

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:

ARXX CORPORATION, *et al.*,¹

Debtors in a Foreign
Proceeding.

Chapter 15

Case No. 13-13313 (KJC)

(Jointly Administered)

NOTICE OF FILING OF THIRD REPORT OF THE RECEIVER

PLEASE TAKE NOTICE that Duff & Phelps Canada Restructuring Inc., (the “**Receiver**”), for the above-captioned debtors (collectively, the “**ARXX Debtors**”) in a proceeding under Canada’s *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended, and pending before the Ontario Superior Court of Justice, Commercial List, hereby files the *Third Report of Duff & Phelps Canada Restructuring Inc. as Receiver of ARXX Building Products Inc., ARXX Building Products U.S.A. Inc., ARXX Corporation, ECB Holdings, LLC, APS Holdings, LLC, Unisas Holdings, LLC and Eco-Block International, LLC*, dated June 13, 2014 (the “**Third Receiver’s Report**”). A copy of the Third Receiver’s Report is annexed hereto as Exhibit 1.

PLEASE TAKE FURTHER NOTICE that additional copies of the Third Receiver’s Report are available: (a) by accessing the Bankruptcy Court’s Electronic Case Filing System, which can be accessed from the Bankruptcy Court’s website at <https://ecf.deb.uscourts.gov> (a PACER login and a password are required to retrieve a document); (b) from the Receiver through its website at <http://www.duffandphelps.com/intl/en-ca/Pages/RestructuringCases.aspx?caseId=912>; or (c) upon written request to the Receiver’s counsel (by email or facsimile) addressed to: Young Conaway Stargatt & Taylor LLP, Rodney Square, 1000 North King Street, Wilmington, Delaware 19801, (Attn.: Beth Olivere, e-mail: bolivere@ycst.com or Facsimile 302-576-3394) (without cost).

¹ The last four digits of the United States Tax Identification Number, or similar foreign identification number, as applicable, follow in parentheses: ARXX Corporation (3572); ARXX Building Products Inc. (3569); ARXX Building Products U.S.A. Inc. (1061); ECB Holdings, LLC (3572); APS Holdings, LLC (3572); Unisas Holdings, LLC (3572); and Eco-Block International, LLC (3572). The ARXX Debtors’ executive headquarters is located at 800 Division Street, Cobourg, ON, Canada K9A 5V2.

Dated: July 3, 2014
Wilmington, Delaware

YOUNG CONAWAY STARGATT & TAYLOR, LLP

/s/ Ian J. Bambrick

Matthew B. Lunn (No. 4119)

Justin P. Duda (No. 5478)

Ian J. Bambrick (No. 5455)

Rodney Square

1000 North King Street

Wilmington, Delaware 19801

Telephone: (302) 571-6600

Facsimile: (302) 571-1253

*Attorneys for Duff & Phelps Canada Restructuring
Inc., as Receiver and Foreign Representative of the
ARXX Debtors*

EXHIBIT 1

Third Receiver's Report

**Third Report of
Duff & Phelps Canada Restructuring Inc.
as Receiver of ARXX Building Products Inc.,
ARXX Building Products U.S.A. Inc., ARXX
Corporation, ECB Holdings, LLC, APS
Holdings, LLC, Unisas Holdings, LLC and
Eco-Block International, LLC**

June 13, 2014

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COURT FILE NO: CV-13-10353-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

COMERICA BANK

APPLICANT

- AND -

ARXX BUILDING PRODUCTS INC., ARXX BUILDING PRODUCTS U.S.A. INC., ARXX
CORPORATION, ECB HOLDINGS, LLC, APS HOLDINGS, LLC, UNISAS HOLDINGS, LLC
AND ECO-BLOCK INTERNATIONAL, LLC

RESPONDENTS

THIRD REPORT OF
DUFF & PHELPS CANADA RESTRUCTURING INC.
AS RECEIVER

JUNE 13, 2014

1.0 Introduction

1. This report ("Report") is filed by Duff & Phelps Canada Restructuring Inc. ("D&P") in its capacity as receiver ("Receiver") of the properties, assets and undertakings of ARXX Building Products Inc. ("ARXX Canada"), ARXX Building Products U.S.A. Inc. ("ARXX USA"), ARXX Corporation, ECB Holdings, LLC, APS Holdings, LLC, Unisas Holdings, LLC and Eco-Block International, LLC (collectively, the "ARXX Group").
2. Pursuant to an Order of the Ontario Superior Court of Justice (Commercial List) ("Court") made on December 9, 2013 ("Receivership Order"), D&P was appointed Receiver of the ARXX Group. Copies of the Receivership Order and the Endorsement of the Honourable Justice Morawetz dated December 9, 2013, are attached as Appendix "A".

3. On December 30, 2013, the Receiver, as Foreign Representative, commenced proceedings in the United States Bankruptcy Court for the District of Delaware ("US Court") seeking recognition of the Canadian receivership proceedings as foreign main proceedings under Chapter 15 of the *US Bankruptcy Code*. On December 30, 2013, the US Court entered an order granting provisional relief in aid of the Canadian proceeding (the "Provisional Order"). On January 31, 2014, the US Court extended the relief granted by the Provisional Order by entering an order that, among other things, recognized the Canadian proceedings as foreign main proceedings (the "Recognition Order"). A copy of the Recognition Order is attached as Appendix "B".
4. The primary purpose of these receivership proceedings was to allow ARXX Group's business to continue to operate while a Court-approved "stalking horse" sale process for its business and assets was carried out in a stabilized environment ("Sale Process").

1.1 Purposes of this Report

1. The purposes of this Report are to:
 - a) Provide background information about the ARXX Group and these proceedings, including the Court-approved transaction with Airlite Plastics Co. (the "Airlite Transaction") resulting from the Sale Process;
 - b) Recommend that the Receiver be discharged of its duties and obligations under the Receivership Order, subject to the filing of a certificate with this Honourable Court (the "Discharge Certificate");
 - c) Summarize the few outstanding issues in these proceedings which the Receiver intends to complete prior to filing the Discharge Certificate;
 - d) Provide an overview of the Receiver's activities since January 22, 2014, the date of its second report to Court (the "Second Report"); and
 - e) Recommend that this Honourable Court issue an Order:
 - Discharging the Receiver upon the filing of the Discharge Certificate;
 - Releasing the Receiver from any and all liability that D&P now has or may hereafter have by reason of, or in any way arising out of, the acts or omissions of D&P while acting as Receiver, save and except for any gross negligence or wilful misconduct on the Receiver's part;
 - Approving the Receiver's activities, as described in this Report; and

- Approving the fees and disbursements of the Receiver for the period December 9, 2013 to May 31, 2014 and its legal counsel, Torys LLP ("Torys"), for the period November 26, 2013 to June 11, 2014, plus an accrual of \$40,000 (the "Fee Accrual") to cover the remaining fees and disbursements of the Receiver, Torys and Young Conaway Stargatt & Taylor, LLP ("YCST"), the Receiver's US legal counsel.

1.2 Currency

1. Unless otherwise noted, all currency references in this Report are in Canadian dollars.

2.0 Background

1. The ARXX Group designed and marketed building products known as insulating concrete forms ("ICF"). ICF is an environmentally friendly and energy efficient technology system of formwork for structural walls and floors of buildings used in residential and commercial construction. The forms are used to hold fresh concrete, which provide insulation for the structures they enclose.
2. The ARXX Group's principal line of business was selling ICF. The ARXX Group purchased ICF on a "just-in-time" basis from various suppliers and immediately shipped the product to customers, primarily consisting of distributors, general contractors and builders. The ARXX Group also hired subcontractors to install ICF for commercial customers. These projects, depending on size, typically took two to three months to complete.
3. The ARXX Group operated from leased premises in Cobourg, Ontario, which served as its head office.
4. At the commencement of these proceedings, ARXX Canada and ARXX USA employed nine and seven individuals, respectively. The workforce was not unionized and it did not maintain any registered pension plans.
5. Further information about the ARXX Group and its background and copies of materials filed in the receivership proceedings can be found on the Receiver's website at: <http://www.duffandphelps.com/intl/en-ca/Pages/RestructuringCases.aspx>.

2.1 The Airlite Transaction

1. In accordance with a Court order made on December 27, 2013, the Receiver carried out the Sale Process. Airlite Plastics Co. (the "Purchaser") acted as the stalking horse in the Sale Process. The Sale Process resulted in the Purchaser being declared the "successful bidder".

2. Pursuant to a Court order made on January 29, 2014, the Court approved the Airlite Transaction, which provided for the sale of substantially all of ARXX Group's business and assets ("Sale Approval Order"). The purchase price under the Airlite Transaction was approximately US\$3.2 million.
3. On January 31, 2014, the US Court recognized the Sale Approval Order. The Airlite Transaction closed on February 3, 2014.
4. Following completion of the Airlite Transaction, all of the ARXX Group employees were terminated. Two of the employees were subsequently hired by the Purchaser.

2.2 Comerica Bank and Distributions in these Proceedings

1. At the commencement of these proceedings, the Company's principal secured creditor was Comerica Bank ("Comerica"). Comerica is also the Applicant in these proceedings. According to Comerica's application materials, it was owed approximately US\$3.6 million from the ARXX Group.
2. Comerica was repaid in full over the course of these proceedings in accordance with a distribution order made by the Court on January 29, 2014 ("Distribution Order"), a copy of which is attached as Appendix "C". The distributions to Comerica were principally funded from proceeds generated from the Airlite Transaction and accounts receivable collections. Comerica also applied cash collateral (US\$750,000) funded by the ARXX Group prior to the receivership proceedings against the secured indebtedness owing from the ARXX Group.
3. The Receiver is not aware of any other secured creditors of the ARXX Group.

3.0 Assets under Administration

1. Attached as Appendix "D" is an interim statement of receipts and disbursements for the period from the commencement of these proceedings to June 13, 2014, reflecting a balance of approximately \$67,000 in the receivership bank accounts. Other than the cash in the estate accounts, the only remaining assets to be realized on are sundry accounts receivable owing from slow paying/delinquent accounts. The expected realizations from these receivables, if any, will not be material.

4.0 Receiver's Discharge

1. Prior to completing its administration, the Receiver intends to:
 - Collect accounts receivable owing from a former customer in accordance with a settlement agreement negotiated by the Receiver, pursuant to which a final instalment of \$25,000 is to be paid on July 23, 2014;

-
- Pay any outstanding post-filing expenses, including professional fees; and
 - File a motion with the US Court, as Foreign Representative, to recognize the proposed Discharge Order, should it be granted, and to terminate the Chapter 15 proceedings.
2. Once the foregoing activities are completed, the Receiver believes it is appropriate for it to be discharged upon filing the Discharge Certificate as its duties and responsibilities under the Receivership Order and other Orders made in these proceedings will have been completed.
 3. In the event that there are surplus funds available after paying all post-filing costs, the Receiver, prior to filing the Discharge Certificate, would bring a motion to approve an allocation of the surplus proceeds among the estates of the ARXX Group entities, and, subject to Court approval, either: (i) seek authority to place into bankruptcy certain or all of the ARXX Group entities in order to utilize the provisions of the *Bankruptcy and Insolvency Act* to distribute the surplus funds to unsecured creditors; or (b) seek authority to make such distributions in the context of these receivership proceedings. The Receiver does not anticipate the surplus, if any, to be material.

5.0 Overview of the Receiver's Activities

1. The Receiver's first report to Court dated December 19, 2013, the Second Report and its activities up to the date of the Second Report were approved by the Court in the Distribution Order. Since then, the Receiver's activities have included the following:
 - Carrying out the Receiver's duties and responsibilities in accordance with the Receivership Order, including overseeing the ARXX Group's operations;
 - Dealing with cash management issues, including paying post-filing expenses from the receivership accounts;
 - Corresponding with McMillan LLP, Comerica's legal counsel, Torys and YCST regarding various receivership matters;
 - Reviewing all documentation filed in the US Court in connection with the ongoing Chapter 15 proceedings;
 - Attending at US Court via teleconference for the Recognition and Sale Approval hearing on January 31, 2014;
 - Completing the Transaction;

- Corresponding extensively with representatives of the Purchaser to deal with post-closing matters;
- Arranging for the return of certain leased assets;
- Disclaiming the lease for ARXX Group's head office;
- Corresponding extensively with key stakeholders in these proceedings, including Comerica, employees, customers and suppliers;
- Reconciling accounts receivable collections;
- Dealing with sundry inventory realizations;
- Filing the Company's monthly Harmonized Sales Tax returns;
- Making distributions to Comerica in accordance with the Distribution Order;
- Negotiating settlements with various customers;
- Drafting this Report; and
- Other matters pertaining to the administration of this mandate.

6.0 Professional Fees

1. The fees (excluding disbursements and HST) of the Receiver for the period December 9, 2013 to May 31, 2014 and for Torys for the period November 26, 2013 to June 11, 2014 total \$290,436.25 and \$226,531.00, respectively. Detailed invoices in respect of the fees and disbursements of the Receiver and Torys for these periods are provided in appendices to the affidavits filed by D&P and Torys in the accompanying motion materials.
2. The average hourly rate for the Receiver and Torys for the referenced billing period was \$391.56 and \$635.79, respectively.
3. The Receiver is of the view that the hourly rates and number of hours charged by Torys are consistent with the rates and hours charged by law firms practicing in the area of insolvency in the Toronto market, and that the fees charged are reasonable and appropriate in the circumstances.

4. The Receiver also engaged YCST, as its U.S. counsel for the Chapter 15 proceedings. YCST's fees (excluding disbursements) for the period December 9, 2013 to May 31, 2014 total approximately US\$55,000. In order to avoid unnecessary costs, given the relative quantum of the fees and disbursements of YCST, the Receiver has treated these costs as disbursements of the Receiver for the purpose of the within motion and has not sought to obtain a separate fee affidavit from YCST in respect of these costs. The Receiver believes that the fees and disbursements of YCST are fair and reasonable in the circumstances.
5. The Receiver believes that the Fee Accrual should be sufficient to cover its fees and the fees of Torys and YCST to the completion of these proceedings, including preparing this Report and the accompanying motion materials, attending at the discharge motion, dealing with the outstanding matters detailed in this Report, bringing the Chapter 15 proceedings to a close and dealing with sundry issues, if any.
6. As noted above, the known secured creditors of the ARXX Group were repaid in full over the course of these proceedings in accordance with the Distribution Order. Given that the ARXX Group's unsecured creditors are the parties with an economic interest in these proceedings, the Receiver has served a copy of this Motion Record on the eight largest unsecured creditors, representing approximately 67% in value of the known unsecured claims against the ARXX Group. The Receiver will update the Court at the return of this motion should it receive feedback from any stakeholder in respect of any of the relief sought, including in respect of the professional fees for which approval is being sought.

7.0 Conclusion and Recommendation

1. Based on the foregoing, the Receiver respectfully recommends that this Honourable Court make an Order granting the relief detailed in Section 1.1 of this Report.

* * *

All of which is respectfully submitted,

Duff + Phelps Canada Restructuring Inc.

**DUFF & PHELPS CANADA RESTRUCTURING INC.
IN ITS CAPACITY AS RECEIVER OF
ARXX BUILDING PRODUCTS INC., ARXX BUILDING PRODUCTS USA INC., ARXX
CORPORATION, ECB HOLDINGS, LLC, APS HOLDINGS, LLC,
UNISAS HOLDINGS, LLC AND ECO-BLOCK INTERNATIONAL, LLC
AND NOT IN ITS PERSONAL CAPACITY**

Appendix "A"

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE *MR*)
JUSTICE *MORAWIEZ*)

MONDAY, THE 9TH
DAY OF DECEMBER, 2013

COMERICA BANK

Applicant

- and -

ARXX BUILDING PRODUCTS INC.
ARXX CORPORATION
ARXX BUILDING PRODUCTS U.S.A. INC.
ECB HOLDINGS, LLC
APS HOLDINGS, LLC
UNISAS HOLDINGS, LLC
ECO-BLOCK INTERNATIONAL, LLC

Respondents

ORDER

THIS APPLICATION made by the Applicant for an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "BIA") and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the "CJA") appointing Duff & Phelps Canada Restructuring Inc. ("D&P") as receiver (in such capacities, the "Receiver") without security, of all of the assets, undertakings and properties of ARXX Building Products Inc., ARXX Corporation, ARXX Building Products U.S.A. Inc., ECB Holdings, LLC, APS Holdings, LLC, UNISAS Holdings, LLC and Eco-Block International, LLC (collectively the "Debtor") acquired for, or used in relation to a business carried on by the Debtor, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of Michael Moore sworn December 6, 2013 and the Exhibits thereto and on hearing the submissions of counsel for the Applicant, no one appearing for counsel for the Respondents although duly served as appears from the affidavit of service of [NAME] sworn [DATE] and on reading the consent of Duff & Phelps Canada Restructuring Inc. to act as the Receiver,

SERVICE

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

2. THIS COURT ORDERS THAT the E-Service Protocol of the Commercial List (the "Protocol") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (which can be found on the Commercial List website at <http://www.ontariocourts.ca/scj/to-protocol/>) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission.

APPOINTMENT

3. THIS COURT ORDERS that pursuant to section 243(1) of the BIA and section 101 of the CJA, Duff & Phelps Canada Restructuring Inc. is hereby appointed Receiver, without security, of all of the assets, undertakings and properties of the Debtor acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (the "Property").

RECEIVER'S POWERS

4. THIS COURT ORDERS that the Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:

- (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
- (b) to receive, preserve, and protect of the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;
- (c) to manage, operate, and carry on the business of the Debtor, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the Debtor;
- (d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;
- (e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtor or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtor and to exercise all remedies of the Debtor in collecting such monies, including, without limitation, to enforce any security held by the Debtor;
- (g) to settle, extend or compromise any indebtedness owing to the Debtor;

- (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtor, for any purpose pursuant to this Order;
- (i) to undertake environmental or workers' health and safety assessments of the Property and operations of the Debtor;
- (j) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Debtor, the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;
- (k) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;
- (l) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business,
 - (i) without the approval of this Court in respect of any transaction not exceeding \$100,000, provided that the aggregate consideration for all such transactions does not exceed \$500,000; and
 - (ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;

and in each such case notice under subsection 63(4) of the Ontario *Personal Property Security Act*, or section 31 of the Ontario *Mortgages Act*, or any similar legislation having similar effect in any other applicable

jurisdiction, as the case may be, shall not be required, and in each case the Ontario *Bulk Sales Act* shall not apply.

- (m) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;
- (n) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;
- (o) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (p) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtor;
- (q) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtor, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtor;
- (r) to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have;
- (s) 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, and the Receiver is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada; and

- (t) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations

and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined below), including the Debtor, and without interference from any other Person.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

5. THIS COURT ORDERS that (i) the Debtor, (ii) all of the Debtor's current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf, (iii) any supplier in possession of moulds ("Moulds"), inventory or other goods (jointly, "Inventory") owned by the Debtor and (iv) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being "Persons" and each being a "Person"), shall forthwith advise the Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property to the Receiver upon the Receiver's request.

6. THIS COURT ORDERS that the release of any Moulds and Inventory that are the subject of a valid possessory lien shall be delivered to the Receiver on the basis that the holder of such a lien shall be entitled to a non-possessory lien against any proceeds of sale of such Moulds or Inventory with such non-possessory lien having the same priority and being equal in amount to the value of its possessory lien immediately prior to release of the Moulds or Inventory to the Receiver.

7. THIS COURT ORDERS that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtor, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "Records") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that

nothing in this paragraph 5 or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

8. THIS COURT ORDERS that if any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

NO PROCEEDINGS AGAINST THE RECEIVER

9. THIS COURT ORDERS that no proceeding or enforcement process in any court or tribunal (each, a "Proceeding"), shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Court.

NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY

10. THIS COURT ORDERS that no Proceeding against or in respect of the Debtor or the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of the Debtor or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

11. THIS COURT ORDERS that all rights and remedies against the Debtor, the Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that this stay and suspension does not apply in respect of any "eligible financial contract" as defined in the BIA, and further provided that nothing in this paragraph shall (i) empower the Receiver or the Debtor to carry on any business which the Debtor is not lawfully entitled to carry on, (ii) exempt the Receiver or the Debtor 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 THE RECEIVER

12. THIS COURT ORDERS that 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 the Debtor, without written consent of the Receiver or leave of this Court.

CONTINUATION OF SERVICES

13. THIS COURT ORDERS that all Persons having oral or written agreements with the Debtor 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, transportation services, utility or other services to the Debtor 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 Receiver, and that the Receiver shall be entitled to continue to purchase goods from the Respondents' suppliers, and continue to use the Debtor's current 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 Receiver in accordance with normal payment practices of the Debtor or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

RECEIVER TO HOLD FUNDS

14. THIS COURT ORDERS that all funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including without limitation the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "Post Receivership Accounts") and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further Order of this Court.

EMPLOYEES

15. THIS COURT ORDERS that all employees of the Debtor shall remain the employees of the Debtor until such time as the Receiver, on the Debtor's behalf, may terminate the employment of such employees. The Receiver shall not be liable for any employee-related liabilities, including any successor employer liabilities as provided for in section 14.06(1.2) of the BIA, other than such amounts as the Receiver may specifically agree in writing to pay, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*.

PIPEDA

16. THIS COURT ORDERS that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, the Receiver shall disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a "Sale"). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all

material respects identical to the prior use of such information by the Debtor, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

LIMITATION ON ENVIRONMENTAL LIABILITIES

17. THIS COURT ORDERS that nothing herein contained shall require the Receiver to occupy or to take control, care, charge, possession or management (separately and/or collectively, "Possession") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, or the *Ontario Occupational Health and Safety Act* and regulations thereunder (the "Environmental Legislation"), provided however that nothing herein shall exempt the Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Receiver shall not, as a result of this Order or anything done in pursuance of the Receiver's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

LIMITATION ON THE RECEIVER'S LIABILITY

18. THIS COURT ORDERS that the Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*. Nothing in this Order shall derogate from the protections afforded the Receiver by section 14.06 of the BIA or by any other applicable legislation.

RECEIVER'S ACCOUNTS

19. THIS COURT ORDERS that the Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, and that the

Receiver and counsel to the Receiver shall be entitled to and are hereby granted a charge (the "Receiver's Charge") on the Property, as security for such fees and disbursements, both before and after the making of this Order in respect of these proceedings, and that the Receiver's Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

20. THIS COURT ORDERS that the Receiver and its legal counsel shall pass its accounts from time to time, and for this purpose the accounts of the Receiver and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

21. THIS COURT ORDERS that prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including legal fees and disbursements, incurred at the normal rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

FUNDING OF THE RECEIVERSHIP

22. THIS COURT ORDERS that the Receiver be at liberty and it is hereby empowered to borrow from the Applicant, by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$500,000 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "Receiver's Borrowings Charge") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

23. THIS COURT ORDERS that neither the Receiver's Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.

24. THIS COURT ORDERS that the Receiver is at liberty and authorized to issue certificates substantially in the form annexed as Schedule "A" hereto (the "Receiver's Certificates") for any amount borrowed by it pursuant to this Order.

25. THIS COURT ORDERS that the monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver's Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.

GENERAL

26. THIS COURT ORDERS that the Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

27. THIS COURT ORDERS that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtor.

28. 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 Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

29. THIS COURT ORDERS that the Receiver 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, and that the Receiver is authorized and empowered to act as a representative in respect of the within

proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

30. THIS COURT ORDERS THAT the Receiver be at liberty and is hereby authorized and empowered to apply as foreign representative to the United States Bankruptcy Court for relief pursuant to the *United States Bankruptcy Code*, 11 U.S.C. §§101-1330, as amended and if such relief is granted is authorized to take such other steps with respect thereto as it may deem appropriate from time to time.

31. THIS COURT ORDERS that the Applicant shall have its costs of this motion, up to and including entry and service of this Order, provided for by the terms of the Applicant's security or, if not so provided by the Applicant's security, then on a substantial indemnity basis to be paid by the Receiver from the Debtor's estate with such priority and at such time as this Court may determine.

32. 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 the Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.



OFFICE OF THE
CLERK OF THE COURT
LESTER B. GIBSON COURT



DEC - 9 2013

SCHEDULE "A"
RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT \$ _____

1. THIS IS TO CERTIFY that Duff & Phelps Canada Restructuring Inc., the receiver (the "Receiver") of the assets, undertakings and properties ARXX Building Products Inc., ARXX Corporation, ARXX Building Products U.S.A. Inc., ECB Holdings, LLC, APS Holdings, LLC, UNISAS Holdings, LLC and Eco-Block International, LLC acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (collectively, the "Property") appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "Court") dated the 9th of December, 2013 (the "Order") made in an action having Court file number _____-CL-_____, has received as such Receiver from the holder of this certificate (the "Lender") the principal sum of \$_____, being part of the total principal sum of \$_____ which the Receiver is authorized to borrow under and pursuant to the Order.

2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded [daily][monthly not in advance on the _____ day of each month] after the date hereof at a notional rate per annum equal to the rate of _____ per cent above the prime commercial lending rate of Bank of _____ from time to time.

3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.

4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at Toronto, Ontario.

5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver

to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

6. The charge securing this certificate shall operate so as to permit the Receiver to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.

7. The Receiver does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

DATED the ____ day of December, 2013.

Duff & Phelps Canada Restructuring Inc., solely
in its capacity as Receiver of the Property, and
not in its personal capacity

Per: _____
Name:
Title:

COMERICA BANK
Applicant

and
ARXX BUILDING PRODUCTS INC., et al
Respondents

Court File No: CV-13-10353-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceeding commenced at Toronto

ORDER

MCMILLAN LLP

Brookfield Place,
181 Bay Street, Suite 4400
Toronto ON M5J 2T3, Canada

Brett Harrison LS#: 44336A

brett.harrison@mcmillan.ca

Tel: (416) 865-7932

Fax: (416) 865-7048

Lawyers for the Applicant

B. Harrison for Applicant
N. MacPartland for ARXX
D. Bish for ~~RE~~ Duff & Phelps

December 9, 2013

- On consent of the respondent duff & Phelps.
- Having reviewed the record, including the comprehensive facts of the Affidavit, I am satisfied that it is both just and convenient to appoint Duff & Phelps as the Respondent, Inc as Receiver of the Respondent.

In doing so, I have been persuaded that the appointment of Receiver over the US Corporation is permissible for the reasons set out in the Affidavit at paragraphs 21-28. My attention is directed to and

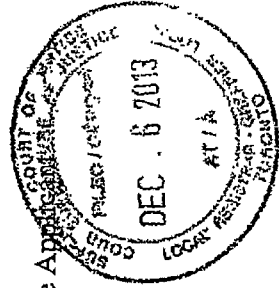
ONTARIO
SUPERIOR COURT OF JUSTICE -
COMMERCIAL LIST

Proceeding commenced at Toronto

APPLICATION RECORD
(RETURNABLE ON December 9, 2013)

McMILLAN LLP
Brookfield Place
181 Bay Street, Suite 4400
Toronto, ON, M5J 2T3

Brett Harrison LS#: 44336A
Tel: (416) 865-7932
Fax: (416) 865-7048



Lawyers for the Applicant

signed in the form presented, which
includes the E-service Protocol of the
Comvised Int.

A. H. [Signature]

Appendix "B"

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:

ARXX CORPORATION,

Debtor in a Foreign Proceeding.

Chapter 15

Case No. 13-13313 (KJC)

(Jointly Administered)

Ref. Docket No.: 8

ORDER GRANTING RECOGNITION AND RELATED RELIEF

THIS MATTER was brought before the Court by Duff & Phelps Canada Restructuring Inc., the court-appointed receiver (the “**Receiver**”) and authorized foreign representative of ARXX Corporation; ARXX Building Products Inc.; ARXX Building Products U.S.A. Inc.; ECB Holdings, LLC; APS Holdings, LLC; Unisas Holdings, LLC; and Eco-Block International, LLC (collectively, the “**ARXX Debtors**”).¹ The ARXX Debtors are in a proceeding (the “**Canadian Proceeding**”) under Canada's *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended, pending before the Ontario Superior Court of Justice, Commercial List (the “**Ontario Court**”).

The Receiver filed the chapter 15 petitions of the ARXX Debtors on December 27, 2013 [Docket Nos. 1-7] (the “**Petitions**”), commencing the above-captioned cases (the “**Chapter 15 Cases**”) under chapter 15 of title 11 of the United States Code, 11 U.S.C. §§ 101–1532 (as amended, the “**Bankruptcy Code**”). Contemporaneously therewith, the Receiver filed the *Verified Petition for Recognition of Foreign Proceedings and Related Relief* [Docket No. 8] (the “**Verified Petition**” and collectively with the Petitions, the “**Chapter 15 Petitions**”))² seeking the entry of an order (i) recognizing the Canadian Proceeding as a “foreign main proceeding” under section 1517 of the

¹ The last four digits of the United States Tax Identification Number, or similar foreign identification number, as applicable, follow in parentheses: ARXX Corporation (8386); ARXX Building Products Inc. (3569); ARXX Building Products U.S.A. Inc. (1061); ECB Holdings, LLC (8386); APS Holdings, LLC (8386); Unisas Holdings, LLC (8386); and Eco-Block International, LLC (8386). The ARXX Debtors’ executive headquarters is located at 800 Division Street, Cobourg, ON, Canada K9A 5V2.

² Capitalized terms used but not defined herein shall have the meanings given to them in the Verified Petition.

Bankruptcy Code, (ii) applying sections 362 and 365(e) of the Bankruptcy Code in these Chapter 15 Cases, and (iii) giving full force and effect in the United States to the Order of the Ontario Court dated December 9, 2013, including any extensions or amendments thereof authorized by the Ontario Court (the “Receivership Order”).

At a hearing held on January 31, 2014, the Court considered and reviewed the Chapter 15 Petitions and the other pleadings and exhibits submitted by the Receiver in support thereof. Any other objections to the Chapter 15 Petitions that have not been withdrawn or resolved have been overruled.

After due deliberation and sufficient cause appearing therefore, the Court finds and concludes as follows:

A. This Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334, section 1501 of the Bankruptcy Code, and the *Amended Standing Order of Reference from the United States District Court for the District of Delaware* dated as of February 29, 2012.

B. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(P), and the Court may enter a final order consistent with Article III of the United States Constitution.

C. Venue is proper in this District pursuant to 28 U.S.C. § 1410(3) because placing venue in this District will be consistent with the interests of justice and convenience for ARXX Debtors, having regard to the relief sought by the Receiver.

D. The Receiver is a “person” within the meaning of section 101(41) of the Bankruptcy Code, and is the duly appointed “foreign representative” of the ARXX Debtors within the meaning of section 101(24) of the Bankruptcy Code.

E. The Chapter 15 Cases were properly commenced pursuant to section 1504 and 1509 of the Bankruptcy Code, and the Chapter 15 Petitions meet the requirements of sections 1504 and 1515 of the Bankruptcy Code.

F. The Canadian Proceeding is a "foreign proceeding" within the meaning of section 101(23) of the Bankruptcy Code.

G. The Canadian Proceeding is entitled to recognition by this Court pursuant to section 1517 of the Bankruptcy Code.

H. The Canadian Proceeding is pending in Ontario, Canada, where each of the ARXX Debtors has an "establishment" within the meaning of section 1502(2) of the Bankruptcy Code, and as such (i) constitutes a "foreign main proceeding" pursuant to 11 U.S.C. § 1502(4) and (ii) is entitled to recognition as a foreign main proceeding pursuant to 11 U.S.C. § 1517(b)(1).

I. The Receiver is entitled, as additional relief pursuant to section 1521 of the Bankruptcy Code, to the application of section 365(e) of the Bankruptcy Code in the Chapter 15 Cases.

J. The relief granted herein is necessary and appropriate, in the interest of the public and international comity, and consistent with the public policy of the United States.

NOW, THEREFORE, IT IS HEREBY ORDERED AS FOLLOWS:

1. The Canadian Proceeding is hereby recognized as a foreign main proceeding pursuant to section 1517(b)(1) of the Bankruptcy Code.

2. The Receivership Order (and any amendments or extensions thereof as may be granted from time to time by the Ontario Court) is hereby given full force and effect in the United States pursuant to sections 1507 and 1521 of the Bankruptcy Code.

3. To the extent not inconsistent with the Receivership Order, section 365(e) of the Bankruptcy Code applies in the Chapter 15 Cases pursuant to section 1521 of the Bankruptcy Code. Notwithstanding the foregoing, nothing in this paragraph 3 shall limit, abridge, or otherwise affect the rights afforded to Comerica Bank pursuant to paragraphs 22-25 of the Receivership Order or the ARXX Debtors' authorizations to issue certificates substantially in the form annexed to the Receivership Order as Schedule "A" for any amount borrowed pursuant to the Receivership Order.

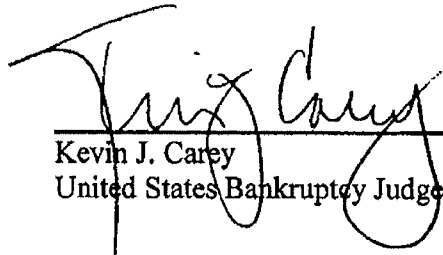
4. All other prior relief granted in this Court's *Order Granting Provisional Relief in Aid of Canadian Proceeding* [Docket No. 17] pursuant to section 1519(a) of the Bankruptcy Code is hereby extended on a final basis pursuant to section 1521(a)(6) of the Bankruptcy Code.

5. This Court shall retain jurisdiction with respect to the enforcement, amendment, or modification of this Order; any request for additional relief or any adversary proceeding brought in and through these Chapter 15 Cases; and any request by an entity for relief from the provisions of this Order, for cause shown, that is properly commenced and within the jurisdiction of this Court.

6. The Chapter 15 Petitions and supporting papers shall be available upon request at the offices of Young Conaway Stargatt & Taylor, LLP, Rodney Square, 1000 North King Street, Wilmington, Delaware 19801 to the attention of Beth A. Olivere.

7. Notwithstanding Bankruptcy Rule 7062, made applicable to these Chapter 15 Cases by Bankruptcy Rule 1018, the terms and conditions of this Order shall be immediately effective and enforceable upon its entry, and upon its entry, this Order shall become final and appealable.

Dated: Jan 31, 2014
Wilmington, Delaware


Kevin J. Carey
United States Bankruptcy Judge

Appendix "C"



Court File No. CV-13-10353-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE REGIONAL)	WEDNESDAY, THE 29th
)	
SENIOR JUSTICE MORAWETZ)	DAY OF JANUARY, 2014

BETWEEN:

COMERICA BANK

Applicant

- and -

**ARXX BUILDING PRODUCTS INC., ARXX CORPORATION, ARXX BUILDING
PRODUCTS U.S.A. INC., ECB HOLDINGS, LLC, APS HOLDINGS, LLC, UNISAS
HOLDINGS, LLC, AND ECO-BLOCK INTERNATIONAL, LLC**

Respondents

DISTRIBUTION ORDER

THIS MOTION, made by Duff & Phelps Canada Restructuring Inc., in its capacity as the Court-appointed receiver (in such capacity, the "Receiver") of the undertaking, property and assets of ARXX Building Products Inc., ARXX Corporation, ARXX Building Products U.S.A. Inc., ECB Holdings, LLC, APS Holdings, LLC, UNISAS Holdings, LLC, and Eco-Block International, LLC (collectively, the "ARXX Group") for an Order in substantially the form set out at Tab 4 of the Receiver's Motion Record was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Receiver's Motion Record, filed, in respect of this motion, including the Notice of Motion, and the Receiver's Second Report, dated January 22, 2014 (the "Second Report");

AND UPON hearing the submissions of counsel for each of the Receiver, Airlite Plastics Co. (the "Purchaser") and Comerica Bank (the "Bank"), no one else appearing for any other person on the service list, although duly served as appears from the affidavits of service of Elizabeth Nigro sworn January 23, 2014, and January 24, 2014, filed;

TIME FOR SERVICE

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

APPROVAL OF RECEIVER'S FIRST REPORT [AND SECOND REPORT] AND RECEIVER'S ACTIVITIES

2. THIS COURT ORDERS that the Receiver's First Report, dated December 19, 2013, is hereby approved and all of the actions and activities of the Receiver described therein are hereby approved.

3. THIS COURT ORDERS that the Second Report is hereby approved and all of the actions and activities of the Receiver described therein are hereby approved.

AUTHORIZATION OF DISTRIBUTION

4. THIS COURT ORDERS that the distribution of US\$1.5 million by the Receiver to the Bank, following the closing of the transactions contemplated in the Asset Purchase Agreement, is hereby approved.

5. THIS COURT ORDERS that, subject to reasonable reserves in the discretion of the Receiver (including, without limitation, for any priority claims and the Receiver's costs of administration), the Receiver may make one or more distributions to the Bank in an aggregate amount equivalent to the ARXX Group's indebtedness to the Bank, and that the same be and are hereby approved.

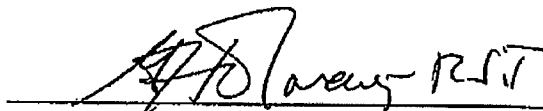
SEALING OF CONFIDENTIAL VALUATION INFORMATION

6. **THIS COURT ORDERS** that the Confidential Appendix 1 to the Second Report be and is hereby sealed until further order of this Honourable Court.

GENERAL

7. **THIS COURT ORDERS** that this Order shall have full force and effect in all provinces and territories in Canada against all persons, firms, corporations, governmental, municipal and regulatory authorities against whom it may be enforceable.

8. **THIS COURT ORDERS AND REQUESTS** the aid and recognition of any court or any judicial, regulatory or administrative body in any province or territory of Canada and the Federal Court 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. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance as may be necessary or desirable to give effect to this Order or to assist the Trustee and its agents in carrying out the terms of this Order.



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

JAN 29 2014

NB

COMERICA BANK

and

ARXX BUILDING PRODUCTS INC., ARXX CORPORATION,
ARXX BUILDING PRODUCTS U.S.A. INC., ECB HOLDINGS,
LLC, APS HOLDINGS, LLC, UNISAS HOLDINGS, LLC, AND
ECO-BLOCK INTERNATIONAL, LLC

APPLICANT

RESPONDENTS

Court File No. CV-13-10353-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceedings commenced in Toronto

DISTRIBUTION ORDER

Torys LLP
79 Wellington Street West, Suite 3000
Box 270, TD Centre
Toronto, Ontario M5K 1N2

David Bish (LSUC#: 41629A)
Tel: 416.865.7353

Lily Coodin (LSUC#: 62143S)
Tel: 416.865.7541

Fax: 416.865.7380

Lawyers for Duff & Phelps Canada
Restructuring, Inc., in its capacity as
the receiver for ARXX Building
Products Inc., ARXX Corporation,
ARXX Building Products U.S.A. Inc.,
ECB Holdings, LLC, APS Holdings,
LLC, UNISAS Holdings LLC, and
Eco-Block International, LLC

Appendix "D"

ARXX Group
Statement of Receipts and Disbursements
 For the period December 9, 2013 to June 12, 2014
 (Unaudited; \$)

	<u>USD Account</u>	<u>CAD Account</u>
Receipts		
Proceeds from Transaction	3,232,708	-
Transfers from USD receivership bank account	-	1,964,333
Accounts receivable collections	1,399,373	443,826
Sundry receipts	596	83,909
Total receipts	<u>4,632,678</u>	<u>2,492,068</u>
Disbursements		
Secured creditor (Comerica Bank)	1,702,405	1,313,999
Transfer to CAD receivership bank account	1,795,000	-
Payroll	489,370	210,349
Inventory purchases	408,426	108,845
Professional fees		
Receiver	-	290,436
Receiver's Canadian counsel	-	226,531
Receiver's US counsel	55,342	-
General operating expenses	123,157	62,613
Sales tax	5,151	84,808
Freight	8,670	75,594
Occupancy	3,180	51,479
Insurance	-	46,614
Total disbursements	<u>4,590,700</u>	<u>2,471,268</u>
Balance	41,978	20,800
Foreign Exchange Rate (1USD/1.0930CAD)	3,904	-
Balance in Estate Bank Accounts	<u>45,881</u>	<u>20,800</u>
Cumulative Balance	<u>66,681</u>	