial security holders of Coventree. On March 21, 2012, the Company responded to the OSC's comment letter and provided all the requested information. On April 4, 2012, the OSC advised the Company that the application would be turned over to an exemptive relief review committee for further review. The committee's next meeting is not until mid-May; however, the OSC advised that it is working toward an emergency meeting to review a number of outstanding applications, including Coventree's.

### **5.0 Assets**

The Company's material assets are described below.

#### **5.1 Cash**

As at the date of this Report the Company holds cash and short-term investments of approximately \$65 million.

#### **5.2 Shares**

The Company owns 2,661,449 shares (the "Xceed Shares") of Xceed Mortgage Corporation ("Xceed", trading under "XMC" on the Toronto Stock Exchange), being approximately 9.7% of the issued shares of Xceed. The shares of Xceed are "thinly"

traded. In the last three months the shares have traded in the range of \$.85 to \$1.50 per share. In the last month the daily trading volume has not exceeded 214,000 shares. The closing price on April 19, 2012 was \$1.45 per share, implying a market value of the Xceed Shares of \$3.589 million.

### **5.3 Loan Receivable**

As set out in the First Report, the Company had a loan receivable as at December 31, 2011 from a holding company owned by Mr. Cornish, the Company's Chief Executive Officer and holder (directly or indirectly) of approximately 25% of the Common Shares, of \$1.55 million inclusive of interest (the "Loan"). The Company holds 500,000 Common Shares as security for the promissory notes underlying the Loan.

Prior to the date of the Winding-Up Order, Coventree extended the maturity date for the Loan from December 31, 2011 to March 31, 2012 with interest accruing at 9% per annum, which was the same rate as prior to the extension. This was done in recognition of Mr. Cornish's past and expected future contributions to the Company and ongoing assistance in winding up the Company's affairs.

The Liquidator, the Inspectors and Mr. Cornish discussed repayment of the Loan prior to its maturity. On March 29, 2012, the Liquidator executed an amending agreement on behalf of the Company to extend the Loan maturity date to the earlier of June 30, 2012 and the date on which any distribution is made regarding the Common Shares; interest at 9% per annum continues to accrue on the Loan. In return, Mr. Cornish's holding company delivered an irrevocable direction to the Company to apply any and all proceeds from any distribution to first repay the Loan.

### **5.4 Litigation Claims**

#### **5.4.1 Insurance**

The Company has made a claim of \$5 million against Navigators Pro, acting on behalf of Lloyds Syndicate 1221 (Millenium Syndicate) (collectively, "Navigators"), the Company's former directors' and officers' insurer. On September 13, 2011, the Court ruled that the Navigators policy is operative and Navigators must respond to the claim made by Coventree for coverage under that policy. The Court of Appeal for Ontario heard Navigators' appeal of the Court's decision on February 9, 2012. The Court of Appeal reserved its decision.



#### 5.4.2 Dean Tai

The Company issued a notice of action to commence a proceeding (the “Tai Action”) against Dean Tai, a former CEO of the Company, and certain corporations affiliated with him, in April, 2011, related to shares issued to him under Coventree’s 2005 Share Allocation Plan (the “Tai SAP Shares”). The Company indicated that it would be claiming damages of \$5 million on the basis that the issuance of the Tai SAP Shares and the circumstances giving rise to their issuance were wrongful and gave rise to damages for breach of fiduciary duty, breach of duty of care and related claims.

Pursuant to Section 4.3 (a) of the Liquidation Plan, the Inspectors have taken carriage of the Tai Action and actions by Mr. Tai against the Company (discussed below in Section 6).

The Inspectors reviewed the facts related to the Tai Action and consulted with Thornton Grout Finnigan LLP, counsel representing the Company in actions by and against Mr. Tai. Based on their review and consultation, the Inspectors have decided that, in the overall context of the liquidation and Mr. Tai’s actions against the Company, it is no longer in the Company’s best interest to pursue the Tai Action.

While the Company will not be advancing the Tai Action, the Inspectors have advised the Liquidator that the Company will vigorously defend the actions being brought by Mr. Tai against the Company and will, as part of that defence, be asserting that the issuance of the Tai SAP Shares and the circumstances giving rise to their issuance were wrongful and breached Mr. Tai’s fiduciary duty and duty of care to the Company.

### 6.0 Claims Process

Pursuant to the Claims Procedure Order, the Liquidator:

- a) Sent a copy of the Claims Process Notice (as defined in the Claims Procedure Order) to all known or potential creditors with claims against the Company, its present or former subsidiaries and their respective current or former directors and officers (the “Coventree Group”) by February 24, 2012.
- b) Posted the Claim Process Notice on its website on February 22, 2012.
- c) Caused the Claims Process Notice to be published twice in each of *The Globe and Mail* (National Edition) and the *National Post* between February 21 and 23, 2012. Copies of the published notices are provided as Appendix “C”.

In accordance with the Claims Procedure Order creditors wishing to assert a Claim were required to deliver a written notice of such on or before April 13, 2012 (the “Claim Bar Date”).



## **6.1 Tai Claims**

On October 14, 2011, Mr. Tai and certain corporations affiliated with him commenced Court proceedings against Coventree and Coventree's transfer agent, Equity Financial Trust Company. As outlined in the First Report, the Liquidator understands that Mr. Tai currently owns or controls, directly or indirectly, approximately 22% of the outstanding Common Shares of Coventree. Mr. Tai's claim relates to a decision in April, 2009 to cancel 736,522 Common Shares of Coventree that were issued to him under Coventree's 2005 Share Allocation Plan.

Following the termination of Mr. Tai's employment with Coventree in February, 2009, the independent directors of Coventree conducted a review of the circumstances surrounding the issuance of those shares. As a result of that review, the independent directors determined that the shares were not validly issued and Coventree cancelled the Tai SAP Shares.

In his statement of claim, Mr. Tai asserts that, in cancelling the Tai SAP Shares, Coventree acted in a way that was oppressive and is claiming damages equal to the value of 736,522 Common Shares of Coventree, to be valued at their highest share price between the date of April 15, 2009 and the date of trial, plus prejudgement interest and costs.

Paragraph 14 of the Claims Procedure Order provides that for any claim against Coventree that was commenced prior to the Effective Date by the issuance of an originating process (as defined in the Rules of Civil Procedure), the Inspectors may choose to have such claim determined in the context of the proceedings commenced by such originating process and, in such case, shall authorize and direct the Liquidator to notify such claimant of such a decision rather than respond to such claim inside the claims process pursuant to the Claims Procedure Order. The value and status of such a claim would then be as finally determined in such proceedings.

Pursuant to Section 4.3(a) of the Liquidation Plan, the Inspectors resolved to oversee and manage the administration of Mr. Tai's claim in connection with the Tai SAP Shares and all related litigation. On February 27, 2012, the Inspectors also resolved to have Mr. Tai's claim in connection with the Tai SAP Shares be determined in the context of the proceedings already commenced by Mr. Tai against the Company, as permitted by the Claims Procedure Order. The Liquidator's counsel notified Mr. Tai's counsel of this determination and, pursuant to paragraph 7 of the Winding-Up Order, of the Liquidator's concurrent consent to the continuation of such proceedings notwithstanding the general stay of proceedings.

## **6.2 Claims Process Results**

Claims totalling approximately \$10.1 million plus interest, costs, certain indemnities and certain provisional claims by Canada Revenue Agency (the "Total Claims") were filed against the Coventree Group by the Claim Bar Date. The Total Claims includes the claims of Mr. Tai referenced above. A list of claims filed by the Claim Bar Date is provided as Appendix "D".

The Company has known of the material claims since prior to commencement of these proceedings and has disclosed the existence of those claims in its filings. The only D&O Claims (as defined in the Claims Procedure Order) are those filed by the OSC against Messrs. Cornish and Tai.

In accordance with the Claims Procedure Order, other than in connection with the claims relating to the Tai SAP Shares litigation, the Liquidator will be reviewing all Claim Notices filed on or before the Claim Bar Date to determine, with the approval of the Inspectors, whether or not to allow, partially allow, partially disallow or disallow each particular Claim. Accordingly, the total number and aggregate dollar value of all Proven Claims is unknown at this time.

Accounts payable creditors have continued to be paid in the normal course of business.

## **7.0 Interim Distribution**

As at the date of this Report, 15,157,138 Common Shares are issued and outstanding.

The Liquidator understands that two shareholders, being Messrs. Cornish and Tai, hold 25% and 22% of the Common Shares, respectively, either directly or indirectly. Based on information provided by Coventree, the Liquidator understands that no other person or company beneficially owns, directly or indirectly, or exercises control or direction over, 10% or more of the Common Shares.

Pursuant to the Liquidation Plan, the Liquidator is seeking approval to make an interim distribution to the Company's shareholders of: a) the Company's cash on hand, net of a reserve for the Total Claims and a contingency for other costs ("Reserve"); and b) the Xceed Shares.

### **7.1 Cash**

The Liquidator is proposing to distribute \$44.5 million in cash on a pro rata basis to the Company's shareholders, calculated as follows:

	\$ million
Cash on hand	64.9
Less:	
Total Claims	10.1
Provision for professional fees, expenses and cost awards	2.0
Provision for operating and other costs	2.1
Contingency	6.2
	20.4
Net amount available for distribution	44.5

## **7.2 Xceed Shares**

Several parties have approached the Liquidator expressing an interest in purchasing the Xceed Shares en bloc. To date none of the parties have submitted an offer. The Liquidator and the Inspectors considered the level of interest. The Inspectors and the Company's management (which includes Mr. Cornish) advised the Liquidator that, in their view, the current trading prices do not reflect the underlying value of Xceed. The Inspectors have decided that it is in the best interest of the Company's shareholders to have the Xceed Shares distributed to the Coventree shareholders; the individual shareholders can then decide whether to sell or hold their share of the Xceed Shares.

Pursuant to Section 4.3 (m) of the Liquidation Plan, the Liquidator is proposing to make an in-kind distribution of the Xceed Shares pro rata to the Company's shareholders<sup>1</sup>. The Inspectors have approved a distribution on this basis.

The per share value the Company will record for tax purposes upon the distribution of the Xceed Shares will be the quoted bid price as at the close of trading on the day prior to the distribution being made. The per share value would be the adjusted cost base to Coventree's shareholders upon receipt of the Xceed Shares.

## **7.3 Return of Capital and Dividend Distributions**

The interim distribution will be comprised of a return of capital and a taxable dividend. Details will be provided when the Company issues tax forms to shareholders.

## **7.4 Non-resident Withholding Taxes**

The Liquidator has reviewed the Company's shareholder registry (the "Registry") and the residency of shareholders. Based on the Registry, certain registered shareholders appear to be non-residents. Withholding taxes will apply to the taxable dividend portion of both the cash and Xceed Shares distributions to non-residents pursuant to the provisions of the *Income Tax Act*. Such distributions, including withholding tax deductions, are to be made in the normal course by the Company or its distribution agents.

## **7.5 Timing of Interim Distribution**

The Liquidator anticipates making the distribution of cash and Xceed Shares on or shortly after May 4, 2012, provided it is approved by the Court.

## **7.6 Distributions to Mr. Tai**

The Liquidator has also been advised that Mr. Tai and his wife are subject to divorce proceedings in the United States. Based on a court order made in those proceedings

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<sup>1</sup> Fractional shares will not be issued. The distribution by the Company's agents will be subject to rounding.

and directions to the Company issued by Mr. Tai, the Liquidator understands that distributions in the Company's proceedings to Mr. Tai or his holding companies are to be made to McCarthy Tetrault LLP, in trust. Copies of the court order and the directions are provided as Appendix "E". Subject to the order of this Court, the Liquidator proposes to direct distributions, in cash or in Xceed Shares, where Mr. Tai or his holding companies are identified as the shareholder in the Registry, to McCarthy Tetrault LLP, in trust.

As set out in the First Report, the Company had a loan receivable as at December 31, 2011 from holding companies owned by Mr. Tai and held 500,000 Common Shares as security for the promissory notes underlying such loan. This loan became due and payable on December 31, 2011 and was not repaid despite demand being made. The aggregate amount of the loan (including interest) owed to Coventree by Mr. Tai's companies was approximately \$1.62 million.

In order to recover the amounts owing, Coventree sold 456,000 of the 500,000 shares pledged by those companies. The sale yielded sufficient proceeds to repay the loan plus all interest and costs in full, leaving a surplus of approximately \$25,000. Accordingly, the Company continues to hold 44,000 Coventree shares and approximately \$25,000 of surplus cash to be returned to Mr. Tai's holding companies. Given the matrimonial proceedings referred to above, the Liquidator believes that it is appropriate for such shares and surplus cash to also be delivered to McCarthy Tetrault LLP, in trust.

## **8.0 Liquidator's Activities**

Since the date of the Winding-Up Order the Liquidator's activities, other than those described in this Report, have included:

- Attending meetings with the Inspectors;
- Reviewing the Company's disbursements;
- Responding to inquiries related to the Xceed Shares;
- Retaining Osler, Hoskin & Harcourt LLP as its independent legal claims counsel;
- Considering the Company's tax matters;
- Responding to numerous inquiries from the Company's shareholders; and
- Drafting this Report.

## 9.0 Fees of the Liquidator and its Counsel

Attached as Appendix "F" is an affidavit of fees sworn by Robert Harlang, a representative of the Liquidator. The Liquidator's fee affidavit includes copies of the Liquidator's statements of account from February 15, 2012 to March 31, 2012 (the "Period"). The Liquidator's fees in the Period totalled \$71,714 inclusive of disbursements and taxes.

Attached as Appendix "G" is an affidavit of fees sworn by Robin Schwill, a representative of Davies. Davies' fee affidavit includes copies of Davies' statements of account for the Period. Davies' fees in the Period, inclusive of disbursements and taxes, totalled \$49,957.

Pursuant to paragraph 14 of the Winding-Up Order the accounts of the Liquidator and Davies have been approved by the Inspectors. The Liquidator and Inspectors consider the fees and disbursements to be fair and reasonable under the circumstances and reflective of appropriate actions and tasks related to the liquidation. Accordingly, the Liquidator respectfully requests that this Court approve its fees and the fees and disbursements of Davies, as detailed in Appendices "F" and "G".

## 10.0 Recommendation

Based on the foregoing, the Liquidator respectfully recommends that this Court make an order granting the relief detailed in Section 1.1 (d) of this Report.

\* \* \*

All of which is respectfully submitted,



**DUFF & PHELPS CANADA RESTRUCTURING INC.  
IN ITS CAPACITY AS LIQUIDATOR OF COVENTREE INC.  
AND NOT IN ITS PERSONAL CAPACITY**

## **Appendix “A”**

**ONTARIO**  
**SUPERIOR COURT OF JUSTICE – COMMERCIAL LIST**

THE HONOURABLE MR.	)	WEDNESDAY, THE 15 <sup>TH</sup> DAY
	)	
JUSTICE MORAWETZ	)	OF FEBRUARY, 2012.

DUFF & PHELPS CANADA RESTRUCTURING INC. IN ITS  
CAPACITY AS LIQUIDATOR OF COVENTREE INC.

Applicant

APPLICATION UNDER SECTION 207 OF THE *BUSINESS  
CORPORATIONS ACT*, R.S.C. 1990, c. B.16, AS AMENDED

IN THE MATTER OF THE WINDING-UP OF  
COVENTREE INC.



**WINDING-UP ORDER**

THIS APPLICATION, made by the Applicant under section 207 of the *Business Corporations Act*, R.S.C. 1990, c. B.16, as amended (the "**OBCA**") to have the voluntary winding-up of Coventree Inc. pursuant to the plan of liquidation and distribution in the form attached hereto as Schedule "A" (the "**Liquidation Plan**") continued under the supervision of this Court was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the first report to this Court of Duff & Phelps Canada Restructuring Inc. in its capacity as the liquidator of Coventree Inc. as appointed pursuant to the Liquidation Plan (the "**Liquidator**") dated February 7, 2012 (the "**Report**"), and on hearing the submissions of counsel for the Applicant and Mr. Dean Tai; Alkyon Corporation and Alkyon Holdings Corporation, no one appearing for any other person on the service list, although properly served as appears from the Affidavits of Service filed:



## **SERVICE**

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

## **APPLICATION**

2. THIS COURT ORDERS AND DECLARES that the Liquidation Plan (and the appointment of the Liquidator and the Inspectors thereunder) be and is hereby approved and affirmed.

3. THIS COURT ORDERS that all capitalized terms used herein and not otherwise defined in this Order shall have the meaning ascribed to them in the Liquidation Plan.

4. THIS COURT ORDERS that the winding up of Coventree Inc. shall continue to be effected and implemented under the supervision of this Court and in accordance with the terms of the Liquidation Plan and such further orders of this Court.

5. THIS COURT ORDERS that, for greater certainty, the Liquidator hereby has and shall have all of the powers and authorities as provided to it under the Liquidation Plan and the OBCA and any further Order of this Court.

6. THIS COURT ORDERS that the Liquidator be and is hereby relieved from complying, and need not comply, with Sections 4.2(c) and 4.2(e) of the Liquidation Plan, but hereby affirms that, pursuant to Section 198 of the OBCA, all transfers of Common Shares on or after the date of this Order shall be void unless made with the explicit sanction of the Liquidator.

## **NO PROCEEDINGS AGAINST THE APPLICANT OR THE PROPERTY**

7. THIS COURT ORDERS that from the date of this Order until further Order of this Court (the "Stay Period"), no proceeding or enforcement process in any court or tribunal (each, a "Proceeding") shall be commenced or continued against or in respect of Coventree Inc., any of its subsidiaries or affiliates (collectively, "Coventree" or the "Company"), or the Liquidator, or

affecting any of Coventree's current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the "**Property**") except with the written consent of the Liquidator, or with leave of this Court.

#### **NO EXERCISE OF RIGHTS OR REMEDIES**

8. THIS COURT ORDERS that during the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being "**Persons**" and each being a "**Person**") against or in respect of Coventree or the Liquidator, or affecting the Property, are hereby stayed and suspended except with the written consent of the Liquidator, or leave of this Court, provided that nothing in this Order shall (i) empower the Liquidator to carry on any business which Coventree is not lawfully entitled to carry on, (ii) exempt the Liquidator from compliance with statutory or regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

#### **NO INTERFERENCE WITH RIGHTS**

9. THIS COURT ORDERS that during the Stay Period, no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by Coventree, except with the written consent of the Liquidator, or leave of this Court.

#### **CONTINUATION OF SERVICES**

10. THIS COURT ORDERS that during the Stay Period, all Persons having oral or written agreements with Coventree or statutory or regulatory mandates for the supply of goods and/or services, including without limitation all computer software, communication and other data services, centralized banking services, payroll services, insurance, employee benefits, transportation services, utility or other services to Coventree, are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Liquidator (including, where a notice of termination may have been given with an effective date after the date of this Order), and that the

Liquidator shall be entitled to the continued use of Coventree's current premises, telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Liquidator in accordance with normal payment practices of Coventree or such other practices as may be agreed upon by the supplier or service provider and the Liquidator, or as may be ordered by this Court.

### **PROCEEDINGS AGAINST DIRECTORS AND OFFICERS**

11. THIS COURT ORDERS that during the Stay Period no Proceeding may be commenced or continued against any of the former, current or future directors or officers of Coventree with respect to any claim against the directors or officers that arose before the date hereof and that relates to any obligations of Coventree whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers of Coventree.

### **THE LIQUIDATOR**

12. THIS COURT ORDERS that the Liquidator shall provide any creditor or shareholder of Coventree with information provided by Coventree in response to reasonable requests for information made in writing by such creditor or shareholder addressed to the Liquidator. The Liquidator shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Liquidator has been advised by Coventree or the Inspectors is confidential or is otherwise material, non-public information, the Liquidator shall not provide such information to creditors or shareholders unless otherwise directed by this Court or on such terms as the Liquidator and the Inspectors may agree.

13. THIS COURT ORDERS that, in addition to the rights and protections afforded the Liquidator under the OBCA and the Liquidation Plan, the Liquidator shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of this Order or the Liquidation Plan, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded the Liquidator by the OBCA, the Liquidation Plan or any applicable legislation.

14. THIS COURT ORDERS that the Liquidator, and counsel to the Liquidator, shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, by Coventree as part of the costs of these proceedings. The Liquidator is hereby authorized and directed to pay its accounts and those of its counsel as and when such accounts are rendered and approved by the Inspectors.

15. THIS COURT ORDERS that the Liquidator and its counsel shall pass their accounts from time to time, and for this purpose the accounts of the Liquidator and its counsel are hereby referred to a judge of this Court and such passing of their accounts in this manner shall be considered full compliance with Section 212 of the OBCA.

16. THIS COURT ORDERS that the Liquidator and its counsel shall be entitled to the benefit of and are hereby granted a charge (the "**Administration Charge**") on the Property, which charge shall not exceed an aggregate amount of \$200,000, as security for their professional fees and disbursements incurred at the standard rates and charges of the Liquidator and such counsel, both before and after the making of this Order in respect of these proceedings. The Administration Charge shall constitute a first ranking charge on the Property and shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, statutory or otherwise (collectively, "**Encumbrances**") in favour of any Person.

17. THIS COURT ORDERS that the filing, registration or perfection of the Administration Charge shall not be required, and that the Administration Charge shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Administration Charge coming into existence, notwithstanding any such failure to file, register, record or perfect.

18. THIS COURT ORDERS that Administration Charge shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Administration Charge shall not otherwise be limited or impaired in any way by (a) the pendency of these proceedings; (b) the provisions of any federal or provincial statutes; or (c) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to

lease or other agreement (collectively, an "Agreement") which binds Coventree, and notwithstanding any provision to the contrary in any Agreement:

- (a) neither the creation of the Administration Charge shall create or be deemed to constitute a breach by Coventree of any Agreement to which it is a party;
- (b) none of the chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the creation of the Administration Charge; and
- (c) the payments made by Coventree pursuant to this Order and the granting of the Administration Charge, do not and will not constitute fraudulent preferences, fraudulent conveyances, oppressive conduct, settlements or other challengeable, voidable or reviewable transactions under any applicable law.

#### **SERVICE AND NOTICE**

19. THIS COURT ORDERS that the Liquidator be at liberty to serve this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or electronic transmission to Coventree's creditors or other interested parties at their respective addresses as last shown on the records of Coventree and that any such service or notice by courier, personal delivery or electronic transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

20. THIS COURT ORDERS that the Liquidator, and any party who has filed a Notice of Appearance may serve any court materials in these proceedings by e-mailing a PDF or other electronic copy of such materials to counsels' email addresses as recorded on the Service List from time to time, in accordance with the E-filing protocol of the Commercial List to the extent practicable, and the Liquidator may post a copy of any or all such materials on its website at [www.duffandphelps.com/restructuringcases](http://www.duffandphelps.com/restructuringcases).


**GENERAL**

21. THIS COURT ORDERS that the Liquidator may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.
22. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States, to give effect to this Order and to assist the Liquidator and its respective 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 Liquidator, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Liquidator in any foreign proceeding, or to assist the Liquidator and its respective agents in carrying out the terms of this Order.
23. THIS COURT ORDERS that the Liquidator be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order.
24. THIS COURT ORDERS that any interested party may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to any other party or parties likely to be affected by the order sought or upon such other notice, if any, as this Court may order.
25. THIS COURT ORDERS that this Order and all of its provisions are effective as of 12:01 a.m. Eastern Standard Time on the date of this Order.



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

FEB 15 2012



**Schedule A**



**COVENTREE INC.**

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**PLAN OF LIQUIDATION AND DISTRIBUTION**

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**JANUARY 23, 2012**

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**COVENTREE INC.**  
**PLAN OF LIQUIDATION AND DISTRIBUTION**

WHEREAS the board of directors of Coventree Inc. (the "**Board**") has concluded that it is in the best interests of Coventree Inc. (the "**Company**") to be wound up voluntarily pursuant to the *Business Corporations Act* (Ontario) in accordance with the terms of this Liquidation Plan (as defined below);

AND WHEREAS the Board has passed a resolution authorizing the Company to seek shareholder approval for the winding up of the Company and hold a special meeting of shareholders to consider and vote to require the Company to be wound up voluntarily and, in connection therewith, approve this Liquidation Plan;

NOW THEREFORE THIS Liquidation Plan is adopted by the Board as of the last date set forth below, having the terms and conditions as set out herein.

**ARTICLE 1**  
**INTERPRETATION**

**1.1**            **Definitions**

In this Liquidation Plan:

"**Assets**" means all of the property, assets and undertaking of Coventree;

"**Board**" has the meaning given to it in the recitals of this Liquidation Plan;

"**Business Day**" means a day, other than a Saturday or Sunday, on which banks are generally open for business in Toronto, Ontario;

"**Calendar Day**" means any day, including a Saturday, Sunday or statutory holiday in Toronto, Ontario;

"**Canadian Dollars**" or "**CDN\$**" means dollars denominated in lawful currency of Canada;

"**Claim**" means

- (a) any right of any Person against Coventree in connection with any indebtedness, liability or obligation of any kind of Coventree and any interest accrued thereon or costs payable in respect thereof, whether liquidated, unliquidated, reduced to judgment, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, present, future, known or unknown, by guarantee, surety or otherwise, and whether or not such right is executory or anticipatory in nature, including any claim made or asserted against Coventree through any affiliate, associate or any right or ability of any Person to advance a claim for

contribution or indemnity or otherwise with respect to any matter, action, cause or chose in action, whether existing at present or commenced in the future with respect to any matter, action, cause or chose in action; and

- (b) any existing or future right of any Person against any one or more of the Directors which arose or arises as a result of such Director's position, supervision, management or involvement as a Director or otherwise in any other capacity in connection with Coventree whether such right, or the circumstances giving rise to it, arose before or after the Effective Date and whether enforceable in any civil, administrative or criminal proceeding;

**"Claims Process"** means the process established by the Liquidator and approved by the Court for the identification, resolution and barring of certain Claims, including *inter alia*, the issuance of a final order of the Court establishing the Claims;

**"Clearance Certificates"** mean:

- (a) a certificate issued by the Minister pursuant to subsection 159(2) of the *Income Tax Act*, R.S.C. 1952, c. 148 (the "ITA"), or any equivalent thereto, certifying that all amounts for which Coventree is, or can reasonably be expected to become, liable under the ITA and the *Taxation Act*, 2007, S.O. 2007, c. 11, Sched. A, up to and including the date of distribution have been paid, or that the Minister has otherwise accepted security for payment;
- (b) a certificate issued by the Minister pursuant to subsection 23(5) of the *Canada Pension Plan*, R.S.C. 1985, c. C-8 (the "CPP"), or any equivalent thereto, certifying that all amounts for which Coventree is liable under the CPP up to and including the date of distribution, have been paid or that security for the payment thereof has been accepted by the Minister;
- (c) a certificate issued by the Minister pursuant to subsection 86(3) of the *Employment Insurance Act*, S.C. 1996, c. 23 (the "EIA"), or any equivalent thereto, certifying the payment, or acceptance by the Minister of security for payment, of all amounts for which Coventree is liable under the EIA up to and including the date of distribution;
- (d) a certificate issued by the Minister pursuant to subsection 81(1) of the *Excise Tax Act*, R.S.C. 1985, c. E-15 (the "ETA"), or any equivalent thereto, certifying that no tax, penalty, interest or other sum under the ETA, chargeable against or payable by the Liquidator or chargeable against or payable in respect of the Assets, remains unpaid or that security for the payment thereof has, in accordance with section 80.1 of the ETA, been accepted by the Minister;
- (e) a certificate issued by the Minister pursuant to subsection 270(3) of the ETA, or any equivalent thereto, certifying that all amounts payable or remittable under Part IX of the ETA by Coventree in respect of the reporting period during which

the distribution is made or any previous reporting period, and all amounts that are, or can reasonably be expected to become, payable or remittable under Part IX of the ETA by the Liquidator in respect of the reporting period during which the distribution is made, has been paid or that security for the payment thereof has been accepted by the Minister;

- (f) a certificate issued by the Ontario Minister of Finance pursuant to subsection 19(2) of the *Employer Health Tax Act*, R.S.O. 1990, C. E. 11 (the "EHTA"), or any equivalent thereto, certifying that all taxes, interest and penalties that have been assessed under the EHTA and are chargeable against or payable out of the property of Coventree have been paid or that security for the payment thereof in a form acceptable to the Ontario Minister of Finance has been given; and
- (g) a certificate issued by pursuant to subsection 107(2) of the *Corporations Tax Act*, R.S.O. 1990, C.40 ("CTA"), or any equivalent thereto, certifying that all taxes, interest, penalties and other amounts payable by Coventree under the CTA have been paid or that security for the payment thereof in a form acceptable to the Ontario Minister of Finance has been given under section 103 of the CTA;

**"Common Shares"** means the common shares in the capital of Coventree;

**"Court"** means the Ontario Superior Court of Justice (Commercial List);

**"Coventree"** or **"Company"** has the meaning given to it in the recitals of this Liquidation Plan;

**"Creditor"** means any Person with a Claim;

**"Directors"** means all individuals who were, on or at any time before the Effective Date, directors or officers of Coventree, and the term **"Director"** shall mean any one of them;

**"Dissolution Date"** means the date on which the Company is dissolved pursuant to the OBCA or by order of the Court;

**"Effective Date"** means the date to be established by a resolution of the Board upon which the implementation of the Liquidation Plan shall commence.

**"Employees"** means the employees of Coventree;

**"Governmental Authority"** means any nation or government, any province, state or other political subdivision thereof, any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government or any Legal Requirement and any corporation or other entity owned or controlled, through capital stock or otherwise by any of the foregoing;

**"Inspectors"** has the meaning given to it in Section 6.1;

**"Legal Requirement"** means any statute, law, treaty, rule, regulation, order, decree, writ, injunction or determination of any arbitrator, court, Governmental Authority or securities exchange and, with respect to any Person, includes all such Legal Requirements applicable or binding upon such Person, its business or the ownership or use of any of its assets;

**"Liquidator"** means the Person appointed from time to time pursuant to Sections 4.1, 4.5, or 4.6 in its capacity as liquidator of Coventree;

**"Liquidation Date"** means the date on which the Shareholders pass the Resolution;

**"Liquidation Plan"** means this plan of liquidation and distribution as it may be amended, modified, supplemented, restated or otherwise modified in accordance with its terms;

**"Minister"** means the Minister of National Revenue;

**"NEX"** means the board of the TSX Venture Exchange known as "NEX";

**"OBCA"** means the *Business Corporations Act* (Ontario);

**"OBCA Director"** means the Director appointed under Section 278 of the OBCA;

**"Person"** means any individual, partnership, limited partnership, joint venture, trust, corporation, unincorporated organization, government, agency, regulatory body or instrumentality thereof, legal personal representative or litigation guardian, or any other judicial entity howsoever designated or constituted domiciled;

**"Proven Claim"** means a Claim finally determined or accepted in accordance with the provisions of the Claims Process;

**"Public Trustee"** means the Public Guardian and Trustee pursuant to the *Public Guardian and Trustee Act*, R.S.O. 1990, Chapter P.51;

**"Resolution"** means the special resolution of the Shareholders authorizing the voluntary winding up of Coventree made in accordance with the OBCA and approving this Liquidation Plan;

**"Shareholders"** means all holders of Common Shares shown from time to time in the registers maintained by or on behalf of Coventree by the Transfer Agent in respect of the Common Shares and, unless otherwise specified, includes all beneficial owners of Common Shares;

**"Tax Return"** means any report, return or other information required to be supplied to a taxing authority in connection with (a) all taxes, charges, fees, levies and other assessments (whether federal, provincial, local or foreign), including income, gross receipts, excise, property, sales, use, transfer, license, payroll, franchise, withholding,



social security and unemployment taxes, and (b) any interest, penalties and additions related to the foregoing;

**"Transfer Agent"** means Equity Transfer & Trust Company, as transfer agent for the Common Shares of the Company; and

**"Xceed Shares"** means the shares in the capital of Xceed Mortgage Corporation which are owned by the Company.

## **1.2            Certain Rules of Interpretation**

In this Liquidation Plan and the Schedules hereto:

- (a) all references to currency are to Canadian Dollars, except as otherwise expressly indicated;
- (b) the division of this Liquidation Plan into articles, sections, subsections and clauses and the insertion of headings and a table of contents are for convenience of reference only and shall not affect the construction or interpretation of this Liquidation Plan. The terms "this Liquidation Plan", "hereof", "hereunder", "herein" and similar expressions refer to this Liquidation Plan and not to any particular article, section, subsection or clause and include any plan supplemental hereto. Unless otherwise indicated, any reference in this Liquidation Plan to an article, section, subsection, clause or schedule refers to the specified article, section, subsection, clause or schedule of or to this Liquidation Plan;
- (c) the use of words in the singular or plural, or with a particular gender, shall not limit the scope or exclude the application of any provision of this Liquidation Plan or a schedule hereto to such Person (or Persons) or circumstances as the context otherwise permits;
- (d) the words "includes" and "including" and similar terms of inclusion shall not, unless expressly modified by the words "only" or "solely", be construed as terms of limitation, but rather shall mean "includes without limitation" and "including without limitation", so that references to included matters shall be regarded as illustrative without being either characterizing or exhaustive;
- (e) unless otherwise specified, all references to time herein and in any document issued pursuant hereto mean local time in Toronto, Ontario and any reference to an event occurring on a Business Day shall mean prior to 5:00 p.m., on such Business Day. Unless otherwise specified, the time period within or following which any payment is to be made or act is to be done shall be calculated by excluding the day on which the period commences and including the day on which the period ends and by extending the period to the next succeeding Business Day if the last day of the period is not a Business Day. Whenever any payment to be made or action to be taken under this Liquidation Plan is required

to be made or to be taken on a day other than a Business Day, such payment shall be made or action taken on the next succeeding Business Day;

- (f) unless otherwise specified, where any reference to an event occurring within any number of "days" appears in this Liquidation Plan, such reference means Calendar Days and not Business Days; and
- (g) unless otherwise provided, any reference to a statute, or other enactment of parliament or a legislature includes all regulations made thereunder, all enactments to or re-enactments of such statute or regulations in force from time to time, and, if applicable, any statute or regulation that supplements or supersedes such statute or regulation.

## **ARTICLE 2**

### **PURPOSE OF THE PLAN**

#### **2.1      Purpose**

The purpose of this Liquidation Plan is to provide for a plan of liquidation and distribution of the Assets, payment or settlement of all Claims and dissolution of the Company.

#### **2.2      Commencement of Winding Up**

The voluntary winding up of the Company shall commence on and as of the Effective Date.

#### **2.3      Affected Persons**

This Liquidation Plan will be implemented under the OBCA and, as of the Effective Date will be binding on the Company, the Directors, the Inspectors, the Liquidator and the Shareholders in accordance with its terms. On the Liquidation Date, each Shareholder shall be deemed to have consented and agreed to all of the provisions of this Liquidation Plan in their entirety.

## **ARTICLE 3**

### **EFFECT OF PLAN**

#### **3.1      Share Transfers**

On and as of the Effective Date, to the extent permitted by the NEX and the Liquidator, the Common Shares will continue to trade on the NEX until such time as the Liquidator determines in accordance with Section 4.2(e).

**3.2      Company to Cease Business**

On and as of the Effective Date, the Company shall cease to carry on its undertaking, except in so far as may be required as beneficial for the winding up thereof in the discretion of the Liquidator, but its corporate existence and all its corporate powers, even if it is otherwise provided by its articles or by-laws, shall continue until its affairs are wound up.

**3.3      Resignation of Directors**

On and as of the Effective Date, all the powers of the Directors shall cease and the Directors shall be deemed to have resigned.

**ARTICLE 4  
THE LIQUIDATOR**

**4.1      Appointment of Liquidator**

On and as of the Effective Date, Duff & Phelps Canada Restructuring Inc. is hereby appointed as the liquidator of the estate and effects of the Company (the "**Liquidator**") for the purpose of winding up its business and affairs and distributing its Assets, after satisfying all Claims, all in accordance with the terms of this Liquidation Plan, and who shall serve until removal and replacement in accordance with this Liquidation Plan. The Liquidator shall be the agent and attorney-in-fact of the Company and shall act for and on behalf of the Company with the authority to enter into agreements and execute documents for and on behalf of the Company in such capacity pursuant to the powers and obligations of the Liquidator as contained in this Liquidation Plan or otherwise under the OBCA.

**4.2      Mandatory Obligations of the Liquidator**

The Liquidator is expressly directed, empowered and authorized to, and shall:

- (a) deposit all money that the Liquidator has belonging to the Company and amounting to \$100 or more in any bank of Canada listed in Schedule I or II to the *Bank Act* (Canada) or in any trust corporation or loan corporation that is registered under the *Loan and Trust Corporations Act* or in any other depository approved by the Court, and as approved by the Inspectors, which deposit shall not be made in the name of the Liquidator individually, but shall be a separate deposit account in the Liquidator's name as Liquidator of the Company, and such money shall be withdrawn only by order for payment signed in accordance with such signing authorities as may be determined by the Liquidator in consultation with the Inspectors;
- (b) at every meeting of the Shareholders, produce a pass-book, or statement of account showing the amount of the deposits, the dates at which they were made, the amounts withdrawn and the dates of withdrawal, and mention of such production shall be made in the minutes of the meeting, and the absence of such

mention shall be admissible in evidence as proof, in the absence of evidence to the contrary, that the pass-book or statement of account was not produced at the meeting;

- (c) forthwith after the Effective Date, maintain the listing of the Common Shares on the NEX (and the Liquidator hereby consents to the continued trading of the Common Shares on the NEX until the completion of the Claims Process, subject to compliance with the listing requirements of the NEX);
- (d) establish and implement a Claims Process;
- (e) following the completion of the Claims Process, implement the de-listing of the Common Shares from trading on the NEX and provide at least two weeks advance notice to the Shareholders by press release, filed at [www.sedar.com](http://www.sedar.com) and generally disseminated within Canada, of the date on which the Common Shares shall cease trading and whereupon, pursuant to Section 198 of the OBCA, all transfers of Common Shares thereafter shall be void unless made with the explicit sanction of the Liquidator;
- (f) with the approval of the Inspectors, pay or otherwise satisfy all Claims from the Assets;
- (g) after satisfying all Claims, distribute the remaining Assets rateably among the registered Shareholders according to their rights and interests in the Company, provided that no distribution or disposition of any or all of the Xceed Shares may be effected by the Liquidator without the prior approval of the Inspectors;
- (h) cause to be filed with the appropriate Governmental Authority all Tax Returns required to be filed by Coventree, its subsidiaries and, if necessary, any trusts or special purpose entities for which Coventree continues to have responsibility under applicable Legal Requirements;
- (i) remit all taxes required to be remitted by Coventree in accordance with all applicable statutes, all outstanding CPP contributions and EIA premiums, including any associated interest and penalties and obtain the Clearance Certificates;
- (j) cause to be filed with the appropriate Governmental Authority all financial statements and reports required to be filed by Coventree;
- (k) maintain the continuous disclosure requirements applicable to the Company under all applicable securities laws;
- (l) meet with the Inspectors regularly and shall call such meetings by providing at least two days written notice to the Inspectors which notice period may be waived by such Inspectors in their discretion;

- (m) subject to the approval of the Inspectors, maintain appropriate director and officer type insurance in place for the Liquidator and the Inspectors; and
- (n) make up an account showing the manner in which the winding up has been conducted and the Assets disposed of, and thereupon shall call a meeting of the Shareholders for the purpose of having the account laid before them and hearing any explanation that may be given by the Liquidator, and the meeting shall be called in the manner prescribed by the articles or by-laws of the Company or, in default thereof, in the manner prescribed by the OBCA for the calling of meetings of shareholders, and within ten days after the meeting is held file a notice in the prescribed form under the OBCA with the OBCA Director stating that the meeting was held and the date thereof and shall forthwith publish the notice in *The Ontario Gazette*.

#### **4.3      Discretionary Powers of the Liquidator**

The Liquidator is expressly empowered and authorized, but not obligated, to do any of the following:

- (a) with the prior approval of the Inspectors, bring or defend any action, suit or prosecution, or other legal proceedings, civil or criminal, in the name and on behalf of the Company, provided that the Inspectors, in their sole discretion, may determine to oversee and manage the administration of any such proceedings and, if the Inspectors so determine, the Inspectors (and not the Liquidator) shall have full carriage of the administration and management of such proceedings (which may include any proceedings with respect to any Claim) including the ability to settle or otherwise compromise any or all of the matters subject to such proceedings;
- (b) carry on the business of the Company so far as may be required as beneficial for the winding up of the Company;
- (c) sell any of the Assets by public auction or private sale or, where applicable, through a stock exchange, and receive payment of the purchase price either in cash or otherwise;
- (d) engage the services of a broker to effect the sale of the Xceed Shares if the prior approval of the Inspectors to dispose of the Xceed Shares has been obtained;
- (e) do all acts and execute, in the name and on behalf of the Company, all documents, and for that purpose use the seal of the Company, if any;
- (f) draw, accept, make and endorse any bill of exchange or promissory note in the name and on behalf of the Company;
- (g) raise upon the security of the Assets any requisite money;

- (h) call meetings of the Shareholders for any purpose the Liquidator thinks fit;
- (i) with the approval of the Shareholders or the Inspectors, make such compromise or other arrangement as the Liquidator thinks expedient with any creditor or person claiming to be a creditor or having or alleging that he, she or it has a Claim whereby the Company may be rendered liable;
- (j) with the approval of the Shareholders or the Inspectors, compromise all debts and liabilities capable of resulting in debts, and all claims, whether present or future, certain or contingent, liquidated or unliquidated, subsisting or supposed to subsist between the Company and any contributory, alleged contributory or other debtor or person who may be liable to the Company and all questions in any way relating to or affecting the Assets, or the winding up of the Company, upon the receipt of such sums payable at such times and generally upon such terms as are agreed, and the Liquidator may take any security for the discharge of such debts or liabilities and give a complete discharge in respect thereof;
- (k) at any time, make an application to the Court under Section 207 of the OBCA to have the liquidation of the Company supervised by the Court if the Liquidator considers such an application advisable under the circumstances then existing;
- (l) at any time after the affairs of the Company have been fully wound up, make an application to the Court for an order dissolving the Company;
- (m) make or cause to be made, from time to time, any interim distributions or distributions in kind of portions of the Assets to the registered Shareholders rateably among the registered Shareholders according to their rights and interests in the Company, as considered appropriate and approved by the Inspectors, and while maintaining such reserves as are reasonably necessary to provide for all Claims, provided that no distribution or disposition of any or all of the Xceed Shares may be effected by the Liquidator without the prior approval of the Inspectors;
- (n) at any time after the Effective Date, request the Transfer Agent to refrain from making any changes to the registers maintained by the Transfer Agent in respect of the Common Shares, except to the extent necessary as a result of the continued trading of the Common Shares on the NEX;
- (o) wind up or dissolve all wholly-owned subsidiaries of the Company; and
- (p) do and execute all such other things as are necessary for winding up the business and affairs of the Company and distributing the Assets.

#### **4.4        Reporting Obligations**

The Liquidator shall report to the Shareholders at such times and intervals as the Liquidator may deem appropriate with respect to matters relating to the Assets, Coventree and such other matters as may be relevant to this Liquidation Plan.

#### **4.5        Removal of the Liquidator**

The Liquidator may be removed by:

- (a) order of the Court;
- (b) resolution of the majority of the Inspectors; or
- (c) ordinary resolution of the Shareholders at a meeting called for the purpose of removing the Liquidator,

but only if such order of the Court or resolution of Shareholders or Inspectors appoints another liquidator in the Liquidator's stead which successor liquidator shall become the Liquidator under this Liquidation Plan.

#### **4.6        Resignation of the Liquidator and Filling Vacancy**

If the Liquidator resigns, then a successor liquidator shall be appointed by resolution of the majority of Inspectors, by ordinary resolution of the Shareholders at a meeting called for the purpose of appointing a successor liquidator, or by order of the Court, and such successor liquidator shall become the Liquidator under this Liquidation Plan.

#### **4.7        Fees of the Liquidator**

The Liquidator shall be paid its reasonable fees and disbursements, in each case at its standard rates and charges, from the Assets as and when the Liquidator renders an account to the Company and such account is approved by the Inspectors, all as more particularly described in the Liquidator's retainer letter attached as Schedule "A" hereto. With the agreement of the Liquidator, amendments to the Liquidator's retainer letter may be made if the Inspectors approve of such amendments. Pursuant to Section 222 of the OBCA, the costs, charges and expenses of the winding up, including the remuneration of the Liquidator, are payable out of the Assets in priority to all other Claims.

#### **4.8        Indemnity**

The Company hereby releases, holds harmless, and indemnifies the Liquidator from and against all liabilities, claims and costs of any nature arising from the Liquidator's execution of this Liquidation Plan, save and except any such liabilities, claims or costs arising as a result of the Liquidator's fraud, gross negligence or wilful misconduct.



**ARTICLE 5**  
**TERMINATION OF EMPLOYEES**

**5.1        Termination of Employment**

All Employees shall be terminated on the Effective Date, other than those Employees who are requested by the Liquidator to remain in service and assist in the implementation of this Liquidation Plan and agree to do so which Employees shall remain Employees of the Company.

**5.2        Employment Agreements**

In connection with the termination of all Employees, Coventree shall honour and fully comply with all existing agreements with such Employees.

**ARTICLE 6**  
**INSPECTORS**

**6.1        Appointment of Inspectors**

On and as of the Effective Date, Brendan Calder, Geoffrey Cornish and G. Wesley Voorheis are hereby appointed as inspectors of the Company's liquidation pursuant to Section 194 of the OBCA (the "Inspectors").

**6.2        Approval of Inspectors**

For any action or inaction which requires the approval of the Inspectors under this Liquidation Plan or the OBCA, such approval shall exist if a majority of the Inspectors approve of the action or inaction by vote at a meeting of Inspectors or otherwise by written resolution signed by a majority of the Inspectors.

**6.3        Meetings of Inspectors**

The Liquidator or any one of the Inspectors may call a meeting of Inspectors by providing all of the Inspectors with two days written notice of such meeting, which notice may be waived by the Inspectors in their discretion. Such meetings may be held by teleconference. Quorum for any meeting of Inspectors shall be a majority of the Inspectors. Each of the Inspectors shall have one vote at any such meetings. The Liquidator shall have no vote at such meetings but may chair such meetings with the approval of a majority of the Inspectors. Where the Liquidator is not in attendance at such meetings, the Inspectors may decide among themselves which one shall act as chair of the meeting.

**6.4        Removal of Inspectors**

An Inspector may be removed by:

- (a) order of the Court; or
- (b) ordinary resolution of the Shareholders at a meeting called for the purpose of removing an Inspector.

**6.5 Filing Vacancies of Inspectors**

There shall always be at least one Inspector and not more than three Inspectors at any time. Any vacancy in the number of permissible Inspectors may be filled by election by the majority of remaining Inspectors.

**6.6 Remuneration of Inspectors**

The compensation paid to Inspectors other than employees of the Company shall be \$25,000 per Inspector per year, plus \$1,500 per Inspector per day on which meetings of Inspectors are held for attendance at such meetings in person or, if attended by conference call, \$1,000 per Inspector per day. In addition, Inspectors other than employees of the Company may charge supplementary fees in the form of hourly rates, per diem fees or other formats, as determined by the Inspectors, acting reasonably, in consultation with the Liquidator. Inspectors shall also be reimbursed for their reasonable expenses and shall participate in the insurance arrangement, if any, described in Section 4.2(m).

**6.7 Indemnity**

The Company hereby releases, holds harmless, and indemnifies the Inspectors from and against all liabilities, claims and costs of any nature arising from the Inspector's actions as an Inspector under the Liquidation Plan and pursuant to the OBCA, save and except any such liabilities, claims or costs arising as a result of the Inspector's fraud, gross negligence or wilful misconduct.

**ARTICLE 7  
DISTRIBUTIONS**

**7.1 Delivery of Distribution to Shareholders**

Unless otherwise directed, distributions to registered Shareholders shall be made by the Liquidator at the addresses set forth in the registers maintained by the Transfer Agent in respect of the Common Shares as at the date of any such distribution, or if applicable, and to the extent differing from the foregoing, at the address of such registered Shareholder's respective legal representatives, in trust for such registered Shareholder. Beneficial holders of Common Shares shall be entitled to receive distributions only through the applicable registered Shareholder on the registers maintained by the Transfer Agent in respect of the Common Shares.

**7.2            Undeliverable Distributions to Shareholders**

Where the Liquidator is unable to distribute rateably the Assets among the registered Shareholders because a registered Shareholder is unknown or a registered Shareholder's whereabouts is unknown, the share of the Assets of such registered Shareholder may, by agreement with the Public Trustee, be delivered or conveyed by the Liquidator to the Public Trustee to be held in trust for the registered Shareholder, and such delivery or conveyance shall be deemed to be a distribution to that registered Shareholder of his, her or its rateable share for the purpose of this Liquidation Plan.

**7.3            Interim Distributions**

Any distributions to registered Shareholders (other than any final distribution on the cancellation of the Common Shares) shall be either as a reduction of stated capital, subject to satisfying the applicable solvency tests in the OBCA, or as a dividend. The determination as to whether or not to make any such interim distribution and whether or not any such interim distribution is made as a reduction of stated capital or as a dividend shall be made by the Inspectors.

**ARTICLE 8**  
**COMPLETION OF THE LIQUIDATION PLAN**

**8.1            Discharge of Liquidator and Inspectors**

At the Dissolution Date, the Liquidator and Inspectors shall be discharged and shall have no further obligations or responsibilities, except only with respect to any remaining duties or power required to implement and give effect to the terms of this Liquidation Plan.

**ARTICLE 9**  
**GENERAL PROVISIONS**

**9.1            Liquidation Plan Amendment**

- (a) The Liquidator and Inspectors may, at any time prior to the Dissolution Date, agree to amend, modify and/or supplement this Liquidation Plan without the approval of the Shareholders, (i) in order to correct any clerical or typographical error, (ii) as required to maintain the validity or effectiveness of this Liquidation Plan as a result of any change in any Legal Requirement, or (iii) in order to make any change that in the opinion of the Inspectors is administrative in nature and does not materially change the terms of this Liquidation Plan.
- (b) Subject to the ability of the Liquidator and Inspectors to agree to amend, modify and/or supplement or amend this Liquidation Plan without the approval of the Shareholders as provided in Section 9.1(a), the Liquidator and Inspectors reserve the right, at any time prior to the Dissolution Date, to amend, modify and/or supplement this Liquidation Plan, provided that any such amendment,

modification or supplement shall not be effective until approved by a special resolution of the Shareholders at a meeting of Shareholders called for the purposes of approving such amendment, modification or supplement.

**9.2            Severability**

In the event that any provision in this Liquidation Plan is held by the Court to be invalid, void or unenforceable, the Court shall have the power to alter and interpret such term or provision to make it valid and enforceable to the maximum extent practicable, consistent with the original purpose of the term or provision held to be invalid, void or unenforceable, and such term or provision shall then be applicable as altered and interpreted. Notwithstanding any such holding, alteration or interpretation, the remainder of the terms and provisions of this Liquidation Plan shall remain in full force and effect and shall in no way be affected, impaired or invalidated by such holding, alteration or interpretation.

**9.3            Paramountcy**

From and after the Liquidation Date, any conflict between: (A) this Liquidation Plan; and (B) any information summary in respect of this Liquidation Plan, or the covenants, warranties, representations, terms, conditions, provisions or obligations, express or implied, of any contract, document or agreement, written or oral, and any and all amendments and supplements thereto existing between Coventree and any of the Shareholders, Directors, Liquidator, and Inspectors as at the Liquidation Date, will be deemed to be governed by the terms, conditions and provisions of this Liquidation Plan, which shall take precedence and priority.

**9.4            Responsibilities of the Liquidator**

The Liquidator will have only those powers granted to it by this Liquidation Plan, by the OBCA and by any order of the Court.

**9.5            Notices**

Any notice or communication to be delivered hereunder shall be in writing and shall reference this Liquidation Plan and may, subject as hereinafter provided, be made or given by personal delivery, by fax, courier or e-mail addressed to the respective parties as follows:

- (i)    if to a Shareholder:

at the addresses set forth in the securities register kept at the Transfer Agent;

- (ii)   if to a Creditor:

at the addresses set forth in the books and records of the Company or the proofs of claim filed by such Creditor in accordance with the Claims Process

(iii) if to the Liquidator:

Duff & Phelps Canada Restructuring Inc.  
200 King St. W., Suite 1002  
P.O. Box 48  
Toronto, ON M5H 3T4

Attention: Peter P. Farkas or Robert Harlang  
Fax: 647.497.9478 or 647.497.9480  
E-mail: Peter.Farkas@duffandphelps.com  
Robert.Harlang@duffandphelps.com

with a copy to (which shall not constitute notice):

Davies Ward Phillips & Vineberg LLP  
1 First Canadian Place, Suite 4400  
Toronto, ON M5X 1B1

Attention: Robin B. Schwill  
Fax: (416) 863-0871  
E-mail: rschwill@dwpv.com

(iv) if to the Inspectors:

Wes Voorheis  
Voorheis & Co.  
Bay Adelaide Centre  
333 Bay Street, Suite 910  
Toronto, ON M5H 2R2

Brendan Calder  
121 Walker Avenue  
Toronto, ON M4V 1G5

Geoffrey Cornish  
Coventree Inc.  
TD Canada Trust Tower  
161 Bay Street, 27<sup>th</sup> Floor  
Toronto, ON M5J 2S1

or to such other address as any party may from time to time notify the others in accordance with this Section 9.5. All such notices and communications which are delivered shall be deemed to have been received on the date of delivery. Any such notices and communications which are faxed shall be deemed to be received on the date faxed if sent before 5:00 p.m. Eastern Standard Time on a Business Day and otherwise shall be deemed to be received on the Business Day next following the day upon which such fax was sent. Any notice or other communication sent by mail shall be deemed to have been received on the fifth Business Day after the date of mailing. The unintentional failure by the Liquidator to give a notice contemplated hereunder shall not invalidate any action taken by any Person pursuant to this Liquidation Plan.

**9.6            Governing Law**

This Liquidation Plan shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein without regard to conflict of laws. All questions as to the interpretation or application of this Liquidation Plan and all proceedings taken in connection with this Liquidation Plan and its provisions shall be subject to the exclusive jurisdiction of the Court.

The foregoing Liquidation Plan being adopted by the Board as of this 23<sup>rd</sup> day of January, 2012.

**BY ORDER OF THE BOARD**

by \_\_\_\_\_

Name:

Title: Secretary

## **SCHEDULE A**

# DUFF & PHELPS

Coventree Inc.  
161 Bay Street  
27th Floor  
Toronto, ON M5J 2S1

February 7, 2012

Attention: Mr. Geoffrey P. Cornish

Dear Mr. Cornish:

**Re: Coventree Inc. (the "Company" or "Coventree")**

On June 30, 2010, the shareholders of Coventree approved a plan of liquidation and distribution ("Plan of Liquidation") to wind up the Company under the *Business Corporations Act (Ontario)* ("BCAO"). On January 23, 2012, the directors of Coventree determined the effective date for the Plan of Liquidation would be February 15, 2012. A copy of the Plan of Liquidation is attached hereto. In accordance with the Plan of Liquidation, Duff & Phelps Canada Restructuring Inc. ("D&P"), as successor of RSM Richter Inc., will be the liquidator ("Liquidator") effective February 15, 2012.

This letter sets out the scope and terms of the engagement of D&P as Liquidator.

D&P shall carry out the duties as set out in the Plan of Liquidation and the Winding-up Order of the Superior Court of Justice – Commercial List ("Court") to be made on February 15, 2012 and any other order made by the Court with respect to Coventree.

In performing the engagement, the following provisions would apply:

- We will require full access to the Company, its personnel, books and records, its legal counsel and other advisors.
- We will be using and relying upon financial and other information provided by the Company.

Our fees for this engagement will be based on our prevailing standard hourly rates for the individuals involved, plus actual out-of-pocket disbursements. Fees and disbursements are subject to HST, to the extent applicable.

A summary of our present hourly rates is as follows:

Managing Directors/Directors	\$500 to \$650
Senior Associates	\$300 to \$475
Assistants	\$125 to \$275



\* \* \*

If the foregoing terms are acceptable, please acknowledge by signing below and returning this letter to the attention of the undersigned by facsimile at 647-497-9480, or by scanning an executed copy via email to [robert.harlang@duffandphelps.com](mailto:robert.harlang@duffandphelps.com).

We wish to thank you for considering our firm for this engagement. We very much look forward to working with the Company to assist it in implementing an efficient and orderly winding up of its affairs.

Should you have any questions or concerns, please do not hesitate to contact the undersigned.

Yours truly,

DUFF & PHELPS CANADA RESTRUCTURING INC.



Per: Robert Harlang

Confirmed and agreed to:

COVENTREE INC.

by: Geoffrey P. Cornish



Authorized Signature

Feb 7, 2012

Date

APPLICATION UNDER SECTION 207 OF THE *BUSINESS CORPORATIONS ACT*,  
R.S.C. 1990, c. B.16, AS AMENDED  
IN THE MATTER OF THE WINDING-UP OF COVENTREE INC.

Court File No: CV-12-9594-00CL

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

Proceeding Commenced at Toronto

**WINDING-UP ORDER**

DAVIES WARD PHILLIPS & VINEBERG LLP  
1 First Canadian Place  
Suite 4400  
Toronto, ON M5X 1B1

Robin B. Schwill (LSUC#: 384521)

Tel: 416.863.5502

Fax: 416 863 0871

Lawyers for the Applicant

## **Appendix “B”**

**ONTARIO  
SUPERIOR COURT OF JUSTICE – COMMERCIAL LIST**

THE HONOURABLE MR.	)	WEDNESDAY, THE 15 <sup>TH</sup> DAY
	)	
JUSTICE MORAWETZ	)	OF FEBRUARY, 2012

DUFF & PHELPS CANADA RESTRUCTURING INC. IN ITS  
CAPACITY AS LIQUIDATOR OF COVENTREE INC.

Applicant



APPLICATION UNDER SECTION 207 OF THE *BUSINESS  
CORPORATIONS ACT*, R.S.C. 1990, c. B.16, AS  
AMENDED

IN THE MATTER OF THE WINDING-UP OF  
COVENTREE INC.

**CLAIMS PROCEDURE ORDER**

**THIS APPLICATION**, made by the Applicant under section 207 of the *Business Corporations Act*, R.S.C. 1990, c. B.16, as amended (the "**OBCA**") to have the voluntary winding-up of Coventree Inc. continued under the supervision of this Court and, in connection therewith, approve and establish a procedure for the identification, resolution and barring of certain claims against Coventree Inc., its subsidiaries and each of their respective present and former directors and officers (the "**Claims Process**") as described in the First Report of Duff & Phelps Canada Restructuring Inc. in its capacity as the liquidator of Coventree Inc. dated February 7, 2012 (the "**Report**") was heard this day at 330 University Avenue, Toronto, Ontario.

**ON READING** the Report and on hearing the submissions of counsel for Duff & Phelps Canada Restructuring Inc. in its capacity as the liquidator of Coventree Inc. (the "**Liquidator**"), Mr. Dean Tai, Alkyon Corporation and Alkyon Holdings  
Tor#: 2799080.1

Corporation, no one appearing for any other person on the service list, although properly served as appears from the Affidavits of Service filed:

## **SERVICE**

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

## **DEFINITIONS**

2. **THIS COURT ORDERS** that the following terms in this Order shall have the following meanings ascribed thereto:

- (a) **"Affected Respondent"** means a Director or Officer in respect of whom a D&O Claim has been made in any Claim Notice delivered in accordance with paragraph 7 of this Order;
- (b) **"Business Day"** means a day, other than a Saturday or a Sunday, on which banks are generally open for business in Toronto, Ontario;
- (c) **"Claim"** means a Company Claim or a D&O Claim or both;
- (d) **"Claim Bar Date"** means 5:00 PM Eastern Standard Time on April 13, 2012 or such later date as may be ordered by this Court;
- (e) **"Claim Notice"** means the Claimant's written notice of a Claim in accordance with paragraph 7 of this Order;
- (f) **"Claim Process Notice"** means the notice of this Order to be published in accordance with paragraph 4 of this Order, substantially in the form attached as Schedule A hereto;
- (g) **"Claimant"** means, as the context dictates, a Person who has asserted a Claim, or could have asserted a Claim but for the provisions hereof concerning the Claim Bar Date;
- (h) **"Company Claim"** means any right or claim of any Person against Coventree, whether or not asserted, in connection with any indebtedness,

liability or obligation of any kind whatsoever of Coventree in existence on the Effective Date, including on account of Wages and Benefits, and any accrued interest thereon and costs payable in respect thereof to and including the Effective Date, whether or not such right or claim is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, perfected, unperfected, present, future, known or unknown, by guarantee, surety or otherwise, and whether or not such right is executory or anticipatory in nature, including the right or ability of any Person to advance a claim for contribution or indemnity or otherwise with respect to any matter, action, cause or chose in action, whether existing at present or commenced in the future, which indebtedness, liability or obligation is based in whole or in part on facts which existed prior to the Effective Date, and includes any other claims that would have been claims provable in a bankruptcy had Coventree become bankrupt on the Effective Date;

- (i) **"Court"** means the Ontario Superior Court of Justice – Commercial List;
- (j) **"Coventree"** means Coventree Inc. and all of its present and former subsidiaries;
- (k) **"D&O Claim"** means:
  - (i) any existing or future right or claim of any Person against a Director or Officer of Coventree which arose or arises as a result of:
    - (A) such Director's or Officer's position, supervision, management or involvement as a Director or Officer of Coventree;
    - (B) such Director's or Officer's capacity as agent or employee of an administrator of any pension or benefit plans of Coventree or any pension or benefit plans otherwise required to be contributed to by Coventree; or
    - (C) such Director's or Officer's capacity as agent or employee of Coventree *qua* an administrator of any pension or benefit plans of Coventree or any pension or benefit plans otherwise required to be contributed to by Coventree,

or otherwise in any other capacity in connection with Coventree, whether such right, or the circumstances giving rise to it, arose before or after the Effective Date and whether enforceable in any civil, administrative or criminal proceeding, including, without limitation, any right:

- (D) in respect of which a Director or Officer may be liable concerning employee entitlements to wages or other debts for services rendered to Coventree or any one of them or for vacation pay, pension contributions, benefits or other amounts related to employment or pension plan rights or benefits;
  - (E) in respect of which a Director or Officer may be liable as a result of any act, omission or breach of a duty; or
  - (F) that is or is related to a penalty, fine or claim for damages or costs;
- 
- (l) "**Director**" means anyone who was, or may be deemed to be, at any time prior to and from and including the Effective Date, a director of Coventree;
  - (m) "**Effective Date**" means February 15, 2012;
  - (n) "**Inspectors**" means the inspectors pursuant to the Liquidation Plan and the Winding-Up Order or any other Order of this Court;
  - (o) "**Liquidation Plan**" means the plan of liquidation and distribution pursuant to the Winding-Up Order;
  - (p) "**Liquidator**" means Duff & Phelps Canada Restructuring Inc. in its capacity as the liquidator of Coventree Inc. pursuant to the Liquidation Plan and the Winding-Up Order;
  - (q) "**Notice of Determination of Claim**" means the notice provided by the Liquidator pursuant to paragraph 15 or 23 of this Order;
  - (r) "**Notice of Objection**" means the notice provided pursuant to paragraph 16 or 24 of this Order;
  - (s) "**OBCA**" means the *Business Corporations Act*, R.S.O. 1990, c. B.16, as amended;

- (t) **"Officer"** means any one who was or may be deemed to be, at any time prior to and from and including Effective Date, an officer of Coventree;
- (u) **"Person"** means any individual, corporation, limited or unlimited liability company, general or limited partnership, association, trust, unincorporated organization, joint venture, government or any agency, officer or instrumentality thereof or any other entity;
- (v) **"Proven Claim"** means a Claim to the extent that it has been finally determined in accordance with the terms of this Order;
- (w) **"Proven D&O Claim"** means a D&O Claim to the extent that it has been finally determined in accordance with the terms of this Order;
- (x) **"Wages and Benefits"** means all outstanding wages, salaries and employee benefits (including, but not limited to, employee medical, dental, disability, life insurance and similar benefit plans or arrangements, bonus plans, incentive plans, share compensation plans, share allocation plans and employee assistance programs and employee or employer contributions in respect of pension and other benefits) vacation pay, commissions, bonuses and other incentive payments, and employee and director expenses and reimbursements; and
- (y) **"Winding-Up Order"** means the Order of this Court made in these proceedings on February 15, 2012 approving and affirming, among other things, the Liquidation Plan and the appointment of the Liquidator.

#### **LIQUIDATOR'S ROLE**

3. **THIS COURT ORDERS** that the Liquidator, in addition to its prescribed rights and obligations under the OBCA, the Liquidation Plan and the Winding-Up Order, shall administer the Claims Process, including the determination of Claims and is hereby directed and empowered to take such actions and fulfill such other roles as are contemplated by this Order.



## **THE CLAIMS PROCESS**

### **A. PUBLICATION OF NOTICE**

4. **THIS COURT ORDERS** that the Liquidator shall take all reasonable steps to cause the Claims Process Notice to be published twice in each of The Globe and Mail (National Edition) and the National Post. The Liquidator shall take all reasonable steps to cause these notices to run in both publications on or before February 24, 2012.

5. **THIS COURT ORDERS** that the Liquidator shall cause the Claims Process Notice to be posted on the Liquidator's website at [www.duffandphelps.com/restructuringcases](http://www.duffandphelps.com/restructuringcases) from February 24, 2012.

6. **THIS COURT ORDERS** that on or before February 24, 2012 the Liquidator shall send a copy of the Claims Process Notice by ordinary mail, electronic mail, facsimile transmission or courier to all Persons who have notified the Liquidator or Coventree of a potential Claim.

### **B. CLAIMS BAR DATE**

7. **THIS COURT ORDERS** that a Claimant wishing to assert a Claim shall deliver to the Liquidator a written notice of such Claim (a "**Claim Notice**") on or before the Claim Bar Date. The Claim Notice must include the following information:

- (a) full legal name, mailing address, telephone and facsimile numbers, and e-mail address of the Claimant together with the name and title of the contact person at the Claimant for the purposes of dealing with the Claim;
- (b) the specific party or parties against whom the Claim is being made;

- (c) the amount of the Claim; and
- (d) the legal basis on which the Claim is made and the nature and all particulars of the Claim including any and all supporting documentation.

8. **THIS COURT ORDERS** that the Claims of all Claimants who do not deliver a Claim Notice to the Liquidator by the Claim Bar Date shall be forever extinguished and barred and all such Claimants shall be deemed to have fully and finally released and discharged all such Claims.

9. **THIS COURT ORDERS** that, with respect to any Claims which are deemed to have been released and discharged in accordance with paragraph 8 of this Order, Coventree and the Directors and Officers shall be released and discharged from any and all demands, claims, actions, causes of action, counterclaims, suits, debts, sums of money, accounts, covenants, damages, judgments, executions, charges and other recoveries on account of any liability, obligation, demand or cause of action of whatever nature which any Claimant may have been entitled to assert, including, without limitation, any and all claims in respect of potential statutory liabilities, whether known or unknown, matured or unmatured, foreseen or unforeseen, existing or hereafter arising, based in whole or in part on any act or omission, transaction or dealing or other occurrence existing or taking place prior to the Effective Date and that no Director, Officer or any other Person shall be entitled to assert a claim for indemnification against Coventree with respect to any such D&O Claims which have been released and discharged.

**C. COLLECTION OF CLAIMS**

10. **THIS COURT ORDERS** that the Liquidator is hereby authorized and directed to use reasonable discretion as to the adequacy of compliance and as to the

manner in which Claim Notices are completed and executed and may, where the Liquidator is satisfied that a Claim has been adequately described or proven, waive strict compliance with the requirements of this Order as to the form and execution of Claim Notices.

11. **THIS COURT ORDERS** that any Claim denominated in any currency other than Canadian dollars shall, for the purposes of this Order, be converted to and constitute obligations in Canadian dollars, such calculation to be effected by the Liquidator using the Bank of Canada noon spot rate on the Effective Date.

12. **THIS COURT ORDERS** that the Liquidator shall maintain a list of all Claim Notices received by it, including the name of the Claimant, the party or parties claimed against, the amount claimed, the nature of the Claim and the status of the Claim.

**D. DEALING WITH COMPANY CLAIMS**

13. **THIS COURT ORDERS** that following the Claim Bar Date the Liquidator shall review the Claim Notices filed on or before the Claim Bar Date and with respect to all Company Claims the Liquidator shall, with the approval of the Inspectors, determine to either allow, partially allow, partially disallow or disallow the Company Claims.

14. **THIS COURT ORDERS** that for any Company Claim commenced prior to the Effective Date by the issuance of an originating process (as defined in the *Rules of Civil Procedure*), the Inspectors may choose to have such Company Claim determined in the context of the proceedings commenced by such originating process and, in such case, shall authorize and direct the Liquidator to notify such Claimant of such a decision rather than provide a Notice of Determination of Claim (as defined below). The value and status of such Claimant's Company Claim shall be as finally determined in such

proceedings and shall be deemed to constitute such Claimant's Proven Claim (as defined below) as so finally determined.

15. **THIS COURT ORDERS** that, where a Company Claim is to be allowed, partially allowed, partially disallowed or disallowed pursuant to the process contained in this Order, the Liquidator shall deliver to the Claimant a written notice of such determination setting out therein the reasons for the determination (a "**Notice of Determination of Claim**") as soon as reasonably practicable.

**E. RESOLUTION OF DISPUTES REGARDING COMPANY CLAIMS**

16. In the event that a Claimant objects to the Liquidator's determination of a Company Claim, such party shall, within fourteen days of being advised of the Liquidator's determination, provide the Liquidator with written notice of such party's objection and a brief description of the grounds for such objection (a "**Notice of Objection**"). A Claimant that does not provide the Liquidator with a Notice of Objection within the required time shall be deemed to have agreed with the Notice of Determination of Claim pertaining to that Claimant's Claim. The Liquidator shall forthwith provide the Inspectors with a copy of the Notice of Objection. The Liquidator, with the approval of the Inspectors, shall have twenty-one days to attempt to settle the dispute with respect to the Company Claim and, in the event that a settlement is not achieved, the Liquidator shall, within twenty-one days thereafter, serve on all relevant parties and file with the Court a Notice of Motion for the directions of the Court concerning the procedure and all other matters related to the resolution of the disputed Company Claim.

17. **THIS COURT ORDERS** that where a Claimant who receives a Notice of Determination of Claim agrees to same or otherwise settles with the Liquidator pursuant

to paragraph 16 of this Order, or where the Company Claim is finally determined by order of the Court, the value and status of such Claimant's Company Claim shall be deemed to be as set out in the Notice of Determination of Claim, settlement or final order of the Court, as the case may be, and such value and status, if any, shall constitute such Claimant's proven Company Claim (a "**Proven Claim**").

**F. DEALING WITH D&O CLAIMS**

18. **THIS COURT ORDERS** that following the Claim Bar Date the Liquidator shall review the Claim Notices filed on or before the Claim Bar Date and with respect to all D&O Claims. The Liquidator shall provide a copy of each of the D&O Claims to the relevant Affected Respondents and shall work with the Affected Respondents to determine as promptly as possible the extent to which the D&O Claims are covered under any directors' and officers' insurance policy and, if covered, the extent, if any, that such coverage is insufficient to pay amounts set out in the relevant D&O Claims.

19. **THIS COURT ORDERS** that a D&O Claim which is covered under any directors' and officers' insurance policy, such insurer has admitted or confirmed such coverage in writing (or a final order of a court, where no further rights of appeal exist, has issued determining that the relevant Director or Officer is entitled to coverage under any directors' and officers' insurance policy) and such coverage is sufficient to pay the amounts set out in the relevant D&O Claim, then such D&O Claim shall no longer constitute a Claim under this Order and the relevant Claimant and Director or Officer shall not be entitled to any recovery from Coventree in respect of such D&O Claim.

20. **THIS COURT ORDERS** that a D&O Claim which is covered under any directors' and officers' insurance policy, such insurer has admitted or confirmed in writing such coverage (or a final order of a court, where no further rights of appeal exist,

has issued determining that the relevant Director or Officer is entitled to coverage under any directors' and officers' insurance policy) but such coverage is insufficient to pay the amounts set out in the relevant D&O Claim, then only the amount of such deficiency in respect of the covered D&O Claim shall continue to constitute a Claim under this Order.

21.           **THIS COURT ORDERS** that a D&O Claim which is not covered under any directors' and officers' insurance policy shall continue to constitute a Claim under this Order.

22.           **THIS COURT ORDERS** that after a determination of coverage (or not) under any directors' and officers' insurance policy and the extent thereof in connection with the D&O Claims, the Liquidator shall, in consultation with the relevant Affected Respondents and with the approval of the Inspectors, determine to either allow, partially allow, partially disallow or disallow the remaining D&O Claims.

23.           **THIS COURT ORDERS** that, where a D&O Claim is to be allowed, partially allowed, partially disallowed or disallowed, the Liquidator shall deliver to the Claimant a written notice of such determination setting out therein the reasons for the determination (a "**Notice of Determination of Claim**") as soon as reasonably practicable.

24.           In the event that a Claimant objects to the Liquidator's determination of a D&O Claim, such party shall, within fourteen days of being advised of the Liquidator's determination, provide the Liquidator with written notice of such party's objection and a brief description of the grounds for such objection (a "**Notice of Objection**"). A Claimant that does not provide the Liquidator with a Notice of Objection within the required time shall be deemed to have agreed with the Notice of Determination of Claim

pertaining to that Claimant's D&O Claim. The Liquidator shall forthwith provide the Inspectors and the relevant Affected Respondents with a copy of the Notice of Objection. The Liquidator, in consultation with the the Affected Respondents and with the approval of the Inspectors, shall have twenty-one days to attempt to settle the dispute with respect to the D&O Claim and, in the event that a settlement is not achieved, the Liquidator shall, within twenty-one days thereafter, serve on all relevant parties and file with the Court a Notice of Motion for the directions of the Court concerning the procedure and all other matters related to the resolution of the disputed D&O Claim.

25. **THIS COURT ORDERS** that where a Claimant who has submitted a Claims Notice in respect of a D&O Claim receives a Notice of Determination of Claim and agrees to same or otherwise settles with the Liquidator pursuant to paragraph 24 of this Order, or where the D&O Claim is finally determined by order of the Court, the value and status of such Claimant's D&O Claim shall be deemed to be as set out in the Notice of Determination of Claim, settlement or final order of the Court, as the case may be, and such value and status, if any, shall constitute such Claimant's proven D&O Claim (a "**Proven D&O Claim**").

**G. INDEMNITY CLAIMS OF DIRECTORS AND OFFICERS**

26. **THIS COURT ORDERS** that, upon all Proven D&O Claims being determined, the Liquidator, in consultation with the Inspectors and the relevant Affected Respondents, shall determine whether or not any Proven D&O Claim is subject indemnification by Coventree. In the event that the Liquidator, Inspectors and the relevant Affected Respondents do not agree whether certain of the Proven D&O Claims are subject to indemnification by Coventree, then the Liquidator shall serve and file a

Notice of Motion with this Court for an order for directions concerning the applicability of such indemnification to the particular Proven D&O Claims in question.

**H. PAYMENT OF CLAIMS**

27. **THIS COURT ORDERS** that the amount of all Proven D&O Claims which are agreed by the Liquidator, or are otherwise determined by final order of the Court, to be subject to indemnification by the Company shall be paid by Coventree.

28. **THIS COURT ORDERS** that the amount of all Proven Claims which are not Proven D&O Claims shall be paid by Coventree.

29. **THIS COURT ORDERS** that upon the payment in full of any Proven D&O Claim or any Proven Claim which is not a D&O Claim, the Claimants in respect of such Claims shall be deemed to have fully and finally released and discharged all such Claims and Coventree and the Directors and Officers shall be released and discharged from any and all demands, claims, actions, causes of action, counterclaims, suits, debts, sums of money, accounts, covenants, damages, judgments, executions, charges and other recoveries on account of any liability, obligation, demand or cause of action of whatever nature which any such Claimant may have been entitled to assert, including, without limitation, any and all claims in respect of potential statutory liabilities, whether known or unknown, matured or unmatured, foreseen or unforeseen, existing or hereafter arising, based in whole or in part on any act or omission, transaction or dealing or other occurrence existing or taking place prior to the Effective Date.

**I. NOTICES AND COMMUNICATIONS**

30. **THIS COURT ORDERS** that, except as set out in this Order, any notice or other communication (including Notices of Determination of Claim) to be given under



this Order by the Liquidator to a Claimant shall be in writing, and where applicable, substantially in the form provided for in this Order. Such notice or other communication will be sufficiently given to a Claimant if given by prepaid ordinary mail, by courier, by delivery or by facsimile transmission or electronic mail to the Claimant to such address, facsimile number or e-mail address for such Claimant as may be recorded in the books of Coventree or to such other address, facsimile number or e-mail address as such Claimant may request by notice to the Liquidator given in accordance with this Order. Any such notice or other communication, (i) if given by prepaid ordinary mail, shall be deemed received on the fifth (5<sup>th</sup>) Business Day after mailing within Canada and the tenth (10<sup>th</sup>) Business Day after mailing internationally; (ii) if given by courier or delivery shall be deemed received on the next Business Day following dispatch, (iii) if given by facsimile transmission or electronic mail before 5:00 PM on a Business Day shall be deemed received on such Business Day, and (iv) if given by facsimile transmissions or electronic mail after 5:00 PM on a Business Day shall be deemed received on the following Business Day.

31. **THIS COURT ORDERS** that any notice or other communication (including, without limitation, Claim Notices) to be given under this Order by a Claimant to the Liquidator shall be in writing and, where applicable, substantially in the form provided for in this Order and will be sufficiently given only if given by courier, by delivery or facsimile transmission addressed to:

Duff & Phelps Canada Restructuring Inc.,  
in its capacity as liquidator of Coventree Inc.  
200 King St. W., Suite 1002  
P.O. Box 48  
Toronto, ON M5H 3T4

Attention: Mitch Vininsky  
Fax: 647.497.9477

Any such notice or other communication by a Claimant shall be deemed received only upon actual receipt thereof during normal business hours on a Business Day.

32. **THIS COURT ORDERS** that if, during any period during which notices or other communications are being given pursuant to this Order a postal strike or postal work stoppage of general application should occur, such notices or other communications then not received or deemed received shall not, absent further Order of this Court, be effective. Notices and other communications given hereunder during the course of any such postal strike or work stoppage of general application shall only be effective if given by courier, delivery, facsimile transmission or electronic mail in accordance with this Order.

33. **THIS COURT ORDERS** that the Inspectors shall provide a list setting out the name and last known address of each Director and Officer to the Liquidator and that any obligation upon the Liquidator hereunder to provide notice or information to any Director or Officer shall be satisfied by delivery of such notice or information to the last known address of the Director or Officer as set out in the list provided by the Inspectors.

34. **THIS COURT ORDERS** that nothing in this Order shall prevent or bar any Person from seeking recourse against or payment from any directors' and/or officers' liability insurance policy or policies that may exist to protect or indemnify the Directors or Officers, whether such recourse or payment is sought directly by the Claimant from the insurer or derivatively through Coventree Inc. However, nothing in this Order shall create any rights in favour of such Person under any policies of insurance nor shall

anything in this Order limit, remove, modify or alter any defence to such claim available to the insurer pursuant to the provisions of any insurance policy or at law.

**J. GENERAL PROVISIONS**

35. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court or any judicial, regulatory or administrative body in any province or territory of Canada and any judicial, regulatory or administrative tribunal or other court constituted pursuant to the Parliament of Canada or the legislature of any province to act in aid of and to be complementary to this Court in carrying out the terms of this Order.

36. **THIS COURT ORDERS** that references in this Order to the singular include the plural, to the plural include the singular and to any gender include the other gender.

37. **THIS COURT ORDERS** that the Liquidator may apply to this Court for advice and direction in connection with the discharge or variation of its powers and duties under this Order.

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

FEB 15 2012



## **SCHEDULE "A"**

### **NOTICE OF CLAIM BAR DATE AS AGAINST COVENTREE INC., ITS PRESENT AND FORMER SUBSIDIARIES AND THEIR RESPECTIVE PRESENT AND FORMER DIRECTORS AND OFFICERS**

NOTICE IS HEREBY GIVEN that, pursuant to an Order of the Ontario Superior Court of Justice – Commercial List made on February 15, 2012 (the "**Claims Procedure Order**"), a claims procedure (the "**Claims Procedure**") was approved for the determination of claims against Coventree Inc., its present and former subsidiaries and their respective present and former directors and officers (the "**Claims**").

**THE CLAIM BAR DATE IS 5:00 P.M. (EASTERN STANDARD TIME) ON APRIL 13, 2012. CLAIM NOTICES MUST BE FILED WITH THE LIQUIDATOR ON OR BEFORE THE CLAIM BAR DATE, FAILING WHICH ALL SUCH CLAIMS WILL BE FOREVER EXTINGUISHED AND BARRED.**

A copy of the Claims Procedure Order providing a full definition of Claims being called for can be found on the Liquidator's website at:  
[www.duffandphelps.com/restructuringcases](http://www.duffandphelps.com/restructuringcases).

Subject to the Claims Procedure Order, the Liquidator will cause to be sent to known Claimants a copy of the Claim Notice on or before February 24, 2012. Claimants requiring information or a hard copy of the Claims Procedure Order may contact the Liquidator, Duff & Phelps Canada Restructuring Inc. at:

Duff & Phelps Canada Restructuring Inc.,  
in its capacity as liquidator of Coventree Inc.  
200 King St. W., Suite 1002  
P.O. Box 48  
Toronto, ON M5H 3T4

Attention: Mitch Vininsky  
Fax: 647.497.9477  
E-mail: [Mitch.Vininsky@duffandphelps.com](mailto:Mitch.Vininsky@duffandphelps.com)

**Ontario**  
**Superior Court of Justice**  
Proceeding Commenced at Toronto

**CLAIMS PROCEDURE ORDER**

DAVIES WARD PHILLIPS & VINE BERG LLP  
1 First Canadian Place  
Suite 4400  
Toronto, ON M5X 1B1  
  
Robin B. Schwill (LSUC #384521)  
Tel: 416.863.0900  
Fax: 416.863.0871  
  
Solicitors for the Applicants

## **Appendix “C”**

TRANSPORTATION

# China's great railway boom runs out of steam — and money

China's high-speed rail project has run out of money and will be scaled back significantly this year. More than two-thirds of 23 current railway projects have been suspended, partly suspended or delayed, Chinese state media say. A source told the Dow Jones news agency that only nine new lines would be commissioned this year, compared with 70 in 2011. The Chi-



nese railways ministry has run up enormous debts and is struggling to persuade banks to continue to finance its ambitions. Ticket sales have been slow. By the end of this year, China's high-speed network is likely to cover more than 9,656 kilometres. However, the network suffered a blow last July when two trains collided, left, killing 40 and injuring almost 200. *The Daily Telegraph*

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The main entrance of Wynn Resorts is seen together with the Lisboa, right, in Macau.

## Wynn ups ante in battle with board member

**Accuses Okada of bribing foreign regulators**  
By ARUNA VISWANATHA AND FARAH MASTER  
WASHINGTON • Wynn Resorts Ltd. plans to give evidence to U.S. authorities that it claims shows that its board member Kazuo Okada bribed foreign gaming regulators and may have violated the U.S. Foreign Corrupt Practices Act, board member Robert Miller told analysts Tuesday.  
Wynn Resorts organized a call with analysts to discuss its claims against Mr. Okada and his company, Universal Entertainment Corp. Universal Entertainment said in a statement emailed after the call: "We believe the allegations leveled against Universal are motivated by self interest and represent the results of an incomplete and otherwise flawed corporate governance process in breach of the Board's fiduciary and other duties."  
Tensions have escalated in recent weeks between Japanese gaming mogul Mr. Okada, who is building a casino in the Philippines, and Wynn Resorts chief executive Steve Wynn, a Las Vegas casino tycoon.  
The self-made billionaires each claim the other made improper payments to win favour in Macau and the Philippines. Mr. Okada, Wynn Resorts' largest shareholder, sued Wynn Resorts in January for denying him information about a US\$135-million donation the company made to the University of Macau that he called "inappropriate." The U.S. Securities and Exchange Commission is looking into the donation.  
Over the weekend, Mr. Wynn upped the ante in his fight against Mr. Okada by accusing him of making improper payments to foreign gaming regulators and forcibly buying back Mr. Okada's 20% stake in Wynn Resorts at a steep discount. Universal said in its email Tuesday: "Universal believes the entire process has been tainted by the desire to serve Steve Wynn's predetermined goal of removing Aruze USA as the largest stockholder of the company."  
Aruze USA intends to commence litigation which includes seeking a temporary restraining order and preliminary injunction to protect its interests in Wynn Resorts and prevent the redemption of its shares.  
Wynn Resorts said in a statement Sunday that Mr. Wynn's accusations were based on a year-long internal investigation led by Louis Freeh, a former director of the Federal Bureau of Investigation.  
The company said it had waited until Mr. Freeh completed a report on the investigation before going to the Justice Department and the U.S. Securities and Exchange Commission. It said the report was presented to the company's board Saturday.  
The company said the investigation had uncovered and documented more than three dozen instances over three years in which Mr. Okada and his associates engaged in "improper activities for their own benefit in apparent violation of U.S. anti-corruption laws."  
SEC spokeswoman Florence Harmon and Laura Sweeney from the Department of Justice both declined to comment.  
Mr. Miller said on the call with analysts that Wynn Resorts had also provided information to Nevada gaming regulators about its investigation. Mr. Miller, who has served as a Wynn director since 2002, was governor of Nevada from January 1989 through January 1999.  
Mr. Okada's Universal said in an emailed response earlier this week that it was not given an opportunity to review the internal report and called it "outrageous." On Feb. 21, Universal said in a brief statement that it would take all necessary legal steps to protect its investment in Wynn Resorts. Wynn Resorts shares rose US\$6.71, or 6%, to close at US\$119.40 Tuesday.

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**NOTICE OF CLAIM BAR DATE**  
AN ADAMANT CONCRETE INC., THE PRESENT AND FORMER SHAREHOLDERS AND THEIR RESPECTIVE PRESENT AND FORMER DIRECTORS AND OFFICERS  
NOTICE IS HEREBY GIVEN that, pursuant to an Order of the Ontario Superior Court of Justice - Commercial List made on February 15, 2012 (the "Claims Procedure Order"), a claims procedure (the "Claims Procedure") was approved for the determination of claims against Adamant Concrete Inc. by its present and former shareholders and their respective present and former directors and officers (the "Claimants").  
THE CLAIM BAR DATE IS 9:00 P.M. (EASTERN STANDARD TIME) ON APRIL 15, 2012. CLAIM NOTICES MUST BE FILED WITH THE LIAISON OFFICE ON OR BEFORE THE CLAIM BAR DATE. FAILURE TO FILE ALL SUCH CLAIMS WILL BE FOREVER EXTINGUISHED AND BARRED.  
A copy of the Claims Procedure Order providing a full definition of claims shall be found on the website of the Liaison Office at:  
[www.adamantconcrete.com/claimingclaims](http://www.adamantconcrete.com/claimingclaims)  
Subject to the Claims Procedure Order, the Liaison Office will cause to be sent to present claimants a copy of the Claims Procedure Order and the Claims Procedure Order. The CLAIM BAR DATE, FAILURE TO FILE ALL SUCH CLAIMS WILL BE FOREVER EXTINGUISHED AND BARRED.  
Duff & Phelps Canada Restructuring Inc. is the exclusive agent for the determination of claims.  
200 King St. W., Suite 1000  
P.O. Box 40, Mississauga, ON L4V 1A1  
Attention: Mark Wynn  
Fax: 905.577.9477  
E-mail: [MLW@duffandphelps.com](mailto:MLW@duffandphelps.com)

### NOTICE

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**G.I.E. Environment**  
Technologies Ltd. will be having an annual and special meeting of shareholders on March 30, 2012 at 1:00 AM. At the offices of:  
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West, Suite 2700  
Montreal, Quebec

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## AUTOMOTIVE

## Honda recalls some Odyssey minivans to fix faulty struts in liftgate

Japanese automaker Honda Motor Co. will recall nearly 46,000 Odyssey minivans in the United States next month to fix a problem with the power tailgate, U.S. authorities said Wednesday. Honda is recalling 45,747 model year 2008-2009 Odyssey minivans due to "a manufacturing flaw" in the power liftgate system, the U.S. National Highway Traffic Safety Administration (NHTSA) said on its website. A Honda spokesman said the company was recalling



51,633 of the vehicles worldwide. The recall outside the U.S. affects 5,586 vehicles mainly in Canada and Mexico, as well as in the Middle East and Germany, he said. The NHTSA said the problem was in the pressurized gas-filled struts that help to raise and support the liftgate on vehicles equipped with a power liftgate system. The flaw can result in a gas leak that could lead to an unexpected closure of the liftgate, NHTSA said. *Agence France-Presse*



Air Canada's pilots' union is dismayed one of two mediators in its contract talks with the airline will be on vacation for the month of March.

## TRANSPORTATION

## Ackman beefs up CP's roster of board nominees

## ADDS AEC'S HAGGIS

By SCOTT DEVEAU

Bill Ackman beefed up his slate of nominees for the board of Canadian Pacific Railway Ltd. Wednesday with the addition of Paul Haggis, chairman of Alberta Enterprise Corp. "Paul's extensive experience leading the successful operational transformations of major Canadian institutions, including his expertise in pension fund oversight, complements the extensive experience of the other nominees for management change," Mr. Ackman said in a statement.

Mr. Ackman's New York hedge fund, Pershing Square Capital Management LP, has built a 34.2% interest in CP since last fall, and has been seeking to replace its chief executive, Fred Green, with Hunter Harrison, the former head of rival, Canadian National Railway Co., in an effort to improve the railway's chronic underperformance.

CP's board has resisted the man-

agement shakeup, alleging Mr. Ackman and Mr. Harrison have no concrete plan to transform the railway's operations outside of the management shuffle.

Instead, the board has thrown its support behind Mr. Green.

"CP believes that the best interests of shareholders are served by the continued execution of the multi-year plan, which is already producing results under the oversight of an engaged and qualified board," said Ed Greenberg, a CP spokesman.

As a result, Pershing will put its slate of nominees before a shareholder vote at CP's annual general meeting May 17.

Until Wednesday, Pershing's slate consisted of five members: Mr. Ackman, his business partner Paul Hlil, restructuring expert Gary Colter, Just Energy Group Inc. chairman Rebecca MacDonald and former Onex Corp. executive Anthony Melman.

Pershing's slate of nominees is also expected to consist of existing board members who Mr. Ackman believes he can work with to push through the management change.

The addition of a Western businessman like Mr. Haggis, 59, will bring some additional heft to those efforts. "Together, these nominees will refresh Canadian Pacific's board, adding energy, talent and experience that will accelerate its turnaround," Mr. Ackman said.

Mr. Haggis's experience includes a 34-year stint as chief executive of Ontario Municipal Employees Retirement Systems, where he oversaw a restructuring, including OMERS' exit from its costly experiment in Borealis Capital Corp.

Mr. Haggis has since filled various management roles, and served on numerous boards in the technology, energy and mineral resource industries, including his current position at Alberta Enterprise Corp., a venture fund started by the provincial government to invest in technology startup companies.

"I've lived and worked in Western Canada and have an appreciation of the importance of Canadian Pacific to its customers, communities and employees," Mr. Haggis said.

"As an Albertan, I especially understand the importance of CP to Alberta and Canada's economy," he said. "CP provides a vital link to our external markets across North America and overseas."

Financial Post  
sdeveau@nationalpost.com

## NATIONAL REPORT

## NOVAGOLD SEEKS BUYER FOR STAKE IN B.C. PROJECT

NovaGold Resources Inc., a Canadian mining exploration company, is working with two banks to sell its 50% stake in the Galore Creek project in British Columbia. "NovaGold and our bankers at Royal Bank of Canada and JPMorgan have begun the process of engaging with potential suitors for our portion of the project," chief executive Greg Lang said Wednesday. Teck Resources Ltd., Canada's biggest diversified mining company, owns the other half of Galore Creek, a copper and gold project in northwestern British Columbia. Teck said Nov. 16 it has a 90-day right of first refusal in its partnership agreement with NovaGold on the property, which NovaGold says would be the largest copper mine in Canada. "We have not waived our right of first refusal," Marcia Smith, a spokeswoman for Teck, said Wednesday. She declined to elaborate. NovaGold said in November it would "explore opportunities" to sell all or part of its holding in the project. *Bloomberg News*

NOVAGOLD RESOURCES INC. NQV:TSX, \$9.81, up 7¢

## POTASH CORP. EXTENDS TWO MINE SHUTDOWNS

Potash Corp. of Saskatchewan Inc., the world's largest fertilizer producer, plans to extend temporary shutdowns at two Canadian potash mines by as many as four weeks. "Consistent with Potash Corp.'s practice of matching supply with market demand, notice was given to our Rocanville (below) and Langan employees," the Saskatoon, Sask.-based company said Wednesday. The mines may stay closed until March 31, Potash Corp. said. Potash Corp. of Saskatchewan Inc. POT:TSX, \$47.34, up 46¢

Corp. is among potash miners that have reduced output since the end of last year as farmers and distributors put off purchases in anticipation of lower prices. Mosaic Co., based in Plymouth, Minn., said on Feb. 3 it plans to cut potash production 20% through May because of lower demand. Farmers apply potash, a form of potassium, to their fields to help strengthen plant root systems and to make crops more resistant to drought. *Bloomberg News*



## MITSUBISHI BUYS INTO TALISMAN GAS LICENCES

Mitsubishi Corp. will pay about US\$280-million for a stake in nine of Talisman Energy Inc.'s Papua New Guinea onshore natural-gas licences, with the potential to export the liquefied fuel to Japan. The joint venture may be capable of exporting three million tonnes of liquefied natural gas a year, Calgary-based Talisman said Wednesday. Papua New Guinea is "a vast and under-explored country with huge LNG supply potential within the Asia-Pacific region," according to the statement. Talisman will own about 40% and Tokyo-based Mitsubishi about 20% of the licences. Holders of the remaining stake weren't identified. Talisman has licences to explore about 33.7 million acres in Papua New Guinea. *Bloomberg News*

## YAMANA GOLD Q4 EARNINGS DECLINE 29%

Yamana Gold Inc.'s fourth-quarter earnings fell 29% as a result of an impairment charge, though revenue increased. The company's adjusted profit beat analyst expectations. Wednesday, the company also raised its annual dividend 10% to 22¢ a share. The company increased its payouts twice in 2011. The Canadian mining company has posted stronger revenue and adjusted profits over the past year, though foreign exchange losses weighed on the company's bot-

tom line in the third quarter. Yamana has benefited from higher prices over the past few years. In the latest quarter, Yamana posted a profit of \$89.5-million, or 12¢ a share, down from \$125.6-million (7¢) a year ago. The most recent period included an after-tax \$81-million impairment charge. Excluding items, earnings rose to 25¢ from 23¢. Revenue jumped 6.3% to \$568.8-million, mainly due to higher gold and silver prices and increased sales of copper pounds. *Dow Jones*

## TRANSPORT

## Air Canada mechanics reject labour deal

## GIVE STRIKE MANDATE

By SCOTT DEVEAU

Air Canada's mechanics and ground crews have rejected a tentative labour agreement with the airline and have given their union a strike mandate.

But the International Association of Machinists and Aerospace Workers (IAMAW) said Wednesday it has no plans to issue a strike notice now. IAMAW, which represents 8,600 Air Canada employees, voted nearly 66% against the proposed four-year deal that included wage and other benefit improvements.

The tentative agreement maintained the current defined-benefit pension plan for existing employees. It proposed moving new hires into a similar program to be established with the other companies for which IAMAW members work, including Transat A.T. Inc. and Aveos Fleet Performance Inc.

Workers also voted 78% to negotiate a strike mandate.

In an interview, spokesman Bill Trbovich said the union would not be in a position to serve strike notice until March 16, when the cooling off period expires in the current conciliation process.

He said the union's leadership would take a "breather" over the next week to determine its next step, and that there was no particular issue that its members took opposition to.

Meanwhile, the Air Canada Pilots Association (ACPA) is crying foul over a decision by Lisa Raitt, the federal Minister of Labour, to appoint a mediator to ongoing contract talks who will be on vacation all of March.

The union said it is also concerned by a request both parties wave their strike and lock-out rights during the six-month mediation process as Air Canada potentially prepares to launch a low-cost carrier (LCC) outside of bargaining.

Last week, Ms. Raitt appointed Madame Justice Louise Ots as a co-mediator with Jacques Lessard.

When Air Canada and ACPA met with the mediators this week, the union was surprised Judge Ots would be on vacation the entire month and mediation would continue under Mr. Lessard.

Captain Gary Tarves, ACPA's chairman, said Judge Ots "understood our concerns and offered to discuss them with the government, up to and including the appointment of a replacement who could address our negotiations on a more timely basis."

In a memo to his members, Capt. Tarves said Judge Ots later said the deputy minister told her there would be no replacement.

Ashley Kelaher, a spokeswoman for Ms. Raitt, would not comment on Judge Ots's schedule, but said the parties were able to meet with Mr. Lessard "at any time."

The co-mediators have requested Air Canada and ACPA waive their rights to initiate a work stoppage during mediation, which is in excess of what is normal under the Canada Labour Code.

Capt. Tarves said the union was concerned given Air Canada's potential launch of an LCC.

"We explained that giving up our rights under the Code during the mediation process would effectively give the corporation a free hand to continue loading airplanes, establishing routes, acquiring operating certificates," Capt. Tarves said.

He said the mediator asked if the union would consider a shorter, 90-day commitment, one ACPA is considering.

"We are now watching the corporation for a signal that it is really committed to bargaining in good faith," Capt. Tarves said.

The airline has been light-tipped about its LCC plans and has yet to present a proposal during current talks despite repeated ACPA requests.

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sdeveau@nationalpost.com

## LEGAL

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NOTICE OF CLAIM BAR DATE  
AS AGENT CONVENTOR INC., ITS PRESENT AND  
FORMER EMPLOYEES AND THEIR RESPECTIVE  
PRESENT AND FORMER DIRECTORS AND OFFICERS

NOTICE IS HEREBY GIVEN that, pursuant to an Order of the Ontario Superior Court of Justice - Commercial List made on February 15, 2012 (the "Claim Proceedings Order"), the claim proceeds (the "Claim Proceedings") are required for the determination of claims against Conventor Inc., its present and former subsidiaries and their respective present and former directors and officers (the "Claimants").

THE CLAIM BAR DATE IS 8:00 P.M. (EASTERN STANDARD TIME) ON APRIL 19, 2012. CLAIM NOTICES MUST BE FILED WITH THE LIQUIDATOR ON OR BEFORE THE CLAIM BAR DATE, FAILURE WHICH ALL SUCH CLAIMS WILL BE FOREVER ESTIMATED AND BARRED.

A copy of the Claim Proceedings Order providing a full definition of Claims being called for can be found on the Liquidator's website at:  
www.duffandpHELPS.com/claimproceedings.

Subject to the Claim Proceedings Order, the Liquidator will cause to be sent to known Claimants a copy of the Claim Notice on or before February 24, 2012. Claimants requiring information in a hard copy of the Claim Proceedings Order may contact the Liquidator, Duff & Phelps Canada Restructuring Inc. at:

Duff & Phelps Canada Restructuring Inc.  
1100 King St. W., Suite 1000  
P.O. Box 40  
Toronto, ON M5X 1E4

Attention: Michelle Venevsky  
Fax: 416-497-8017  
E-mail: Michelle.Venevsky@duffandpHELPS.com

DUFF & PHELPS



# THE WALL STREET JOURNAL.

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## SUBPRIME DEBT

## SEC warns ex-bond highflyer of possible civil charges

Securities regulator alleges Alexander Rekeda misled investors in a 2007 mortgage-bond deal created by Japanese bank

JEAN EAGLESHAM

U.S. securities regulators have warned a former top architect of the structured-finance boom that they are considering civil charges alleging he misled investors in a mortgage-bond deal that imploded, people familiar with the situation said.

Alexander Rekeda, who led Japanese bank Mizuho Financial Group Inc.'s charge into the then-hot business of U.S. subprime debt in 2006, was warned by the Securities and Exchange Commission in October that he faces the potential charges, according to a regulatory filing. Mr. Rekeda received a so-called Wells notice, a letter typically giving the recipient a final opportunity to dissuade the SEC from filing an enforcement action.

It isn't clear how Mr. Rekeda re-

sponded to the warning, but SEC officials haven't dropped the case, according to people familiar with the matter. Civil charges could be filed by this summer, these people said, though the process has been slowed by the large number of individuals and companies involved in the probe and the complexity of some legal issues related to the case.

A lawyer for Mr. Rekeda declined to comment. SEC officials are focusing on Mr. Rekeda's role in a \$1.6-billion (U.S.) collateralized debt obligation called Delphinus CDO 2007-1. He was head of a team at Mizuho that assembled Delphinus.

Like other CDOs, the Delphinus deal was created using pools of mortgages and other loans. Slices of the deal were sold to investors. In a sign of the financial alchemy that transformed risky assets into

deals blessed with top credit ratings, as much as 70 per cent of those pools could be linked to subprime loans, according to a 2007 report by Fitch Ratings.

As in previous SEC probes of alleged wrongdoing before and during the financial crisis, investigators contend that investors who purchased pieces of Delphinus weren't told that a firm helping to create the mortgage-bond deal also was betting that some of its underlying assets would decline in value, people familiar with the investigation said.

That firm is Illinois-based hedge-fund firm Magnear Capital LLC, these people said. Magnear hasn't been accused by regulators of any wrongdoing regarding Delphinus, but its role in various mortgage-bond deals has been scrutinized in other SEC investigations. Last year, J.P. Mor-

gan Chase & Co. paid \$154.6 million to settle allegations by the SEC that the bank misled investors by not telling them Magnear helped to craft a \$1.1-billion CDO called Squared CDO 2007-1 and stood to profit if the deal was a flop. J.P. Morgan didn't admit or deny wrongdoing.

A spokesman for Magnear declined to comment.

In the Delphinus case, SEC officials also may pursue civil enforcement charges against Mizuho and the outside firm that managed the assets in Delphinus, Delaware Investments of Philadelphia, according to people familiar with the situation. Delaware is owned by Australian bank Macquarie Group Ltd.

A Mizuho spokesman said the Japanese bank "has been asked by the SEC to provide related documents and information, and it's

currently dealing with it." A spokeswoman for Macquarie declined to comment.

If Mr. Rekeda is charged with civil wrongdoing by the SEC, he would be the highest-profile CDO creator snared so far in the agency's probe of Wall Street's structured-finance machine.

The 37-year-old Ukrainian immigrant with a mathematics degree from Kiev State University was a highflyer during the mortgage-bond boom. Mizuho lured him and his team in December 2006 from Crédit Agricole SA.

Mr. Rekeda left the Japanese bank in January 2008. He later took a job at asset manager Guggenheim Partners LLC in New York and left there last November, regulatory records show.

Jeannette Neumann and Atsuko Fukase contributed to this article.

### LEGALS



#### TORONTO HYDRO-ELECTRIC SYSTEM LIMITED NOTICE OF COURT HEARING TO APPROVE PROPOSED CLASS ACTION SETTLEMENT

PUBLICATION OF THIS NOTICE HAS BEEN ORDERED BY THE ONTARIO SUPERIOR COURT OF JUSTICE

This notice is to persons who were customers of Toronto Hydro-Electric System Limited and paid interest on an overdue account with a statement date between July 1, 2000 and December 8, 2010, inclusive ("Class Members").

#### READ THIS NOTICE CAREFULLY AS IT MAY AFFECT YOUR LEGAL RIGHTS, WHEREVER YOU LIVE. YOU MAY BE ENTITLED TO COMPENSATION UNDER A CLASS ACTION SETTLEMENT.

A class action lawsuit has been commenced in Ontario against Toronto Hydro-Electric System Limited (the "Defendant").

The class action lawsuit relates to the payment of interest on overdue customer accounts. The lawsuit alleges that the Defendant violated the *Interest Act*, R.S.C. 1985, c. 1-15, as amended (the "*Interest Act*"), during the period from July 1, 2000 through to and including December 8, 2010 by billing its customers (retail, commercial or otherwise) interest on overdue accounts at a monthly rate without stating the equivalent annual rate on the bill, where the annual rate of interest charged was in excess of 5% per year.

The Parties have entered into a Settlement Agreement to resolve the litigation. The Settlement Agreement is a compromise of disputed claims and is not an admission of liability, wrongdoing, or fault on the part of the Defendant, which denies the allegations against it.

The terms of the Settlement Agreement provide for three forms of relief for the Class:

1. Class Members that, between December 7, 2008 and June 29, 2011 inclusive, either paid to the Defendant or had credited to their accounts for reasons other than this action a cumulative amount equal to or greater than \$30.00 in interest charged at a rate of more than 5% per annum in respect of bills issued on or before December 8, 2010 will be entitled to receive, by mailed cheque to your last known address in the records of the Defendant or by credit to your account if you are an existing customer, partial repayment of such monies. If you are eligible to receive a cheque, but the cheque is lost, returned or not cashed within six (6) months following the issuance of the cheque, then your monies will be distributed to the charities listed below. You will not be issued a replacement cheque under any circumstance.
2. Within sixty (60) business days of court approval of the Settlement Agreement, the Defendant will take all reasonable steps to cancel all outstanding interest owing by Class Members in excess of 5% per year on electricity bills dated on or before December 8, 2010.
3. The Defendant will pay approximately \$600,000.00, less Class Counsel Fees, to the following charities: United Way Canada, Red Door Family Shelter and Second Harvest.

The Settlement Agreement is conditional on the approval of the Ontario Superior Court of Justice. Class Members may, but are not required to, attend the settlement approval motion ("Approval Motion") that will be held on April 30, 2012 at 10 a.m., in Toronto, Ontario.

In addition to seeking the Court's approval of the Settlement, Siskinds LLP will seek the Court's approval of its legal fees not to exceed 25% of the settlement amount, plus applicable taxes ("Class Counsel Fees") at the Approval Motion. Class Counsel Fees will be deducted from the amounts distributed to Class Members.

If you wish to comment on, or make objection to, the Settlement Agreement or Class Counsel Fees, you must do so in writing. All objections must be submitted to Class Counsel (at the addresses listed below) no later than April 16, 2012. Class Counsel will forward all such submissions to the Court.

If you wish to opt out of this proceeding, you must submit a completed opt out form to counsel for the Defendant, postmarked no later than April 16, 2012, at the following address:

Davis LLP  
1 First Canadian Place, Suite 6000  
PO Box 367  
100 King Street West  
Toronto, ON M5X 1E2  
Attention: Kelly Friedman

More information about the settlement, including a copy of the Settlement Agreement and an Opt Out Form, is available online at [www.classaction.ca](http://www.classaction.ca). Questions about the proposed settlement should be directed to Class Counsel:

Siskinds LLP  
203-47 Colborne Street  
Toronto, Ontario M5E 1P8  
Canada

Email: [hydroclassaction@siskinds.com](mailto:hydroclassaction@siskinds.com)

If there is a conflict between the provisions of this notice and the Settlement Agreement, the terms of the Settlement Agreement will prevail.

#### IN THE MATTER OF THE BANKRUPTCY OF 1154944 ONTARIO INC. (FORMERLY AMBUTRANS INC.)

Notice is hereby given that the bankruptcy of 1154944 Ontario Inc. (formerly Ambutrans Inc.), with the head office located at 9 - 2305 Markham Road, Toronto, Ontario, occurred on the 9th day of February, 2012; and that the First Meeting of Creditors will be held on the 1st day of March, 2012 at 2:00pm at the offices of Farber Financial Group, 150 York Street, Suite 1600, Toronto, Ontario.

DATED at Toronto this 13th day of February, 2012.

**Farber**  
**Financial Group**  
A. FARBER & PARTNERS INC.  
150 York Street, Suite 1600  
Toronto, ON M5H 3S5  
Telephone No. (416) 497-0150  
Facsimile No. (416) 496-3839  
[www.farberfinancial.com](http://www.farberfinancial.com)

#### FIRST MEETING OF CREDITORS

In the matter of the bankruptcy of J4 Sales & Marketing Inc. cob Visualizer.

NOTICE is hereby given that the bankruptcy of J4 Sales & Marketing Inc. cob Visualizer is a display fixtures and materials supplier, located at 99 Jycot Drive, Toronto, ON occurred on the 7th day of February, 2012; and that the first meeting of creditors will be held on the 28th day of February, 2012 at 1:00pm, at the office of the Trustee, 505 Consumers Rd, Suite 200, Toronto, Ontario.

DATED at Toronto this 18th day of February, 2012.

**SPERGEL**

msl Spergel Inc.  
505 Consumers Rd, Suite 200  
Toronto, Ontario, M2J 4J6  
Tel/Fax: (416) 498-4309

#### NOTICE OF CLAIM BAR DATE

#### AS AGAINST COVENTREE INC., ITS PRESENT AND FORMER SUBSIDIARIES AND THEIR RESPECTIVE PRESENT AND FORMER DIRECTORS AND OFFICERS

NOTICE IS HEREBY GIVEN that, pursuant to an Order of the Ontario Superior Court of Justice - Commercial List made on February 15, 2012 (the "Claims Procedure Order"), a claims procedure (the "Claims Procedure") was approved for the determination of claims against Coventree Inc., its present and former subsidiaries and their respective present and former directors and officers (the "Claims").

THE CLAIM BAR DATE IS 5:00 P.M. (EASTERN STANDARD TIME) ON APRIL 13, 2012. CLAIM NOTICES MUST BE FILED WITH THE LIQUIDATOR ON OR BEFORE THE CLAIM BAR DATE, FAILING WHICH ALL SUCH CLAIMS WILL BE FOREVER EXTINGUISHED AND BARRED.

A copy of the Claims Procedure Order providing a full definition of Claims being called for can be found on the Liquidator's website at: [www.duffandpHELPS.com/restructuringcases](http://www.duffandpHELPS.com/restructuringcases).

Subject to the Claims Procedure Order, the Liquidator will cause to be sent to known claimants a copy of the Claim Notice on or before February 24, 2012. Claimants requiring information or a hard copy of the Claims Procedure Order may contact the Liquidator, Duff & Phelps Canada Restructuring Inc. at:

Duff & Phelps Canada Restructuring Inc.,  
in its capacity as liquidator of Coventree Inc.  
200 King St. W., Suite 1802  
P.O. Box 48  
Toronto, ON M5H 3T4

Attention: Mitch Vininsky  
Fax: 647.497.9477  
E-mail: [Mitch.Vininsky@duffandpHELPS.com](mailto:Mitch.Vininsky@duffandpHELPS.com)

**DUFF & PHELPS**

#### NOTICE OF RECORD DATE

**CN**

#### Notice of Record Date

The Annual General Meeting of the Shareholders of Canadian National Railway Company will be held at the World Trade and Convention Centre, 1800 Argyle Street, Halifax, Nova Scotia, on Tuesday, April 24, 2012, at 10 a.m. (ADT).

Shareholders registered at the close of business on March 7, 2012 will be entitled to receive notice of the meeting.

By order of the Board of Directors,

Sean Finn  
Executive Vice-President,  
Corporate Services and  
Chief Legal Officer

Montreal, Quebec  
February 21, 2012

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2. Brampton
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  - Must be accessible by public transit
  - Proximity to hospital beneficial but not required

Please forward all opportunities to the undersigned on or before Friday, February 24, 2012 to [LSGTA@CBRE.COM](mailto:LSGTA@CBRE.COM)

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Mike Grogan

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### Development Opportunity Caledon

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For further information, please e-mail:

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[frank.prohman@cbre.com](mailto:frank.prohman@cbre.com)  
416 495 6248

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[frank.prohman@cbre.com](mailto:frank.prohman@cbre.com)  
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### LEGALS

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

IN THE MATTER OF THE COMPANIES' CREDITORS  
ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE AND  
ARRANGEMENT INVOLVING OLYMPUS UNITED FUNDS CORPORATION/  
CORPORATION DE FONDS UNIS OLYMPUS

#### NOTICE OF PROCEEDINGS AND MEETING

NOTICE IS HEREBY GIVEN, pursuant to the Order of the Ontario Superior Court of Justice (Commercial List) (the "Court") dated November 30, 2011 (the "Meeting Order") that:

1. Olympus United Funds Corporation/Corporation de Fonds Unis Olympus (the "Applicant") has filed with the Court a plan of compromise and arrangement (the "Plan"), a copy of which is available on the Website established by the Monitor for purposes of the Plan and having the following address: <http://www.sunichter.com/Restructuring/Olympus.aspx>, where terms used in this Notice are defined in the Plan, they have the same meaning as in the Plan.

2. An Approval Meeting will be held on February 29, 2012 at 10:30 a.m. at the Metro Toronto Convention Centre, 255 Front Street West, Room 208, Toronto, Ontario, M5W 2W6 for the principal purpose of voting on the approval of the Plan.

3. Creditors holding Proven Claims or Unconfirmed Voting Claims are eligible to attend and vote at the Approval Meeting. A Proven Claim is a Creditor Claim that has been allowed in whole or in part by the Monitor or by Order of the Court, whereas an Unconfirmed Voting Claim is a Creditor Claim that has been disallowed in whole or in part by the Monitor and which is still in dispute. The effect of Unconfirmed Voting Claims on the approval of the Plan will be determined by the Court, if necessary.

4. The Monitor is reviewing all Proofs of Investment and Proofs of Claim in respect of the Applicant that were delivered to the Receiver by the March 31, 2010 Claims Bar Date. In order to determine if these are Proven Claims.

5. Any Person who delivered to the Receiver a Proof of Claim or Proof of Investment after the March 31, 2010 Claims Bar Date, or did not do so at all, must still deliver to the Monitor, no later than January 13, 2012 a Proof of Creditor Claim, including an explanation as to why the Claim was not filed prior to the Claims Bar Date. If that explanation is acceptable to the Monitor or the Court, the Monitor will review that Proof of Creditor Claim to determine if it is a Proven Claim.

6. If a Creditor is unable to attend the Approval Meeting, it may complete, sign and return to the Monitor, on or before 5:00 p.m. (Toronto time) on the last Business Day before the Approval Meeting, a Proxy form designating a representative to attend and vote on its behalf.

7. If the Plan is approved at the Approval Meeting by a majority in number representing two-thirds in value of the Creditors holding Proven Claims present and validly voting either in person or by proxy at the Approval Meeting, the Applicant intends to bring a motion before the Court as soon as is practicable for an order sanctioning the Plan pursuant to the Companies' Creditors Arrangement Act and for other relief relating thereto.

8. If the Plan is approved by the Creditors eligible to vote thereon, if it is sanctioned by the Court and if the other conditions precedent set out in the Plan, as may have been amended or affected by Court Order.

9. The Second Report of the Monitor and other documents containing important information regarding the Applicant and the Plan are available on the Monitor's Website.

#### RSM Richter Inc.

solely in its capacity as the Court-appointed Monitor of the Debtor,  
and without personal or corporate liability

2 Place Alexis Nihon, Suite 1050

Montreal, Quebec H3C 3C2

Telephone: 1-866-869-9679

Facsimile: 514-934-8603

E-mail: [claims@rsmrichter.com](mailto:claims@rsmrichter.com)

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For more information please contact  
Jordan Lunan\*

[jordan.lunan@cbre.com](mailto:jordan.lunan@cbre.com)

416 798 6270

Ross Pollock\*\*

[ross.pollock@cbre.com](mailto:ross.pollock@cbre.com)

416 798 6224

[www.cbre.ca](http://www.cbre.ca)

\*Broker

\*\*Broker

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- Site Size: 1.613 acres
- Approved for 2 residential towers (27 & 32 storeys) - 526,375 SF
- Submission Date: Tuesday, March 20, 2012 by 5:00 pm
- Principals Only

For further information, please email

[LSGTAT@CBRE.COM](mailto:LSGTAT@CBRE.COM)

Mike Castaldi\*\*

[mike.castaldi@cbre.com](mailto:mike.castaldi@cbre.com)

416 495 6257

Lauren Daugherty\*

[lauren.daugherty@cbre.com](mailto:lauren.daugherty@cbre.com)

416 495 6223

\*Broker

\*\*Broker

CBRE

CBRE Limited Real Estate Brokerage

FOR SALE

APPROVED DOWNTOWN

CONDO SITE

- Medium Density/Mixed Use
- Downtown Collingwood on Georgian Bay
- Services Available

For further information, please contact:

Don Goudry\*\*

[don.goudry@cbre.com](mailto:don.goudry@cbre.com)

416 495 6249

\*\*Broker

CBRE

CBRE Limited Real Estate Brokerage

DIVIDENDS

#### Dividend Notice

Notice is hereby given that, effective as of February 16, 2012, the Board of Directors of Encana Corporation declared a dividend of US\$0.20 per Common Share payable on March 30, 2012 to shareholders of record as of the close of business on March 15, 2012.

By Order of the Board

Jeffrey G. Paulson Vice-President, Associate

General Counsel & Corporate Secretary

February 23, 2012 | Calgary, Alberta, Canada

encana.

natural gas

[www.encana.com](http://www.encana.com)

#### FINNING CAT

#### ELIGIBLE DIVIDEND NOTICE

Notice is hereby given that a regular dividend of 13 cents per share on the outstanding Common Shares without par value of Finning International Inc. has been declared payable on March 16, 2012 to shareholders of record at the close of business on March 2, 2012. This dividend will be considered an eligible dividend for Canadian income tax purposes.

By Order of the Board

J. Gail Searns

Corporate Secretary

TO SUBSCRIBE CALL 1-866-36 GLOBE THE GLOBE AND MAIL

## **Appendix “D”**

Duff & Phelps Canada Restructuring Inc.  
Liquidator of Coventree Inc.  
**List of Filed Claims**  
**As at April 13, 2012**  
(\$)

<b>Creditor</b>	<b>Claim</b>	<b>Debtor</b>	<b>Nature of Claim</b>
Ani Hotoyan-Joly	\$175,000 plus other benefits and indemnity	Coventree Inc.	Balances pursuant to employment agreement
Canada Revenue Agency	\$1,098,054	Coventree Capital Inc.	Income tax - 2008
Canada Revenue Agency	\$1	Coventree Capital Inc.	Provisional claim for GST/HST - subject to audit
Canada Revenue Agency	\$1	Coventree Holdings Inc.	Provisional claim for GST/HST - subject to audit
Canada Revenue Agency	\$1	Coventree Holdings Inc.	Provisional claim for income tax - subject to audit
			Provisional claim for source deductions - subject to audit
Canada Revenue Agency	\$1	Coventree Inc.	audit
Canada Revenue Agency	\$1	Coventree Inc.	Provisional claim for GST/HST - subject to audit
Canada Revenue Agency	\$1	Coventree Inc.	Provisional claim for income tax - subject to audit
CNW Group Ltd.	\$127	Coventree Inc.	Filing materials on SEDAR
Dean Tai	\$500,000	Coventree Inc.	Balance pursuant to employment agreement
Dean Tai	\$500,000*	Coventree Inc.	Indemnification in connection with OSC penalty award - subject to appeal
Dean Tai	\$890,180	Coventree Inc.	Estimate of legal fees in connection with OSC appeal
Dean Tai	Indemnity	Coventree Inc.	Indemnification in connection with Notice of Action by Coventree
Dean Tai	\$5,000,000	Coventree Inc.	Statement of Claim against Coventree
Dean Tai	\$110,556 plus interest and costs	Coventree Inc.	Costs in connection with Coventree's sale of security pledged under promissory note
Equity Financial Trust Company	Indemnity	Coventree Inc.	Indemnification by Coventree in connection with litigation commenced by Mr. Tai
Geoff Cornish	\$500,000 plus benefits and indemnity	Coventree Inc.	Balances pursuant to employment agreement
Geoff Cornish	\$725,000	Coventree Inc.	Estimate of legal fees in connection with OSC appeal
Geoff Cornish	\$500,000*	Coventree Inc.	Indemnification in connection with OSC penalty award - subject to appeal

Duff & Phelps Canada Restructuring Inc.  
Liquidator of Coventree Inc.  
**List of Filed Claims**  
**As at April 13, 2012**  
(\$)

<b>Creditor</b>	<b>Claim</b>	<b>Debtor</b>	<b>Nature of Claim</b>
Navigators Management Company		\$100,000 Coventree Inc.	Estimated cost award if successful in litigation with Coventree
Ontario Securities Commission		\$500,000 plus interest and costs, if applicable Dean Tai	Penalty pursuant to OSC order - subject to appeal
Ontario Securities Commission		\$500,000 plus interest and costs, if applicable Geoff Cornish	Penalty pursuant to OSC order - subject to appeal
Stockwoods LLP		Up to \$50,000 Coventree Inc.	Estimated cost award if successful in litigation with Coventree

\* These are duplicates of the claim made by the OSC against Messrs. Cornish and Tai.

## **Appendix “E”**

COMMONWEALTH OF MASSACHUSETTS  
The Trial Court  
Probate and Family Court Department

Norfolk Division

Docket No. 08D1702DV1

Dora Vell., Plaintiff

v.

Dean Tai., Defendant

**TEMPORARY/SCHEDULING ORDER(S)**

(on Complaint for Divorce, dated: 12-10-08)

Pending a hearing on the merits, or until further order of the Court, it is Ordered as set forth below.

☒ A review/status conference shall be held on  
Feb 28, 2012 at 10:00 am

☐ Discovery shall be concluded on \_\_\_\_\_

☒ Further  
A pretrial conference will be held on :  
Feb. 28, 2012 at 10:00 Mon a.m./p.m.

(see accompanying order)

☒ The parties shall comply with a Stipulation or Agreement, dated  
DEC 13 2011, which has today been filed with the Court,  
is approved, shall have full force and effect of an Order of the Court  
and is expressly made a part of this Order.

☐ \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

DEC 13 2011  
Date

Angela M. Ordoñez  
Angela M. Ordoñez, Justice  
Norfolk Probate and Family Court

THE COMMONWEALTH OF MASSACHUSETTS  
THE TRIAL COURT

CL  
✓

PROBATE FAMILY COURT DEPARTMENT

PROBATE & FAMILY COURT  
No. 08D-1702-DV1

NORFOLK DIVISION Dora Vall, Plaintiff

v.

Dean Kai, Defendant

STIPULATION  
OF THE  
PARTIES

It is hereby agreed by the parties with the advice of counsel that the following stipulation shall be made an order or judgment of this court:

① Each party shall forthwith deliver to his/her respective counsel in this action all certificates for shares of Coventree Inc. which are in his/her possession, custody or control.

② Any distribution made an account of Coventree Inc. shares held by either party in any capacity, including as ~~President/Director of Allyn Corp. and/or Allyn Holdings Corp.~~ President/Director of Allyn Corp. and/or Allyn Holdings Corp., and individually, will be paid to Paul LeVay and Geoff Hall as escrow agents pending further joint direction of both parties or further order of the Norfolk Probate and Family Court.

③ The parties shall execute and deliver to ~~each other~~ a joint written directive in the form ~~of a joint written directive~~ to be mutually agreed upon.

④ The Husband/Defendant shall provide to the Wife/Plaintiff, within fourteen (14) days of the date hereof, copies of all pledge agreements ~~made~~ by and between himself, in any capacity, and Paul LeVay, the Canada Revenue Agency ("CRA") and/or Scotia Bank, not previously produced to the Wife/Plaintiff.

⑤ sufficiently prior to any distribution,

Plaintiff

Defendant

Plaintiff's Attorney

Defendant's Attorney

Date:

12/13/11

Witness:



⑤ The parties shall each be entitled to notification of any payment of money to the escrow agents.

Plaintiff

Plaintiff's Attorney

Date:

12/13/11

Defendant

Defendant's Attorney

Witness:

WRITTEN DIRECTIVE REGARDING DISTRIBUTIONS

To: Coventree Inc.

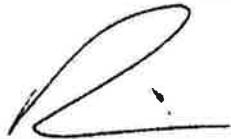
Re: Alkyon Corporation and Alkyon Holdings Corporation

Date: February 7, 2012

To Whom It May Concern:

By this Written Directive, as Director of Alkyon Corporation and Alkyon Holdings Corporation I hereby direct you, your agents and assigns to forward any distributions of any type or nature including, but not limited to, dividends, which may be made on account of any shares of Coventree Inc. held in the name of Alkyon Corporation and/or its successors or assigns, and/or by Alkyon Holdings Corporation and/or its successors or assigns, to Geoff R. Hall, Esquire of McCarthy Tétrault, Box 48, Suite 5300, Toronto Dominion Bank Tower, Toronto, Ontario, Canada, postal code M5K 1E6, as escrow agent.

This Written Directive shall not be revoked or superseded except by a further Written Directive executed jointly by me and Dora Vell.



---

Dean Tai, Director  
Alkyon Corporation and  
Alkyon Holdings Corporation

WRITTEN DIRECTIVE REGARDING DISTRIBUTIONS

To: Equity Financial Trust Company

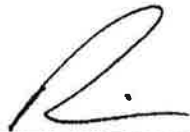
Re: Coventree, Inc.,  
Alkyon Corporation and Alkyon Holdings Corporation

Date: February 7, 2012

To Whom It May Concern:

By this Written Directive, as Director of Alkyon Corporation and Alkyon Holdings Corporation I hereby direct you, your agents and assigns to forward any distributions of any type or nature including, but not limited to, dividends, which may be made on account of any shares of Coventree Inc. held in the name of Alkyon Corporation and/or its successors or assigns, and/or by Alkyon Holdings Corporation and/or its successors or assigns, to Geoff R. Hall, Esquire of McCarthy Tétrault, Box 48, Suite 5300, Toronto Dominion Bank Tower, Toronto, Ontario, Canada, postal code M5K 1E6, as escrow agent.

This Written Directive shall not be revoked or superseded except by a further Written Directive executed jointly by me and Dora Vell.



---

Dean Tai, Director  
Alkyon Corporation and  
Alkyon Holdings Corporation

## **Appendix “F”**

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

**DUFF & PHELPS CANADA RESTRUCTURING INC. IN ITS  
CAPACITY AS LIQUIDATOR OF COVENTREE INC.**

**APPLICATION UNDER SECTION 207 OF THE *BUSINESS  
CORPORATIONS ACT*, R.S.O. 1990, c. B.16, AS AMENDED**

**IN THE MATTER OF THE WINDING-UP OF  
COVENTREE INC.**

**AFFIDAVIT OF ROBERT HARLANG  
(Sworn April 20, 2012)**

I, Robert Harlang, of the City of Toronto, in the Province of Ontario, MAKE OATH AND  
SAY:

1. I am a Managing Director of Duff & Phelps Canada Restructuring Inc. ("D&P").
2. On June 30, 2010, the shareholders of Coventree Inc. ("Coventree") passed a special resolution approving, among other things: a) the voluntary winding-up of Coventree pursuant to Section 193 of the *Business Corporations Act*, R.S.O. 1990, c. B.16, as amended (the "OBCA") at a time to be determined by the directors of Coventree; and b) a plan of liquidation and distribution substantially in the form attached to such special resolution.
3. On January 23, 2012, the board of directors of Coventree adopted a finalized plan of liquidation and distribution (the "Liquidation Plan") substantially in the form approved by the special resolution passed by the shareholders. D&P is the liquidator named in the Liquidation Plan.
4. Pursuant to Section 4.3(k) of the Liquidation Plan, the Liquidator made an application to the Ontario Superior Court of Justice – Commercial List ("Court") under Section 207 of the

OBCA for, among other things, an order to have the winding-up of Coventree supervised by the Court ("Winding-Up Order"). The Court made the Winding-Up Order on February 15, 2012.

5. I have managed this mandate since the date of the Winding-Up Order. As such, I have knowledge of the matters to which I hereinafter depose.

6. On April 20, 2012, the Liquidator executed its Second Report to Court in which it outlined its activities with respect to Coventree as well as provided information with respect to its fees.


7. I hereby confirm that attached as Exhibit "A" hereto are true copies of the accounts of D&P for the periods indicated and confirm that these accounts accurately reflect the services provided by D&P in this matter and the fees and disbursements claimed by it.

8. Additionally, attached hereto as Exhibit "B" is a summary of additional information with respect to all members of D&P who have worked on this matter, including their role and hourly rates, and I hereby confirm that the list represents an accurate account of such information.

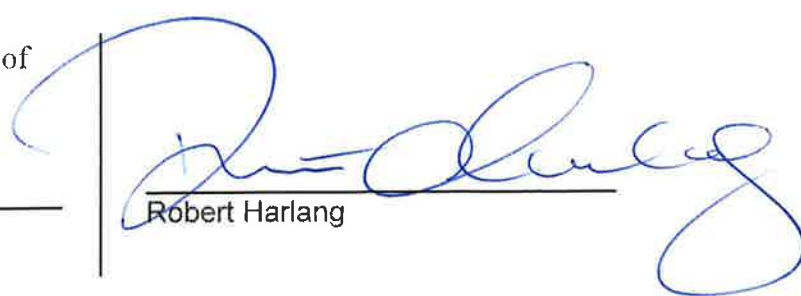
9. I consider the accounts to be fair and reasonable considering the circumstances connected with this administration.

10. I also confirm that the Liquidator has not received, nor expects to receive, nor has the Receiver been promised any remuneration or consideration other than the amount claimed in the accounts.

**SWORN BEFORE ME** at the City of  
Toronto, on April 20, 2012.

  
A Commissioner, etc.

*Robin B. Schwill*

  
Robert Harlang

This is Exhibit "A"  
referred to in the Affidavit of  
Robert Harlang  
sworn before me  
this 20th day of April, 2012:



---

Commissioner for Taking Affidavits

Coventree Inc.  
161 Bay Street, 27<sup>th</sup> Floor  
Toronto, ON M5J 2S1

March 7, 2012

Invoice#: TP00100489 - 842  
Client No.: 813783  
Reference: 39192

## INVOICE

**Re: Coventree Inc. (the "Company")**

For professional services rendered as liquidator of the Company for the period February 15, 2012 to February 29, 2012, including:

- Attending at the Ontario Superior Court of Justice on February 15, 2012 in respect of, among other things, a claim process regarding the Company ("Claim Process");
- Corresponding with the *Globe and Mail* and the *National Post* regarding publishing a notice of the Claim Process;
- Reviewing a schedule of creditors and potential creditors of the Company ("Creditors");
- Mailing a claim notice to the Creditors;
- Reviewing corresponding related to delisting of the Company's shares from the NEX, a board of the TSX Venture Exchange;
- Reviewing press releases issued by the Company;
- Responding to creditors regarding the Claim Process;
- Responding to inquiries from the Company's shareholders regarding the liquidation proceedings;
- Reviewing a binder of documentation, including the Company's results for the first quarter ended December 31, 2011 and management's discussion and analysis related thereto, prepared by the Company in advance of a meeting with the Company's inspectors;
- Attending a meeting of inspectors on February 27, 2012;



- Reviewing correspondence related to the Company's litigation with Dean Tai;
- Reviewing correspondence related to the Company's litigation with Lloyd's Syndicate 1221;
- Corresponding extensively with representatives of the Company and Davies Ward Phillips & Vineberg LLP ("Davies"), the Liquidator's legal counsel, regarding the Company's proceedings; and
- To all other meetings and correspondence related to this matter.

Professional fees	\$ 32,100.00
HST	<u>4,173.00</u>
Total	<u>\$ 36,273.00</u>

**Duff & Phelps Canada Restructuring Inc.**  
**Re: Coventree Inc.**  
**Time Summary**  
**For the period ended February 29, 2012**

<b>Personnel</b>	<b>Hours</b>	<b>Rate (\$)</b>	<b>Amount (\$)</b>
Robert Harlang	37.50	650.00	24,375.00
Mitch Vininsky	15.10	500.00	7,550.00
Administrative and other	1.75		175.00
<b>Total</b>	<b>54.35</b>		<b>32,100.00</b>

Coventree Inc.  
161 Bay Street, 27<sup>th</sup> Floor  
Toronto, ON M5J 2S1

April 16, 2012

Invoice#: TP 00104117 - 878-  
Client No.: 813783  
Reference: 39192

## INVOICE

**Re: Coventree Inc. (the "Company")**

For professional services rendered as liquidator of the Company for the month ended March 31, 2012, including:

- Attending a meeting on March 1, 2012 at the offices of Voorheis & Co LLP with the Company's management, the inspectors appointed pursuant to the Company's liquidation plan ("Inspectors") and Davies Ward Phillips & Vineberg LLP ("Davies"), the Liquidator's legal counsel;
- Reviewing correspondence regarding the Company's shareholder register and the residency of the Company's shareholders;
- Considering issues, including withholding taxes, related to distributions to be made to the Company's shareholders;
- Corresponding with Canada Revenue Agency ("CRA") regarding the Company's claims process ("Claims Process") approved by order of the Ontario Superior Court of Justice on February 15, 2012;
- Reviewing correspondence from CRA to the Company dated March 2, 2012;
- Receiving inquiries from interested parties regarding the Company's investment in Xceed Mortgage Corporation ("Xceed");
- Corresponding with the Company regarding Xceed and proposals to acquire the Company's shares in Xceed;
- Reviewing press releases issued by the Company;
- Responding to creditors regarding the Claims Process;

- Responding to inquiries from the Company's shareholders regarding the liquidation proceedings;
- Attending a meeting of inspectors on March 7, 2012;
- Reviewing correspondence related to the Company's litigation with Dean Tai;
- Reviewing correspondence related to the Company's request to provincial securities regulators for an exemption ("Exemption") of its obligations as a reporting issuer;
- Reviewing and commenting on the Company's response to the Ontario Securities Commission regarding the Exemption;
- Reviewing and commenting on agreements related to an extension of maturity of a loan ("Extension") owing by Mr. Cornish's holding company;
- Attending a meeting of inspectors on March 29, 2012;
- Executing an amending agreement dated March 29, 2012 regarding the Extension;
- Reviewing the Company's bank statements;
- Reviewing the Company's proposed disbursements;
- Corresponding extensively with representatives of the Company and Davies regarding the Company's proceedings; and
- To all other meetings and correspondence related to this matter.

Professional fees	\$ 28,125.00
Disbursements (notice in National Post)	3,239.01
HST	<u>4,077.32</u>
Total	<u>\$ 35,441.33</u>

**Duff & Phelps Canada Restructuring Inc.**  
**Re: Coventree Inc.**  
**Time Summary**  
**For the period ended March 31, 2012**

<b>Personnel</b>	<b>Hours</b>	<b>Rate (\$)</b>	<b>Amount (\$)</b>
Robert Harlang	29.00	650.00	18,850.00
Mitch Vininsky	18.30	500.00	9,150.00
Administrative and other	1.25		125.00
<b>Total</b>	<b>48.55</b>		<b>28,125.00</b>

This is Exhibit "B"  
referred to in the Affidavit of  
Robert Harlang  
sworn before me  
this 20th day of April, 2012



---

Commissioner for Taking Affidavits

**Coventree Inc.****Schedule of Professionals' Time and Rates**

For the Period of February 15, 2012 to March 31, 2012

(\$)

---

<u>Name</u>	<u>Role</u>	<u>Billing</u> <u>Rate (Per</u> <u>Hour)</u>
Robert Harlang	File management	\$ 650
Mitch Vininsky	All aspects of mandate	\$ 500
Other staff and administrative		\$ 100
Total hours		103
Total fees		\$ 60,225
Average hourly rate		\$ 585

## **Appendix “G”**



**ONTARIO  
SUPERIOR COURT OF JUSTICE – COMMERCIAL LIST**

**DUFF & PHELPS CANADA RESTRUCTURING INC. IN  
ITS CAPACITY AS LIQUIDATOR OF  
COVENTREE INC.**

Applicant

**APPLICATION UNDER SECTION 207 OF THE  
BUSINESS CORPORATIONS ACT, R.S.C. 1990, c. B.16,  
AS AMENDED**

**IN THE MATTER OF THE WINDING-UP OF  
COVENTREE INC.**

**AFFIDAVIT OF  
ROBIN B. SCHWILL  
(sworn April 19, 2012)**

I, Robin B. Schwill, of the City of Toronto, in the Province of Ontario,


**MAKE OATH AND SAY:**

1. I am a partner with Davies Ward Philips & Vineberg LLP ("**Davies**"), solicitors for the Applicant and as such I have knowledge of the matters deposed to herein.
2. This affidavit is sworn in support of a motion to be made in these proceedings seeking, among other things, approval of the fees and disbursements of Davies in its capacity as legal counsel to the Applicant.
3. The Davies invoices, which are for the period from February 15, 2012 to March 31, 2012, disclose in detail: (i) the names of each person who rendered

services on this matter; (ii) the dates on which the services were rendered; (iii) the time expended each day; and (iv) the total charges for each of the categories of services rendered for the relevant time period. A billing summary is attached hereto as Exhibit "A". A summary of the hourly rates of each person who rendered services, total time expended by such person and the aggregate blended rate of all professionals of Davies who rendered services on this matter is attached hereto as Exhibit "B". Copies of the actual invoices are attached hereto as Exhibit "C".

4. I have reviewed the Davies invoices and believe that the time expended and the legal fees charged are reasonable in light of the services performed and the prevailing market rates for legal services of this nature in downtown Toronto.

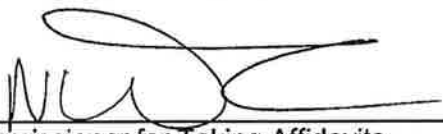
SWORN BEFORE ME at the City of  
Toronto, in the Province of Ontario  
on April 19, 2012.

  
\_\_\_\_\_  
Commissioner for taking affidavits  
Natalie Renner



\_\_\_\_\_  
Robin B. Schwill

This is Exhibit "A"  
referred to in the Affidavit of  
Robin B. Schwil  
sworn before me  
this 19 day of April, 2012


  
\_\_\_\_\_  
Commissioner for Taking Affidavits  
Natalie Renner

**Exhibit "A"**

**Billing Summary**

<b>Invoice Date</b>	<b>Period Covered</b>	<b>Fees</b>	<b>Disbursements</b>	<b>HST</b>	<b>Total</b>
March 8, 2012	February 15, 2012 to March 2, 2012	\$22,720.00	\$10.35	\$2,954.95	\$25,685.30
April 10, 2012	March 1, 2012 to March 31, 2012	\$21,403.50	\$75.45	\$2,792.26	\$24,271.21
<b>TOTALS</b>		<b>\$44,123.50</b>	<b>\$85.80</b>	<b>\$5,747.21</b>	<b>\$49,956.51</b>

This is Exhibit "B"  
referred to in the Affidavit of  
Robin B. Schwill  
sworn before me  
this 19 day of April, 2012

  
\_\_\_\_\_  
Commissioner for Taking Affidavits  
Nataue Renner

## Exhibit "B"

### Aggregate Blended Rate Summary


Individual	Title	Hourly Rate	Total Hours
R. Schwill	Partner	\$825.00	50.4
R. Juneja	Partner	\$675.00	0.3
A. Moore	Partner	\$750.00	0.5
J. Swartz	Partner	\$975.00	0.2
B. Siefred	Partner	\$630.00	0.3
S. Frankel	Associate	\$400.00	3.7
V. Clayton	Clerk	\$340.00	0.3
		Total	<u>55.7</u>

Total Fees from Exhibit "A" = \$44,123.50

Total Hours = 55.7

Average Blended Hourly Rate (rounded to nearest dollar) = \$792.00

This is Exhibit "C"  
referred to in the Affidavit of  
Robin B. Schwill  
sworn before me  
this 19 day of April, 2012



---

Commissioner for Taking Affidavits

Natalie Renner



DAVIES WARD PHILLIPS & VINEBERG LLP

44th Floor

Tel 416 863 0900

1 First Canadian Place

Fax 416 863 0871

Toronto Canada M5X 1B1

www.dwpv.com

March 8, 2012

File No. 239120

Duff & Phelps Canada Restructuring Inc.  
200 King Street West  
Suite 1000  
Toronto, ON M5H 3T4

Attention: Robert Harlang

**Liquidator of Coventree Inc.**  
**Period: February 2012**

TO PROFESSIONAL SERVICES rendered during the above-noted period in connection with the above noted matter as outlined in the attached copy of our billing summary.

OUR FEE 22,720.00

DISBURSEMENTS

Scancopy	0.60
Reproduction Charges	9.75
	<hr/>
	\$10.35

10.35

SUBTOTAL \$22,730.35

HST 2,954.95

TOTAL \$25,685.30

Tor#: 2808145.1

GST/HST No. R118882927

PER 

IN ACCORDANCE WITH SECTION 33 OF THE SOLICITORS ACT, INTEREST WILL BE CHARGED AT THE RATE OF 1.3% PER ANNUM ON UNPAID FEES, CHARGES OR DISBURSEMENTS CALCULATED FROM A DATE THAT IS ONE MONTH AFTER THIS STATEMENT IS DELIVERED.

ANY DISBURSEMENTS INCURRED ON YOUR BEHALF AND NOT CHARGED TO YOUR ACCOUNT ON THE DATE OF THIS STATEMENT WILL BE BILLED LATER.

PLEASE SEE IMPORTANT TERMS OF CLIENT SERVICE, INCLUDING FILE RETENTION AND DISPOSAL POLICY, ON OUR WEBSITE, [HTTP://WWW.DWPV.COM/EN/FOOTER-PAGES/SERVICE-TERMS#2](http://www.dwpv.com/en/footer-pages/service-terms#2).



DATE	TIMEKEEPER	HOURS	DESCRIPTION
February 15, 2012	ROBIN B. SCHWILL	8.0	Preparing for and attending on application to have voluntary winding up brought under supervision of the Court and for the Claims Procedure Order; reviewing and revising letter to CDS; reviewing and revising Press Release regarding obtaining orders; reviewing and commenting on draft MD&A; reviewing and commenting on draft application to cease being a reporting issuer; multiple e-mail exchanges regarding related issues.
February 15, 2012	STEVEN G. FRANKEL	3.7	Prepared for application for winding-up order; attended hearing re: application for winding-up order with R. Schwill.
February 16, 2012	ROBIN B. SCHWILL	1.5	Reviewing and commenting on draft Press Release; engaged in discussions and e-mails with CDS regarding share transfers; e-mail exchanges regarding claims and notice matters; Telephone call with Marc Wasserman regarding independent contested claims counsel role.
February 17, 2012	ROBIN B. SCHWILL	1.1	Drafting language for CDS bulletin; e-mail exchanges and phone calls regarding same; reviewing e-mail from Geoff Cornish regarding trading in the U.S. and related e-mails regarding same.
February 21, 2012	ROBIN B. SCHWILL	0.8	Reviewing Claim Bar Notice provisions and e-mails to Duff & Phelps regarding same; reviewing e-mail regarding authorization of Q1 financials by the Liquidator; discussion with Brett Seifred and Jennifer Grossklaus regarding same; discussion with Jennifer Grossklaus regarding reporting issuer application.
February 22, 2012	ROBIN B. SCHWILL	1.2	Reviewing and commenting on draft reporting issuer application; reviewing and commenting on draft Q1 press release and material change report; various e-mail exchanges regarding same.
February 23, 2012	ROBIN B. SCHWILL	0.4	Reviewing letter from Stockwoods LLP and replying to same.
February 24, 2012	ROBIN B. SCHWILL	2.7	E-mail exchanges regarding Tai SAP Litigation and Claims Process issues; Telephone call with Marc Wasserman regarding same; drafting Inspectors' Resolution regarding same; engaged concerning certain liquidation administration matters and questions.
February 27, 2012	ROBIN B. SCHWILL	6.5	Reviewing Liquidation Plan and related material for Inspectors Meeting; attending Inspectors Meeting; e-mail exchanges regarding voicemail from Tai's counsel; drafting letter to Tai's counsel regarding Claims Process matters; e-mail to Liquidator's claims counsel regarding Tai litigation issues and resolution of Inspectors impact on same; reviewing revised MD&A.
February 28, 2012	ROBIN B. SCHWILL	2.6	Telephone call with Robert Harlang regarding press release of change in Inspectors; e-mail exchanges regarding same; reviewing and finalizing letter to Stockwoods LLP; e-mail exchanges regarding same; reviewing MD&A press release; reviewing e-mails from Jennifer Grossklaus regarding disclosure issues; Telephone call with Robert Harlang regarding related administration matters and enquiry from counsel to Ms. Vell (Tai's spouse).
February 29, 2012	ROBIN B. SCHWILL	0.7	E-mail exchanges regarding various liquidation administration matters; Telephone call with Robert Harlang regarding same.
March 1, 2012	RAJ JUNEJA	0.3	Conference with R. Schwill.



DAVIES WARD PHILLIPS & VINEBERG LLP

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Toronto Canada M5X 1B1

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April 10, 2012

File No. 239120

Duff & Phelps Canada Restructuring Inc.  
200 King Street West  
Suite 1000  
Toronto, ON M5H 3T4

Attention: Robert Harlang

**Liquidator of Coventree Inc.**  
**Period: March 2012**

TO PROFESSIONAL SERVICES rendered during the above-noted period in connection with the above-noted matter as outlined in the attached copy of our billing summary.

OUR FEE	\$21,403.50
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DISBURSEMENTS

Cyberbahn (Searches)	40.00
Scancopy	6.30
Reproduction Charges	29.15
	<hr/>
	\$75.45

75.45

SUBTOTAL	\$21,478.95
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HST	2,792.26
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TOTAL	<hr/> <hr/> \$24,271.21
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GST/HST No. R118882927

PLEASE REMIT WITH PAYMENT

PER 

DAVIES WARD FILLIPS & VINEBERG LLP  
BILLING STATEMENT FOR 123525 / 239120  
LIQUIDATOR OF COVENTREE INC.

DATE	TIMEKEEPER	HOURS	DESCRIPTION
March 1, 2012	A. MOORE	0.5	Internal conference with R. Schwill re distribution in kind;
March 1, 2012	R.B. SCHWILL	4.7	Telephone call with Robert Harlang regarding preparations for upcoming Inspectors Meeting; discussions with Robert Harlang and Mitch Vininsky regarding withholding tax issues and U.S. securities law issues pertaining to Xceed share distribution; discussions with Raj Jenga regarding same; discussions with Alex Moore regarding same; discussions with Gerald Shepherd regarding same; reporting e-mails to Robert Harlang regarding same;
March 6, 2012	R.B. SCHWILL	1.4	Discussion with Brett Seifred regarding U.S. securities law issues; discussion with Gerald Shepherd regarding same; Telephone call with Geoff Cornish regarding CRA issues and time-line; reviewing and drafting revisions to time-line;
March 7, 2012	V. CLAYTON	0.3	COVENTREE INC. - receive and review e-mail message from R. Schwill; - telephone discussion with R. Schwill regarding certified fiche and receive further instructions; - perform search of cyberbahn and order certified fiche; - e-mail message to Cristina Autencio regarding copies to be made of certified fiche upon receipt of same from Ministry;
March 7, 2012	R.B. SCHWILL	2.0	Reviewing and revising draft minutes; reviewing articles of incorporation regarding rights on dissolution;
March 8, 2012	B.A. SEIFRED	0.3	Office conference with Robin Schwill re re distribution of Xceed shares;
March 8, 2012	R.B. SCHWILL	3.8	E-mail and voicemail to Geoff Cornish regarding revisions to draft minutes; Telephone call with counsel to Equity Transfer regarding winding up proceedings and Notice of Claim; Telephone call with Robert Harlang to discuss same and withholding and registration issues pertaining to in-kind distribution of Xceed shares; discussion with Brett Seifred regarding U.S. securities law exemption issues;
March 9, 2012	R.B. SCHWILL	0.6	Telephone call with Geoff Cornish regarding withholding tax and U.S. securities law issues; e-mail exchanges regarding same;
March 22, 2012	R.B. SCHWILL	1.0	Reviewing timetable for matters to be completed in various months; beginning to draft court materials for interim distribution;
March 23, 2012	J.A. SWARTZ	0.2	Discuss sale process for Xceed shares with R. Schwill
March 23, 2012	R.B. SCHWILL	1.9	Reviewing and replying to multiple e-mails regarding Xceed share issues and offers to purchase same; discussion with Jay Swartz regarding same; reviewing articles of incorporation; reviewing NOBO shareholder list and geographical breakdown listings; reviewing final form of reporting issuer application;
March 26, 2012	R.B. SCHWILL	0.6	Telephone call with Geoff Cornish regarding Xceed share tax and distribution issues;
March 27, 2012	R.B. SCHWILL	2.9	Reviewing withholding tax e-mail and related issues; e-mail exchange with Raj Juneja regarding same; reviewing Cornish promissory note and share pledge agreement and related documentation; reviewing draft maturity date extension agreement; e-mail exchanges with Geoff Cornish regarding same; e-mail exchanges with Duff & Phelps regarding same;
March 28, 2012	R.B. SCHWILL	2.6	Reviewing Cornish Note documentation; Telephone call with Duff & Phelps regarding same; drafting revisions to same and e-mail exchanges regarding same; reviewing Inspector Meeting materials;
March 29, 2012	R.B. SCHWILL	3.2	Preparing for and attending at Inspectors Meeting; Telephone call with Geoff Cornish regarding withholding tax issues; discussion with Raj Juneja regarding same; revising draft Cornish Note amending agreement and circulating same; drafting Commercial List Request Form; drafting motion record for interim distribution motion;
March 30, 2012	R.B. SCHWILL	0.2	Drafting motion material for interim distribution approval motion;

APPLICATION UNDER SECTION 207 OF THE BUSINESS CORPORATIONS ACT,  
R.S.C. 1990, c. B.16, AS AMENDED  
IN THE MATTER OF THE WINDING-UP OF COVENTREE INC.

<p><b>ONTARIO</b> <b>SUPERIOR COURT OF JUSTICE – COMMERCIAL LIST</b>  Proceeding Commenced at Toronto</p>	<p><b>AFFIDAVIT OF</b> <b>ROBIN B. SCHWILL</b> (Sworn April 19, 2012)</p>	<p><b>DAVIES WARD PHILLIPS &amp; VINEBERG LLP</b> 1 First Canadian Place Suite 4400 Toronto, ON M5X 1B1  Robin B. Schwill (LSUC #384521) Tel: 416.863.5502 Fax: 416.863.0871  Lawyers for the Applicant</p>
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