

Applicant

and

Respondent

Court File No. CV-14-10569-00CL

June 13/13

G. Benchetrit for the applicant

M. Abramowitz for 337572 Outlets Limited

R.M. Slattery for the Royal Bank


I am satisfied that the principles in Royal Bank v Foundam Corp. have been satisfied in respect of the selection of ~~Debtors~~ ^{PSC Industrial Ltd} as the liquidator. The debtor was not its major customer and, accordingly, a going concern sale is not an option. The ~~choice~~ ^{selection} of the liquidator was made after a competitive process that commenced prior to the receivership and canvassed the market extensively. The DSE agreement represents the best option for the circumstances. Order to go in the form attached on the basis of a further endorsement attached hereto.

R. Slattery

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

Proceedings commenced at TORONTO

MOTION RECORD

JUN 12 2013


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ENDORSEMENT

Schedule A to the Liquidation Services Agreement (the "**LSA**") between the Receiver and DSL Industrial Ltd. (the "**Liquidator**") describes all of the assets forming part of the transaction with the Liquidator. That schedule comprises 3 lists, being (1) fixed assets at the Woodbridge location, (b) fixed assets at the Etobicoke location, and (3) inventory.

With respect to the fixed assets at both locations, the assets will be sold by the Receiver, and the right of 337572 Ontario Limited ("**337**") to make a claim against the net proceeds of sale will be preserved.

With respect to the inventory, to the extent that 337 can demonstrate to the Receiver's satisfaction at any time before the auction takes place that any of it was listed in the Asset Purchase Agreement between Harris Receivers & Consultants Corp. and ZAU Holdings Inc. ("**ZAU**"), 337 will be given immediate access to remove it from the Zsemba premises as soon as possible. Otherwise, the inventory will be sold by the Receiver, and 337's right to make a claim against the net proceeds of sale will be preserved.

The Receiver will continue to provide 337 with access to both locations to inspect the assets, including to take pictures of the assets if it wishes to do so.

337 will have the right to go back to court before the date of the auction to argue that any other inventory should be removed by 337 and not form part of the auction. Any such motion by 337 must be brought on at least 3 days notice to the Receiver and Royal Bank of Canada.