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

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December 3, 2012

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

**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.**

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

**DECEMBER 3, 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 Ontario *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 Company's board of directors 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 Coventree's board of directors, February 15, 2012 was determined to be the Effective Date of the Liquidation Plan.

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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:

- To have the winding-up of Coventree supervised by the Court (the “Winding-Up Order”); and
- 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 in Appendices “A” and “B”, respectively, to this Report. 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) Provide an update on the Company’s proceedings; and
- c) Recommend that the Court make an order:
  - Authorizing and directing the Liquidator to distribute up to \$0.58 per share, being the equivalent of up to \$8.8 million, among Coventree’s registered shareholders (the “Second Interim Distribution”) upon receiving the Settlement Funds (as defined in Section 5.1) from Navigators Pro, on behalf of Lloyds Syndicate 1221 (Millenium Syndicate) (collectively, “Navigators”) pursuant to the terms of a consent to judgment with Coventree regarding Coventree’s claim for coverage under its directors and officers liability insurance policy with Navigators;
  - Directing that all distributions pursuant to the Second Interim Distribution that would otherwise be made directly to Mr. Dean Tai, Alkyon Corporation or Alkyon Holdings Corporation (the “Tai Shareholders”) be made to McCarthy Tétrault LLP (“McCarthy”), in trust;

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- Confirming that neither the Company nor the Liquidator is required to comply, or otherwise effect compliance, with the provisions of Section 94 of the OBCA regarding shareholders' meetings;
  - Exempting the Company from the requirements of Part XII of the OBCA regarding the appointment and duties of an auditor;
  - Confirming that neither the Company nor the Liquidator is required to produce or place before Coventree's shareholders any financial statements and an auditor's report thereon as required under Section 154 of the OBCA or otherwise;
  - Approving the Liquidator's fees and disbursements from April 1, 2012 to October 31, 2012, as well as the fees and disbursements of its legal counsel, Davies Ward Phillips & Vineberg LLP ("Davies") and Osler, Hoskin & Harcourt LLP ("Osler") for the same period, as described in Section 9;
  - 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. There are 15,157,138 outstanding Common Shares.

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.

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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 reports to court previously filed in these proceedings. Copies of the 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, the Company's directors were deemed to have resigned on the Effective Date 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 Claims Process**

Pursuant to the Claims Procedure Order, creditors ("Claimants") wishing to assert a claim ("Claim") were required to deliver a written notice ("Claim Notice") of such on or before April 13, 2012 (the "Claim Bar Date").

In accordance with the Claims Procedure Order, the Liquidator reviewed all Claim Notices filed on or before the Claim Bar Date, to determine, with the approval of the Inspectors, whether to allow, partially allow, partially disallow or disallow each particular Claim and to deliver to each Claimant a written notice of such determination ("Notice of Determination of Claim") setting out the reasons for the determination as soon as reasonably practicable.

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The Liquidator responded to all Claim Notices and issued Notices of Determination of Claim wherever possible. A list of the Claim Notices and a summary of the status of such Claims, including their estimated balances or applicable reserves established by the Liquidator ("Claim Listing"), is provided in Appendix "C". No Claim Notices have been received subsequent to the Claim Bar Date. Certain Claims, or portions thereof, have been paid since the Claim Bar Date, with the approval of the Inspectors.

#### **4.1 Unresolved Claims**

As referenced in the Claim Listing, there are three categories of Claims to be resolved, as summarized below:

1. The claims of the OSC against Messrs. Cornish and Tai, both former Chief Executive Officers and directors of the Company, and the corresponding indemnity claims of Messrs. Cornish and Tai against the Company. The claims arise out of the OSC's decision released on September 28, 2011 and the OSC's sanction order released on November 8, 2011, requiring, among other things, that each of Messrs. Cornish and Tai pay an administrative penalty of \$500,000 to the OSC ("OSC Penalty"). Messrs. Cornish and Tai appealed the OSC decision ("Appeal"). Pursuant to certain agreements, Messrs. Cornish and Tai are being indemnified by Coventree for their costs associated with the appeal, subject to certain conditions, and, to the extent the appeals are unsuccessful, for the penalties payable by them arising from the OSC's decision.

The Appeal was heard by the Ontario Divisional Court on October 23 and 24, 2012; a decision is pending. More information with respect to these claims was provided in Section 2.3 of the Liquidator's First Report to Court dated February 7, 2012 ("First Report").

2. A claim by Mr. Tai and certain corporations affiliated with him related to Court proceedings against Coventree and Coventree's transfer agent, Equity Financial Trust Company, commenced on October 14, 2011. The claim relates to the Company's decision in April, 2009, to cancel 736,522 Common Shares of Coventree ("SAP Shares") that were issued to Mr. Tai under Coventree's 2005 Share Allocation Plan. More information with respect to this claim was provided in Section 6.1 of the First Report and Section 6.1 of the Liquidator's Second Report to Court dated April 20, 2012 ("Second Report").

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 SAP Shares and all related litigation. On February 27, 2012, the Inspectors also resolved to have Mr. Tai's claim in connection with the SAP Shares determined in the context of the proceedings already commenced by Mr. Tai against the Company, as permitted by the Claims Procedure Order.

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The Company is awaiting Mr. Tai's reply to the Company's statement of defence, which would close the pleadings stage of the litigation. The Company and Mr. Tai would then attend to discoveries.

3. Claims of Canada Revenue Agency ("CRA") against the Company and two of its subsidiaries, being Coventree Capital Inc. ("CCI") and Coventree Holdings Inc. ("CHI"), related to sales, payroll and income taxes. CRA filed six provisional claims of \$1 each, subject to amendment upon completion of one or more audits. CRA also filed a claim of approximately \$1.1 million against CCI ("CCI Claim") for income tax deductions taken by CCI in fiscal 2007 and disallowed by CRA.

With respect to the CCI Claim, the Company paid \$1.1 million to CRA in order to avoid further interest accruing on it. Coventree reviewed the nature of the deductions and, reflecting what it believes to be the appropriate period to take the deductions, subsequently amended and re-filed CCI's income tax return for fiscal 2009 with such deductions ("CCI Return").

On September 27, 2012, the Company also received a reassessment from CRA regarding its GST and HST accounts for the period March 1, 2010 to December 31, 2011 in the amount of \$1.6 million. The basis for the reassessment was that Coventree did not conduct commercial activities and therefore was not entitled to claim input tax credits in that period. Following a review with its legal and tax advisors, the Company paid the reassessment.

## **5.0 Interim Distribution**

Pursuant to a Court order made on April 30, 2012, the Liquidator was authorized to make an interim distribution to Coventree's shareholders comprised of a return of capital and a taxable dividend. On May 4, 2012, the Liquidator distributed \$44.5 million in cash and 2,661,449 shares of Xceed Mortgage Corporation in-kind on a pro rata basis to the Company's shareholders ("First Interim Distribution"), resulting in a total distribution of approximately \$3.20 per share. A copy of the Liquidator's notice dated May 4, 2012 to the Company's shareholders related to the First Interim Distribution is provided as Appendix "D".

### **5.1 Second Interim Distribution**

Pursuant to Section 4.3(m) of the Liquidation Plan, the Liquidator is authorized to make any interim distributions "as considered appropriate and approved by the Inspectors, and while maintaining such reserves as are reasonably necessary to provide for all Claims".

As at the date of this Report, the Company's material assets consist of:

- a) Cash and cash equivalents totalling \$17.5 million; and



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- b) A consent to judgment of \$5 million against Navigators, the Company's former directors' and officers' insurer. The Company's claim under its directors and officers insurance policy with Navigators was subject to litigation ("D&O Insurance Claim"). Pursuant to a decision dated 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 for the matters that were the subject of the notice of hearing and related statement of allegations issued by OSC staff dated December 7, 2009. On May 24, 2012, the Court of Appeal for Ontario ("OCA") upheld the Court's decision. On November 15, 2012, the Supreme Court of Canada ("SCC") dismissed Navigators' application for leave to appeal the OCA's decision.

Pursuant to a settlement agreement with Coventree, Navigators consented to judgment for the \$5 million in coverage available under the policy, plus pre and post judgment interest and the costs that have been awarded to Coventree to date as well as any costs that may be awarded in the Company's favour in connection with Navigators' appeal to the SCC ("Settlement Funds").

In addition to the above, there is a possibility of additional recoveries of up to \$2.7 million in the aggregate from the Company's re-filing of the CCI Return and deductions CHI is pursuing related to fiscal 2007 and 2008.

Accordingly, the Liquidator is seeking Court approval to make a Second Interim Distribution of up to \$0.58 per share, being approximately \$8.8 million, to the Company's shareholders, upon receiving the Settlement Funds, calculated as follows

	\$ million
Cash on hand	17.5
Settlement Funds, including costs and interest (estimate)	5.3
	<u>22.8</u>
Less:	
Total Claims	7.9
Provision for professional fees, expenses and cost awards	1.6
Provision for operating and other costs	.7
Contingency	3.8
	<u>14.0</u>
Net amount available for distribution	<u>8.8</u>

The Inspectors have approved the making of the Second Interim Distribution.

## 5.2 Taxable Dividend

The Second Interim Distribution will be made as a taxable dividend. The Company will issue tax forms to its shareholders on that basis.

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### **5.3 Non-Resident Withholding Taxes**

Consistent with the First Interim Distribution, withholding taxes will apply to the taxable dividend 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.

### **5.4 Timing of Interim Distribution**

Provided it is approved by the Court, the Liquidator anticipates making the Second Interim Distribution as soon as practicable after the Company's receipt of the Settlement Funds.

### **5.5 Tai Distribution**

As a result of divorce proceedings in the United States between Mr. Tai and Ms. Dora Vell, the Liquidator understands that the settlement between them requires that any distributions to be made to the Tai Shareholders be paid to McCarthy, in trust. McCarthy is Canadian counsel to Ms. Vell.

## **6.0 Reporting Exemption**

The Liquidator previously advised the Court of Coventree's application to the OSC, as principal regulator on behalf of the securities regulatory authorities in each of the provinces in Canada, to cease being a reporting issuer ("Application"). Specifically, in Section 4 of the Second Report, the Liquidator advised that: "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." On October 10, 2012, Coventree also made an application to the OSC to cease being an "offering corporation" under the OBCA.

Coventree and the OSC continued to correspond with respect to this matter since the Application was made. As part of the Application process, on October 4, 2012, the Company issued a press release regarding the Application. A copy of the press release is provided in Appendix "E".

On November 13, 2012, the Application was granted pursuant to an order made by the OSC on its own behalf and on behalf of other provincial securities regulators. In addition, also on November 13, 2012, the OSC issued an order deeming Coventree to have ceased being an "offering corporation" under the OBCA (together, the "Exemptions"). Copies of the Exemptions are provided in Appendix "F".

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As a result of the Exemptions, Coventree will discontinue its website; however, the Liquidator will post all reports, press releases and notices on its website. One of the consequences of the Exemptions is that, for the purpose of Canadian securities legislation, the Company no longer has any continuous disclosure obligations to its shareholders, which includes the requirement to provide quarterly and annual financial statements.

Section 4.2(k) of the Liquidation Plan requires the Liquidator to maintain the continuous disclosure requirements applicable to Coventree under all applicable securities laws. In this regard, financial statements and management discussions & analyses for the quarters ended December 31, 2011, March 31, 2012 and June 30, 2012 were filed, with the Liquidator approving and signing same given that Coventree had no directors as of February 15, 2012. Such filings will now be discontinued.

## **7.0 OBCA Requirements**

Absent exemptions, the OBCA requires the directors of a corporation subject to the OBCA to, among other things, call meetings of its shareholders and provide copies of its financial statements, including an auditor's report thereon, at such meetings. Part XII of the OBCA requires the shareholders of a corporation to, among other things, appoint an auditor to report on a corporation's financial statements. Certain of the applicable sections of the OBCA are provided below.

### **Shareholders' meetings**

94. (1) Subject to subsection 104 (1), the directors of a corporation,
- (a) shall call an annual meeting of shareholders not later than eighteen months after the corporation comes into existence and subsequently not later than fifteen months after holding the last preceding annual meeting; and
  - (b) may at any time call a special meeting of shareholders.

### **Auditors**

149. (1) The shareholders of a corporation at their first annual or special meeting shall appoint one or more auditors to hold office until the close of the first or next annual meeting, as the case may be, and, if the shareholders fail to do so, the directors shall forthwith make such appointment or appointments

### **Information to be laid before annual meeting**

154. (1) The directors shall place before each annual meeting of shareholders,
- (a) in the case of a corporation that is not an offering corporation, financial statements for the period that began on the date the corporation came into existence and ended not more than six months before the annual meeting or, if the corporation has completed a financial year, the period that began

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immediately after the end of the last completed financial year and ended not more than six months before the annual meeting;

(b) in the case of a corporation that is an offering corporation, the financial statements required to be filed under the Securities Act and the regulations thereunder relating separately to,

(i) the period that began on the date the corporation came into existence and ended not more than six months before the annual meeting or, if the corporation has completed a financial year, the period that began immediately after the end of the last completed financial year and ended not more than six months before the annual meeting, and

(ii) the immediately preceding financial year, if any;

(c) the report of the auditor, if any, to the shareholders; and

(d) any further information respecting the financial position of the corporation and the results of its operations required by the articles, the by-laws or any unanimous shareholder agreement.

Auditor's report

(2) Except as provided in subsection 104 (1), the report of the auditor to the shareholders shall be open to inspection at the annual meeting by any shareholder.

Coventree's last shareholders' meeting was held on September 28, 2011.

## **7.1 Rationale for Exemptions**

The Liquidator is seeking a Court order confirming that neither the Company nor the Liquidator is required to comply, or otherwise effect compliance, with Sections 94 and 154 of the OBCA and Part XII of the OBCA for the following reasons:

- a) The Company's only material assets, consisting of cash and equivalents and the D&O Insurance Claim, can be readily valued;
- b) The Company's liabilities, consisting of the Claims and liquidation costs to complete the proceedings, can be readily estimated by the Company and the Liquidator;
- c) The Liquidator has reported and will continue to report to the Company's shareholders with respect to these proceedings and any material developments with respect to the Company's assets, material claims and distributions. The Liquidator has posted and will continue to post press releases and other information relevant to the Company on the Liquidator's website;

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- d) The Liquidator is required, pursuant to Section 201(2) of the OBCA, to call a meeting of the Company's shareholders at the end of the first year, being on or before February 15, 2013, and of each succeeding year from the commencement of the winding up in order to "lay before the meeting an account showing the liquidator's acts and dealings and the manner in which the winding up has been conducted during the immediately preceding year". Accordingly, a separate meeting of shareholders pursuant to Section 94 of the OBCA is duplicative;
  - e) Sections 94 and 154 of the OBCA, among other sections, deal with the required actions of a company's directors. As the Company's directors were deemed to have resigned on February 15, 2012, it is unclear whether those sections apply to the Company;
  - f) Section 148 of the OBCA contemplates an exemption from the requirement to appoint an auditor, outside of a winding-up, if: "(a) the corporation is not an offering corporation; and (b) all of the shareholders consent in writing to the exemption in respect of that year". In the Company's case, it is no longer an offering corporation and it is simply not practical to obtain the unanimous written consent of all of Coventree's shareholders. Specifically, over 55% of the Common Shares are widely held, including shares held in various brokerage accounts, and the Company does not have a listing of the beneficial owners of the Common Shares in order to enable it to contact shareholders;
  - g) The cost to engage the Company's auditor to review Coventree's financial statements and issue a report thereon is estimated to be \$150,000 per annum. Such costs would reduce funds available for distribution to the Company's shareholders – the Company sought the Exemptions for this same reason. In the Liquidator's view, an auditor's report and the associated costs are not justified in this case, particularly since an analysis or valuation of the Company's assets and liabilities would not be needed. Additionally, the Liquidator will be providing shareholders, pursuant to Section 201(2) of the OBCA, with information related to the Company's assets and liabilities and changes in the Company's financial position in the preceding year; and
  - h) The Inspectors support the relief being sought by the Liquidator.

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## 8.0 Liquidator's Activities

Since the date of the Second Report, the Liquidator's activities, other than those described in this Report, have included:

- Attending meetings with the Inspectors;
- Reviewing the Company's disbursements;
- Reviewing correspondence between the Company and the OSC related to the Application;
- Responding to inquiries from the Company's shareholders related to the interim distribution and other matters related to these proceedings;
- Considering the Company's tax matters and reviewing correspondence between the Company and CRA in that regard;
- Requesting clearance certificates from CRA regarding the Company's payroll and sales tax accounts;
- Reviewing the Company's unaudited quarterly financial statements;
- Reviewing correspondence regarding the Company's settlement with Navigators;
- Corresponding with certain creditors of the Company regarding the Claims Procedure Order;
- Corresponding with Davies and Osler regarding certain of the Claims and responses related thereto;
- Reviewing the Company's bank balances;
- Reviewing the Company's press releases; and
- Drafting this Report.

## 9.0 Fees of the Liquidator and its Counsel

Attached as Appendix "G" 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 April 1, 2012 to October 31, 2012 (the "Period"). The Liquidator's fees in the Period totalled \$255,310 inclusive of disbursements and taxes.

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Attached as Appendix “H” 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 totalled \$159,393 inclusive of disbursements and taxes.

Attached as Appendix “I” is an affidavit of fees sworn by Marc Wasserman, a representative of Osler. Osler’s fee affidavit includes copies of Osler’s statements of account for the Period. Osler’s fees in the Period totalled \$4,736 inclusive of disbursements and taxes.

Pursuant to paragraph 14 of the Winding-Up Order, the accounts of the Liquidator, Davies and Osler 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 and Osler, as detailed in Appendices “G”, “H” and “I”.

## 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 (c) of this Report.

\* \* \*

All of which is respectfully submitted,

A handwritten signature in blue ink that reads "Duff & Phelps Canada Restructuring Inc." The signature is written in a cursive, flowing style.

**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

\* \* \*

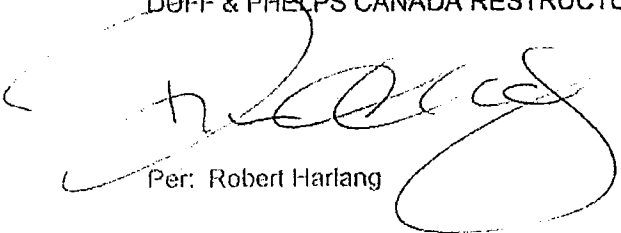
If the foregoing terms are acceptable, please acknowledge by signing below and returning this letter to the attention of the undersigned by facsimile at 647-497-9480, or by scanning an executed copy via email to robert.harlang@duffandphelps.com.

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

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 to 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”**

Duff & Phelps Canada Restructuring Inc.  
Liquidator of Coventree Inc.  
Status of Filed Claims  
As at November 21, 2012

Creditor	Debtor	Claim	Nature of Claim	Letter	Notice of Determination	Status <sup>(1)</sup>	Remaining Claim or Reserve by Liquidator <sup>(2)</sup>
Ani Hotoyan-Joly	Coventree Inc.	\$175,000 plus other benefits and indemnity	Balances pursuant to employment agreement		✓	Allowed - to be paid on termination	\$175,000
Canada Revenue Agency	Coventree Capital Inc.	\$1,098,054	Income tax - 2008	✓		Unable to determine - paid without prejudice <sup>(3)</sup>	\$0
Canada Revenue Agency	Coventree Capital Inc.	\$1	Provisional claim for GST/HST - subject to audit	✓		Unable to determine <sup>(4)</sup>	\$0
Canada Revenue Agency	Coventree Holdings Inc.	\$1	Provisional claim for GST/HST - subject to audit	✓		Unable to determine <sup>(4)</sup>	\$0
Canada Revenue Agency	Coventree Holdings Inc.	\$1	Provisional claim for income tax - subject to audit	✓		Unable to determine	\$240,000
Canada Revenue Agency	Coventree Inc.	\$1	Provisional claim for source deductions - subject to audit	✓		Unable to determine <sup>(4)</sup>	\$0
Canada Revenue Agency	Coventree Inc.	\$1	Provisional claim for GST/HST - subject to audit	✓		Unable to determine <sup>(4)</sup>	\$0
Canada Revenue Agency	Coventree Inc.	\$1	Provisional claim for income tax - subject to audit	✓		Unable to determine <sup>(4)</sup>	\$0
CNW Group Ltd.	Coventree Inc.	\$127	Filing materials on SEDAR		✓	Allowed - paid	\$0
Dean Tai	Coventree Inc.	\$500,000	Balance pursuant to employment agreement		✓	Allowed - to be paid on completion of winding-up	\$500,000
Dean Tai	Coventree Inc.	\$500,000 <sup>(5)</sup>	Indemnification in connection with OSC penalty award - subject to appeal		✓	Allowed - to be paid if appeal dismissed	\$500,000
Dean Tai	Coventree Inc.	\$890,180	Estimate of legal fees in connection with OSC appeal		✓	Allowed	\$226,000
Dean Tai	Coventree Inc.	Indemnity	Indemnification in connection with Notice of Action by Coventree		✓	Disallowed - claim by Coventree withdrawn	\$0
Dean Tai	Coventree Inc.	\$5,000,000	Statement of Claim against Coventree	✓		Being defended by Coventree in proceedings commenced by Mr. Tai	\$5,000,000
Dean Tai	Coventree Inc.	\$110,556 plus interest and costs	Costs in connection with Coventree's sale of security pledged under		✓	Disallowed	\$0
Equity Financial Trust Company	Coventree Inc.	Indemnity	Indemnification by Coventree in connection with litigation commenced by Mr. Tai		✓	Allowed - being paid in ordinary course	\$0

Duff & Phelps Canada Restructuring Inc.  
Liquidator of Coventree Inc.  
**Status of Filed Claims**  
**As at November 21, 2012**

Creditor	Debtor	Claim	Nature of Claim	Letter	Notice of Determination	Status <sup>(1)</sup>	Remaining Claim or Reserve by Liquidator <sup>(2)</sup>
Geoff Cornish	Coventree Inc.	\$500,000 plus benefits and indemnity	Balances pursuant to employment agreement		✓	Allowed - to be paid on completion of winding-up	\$500,000
Geoff Cornish	Coventree Inc.	\$725,000	Estimate of legal fees in connection with OSC appeal		✓	Allowed - being paid in ordinary course	\$226,000
Geoff Cornish	Coventree Inc.	\$500,000 <sup>(5)</sup>	Indemnification in connection with OSC penalty award - subject to appeal		✓	Allowed - to be paid if appeal dismissed	\$500,000
Navigators Management Company	Coventree Inc.	\$100,000	Estimated cost award if successful in litigation with Coventree		✓	Disallowed	\$0
Ontario Securities Commission	Dean Tai and Geoff Cornish	\$500,000 plus interest and costs, if applicable, against each of them	Penalty against Cornish and Tai pursuant to OSC order - subject to appeal	✓		Unable to determine	\$0
Ontario Securities Commission	Coventree Inc.	\$500,000 plus interest and costs, if applicable	Penalty against Coventree pursuant to OSC order - subject to appeal		✓	Disallowed	\$0
Stockwoods LLP	Coventree Inc.	Up to \$50,000	Estimated cost award if successful in litigation with Coventree		✓	Partially allowed \$13,000 - paid	\$0
							<u>\$7,867,000</u>

**Notes:**

1. Refer to applicable letter or notice for complete details.
2. Estimated for certain claims.
3. Coventree Inc. paid this claim in full - refer to Section 5.1 of the Report for more details.
4. Coventree Inc. is not aware of any balances owing with respect to these accounts. Consequently, there is no basis to establish a reserve. A reserve of \$3.4 million for contingencies is in place.
5. These are duplicates of the claim made by the OSC against Messrs. Cornish and Tai.

## **Appendix “D”**

May 4, 2012

**TO THE SHAREHOLDERS OF COVENTREE INC.**

On April 30, 2012, the Ontario Superior Court of Justice – Commercial List made an order (the "Order") authorizing Duff & Phelps Canada Restructuring Inc., in its capacity as liquidator ("Liquidator") of Coventree Inc. ("Coventree"), to make an interim distribution rateably to the registered shareholders of Coventree of \$44.5 million in cash together with a distribution in-kind of all the shares of Xceed Mortgage Corporation ("Xceed") owned by Coventree, net of any applicable withholding taxes. A copy of the Order is posted on the Liquidator's website at [www.duffandphelps.com/restructuringcases](http://www.duffandphelps.com/restructuringcases).

Enclosed is your pro rata share of the cash distribution and the Xceed shares, net of any applicable withholding taxes. For dividends to U.S. residents entitled to the benefits of the Canada-U.S. tax treaty, the withholding tax rate is 15%.

There are 15,157,138 common shares of Coventree outstanding. The cash component of the interim distribution is approximately \$2.94 per share, which is comprised of a return of capital of \$0.46 per share and a taxable dividend of approximately \$2.48 per share. The taxable dividend is an eligible dividend for the purposes of the *Income Tax Act* (Canada) (the "Tax Act").

Coventree owns 2,661,449 common shares of Xceed. Coventree shareholders are receiving approximately 0.175 shares of Xceed for each share of Coventree held. Fractional shares are not being distributed. The Order directs the Liquidator to record the per share value of the Xceed shares for purposes of the interim distribution as the quoted bid price for Xceed common shares as at the close of trading on the Toronto Stock Exchange on the business day immediately prior to the date on which the distribution is made, which was \$1.49. As a result, Coventree shareholders will be considered to have received an additional taxable dividend of approximately \$.26 per share with respect to the distribution of the Xceed shares. This taxable dividend is also an eligible dividend for the purposes of the Tax Act. Any withholding tax applicable on the part of this dividend paid to non-resident shareholders will be withheld from the cash portion of the distribution. The adjusted cost base of the Xceed shares received by Coventree shareholders will be \$1.49 per share.

Please note that statutory tax forms will be provided to Coventree shareholders in due course.

Sincerely,



**DUFF & PHELPS CANADA RESTRUCTURING INC.  
COURT APPOINTED LIQUIDATOR OF  
COVENTREE INC.**

Encl.



## **Appendix “E”**



## **Coventree Announces Application to End Reporting Issuer Status**

**TORONTO, ONTARIO (October 4, 2012)** – On February 23, 2012, Coventree Inc. (“Coventree” or the “Company”) applied to the Ontario Securities Commission (the “OSC”) and other Canadian securities regulatory authorities for an order to cease being a reporting issuer under Canadian securities legislation. The application is described in the Liquidator's Second Report to the Court dated April 20, 2012 (contained in its motion record returnable April 30, 2012 which is posted on the Liquidator's website).

Currently, Coventree is a reporting issuer for purposes of Canadian securities laws and, accordingly, is subject to the continuous disclosure and other requirements imposed by such laws for the benefit of Coventree's shareholders and the public. However, Coventree's common shares are no longer listed or posted for trading on any stock exchange. Further, all transfers of Coventree common shares made on or after February 15, 2012 are void unless made with the explicit sanction of Coventree's liquidator, Duff & Phelps Canada Restructuring Inc. (the “Liquidator”), who has announced that it will not sanction any share transfers in the absence of material extenuating circumstances. As a result, Coventree shareholders no longer have the ability to trade in Coventree common shares.

Coventree has advised the various Canadian securities regulatory authorities that, if its application is granted, Coventree shareholders will still have access to relevant information relating to Coventree. For example, the Liquidator continues to post information on the website that it has established in respect of Coventree's liquidation ([www.duffandphelps.com/restructuringcases](http://www.duffandphelps.com/restructuringcases)) and, where considered advisable, issues press releases with respect to material claims outstanding against Coventree, the resolution of any such claims, and the timing and expected amounts of any distributions to Coventree's shareholders. Further, the Liquidator is required by the liquidation plan approved by the Ontario Superior Court of Justice (Commercial List) (the “Court”) on February 15, 2012 to report to Coventree's shareholders from time to time and at least annually with respect to all matters relating to the assets, Coventree and such other matters as may be relevant to such liquidation plan. In addition, as an officer of the Court that is under the supervision of the Court, the Liquidator will report to the Court from time to time with respect to the administration of the liquidation. As a result, Coventree believes that the requested order will alleviate the significant burden and costs associated with being a reporting issuer under Canadian securities laws without prejudicing its shareholders.

There can be no assurance that the order sought by Coventree will be granted by the Canadian securities regulatory authorities or, if granted, when such order will be so issued.

This press release is intended for distribution in Canada only.

**For further information please contact:**

Robert Harlang  
Managing Director  
Duff & Phelps Canada Limited  
Tel: (416) 932-6225  
Email: [robert.harlang@duffandphelps.com](mailto:robert.harlang@duffandphelps.com)

## **Appendix “F”**

November 13, 2012

**In the Matter of the Securities Legislation of the Provinces of Ontario,  
Alberta, British Columbia, Saskatchewan, Manitoba, Québec, New  
Brunswick, Nova Scotia, Prince Edward Island and Newfoundland and  
Labrador (the Jurisdictions)**

**and**

**In the Matter of the Process of Exemptive Relief Applications in  
Multiple Jurisdictions**

**and**

**In the Matter of Coventree Inc. (the Filer)**

## **DECISION**

### **Background**

The securities regulatory authority or regulator in each of the Jurisdictions (Decision Maker) has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the Legislation) that the Filer is not a reporting issuer (the Relief).

Under the Process for Exemptive Relief Applications in Multiple Jurisdictions (for a coordinated review application):

- (a) the Ontario Securities Commission is the principal regulator for this application, and
- (b) the decision is the decision of the principal regulator and evidences the decision of each other Decision Maker.

### **Interpretation**

Terms defined in National Instrument 14-101 Definitions have the same meaning if used in this decision, unless otherwise defined.

### **Representations**

The decision is based on the following facts represented by the Filer:

1. The Filer is a corporation incorporated under the *Business Corporations Act* (Ontario) (the OBCA) and its head office is located at 161 Bay Street, 27th Floor, Toronto, Ontario M5J 2S1.

2. The Filer is a reporting issuer in each of the Jurisdictions and is not in default of any of its reporting issuer or equivalent obligations under the Legislation, other than the requirement of National Instrument 52-110 – *Audit Committees* to have an audit committee.
3. The Filer currently has 15,157,138 common shares outstanding (the Shares) and has no other securities outstanding.
4. A geographical breakdown of the Filer's shareholders, based on reports provided by Broadridge Financial Solutions (Broadridge) and the Filer's transfer agent, Equity Financial Trust Company (Equity), is as follows:
  - (a) The Broadridge report identified 282 beneficial security holders holding 5,113,645 Shares. The report lists 265 beneficial security holders in Canada, 11 in the United States and 6 in foreign jurisdictions. Of the Canadian beneficial security holders, the report identified 16 in Alberta holding 191,601 Shares, 13 in British Columbia holding 172,032 Shares, one in Nova Scotia holding 2,200 Shares, 118 in Ontario holding 3,169,495 Shares, 117 in Quebec holding 488,172 Shares and none in the remaining Jurisdictions. Ontario's beneficial security holders hold over 60% of the Filer's outstanding Shares.
  - (b) The Equity report lists 15 registered security holders holding 15,157,138 Shares. There are 12 registered security holders in Canada and three in the United States. Of the registered Canadian security holders, Nova Scotia has two holding 44,000 Shares and Ontario has 10 holding 12,205,741 Shares, including the Canadian Depository for Securities Limited holding 7,697,272. Ontario's registered security holders in Ontario hold over 80% of the Filer's outstanding Shares.
5. The Filer is not eligible to use the procedure to voluntarily surrender its reporting issuer status in British Columbia pursuant to BC Instrument 11-502 – *Voluntary Surrender of Reporting Issuer Status* because the Filer has more than 50 security holders.
6. The Filer is not eligible to use the simplified procedure under CSA Staff Notice 12-307 – *Applications for a Decision that an Issuer is not a Reporting Issuer* because it is a reporting issuer in British Columbia, because it has more than 15 security holders in certain jurisdictions and because it has more than 51 security holders in total worldwide. The Filer is also in default of the requirement in National Instrument 52-110 – *Audit Committees* to have an audit committee.
7. On December 7, 2009 the Ontario Securities Commission (the OSC) staff commenced a proceeding against the Filer and one current officer, Geoffrey Cornish, and one former officer, Dean Tai. On September 28, 2011 the OSC concluded that the Filer contravened section 75 of the *Securities Act* (Ontario) (the Act). The OSC further found that each of Messrs. Cornish and Tai authorized, permitted or

acquiesced in the Filer's non-compliance and therefore were deemed also to have not complied with Ontario securities law. Finally, the OSC found that the conduct of each of the Filer and the two individuals was contrary to the public interest.

8. On October 26 and 27, 2011 the OSC held a hearing to determine what sanctions ought to be issued against the Filer and Messrs. Cornish and Tai . On November 8, 2011 the OSC ordered the Filer to pay an administrative penalty of \$1 million and to pay \$250,000 of the costs incurred by OSC staff in connection with the hearing. The OSC also ordered that trading in any securities by the Filer cease and that any Ontario securities law exemptions not apply to the Filer until its winding up is completed, provided that these orders would not prevent the winding up of the Filer or trades in securities reasonably related to that winding up.
9. The OSC ordered that each of Messrs. Cornish and Tai pay an administrative penalty of \$500,000. The OSC also ordered that they be reprimanded, resign any positions as a director or officer of a reporting issuer other than the Filer, and not be permitted to act as a director or officer of a reporting issuer other than the Filer for a period of one year.
10. On January 3, 2012 the Filer announced that it would not appeal the OSC's decision and, shortly thereafter, paid the \$1 million administrative penalty and \$250,000 costs award imposed against it by the OSC. Messrs. Cornish and Tai have personally appealed the OSC decision.
11. At the annual and special meeting of shareholders of the Filer held on June 30, 2010, the shareholders approved a special resolution authorizing the formal winding up of the Filer and the distribution of its remaining assets to shareholders pursuant to a plan of liquidation and distribution (the Liquidation Plan).
12. The Liquidation Plan provided that it will become effective on a date to be determined by the Filer's board of directors (the Board).
13. By resolution of the Board, the effective date for the commencement of the formal winding up in accordance with the Liquidation Plan was determined to be February 15, 2012 (the Effective Date), and the Filer applied to the Superior Court of Justice (Commercial List) (Ontario) (the Court) for the winding up to be supervised by the Court.
14. On February 15, 2012 the Court granted the Filer's application and approved a final liquidation plan (the Final Liquidation Plan) by issuing a winding up order (the Winding-Up Order).
15. Pursuant to the Final Liquidation Plan:
  - (a) Duff & Phelps Canada Restructuring Inc. (being the successor of RSM Richter Inc.) (the Liquidator) was appointed the liquidator of the estate and effects of the Filer for the purpose of winding up its business and affairs and distributing its assets;



- (b) a process established by the Liquidator and approved by the Court was initiated for the identification, resolution and barring of certain claims against the Filer (the Claims Process);
  - (c) consistent with Section 221 of the OBCA and Section 3.3 of the Final Liquidation Plan, all of the powers of the board of directors of the Filer have ceased and the directors have been deemed to have resigned; and
  - (d) certain former members of the Board, namely Brendan Calder, Geoffrey Cornish and Wesley Voorheis, were appointed inspectors of the Applicant pursuant to Section 194 of the OBCA and Section 6.1 of the Final Liquidation Plan. Brendan Calder resigned as an inspector on February 15, 2012 and his vacancy was filled with the appointment of William Aziz pursuant to Section 6.5 of the Final Liquidation Plan. Subsequently, Geoffrey Cornish resigned as an inspector and his vacancy was filled with the appointment of Joseph Wiley pursuant to Section 6.5 of the Final Liquidation Plan. Accordingly, the current inspectors are Wesley Voorheis, William Aziz and Joseph Wiley.
16. In accordance with the Claims Process the date by which all claims were required to be filed was April 13, 2012.
17. On January 25, 2012, the Filer applied to NEX to have the listing and posting for trading of the Shares maintained during the Claims Process. By email dated February 2, 2012, NEX advised that it would not maintain the listing of the Shares after the Effective Date.
18. As a result of the foregoing, by letter dated February 8, 2012, the Filer applied to voluntarily de-list the Shares from NEX as of the Effective Date.
19. By press release issued on February 3, 2012, the Filer announced that February 14, 2012 was to be the final day for trading in the Shares on the NEX. NEX also issued a bulletin to this effect on February 12, 2012. Pursuant to Section 198 of the OBCA and paragraph 6 of the Winding-Up Order, all Share transfers made after that date are void unless made with the explicit sanction of the Liquidator.
20. On February 15, 2012 the Filer submitted a letter to CDS requesting that they place a restriction on the Shares so that no transfers among participants may occur. On February 17, 2012 CDS published a bulletin announcing that the Shares would be fully restricted in CDS as of opening of business on February 20, 2012, subject to any Liquidator sanctioned transfers.
21. The Filer and CDS have been informed by the Liquidator that the Liquidator will not sanction any share transfers unless, in the opinion of the Liquidator, material extenuating circumstances exist (such as in a deceased's estate matters or certain family law matters) and such circumstances can be evidenced to the Liquidator in a manner satisfactory to the Liquidator. Notwithstanding the foregoing, the Liquidator

has maintained and reserved the right not to sanction any share transfers regardless of the circumstances.

22. The Filer's shareholders no longer have the ability to trade in the Shares. As a result, the Filer's shareholders do not receive any further benefit from the Filer continuing to be a reporting issuer given that all pertinent information will be disclosed by the Liquidator.
23. As a result of the appointment of the Liquidator and the inspectors, the Filer is no longer able to satisfy any of the requirements pertaining to boards of directors and committees thereof.
24. No securities of the Filer are listed, traded or quoted for trading on any "marketplace" in Canada or elsewhere (as defined in National Instrument 21-101 *Marketplace Operation*), and the Filer does not intend to have any of its securities listed, traded or quoted on such a marketplace in Canada or any other jurisdiction.
25. The Filer has no current intention to seek public financing by way of offering of securities.
26. The Liquidator is required by the Final Liquidation Plan to report to the Filer's shareholders with respect to all matters relating to the assets, the Filer and such other matters as may be relevant to the Final Liquidation Plan.
27. The Liquidator has established a website in respect of the liquidation where it intends to continue to post information and issue press releases where considered advisable (with the advice of outside counsel) with respect to material claims raised during the Claims Process, the resolution of any material claims and the timing and expected amounts of any distributions to the Filer's shareholders. As a result of the Liquidator being an officer of the Court and the Liquidation being under the supervision of the Court, the Liquidator will report to the Court from time to time with respect to disclosure made to the Filer's shareholders.
28. On February 28, 2012 the Filer filed its financial statements and Management Discussion and Analysis for the first quarter ended December 31, 2011. On May 25, 2012, the Filer filed its financial statements and Management Discussion and Analysis for the second quarter ended March 31, 2012. On August 28, 2012, the Filer filed its financial statements and Management Discussion and Analysis for the third quarter ended June 30, 2012.
29. On October 4, 2012, the Filer issued a press release disclosing that the Filer has made an application for a decision that the Filer is not a reporting issuer. The press release was filed on SEDAR on October 4, 2012.
30. The Filer's assets consists primarily of cash.
31. The Filer has ceased exercising commercial activity of any kind and will be dissolved after the Claims Process is complete, all claims are resolved and all assets



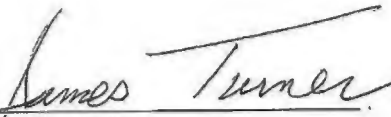
are distributed. As a result, there is no further need to inform the Filer's shareholders and the public about the business and financial situation of the Filer outside of the requirements of the Final Liquidation Plan.

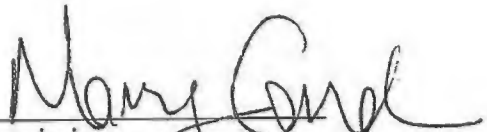
32. The Relief would also alleviate the significant burden and costs associated with being a reporting issuer under the Legislation without prejudicing the Filer's shareholders. In fact, such costs would only serve to ultimately diminish the amounts available for distribution to the Filer's shareholders.

### Decision

Each of the Decision Makers is satisfied that the decision meets the test set out in the Legislation for the Decision Maker to make the decision and grant the Relief.

The decision of the Decision Makers under the Legislation is that the Relief sought is granted.

  
Commissioner  
Ontario Securities Commission

  
Commissioner  
Ontario Securities Commission



Ontario  
Securities  
Commission

Commission des  
valeurs mobilières  
de l'Ontario

P.O. Box 55, 19<sup>th</sup> Floor  
20 Queen Street West  
Toronto ON M5H 3S8

CP 55, 19<sup>e</sup> étage  
20, rue queen ouest  
Toronto ON M5H 3S8

---

**In the Matter of the Business Corporations Act (Ontario) R.S.O. 1990, c. B.16,  
as amended (the OBCA)**

**and**

**In the Matter of Coventree Inc. (the Filer)**

**ORDER  
(Subsection 1(6) of the OBCA)**

UPON the application of the Filer to the Ontario Securities Commission (the Commission) for an order pursuant to subsection 1(6) of the OBCA to be deemed to have ceased to be offering its securities to the public;

AND UPON the Filer representing to the Commission that:

1. The Filer is a corporation incorporated under the OBCA, and is an "offering corporation" as defined in the OBCA, and its head office is located at 161 Bay Street, 27th Floor, Toronto, Ontario M5J 2S1.
2. The Filer is a reporting issuer in each of the provinces of Canada.
3. The Filer currently has 15,157,138 common shares outstanding (the Shares) and has no other securities outstanding.
4. On February 23, 2012, the Filer made an application to the OSC, as principal regulator on behalf of the securities regulatory authorities in each of the provinces of Canada, that the Filer cease to be a reporting issuer in each of the provinces of Canada. The cease to be a reporting issuer Order contains further background details about the Filer.
5. At the annual and special meeting of shareholders of the Filer held on June 30, 2010, the shareholders approved a special resolution authorizing the formal winding up of the Filer and the distribution of its remaining assets to shareholders pursuant to a plan of liquidation and distribution (the Liquidation Plan).
6. The Liquidation Plan provided that it will become effective on a date to be determined by the Filer's board of directors (the Board).
7. By resolution of the Board, the effective date for the commencement of the formal winding up in accordance with the Liquidation Plan was determined to be February 15,

2012 (the Effective Date), and the Filer applied to the Superior Court of Justice (Commercial List) (Ontario) (the Court) for the winding up to be supervised by the Court.

8. On February 15, 2012 the Court granted the Filer's application and approved a final liquidation plan (the Final Liquidation Plan) by issuing a winding up order (the Winding-Up Order).
9. Pursuant to the Final Liquidation Plan:
  - (a) Duff & Phelps Canada Restructuring Inc. (being the successor of RSM Richter Inc.) (the Liquidator) was appointed the liquidator of the estate and effects of the Filer for the purpose of winding up its business and affairs and distributing its assets;
  - (b) a process established by the Liquidator and approved by the Court was initiated for the identification, resolution and barring of certain claims against the Filer (the Claims Process);
  - (c) consistent with Section 221 of the OBCA and Section 3.3 of the Final Liquidation Plan, all of the powers of the board of directors of the Filer have ceased and the directors have been deemed to have resigned; and
  - (d) certain former members of the Board, namely Brendan Calder, Geoffrey Cornish and Wesley Voorheis, were appointed inspectors of the Applicant pursuant to Section 194 of the OBCA and Section 6.1 of the Final Liquidation Plan. Brendan Calder resigned as an inspector on February 15, 2012 and his vacancy was filled with the appointment of William Aziz pursuant to Section 6.5 of the Final Liquidation Plan. Subsequently, Geoffrey Cornish resigned as an inspector and his vacancy was filled with the appointment of Joseph Wiley pursuant to Section 6.5 of the Final Liquidation Plan. Accordingly, the current inspectors are Wesley Voorheis, William Aziz and Joseph Wiley.
10. In accordance with the Claims Process the date by which all claims were required to be filed was April 13, 2012.
11. On January 25, 2012, the Filer applied to NEX to have the listing and posting for trading of the Shares maintained during the Claims Process. By email dated February 2, 2012, NEX advised that it would not maintain the listing of the Shares after the Effective Date.
12. As a result of the foregoing, by letter dated February 8, 2012, the Filer applied to voluntarily de-list the Shares from NEX as of the Effective Date.
13. By press release issued on February 3, 2012, the Filer announced that February 14, 2012 was to be the final day for trading in the Shares on the NEX. NEX also issued a bulletin to this effect on February 12, 2012. Pursuant to Section 198 of the OBCA and paragraph 6 of the Winding-Up Order, all Share transfers made after that date are void unless made with the explicit sanction of the Liquidator.

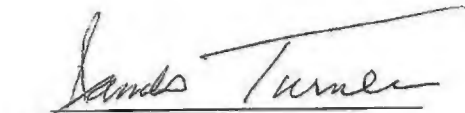
14. On February 15, 2012 the Filer submitted a letter to CDS requesting that they place a restriction on the Shares so that no transfers among participants may occur. On February 17, 2012 CDS published a bulletin announcing that the Shares would be fully restricted in CDS as of opening of business on February 20, 2012, subject to any Liquidator sanctioned transfers.
15. The Filer and CDS have been informed by the Liquidator that the Liquidator will not sanction any share transfers unless, in the opinion of the Liquidator, material extenuating circumstances exist (such as in a deceased's estate matters or certain family law matters) and such circumstances can be evidenced to the Liquidator in a manner satisfactory to the Liquidator. Notwithstanding the foregoing, the Liquidator has maintained and reserved the right not to sanction any share transfers regardless of the circumstances.
16. The Filer's shareholders no longer have the ability to trade in the Shares. As a result, the Filer's shareholders do not receive any further benefit from the Filer continuing to be a public company given that all pertinent information will be disclosed by the Liquidator.
17. No securities of the Filer are listed, traded or quoted for trading on any "marketplace" in Canada or elsewhere (as defined in National Instrument 21-101 *Marketplace Operation*), and the Filer does not intend to have any of its securities listed, traded or quoted on such a marketplace in Canada or any other jurisdiction.
18. The Filer has no current intention to seek public financing by way of offering of securities.
19. The Liquidator is required by the Final Liquidation Plan to report to the Filer's shareholders with respect to all matters relating to the assets, the Filer and such other matters as may be relevant to the Final Liquidation Plan.
20. The Liquidator has established a website in respect of the liquidation where it intends to continue to post information and issue press releases where considered advisable (with the advice of outside counsel) with respect to material claims raised during the Claims Process, the resolution of any material claims and the timing and expected amounts of any distributions to the Filer's shareholders. As a result of the Liquidator being an officer of the Court and the Liquidation being under the supervision of the Court, the Liquidator will report to the Court from time to time with respect to disclosure made to the Filer's shareholders.
21. On February 28, 2012 the Filer filed its financial statements and Management Discussion and Analysis for the first quarter ended December 31, 2011. On May 25, 2012, the Filer filed its financial statements and Management Discussion and Analysis for the second quarter ended March 31, 2012. On August 28, 2012, the Filer filed its financial statements and Management Discussion and Analysis for the third quarter ended June 30, 2012.
22. On October 4, 2012, the Filer issued a press release disclosing that the Filer has made an application for a decision that the Filer is not a reporting issuer under applicable securities laws. The press release was filed on SEDAR on October 4, 2012.

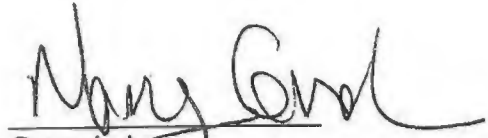
23. The Filer's assets consists primarily of cash.
24. The Filer has ceased exercising commercial activity of any kind and will be dissolved after the Claims Process is complete, all claims are resolved and all assets are distributed. As a result, there is no further need to inform the Filer's shareholders and the public about the business and financial situation of the Filer outside of the requirements of the Final Liquidation Plan.
25. The relief would also alleviate the significant burden and costs associated with being an offering corporation without prejudicing the Filer's shareholders. In fact, such costs would only serve to ultimately diminish the amounts available for distribution to the Filer's shareholders.

AND UPON the Commission being satisfied to do so would not be prejudicial to the public interest;

IT IS HEREBY ORDERED by the Commission pursuant to subsection 1(6) of the OBCA that the Applicant be deemed to have ceased to be offering its securities to the public for the purposes of the OBCA.

Dated at Toronto, this 13<sup>th</sup> day of November, 2012.

  
Commissioner  
Ontario Securities Commission

  
Commissioner  
Ontario Securities Commission

## **Appendix “G”**

**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 December 3, 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 December 3, 2012, the Liquidator executed its Third 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.

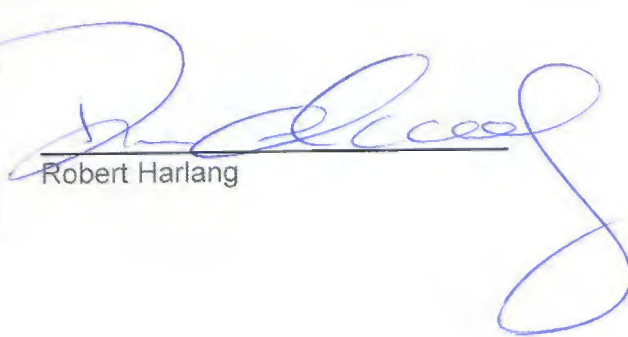
9. I consider the accounts to be fair and reasonable considering the circumstances connected with this administration.



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 December 3, 2012.

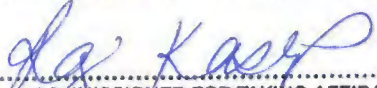
  
A Commissioner, etc.

  
Robert Harlang

**Rajinder Kashyap, a Commissioner, etc.,  
Province of Ontario, for Duff & Phelps Canada  
Restructuring Inc., Trustee in Bankruptcy.  
Expires April 11, 2015.**

## Exhibit "A"

This is Exhibit "A" referred to in the  
affidavit of Robert Harlang  
sworn before me, this 3<sup>rd</sup>  
day of December 2012.

  
A COMMISSIONER FOR TAKING AFFIDAVITS

**Rajinder Kashyap, a Commissioner, etc.,**  
Province of Ontario, for Duff & Phelps Canada  
Restructuring Inc., Trustee in Bankruptcy.  
Expires April 11, 2015.

May 7, 2012

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

Invoice#: TP00105552 - 890  
Client No.: 813783  
Reference: 39192

## INVOICE

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

For professional services rendered as liquidator of the Company for the month ended April 30, 2012, including:

- Corresponding with certain creditors of the Company regarding the Company's claims process ("Claims Process") approved by order of the Ontario Superior Court of Justice ("Court") on February 15, 2012;
- Reviewing and recording claims filed against the Company pursuant to the Claims Process;
- Responding to inquiries from the Company's shareholders regarding the Claims Process;
- Attending a meeting on April 16, 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 and commenting on the Liquidator's press release dated April 17, 2012;
- Preparing and issuing the Liquidator's Second Report to Court dated April 20, 2012;
- Reviewing and commenting on the Liquidator's press release dated April 21, 2012;
- Reviewing and commenting on the Liquidator's Court materials, including a notice of motion and draft Court order;
- Reviewing the Company's trial balance as at March 31, 2012;
- Corresponding with Weiss Asset Management, one of the Company's shareholders, on April 24, 2012;

- Meeting with representatives of Ernst & Young LLP at the Company's offices on April 27, 2012;
- Attending at the Court on April 30, 2012 regarding the Liquidator's motion;
- Reviewing and commenting on the Liquidator's press release dated April 30, 2012;
- Corresponding with Canada Revenue Agency ("CRA") regarding the Claims Process;
- Continuing to consider issues, including withholding taxes, related to distributions to be made to the Company's shareholders;
- Continuing to correspond with the Company regarding the Company's investment in Xceed Mortgage Corporation;
- Responding to inquiries from the Company's shareholders regarding the liquidation proceedings;
- Corresponding with the Company regarding the Company's litigation with Dean Tai;
- Considering issues related to the distribution to me made to Mr. Tai and his holding companies;
- Continuing to review correspondence related to the Company's request to provincial securities regulators for an exemption ("Exemption") of its obligations as a reporting issuer;
- Continuing to review and comment on responses to and from the Ontario Securities Commission regarding the Exemption;
- Reviewing the Company's proposed disbursements;
- Corresponding with representatives of the Company, the Inspectors and Davies regarding the Company's proceedings; and
- To all other meetings and correspondence related to this matter.

Professional fees	\$ 59,602.50
HST	<u>7,748.33</u>
Total	<u>\$ 67,350.83</u>

**Duff & Phelps Canada Restructuring Inc.**  
**Re: Coventree Inc.**  
**Time Summary**  
**For the month ended April 30, 2012**

<b>Personnel</b>	<b>Hours</b>	<b>Rate (\$)</b>	<b>Amount (\$)</b>
Robert Harlang	58.50	650.00	38,025.00
Mitch Vininsky	41.80	500.00	20,900.00
Administrative and other	5.00		677.50
<hr/>			
Total	105.30		59,602.50

Duff & Phelps Canada Restructuring Inc.  
200 King Street West  
Suite 1002, P.O. Box 77  
Toronto, Ontario, M5H 3T4

T +1 416 932 6013  
F +1 647 497 9477

mitch.vininsky@duffandphelps.com  
www.duffandphelps.com

June 7, 2012

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

**Invoice#:** TP00107026  
**Client No.:** 813783  
**Reference:** 39192

## INVOICE

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

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

- Continuing to correspond with certain creditors of the Company regarding the Company's claims process ("Claims Process") approved by order of the Ontario Superior Court of Justice ("Court") on February 15, 2012;
- Reviewing calculations related to the Company's loan receivable from a company owned, directly or indirectly, by Mr. Geoff Cornish;
- Dealing with all matters related to the Company's first interim distribution to its shareholders, including numerous correspondence with Equity Financial Trust Company and representatives of the Company;
- Preparing a notice to the Company's shareholders dated May 4, 2012 regarding the interim distribution;
- Preparing a memorandum summarizing the claims filed against the Company and its former directors and officers pursuant to the Claims Process ("Claims");
- Attending meetings on May 10, 18 and 25, 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;
- Corresponding with Osler, Hoskin & Harcourt LLP regarding certain of the Claims;
- Preparing Notices of Determination of Claim and acknowledgement letters in respect of the Claims;
- Reviewing Mr. Cornish's indemnity and other agreements with the Company;

- Responding to inquiries from the Company's shareholders regarding the Claims Process;
- Reviewing and commenting on the Company's financial statements and management discussion & analysis for the quarter ended March 31, 2012;
- Considering tax-related matters regarding the Company's liquidation;
- Meeting and corresponding with Ernst & Young LLP, the Company's auditors;
- Reviewing the Company's material change report dated May 7, 2012;
- Reviewing the decision of the Court in respect of the Company's motion to assess the accounts of Stockwoods LLP, released May 7, 2012;
- Reviewing the decision of the Court of Appeal for Ontario regarding the proceeding between the Company and Lloyds Syndicate 1221 (Millennium Syndicate), released May 24, 2012;
- Reviewing and commenting on the Company's press release dated May 25, 2012;
- Corresponding with Canada Revenue Agency regarding the Claims Process and issuance of clearance certificates;
- Reviewing the Company's defence to the action commenced by Mr. Dean Tai;
- Corresponding with the Company regarding the Company's litigation with Mr. Tai;
- Continuing to review correspondence related to the Company's request to the Ontario Securities Commission for an exemption of its obligations as a reporting issuer;
- Responding to inquiries from the Company's shareholders regarding the interim distribution and the liquidation proceedings;
- Reviewing certain of the Company's bank statements;
- Reviewing the Company's proposed disbursements;
- Corresponding with representatives of the Company, the Inspectors and Davies regarding the Company's proceedings; and
- To all other meetings and correspondence related to this matter.

Professional fees	\$ 67,475.00
HST	<u>8,771.75</u>
Total	<u>\$ 76,246.75</u>

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

<b>Personnel</b>	<b>Hours</b>	<b>Rate (\$)</b>	<b>Amount (\$)</b>
Robert Harlang	74.00	650.00	48,100.00
Mitch Vininsky	38.50	500.00	19,250.00
Administrative and other	1.25		125.00
<hr/>			
Total	113.75		67,475.00



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July 16, 2012

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

**Invoice#:** TP00109330  
**Client No.:** 813783  
**Reference:** 39192

## INVOICE

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

For professional services rendered as liquidator of the Company for the month ended June 30, 2012, including:

- Continuing to correspond with certain creditors of the Company regarding the Company's claims process ("Claims Process") approved by order of the Ontario Superior Court of Justice ("Court") on February 15, 2012;
- Issuing Notices of Determination of Claim to certain creditors in respect of their claims filed pursuant to the Claims Process ("Claims");
- Reviewing a Court order dated May 7, 2012 in respect of the Company's application to assess the accounts of Stockwoods LLP ("Stockwoods");
- Reviewing correspondence from Stockwoods dated June 6, 2012 regarding the claim for termination pay made by Dean Tai and responding thereto on June 12, 2012;
- Responding to inquiries from the Company's shareholders in connection with the Company's first interim distribution to its shareholders, including correspondence with Weiss Asset Management, Wells Fargo and Canaccord Genuity Corp.;
- Corresponding with the Company and considering matters related to the notice by the Company's Directors' and Officers' insurer to seek leave to the Supreme Court of Canada;
- Corresponding with Canada Revenue Agency regarding the Company's sales tax accounts;
- Corresponding with the inspectors appointed pursuant to the Company's liquidation plan ("Inspectors") and Davies Ward Phillips & Vineberg LLP ("Davies"), the Liquidator's legal counsel;

- Corresponding with Osler, Hoskin & Harcourt LLP regarding certain of the Claims;
- Considering tax-related matters regarding the Company's liquidation;
- Reviewing the Company's proposed disbursements;
- Corresponding with representatives of the Company, the Inspectors and Davies regarding the Company's proceedings; and
- To all other meetings and correspondence related to this matter.

Professional fees	\$ 22,850.00
Disbursements	55.40
HST	<u>2,977.70</u>
Total	<u>\$ 25,883.10</u>

**Duff & Phelps Canada Restructuring Inc.**  
**Re: Coventree Inc.**  
**Time Summary**  
**For the month ended June 30, 2012**

<b>Personnel</b>	<b>Hours</b>	<b>Rate (\$)</b>	<b>Amount (\$)</b>
Robert Harlang	23.00	650.00	14,950.00
Mitch Vininsky	15.30	500.00	7,650.00
Administrative and other	2.50		250.00
<hr/>			
Total	40.80		22,850.00

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

August 3, 2012

**Invoice#: TP0010590**

**Client No.: 813783**

**Reference: 39192**

## INVOICE

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

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

- Continuing to correspond with certain creditors of the Company regarding the Company's claims process ("Claims Process") approved by order of the Ontario Superior Court of Justice on February 15, 2012;
- Issuing Notices of Determination of Claim to certain creditors in respect of their claims filed pursuant to the Claims Process ("Claims");
- Responding to inquiries from the Company's shareholders in connection with the Company's first interim distribution to its shareholders and potential further distributions;
- Corresponding with Canada Revenue Agency regarding the Company's sales tax accounts and audits related thereto;
- Corresponding with the inspectors appointed pursuant to the Company's liquidation plan and Davies Ward Phillips & Vineberg LLP, the Liquidator's legal counsel;
- Corresponding with Osler, Hoskin & Harcourt LLP regarding one of the Claims;
- Considering a request by a shareholder for a share transfer;
- Reviewing the Company's proposed disbursements; and

- To all other meetings and correspondence related to this matter.

Professional fees	\$ 12,175.00
Disbursements	4.95
HST	<u>1,583.39</u>
Total	<u>\$ 13,763.34</u>

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

<b>Personnel</b>	<b>Hours</b>	<b>Rate (\$)</b>	<b>Amount (\$)</b>
Robert Harlang	14.50	650.00	9,425.00
Mitch Vininsky	5.40	500.00	2,700.00
Administrative and other	.50		50.00
<hr/>			
Total	20.40		12,175.00

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

September 6, 2012

**Invoice#: TP00112045**

Client No.: 813783

Reference: 39192

## INVOICE

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

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

- Preparing and issuing a Notice of Determination of Claim to Alkyon Corporation and Alkyon Holdings Corporation ("Alkyon") in respect of its claim filed pursuant to the Company's claims process ("Claims Process") approved by order of the Ontario Superior Court of Justice on February 15, 2012;
- Corresponding with Osler, Hoskin & Harcourt LLP regarding the Alkyon claim;
- Summarizing the status of the claims filed pursuant to the Claims Process;
- Continuing to respond to inquiries from the Company's shareholders in connection with the Company's first interim distribution to its shareholders and potential further distributions;
- Continuing to correspond with Canada Revenue Agency regarding the Company's sales tax accounts and audits related thereto;
- Corresponding with Goodmans LLP regarding an assignment of a trademark registered to a subsidiary of the Company;
- Corresponding with the inspectors appointed pursuant to the Company's liquidation plan ("Inspectors") and Davies Ward Phillips & Vineberg LLP, the Liquidator's legal counsel;
- Reviewing and commenting on the Company's draft financial statements for the second quarter ended June 30, 2012 along with other materials prepared by the Company for a meeting with the Inspectors on August 28, 2012;
- Attending the Inspectors meeting on August 28, 2012;

- Reviewing the Company's proposed disbursements;
- Posting materials on the Liquidator's website; and
- To all other meetings and correspondence related to this matter.

Professional fees	\$ 23,100.00
HST	<u>3,003.00</u>
Total	<u>\$ 26,103.00</u>



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

<b>Personnel</b>	<b>Hours</b>	<b>Rate (\$)</b>	<b>Amount (\$)</b>
Robert Harlang	28.50	650.00	18,525.00
Mitch Vininsky	9.00	500.00	4,500.00
Administrative and other	.75		75.00
<hr/>			
Total	38.25		23,100.00

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

October 4, 2012

**Invoice#: TP00113609**

Client No.: 813783

Reference: 39192

## INVOICE

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

For professional services rendered as liquidator of the Company for the month ended September 30, 2012, including:

- Reviewing an objection from Alkyon Corporation and Alkyon Holdings Corporation ("Objection") dated September 6, 2012 to the Notice of Determination of Claim issued by the Liquidator;
- Discussing the Objection with the Company, Osler, Hoskin & Harcourt LLP, Davies Ward Phillips & Vineberg LLP ("Davies"), both counsel to the Liquidator, and the inspectors appointed pursuant to the Company's liquidation plan ("Inspectors");
- Reviewing and commenting on a response to the Objection;
- Considering the requirement to call an annual meeting of the Company's shareholders and corresponding with the Inspectors in that regard;
- Corresponding with representatives of the Company regarding the costs of Geoff Cornish's appeal of the orders made by Ontario Securities Commission ("OSC");
- Corresponding with a prospective purchaser of one of the Company's trade names;
- Continuing to review correspondence between Davies and the OSC regarding the Company's application to cease being a reporting issuer;
- Continuing to respond to inquiries from the Company's shareholders in connection with the Company's first interim distribution to its shareholders and potential further distributions;

- Reviewing the Company's proposed disbursements;
- Posting materials on the Liquidator's website; and
- To all other meetings and correspondence related to this matter.

Professional fees	\$ 16,100.00
HST	<u>2,093.00</u>
Total	<u>\$ 18,193.00</u>

**Duff & Phelps Canada Restructuring Inc.**  
**Re: Coventree Inc.**  
**Time Summary**  
**For the month ended September 30, 2012**

<b>Personnel</b>	<b>Hours</b>	<b>Rate (\$)</b>	<b>Amount (\$)</b>
Robert Harlang	18.00	650.00	11,700.00
Mitch Vininsky	8.80	500.00	4,400.00
Total	26.80		16,100.00

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

November 6, 2012

**Invoice#:** TP00116091  
**Client No.:** 813783  
**Reference:** 39192

## INVOICE

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

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

- Preparing a report to Court with respect to the Notice of Objection from Alkyon Corporation and Alkyon Holdings Corporation ("Alkyon") dated September 6, 2012 ("Objection") to the Notice of Determination of Claim issued by the Liquidator;
- Discussing issues related to the Objection with Osler, Hoskin & Harcourt LLP and Davies Ward Phillips & Vineberg LLP ("Davies"), both counsel to the Liquidator;
- Reviewing correspondence dated October 12, 2012 from counsel representing Alkyon related to withdrawal of the Objection;
- Responding on October 15, 2012 to Alkyon;
- Continuing to discuss and review correspondence between Davies and the Ontario Securities Commission regarding the Company's application to cease being a reporting issuer ("Application");
- Corresponding with the Company and the inspectors appointed pursuant to the Company's liquidation plan ("Inspectors") regarding the Application and reporting matters if the Application is granted;
- Continuing to respond to inquiries from the Company's shareholders in connection with the Company's first interim distribution to its shareholders, potential further distributions and press releases issued by the Company;

- Reviewing the Company's proposed disbursements;
- Reviewing notices received by the Company from Canada Revenue Agency, including assessments related to the Company's sales tax accounts;
- Reviewing correspondence regarding the Company's settlement with its directors' and officers' insurer;
- Reviewing the Company's bank balances; and
- To all other meetings and correspondence related to this matter.

Professional fees	\$ 24,575.00
HST	<u>3,194.75</u>
Total	<u>\$ 27,769.75</u>

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

<b>Personnel</b>	<b>Hours</b>	<b>Rate (\$)</b>	<b>Amount (\$)</b>
Robert Harlang	26.50	650.00	17,225.00
Mitch Vininsky	14.60	500.00	7,300.00
Administration	.50	100.00	50.00
<hr/>			
<b>Total</b>	<b>26.80</b>		<b>24,575.00</b>

## Exhibit "B"

This is Exhibit "B" referred to in the  
affidavit of Robert Harlang  
sworn before me, this 3<sup>rd</sup>  
day of December 2012  
Raj Kashyap  
A COMMISSIONER FOR TAKING AFFIDAVITS

Rajinder Kashyap, a Commissioner, etc.,  
Province of Ontario, for Duff & Phelps Canada  
Restructuring Inc., Trustee in Bankruptcy.  
Expires April 11, 2015.



**Coventree Inc.****Schedule of Professionals' Time and Rates**For the Period of April 1, 2012 to October 31, 2012

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<u>Name</u>	<u>Role</u>	<u>Billing Rate</u> <u>(Per Hour)</u>
Robert Harlang	File management	\$ 650
Mitch Vininsky	All aspects of mandate	\$ 500
Other staff and administrative		\$ 117
Total hours		387
Total fees		\$ 225,878
Average hourly rate		\$ 584

## **Appendix “H”**

**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 December 3, 2012)

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

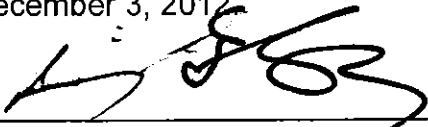
**MAKE OATH AND SAY:**

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 April 1, 2012 to October 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 December 3, 2012

  
Commissioner for taking affidavits

  
Robin B. Schwill

This is Exhibit "A"  
referred to in the Affidavit of  
Robin B. Schwill  
sworn before me  
this 3rd day of December, 2012

  
\_\_\_\_\_  
Commissioner for Taking Affidavits

**Exhibit "A"****Billing Summary**

<b>Invoice Date</b>	<b>Docket Entry Periods</b>	<b>Fees</b>	<b>Disbursements</b>	<b>HST</b>	<b>Total</b>
May 7, 2012 (US Account)	March 1, 2012 to April 12, 2012	US\$7,939.00	US\$4.35	--	US\$7,943.35
May 8, 2012	April 1, 2012 to April 30, 2012	\$38,565.00	\$351.65	\$5,042.65	\$43,959.30
June 11, 2012	February 29, 2012 to June 6, 2012	\$39,746.50	\$1,054.69	\$5,304.15	\$46,105.34
July 11, 2012	June 5, 2012 to June 29, 2012	\$17,736.50	\$343.01	\$2,350.34	\$20,429.85
September 13, 2012	July 23, 2012 to September 6, 2012	\$10,266.00	\$22.15	\$1,337.46	\$11,625.61
October 15, 2012	September 5, 2012 to September 28, 2012	\$10,518.50	\$3.60	\$1,367.87	\$11,889.97
November 12, 2012	October 1, 2012 to October 29, 2012	\$15,228.00	\$205.62	\$2,006.37	\$17,439.99
<b>TOTALS*</b>		<b>\$139,999.50</b>	<b>\$1,985.07</b>	<b>\$17,408.84</b>	<b>\$159,393.41</b>

\* Blended U.S. dollar and Canadian dollar amounts without converting.

This is Exhibit "B"  
referred to in the Affidavit of  
Robin B. Schwill  
sworn before me  
this 3rd day of December, 2012

  
\_\_\_\_\_  
Commissioner for Taking Affidavits

## Exhibit "B"

### Aggregate Blended Rate Summary

Individual	Title	Hourly Rate	Total Hours
R. Schwill	Partner (Restructuring)	\$825.00	102.9
R. Juneja	Partner (Tax)	\$675.00	22.3
J. Grossklaus	Partner (Securities)	\$630.00	18.1
N. Armstrong	Partner (Tax)	\$825.00	8.4
G. Shepherd	Partner (US Securities)	US\$795.00	6.2
S. Ruby	Partner (Tax)	\$925.00	0.8
M. Disney	Partner (Research)	\$800.00	0.5
M. Gilbert	Partner (Securities)	\$725.00	0.1
D. Ricci	Partner (Litigation)	\$525.00	3.6
W. Brock	Partner (Litigation)	\$800.00	1.6
S. Campbell	Partner (Litigation)	\$560.00	0.6
I. Park	Associate (US Securities)	US\$350.00	8.6
J. Harnett	Associate	\$400.00	5.5
M. Himel	Associate	\$400.00	5.2
A. Atin	Summer Law Student	\$250.00	6.4
D. Milivojevic	Articling Student	\$250.00	3.2
P. Hartford	Summer Law Student	\$250.00	1.7
L. Hughes	Clerk	\$340.00	1.4
R. Principe	Clerk	\$300.00	0.7
W. Gray	Clerk	\$190.00	0.4
Total			<u>198.2</u>

Total Fees from Exhibit "A" = \$139,999.50\*

Total Hours = 198.2

Average Blended Hourly Rate (rounded to nearest dollar) = \$706.00\*

\* Blended U.S. dollar and Canadian dollar amount without converting.



This is Exhibit "C"  
referred to in the Affidavit of  
Robin B. Schwill  
sworn before me  
this 3rd day of December, 2012

  
\_\_\_\_\_  
Commissioner for Taking Affidavits

May 7, 2012

Invoice Number: 475190

Duff Phelps Canada Restructuring Inc.  
c/o Davies Ward Phillips & Toronto LLP  
1 First Canadian Place 44th Floor  
Toronto, Ontario M5X 1B1  
Attn: Robin B. Schwill

**Re:** *DUFF PHELPS CANADA RESTRUCTURING INC. / LIQUIDATOR OF  
COVENTREE INC. (TO: 123525/239120)*  
**Our File:** *123584-239304*

**FOR LEGAL SERVICES RENDERED** through April 30, 2012 for the above-mentioned client:

<b>PROFESSIONAL FEES</b>	<b>U.S. \$</b>	<b>7,939.00</b>
<b>DISBURSEMENTS</b>		<b>4.35</b>
<b>TOTAL AMOUNT DUE</b>	<b>U.S. \$</b>	<b>7,943.35</b>

PER 

INVOICES ARE DUE UPON RECEIPT. INTEREST WILL BE CHARGED ON ALL AMOUNTS OWING OVER 30 DAYS  
THE INTEREST RATE IS SET AT 18% PER YEAR

EXPENSES AND DISBURSEMENTS, IF ANY, RECORDED AFTER DATE OF THIS STATEMENT WILL APPEAR ON A SUBSEQUENT STATEMENT

PLEASE SEND PAYMENT TO THE ATTENTION OF THE ACCOUNTS RECEIVABLE DEPARTMENT

**Re:** *LIQUIDATOR OF COVENTREE INC. (TO: 123525/239120)*  
**Our File:** *123584-239304*

**PROFESSIONAL FEES**

March 1, 2012	GDS	Telephone conference with R. Schwill; research.
March 1, 2012	IP	Researched possible Securities Act registration requirement for distribution of shares in connection with liquidation.
March 2, 2012	GDS	Research; conference with I. Park regarding distribution questions; voice mail for R. Schwill; email correspondence.
March 2, 2012	IP	Researched possible Securities Act registration requirement for distribution of shares in connection with liquidation.
April 5, 2012	GDS	Review correspondence; conference with I. Park.
April 11, 2012	IP	Performed research for, and drafted, memorandum regarding U.S. securities law registration requirements.
April 12, 2012	GDS	Drafted memo; email correspondence.
April 12, 2012	IP	Drafted memorandum regarding U.S. securities law registration requirements.

**TOTAL** \$ 7,939.00

**DISBURSEMENTS**

	Photocopy - Internal	\$1.50	
	Lasercopy	\$2.85	
<b>TOTAL</b>		\$	<b>4.35</b>

DAVIES WARD PHILLIPS & VINEBERG LLP  
BILLING STATEMENT FOR NEW YORK MATTER - 123584 / 239304  
DUFF & PHELPS CANADA RESTRUCTURING INC. - LIQUIDATOR OF COVENTREE INC.

PAGE 1

DATE	TIMEKEEPER	HOURS	DESCRIPTION
March 1, 2012	Gerald D. Shepherd	.50	Telephone conference with R. Schwill; research.
March 1, 2012	Inie Park	.50	Researched possible Securities Act registration requirement for distribution of shares in connection with liquidation.
March 2, 2012	Gerald D. Shepherd	1.20	Research; conference with I. Park regarding distribution questions; voice mail for R. Schwill; email correspondence.
March 2, 2012	Inie Park	2.90	Researched possible Securities Act registration requirement for distribution of shares in connection with liquidation.
April 5, 2012	Gerald D. Shepherd	.50	Review correspondence; conference with I. Park.
April 11, 2012	Inie Park	4.00	Performed research for, and drafted, memorandum regarding U.S. securities law registration requirements.
April 12, 2012	Gerald D. Shepherd	4.00	Drafted memo; email correspondence.
April 12, 2012	Inie Park	1.20	Drafted memorandum regarding U.S. securities law registration requirements.

May 8, 2012

File No. 239120

Duff & Phelps Canada Restructuring Inc.  
200 King Street West  
Suite 1000  
Toronto, ON M5H 3T4Attention: Robert Harlang  
Managing DirectorLiquidator of Coventree Inc.  
Period: April 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 \$38,565.00

## DISBURSEMENTS

Filing Fees – Exempt from GST/HST	\$127.00	*
Mailroom Deliveries	16.00	
Scancopy	23.85	
Binding & Stationery – In House	11.40	
Reproduction Charges	173.40	
	<hr/>	
	\$351.65	

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351.65

SUBTOTAL \$38,916.65

HST 5,042.65

TOTAL \$43,959.30

\* denotes tax exempt item  
Tor#: 2836006.1

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).

DAVIES WARD PHILLIPS & VINEBERG LLP  
BILLING STATEMENT FOR 123525 / 239120  
DUFF & PHELPS CANADA RESTRUCTURING INC. - LIQUIDATOR OF COVENTREE INC.

DATE	TIMEKEEPER	HOURS	DESCRIPTION
April 1, 2012	RAJ JUNEJA	0.5	Review and comment on draft memorandum;
April 3, 2012	RAJ JUNEJA	2.6	Draft memorandum on withholding considerations; conference with R. Schwil;
April 3, 2012	ROBIN B. SCHWILL	3.5	Drafting Motion Record, Notice of Motion and Order for Interim Distribution motion; Telephone call with Geoff Cornish regarding tax matters; discussion with Raj Juneja regarding same; discussion with Gerald Sheppard regarding U.S. securities registration exemption;
April 4, 2012	RAJ JUNEJA	0.8	Draft memorandum on withholding obligations;
April 4, 2012	ROBIN B. SCHWILL	0.4	Discussion with Gerald Sheppard regarding U.S. securities law issues; e-mail exchanges with D&P regarding withholding tax issues;
April 5, 2012	RAJ JUNEJA	1.9	Meeting with J. Cornish; conference with R. Schwil;
April 5, 2012	ROBIN B. SCHWILL	0.2	E-mail exchanges regarding Xceed Share issues;
April 10, 2012	ROBIN B. SCHWILL	1.3	Drafting revisions to Notice of Motion and Order for Interim Distribution motion; Telephone call with Geoff Cornish regarding same;
April 12, 2012	ROBIN B. SCHWILL	1.5	Telephone call with Mitch Vininsky and Robert Harlang regarding Tai claims; reviewing same; reviewing and commenting on draft memo regarding U.S. securities law issues on distribution of Xceed shares;
April 13, 2012	ROBIN B. SCHWILL	6.3	Telephone calls with Geoff Cornish regarding distribution and related matters; e-mail exchanges with Duff & Phelps regarding same; Telephone call with Mitch Vininsky regarding same; reviewing and drafting revisions to draft Second Report;
April 16, 2012	ROBIN B. SCHWILL	4.7	Attending Inspectors Meeting; drafting revisions to press release; Telephone call with Mitch Vininsky regarding distribution issues; reviewing and commenting on draft Second Report;
April 17, 2012	ROBIN B. SCHWILL	3.3	Drafting revisions to Motion Record, Service List, Notice of Motion and Interim Distribution Order; reviewing final form of press release; drafting fee affidavit; Telephone call with Mitch Vininsky regarding outstanding distribution issues; Telephone call with counsel to Mr. Tai regarding interim distribution; Telephone call with counsel to Ms Vell regarding interim distribution;
April 18, 2012	ROBIN B. SCHWILL	3.6	Reviewing and commenting to revisions to draft Second Report; Notice of Motion and Interim Distribution Order; e-mail exchanges with counsel to Mr. Tai and Ms Vell regarding payment of money and shares into trust; Telephone call with Mitch Vininsky regarding same;
April 19, 2012	RAJ JUNEJA	0.3	Conferences with R. Schwil; review email from R. Schwil;

DAVIES WARD PHILLIPS & VINEBERG LLP  
 BILLING STATEMENT FOR 123525 / 239120  
 DUFF & PHELPS CANADA RESTRUCTURING INC. - LIQUIDATOR OF COVENTREE INC.

DATE	TIMEKEEPER	HOURS	DESCRIPTION
April 19, 2012	ROBIN B. SCHWILL	5.0	Engaged in receiving comments on and revising drafts of Second Report, Motion Record, Notice of Motion and Interim Distribution Order; drafting revisions to interim distribution press release; multiple e-mail exchanges regarding same;
April 20, 2012	ROBIN B. SCHWILL	2.9	Reviewing and revising press release; Telephone call with Robert Harlang regarding same; drafting Affidavit of Service; finalizing Motion Record and serving same; coordinating filing of materials with Court;
April 24, 2012	ROBIN B. SCHWILL	1.0	Telephone call with D&P regarding distribution mechanic to Geoff Cornish; multiple e-mail exchanges regarding revised draft order language for distributions to Dean Tai;
April 25, 2012	ROBIN B. SCHWILL	0.1	E-mail exchanges regarding repayment of Cornish Loan;
April 26, 2012	RAJ JUNEJA	0.2	Review message from G. Cornish; email from and to G. Cornish;
April 26, 2012	ROBIN B. SCHWILL	3.3	Preparing oral submissions for interim distribution motion; reading and replying to various e-mail; amending draft Interim Distribution Order;
April 27, 2012	RAJ JUNEJA	0.6	Review and comment on letter by G. Cornish;
April 27, 2012	ROBIN B. SCHWILL	0.8	Reviewing and commenting on draft press release; revising interim distribution order; e-mail exchanges regarding court motion for interim distribution.
April 30, 2012	ROBIN B. SCHWILL	3.2	Preparing for and attending at court on interim distribution motion; attending on conference call regarding reporting issuer application; reviewing final form of press release; e-mail exchanges regarding interim distribution order and related distribution issues;

June 11, 2012

File No. 239120

Duff & Phelps Canada Restructuring Inc.  
200 King Street West  
Suite 1000  
Toronto, ON M5H 3T4Attention: Mr. Robert Harlang  
Managing Director**Liquidator of Coventree Inc. Period:  
April 2012 to June 6, 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 \$39,746.50

## DISBURSEMENTS

Courier & Taxi	0.09
File Storage/Retrieval	135.20
Scancopy	5.30
Searches/Reports	750.00
Process Servers	55.00
Telephone Calls	5.60
Reproduction Charges	103.50

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\$1,054.69

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1,054.69

SUBTOTAL \$40,801.19

HST 5,304.15

TOTAL \$46,105.34

Tor#: 2848865.1

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).



DAVIES WARD PHILLIPS & VINEBERG LLP  
BILLING STATEMENT FOR 123525 / 239120  
DUFF & PHELPS CANADA RESTRUCTURING INC. - LIQUIDATOR OF COVENTREE INC.

PAGE 1

DATE	TIMEKEEPER	HOURS	DESCRIPTION
February 29, 2012	WILLIAM BROCK	1.6	Reviewing documents and meeting with W. Voortheis.
April 1, 2012	JOSHUA L. HARNETT	4.1	Drafted tax memo re in-kind distribution of Xceed shares; email to Raj Juneja attaching draft memo; email from Raj Juneja with comments on memo.
April 2, 2012	JOSHUA L. HARNETT	1.4	Made revisions to in-kind distribution memo to reflect comments from Raj Juneja.
April 3, 2012	MATTHEW HIMEL	0.2	Follow up with OSC and update to G. Cornish.
April 4, 2012	JENNIFER GROSSKLAUS	0.5	Telephone conversation with Matt Himel re: OSC application, telephone conversation with Geoff Cornish re: same.
April 4, 2012	MATTHEW HIMEL	0.7	Phone call with OSC and J. Grossklaus; phone call with G. Cornish.
April 13, 2012	JENNIFER GROSSKLAUS	0.5	E-mails and telephone conversations re: press release regarding claims process.
April 18, 2012	JENNIFER GROSSKLAUS	0.5	Review press release re: interim distribution and telephone conversation with Robin Schwill re: same.
April 20, 2012	JENNIFER GROSSKLAUS	0.2	Review revised press release re: initial distribution.
April 27, 2012	JENNIFER GROSSKLAUS	0.5	Telephone conversation with Matt Himel re: OSC questions on application and email to Geoff re: same.
April 27, 2012	MATTHEW HIMEL	0.4	Phone call with OSC re: Coventree application; correspondence with J. Grossklaus.
April 30, 2012	JENNIFER GROSSKLAUS	0.9	Telephone conversation with Coventree and Duff & Phelps re: OSC questions on reporting issuer application, revise responses to same.
April 30, 2012	MATTHEW HIMEL	0.5	Phone call with G. Cornish and J. Grossklaus; follow up with OSC.
May 1, 2012	JENNIFER GROSSKLAUS	0.2	E-mails re: response to OSC.
May 1, 2012	RAJ JUNEJA	1.9	Review email from G. Cornish; respond to Equity's questions; email to G. Cornish regarding eligible dividends; review and comment on letter to shareholders.
May 1, 2012	ROBIN B. SCHWILL	1.5	Reviewing and commenting on draft distribution letter to shareholders; Telephone call with Geoff Cornish regarding distribution to Tai through CDS; Telephone call with Geoff Hall regarding same; reviewing e-mails regarding withholding taxes and eligible dividend notifications.
May 2, 2012	JENNIFER GROSSKLAUS	0.5	Revise response to OSC and emails re: same.
May 2, 2012	RAJ JUNEJA	0.4	Conference with R. Schwill; review NR301 received from G. Cornish.
May 2, 2012	ROBIN B. SCHWILL	1.8	Voicemail exchanges with Geoff Hall; Telephone call with Geoff Cornish regarding same and as to eligible dividend issues; discussion with Raj Juneja regarding eligible dividend issues; Telephone call with D&P regarding same; reviewing and commenting on draft letters to shareholders.
May 3, 2012	RAJ JUNEJA	0.2	Conference with G. Cornish.

DATE	TIMEKEEPER	HOURS	DESCRIPTION
May 3, 2012	ROBIN B. SCHWILL	0.9	Engaged regarding various interim distribution matters; reading and replying to several e-mails regarding same.
May 3, 2012	MATTHEW HIMEL	1.1	Preparation of materials submitted to the OSC for Jennifer Grossklaus.
May 4, 2012	NEAL H. ARMSTRONG	0.6	Telephone conversation with Geoff Cornish re HST questions.
May 4, 2012	JENNIFER GROSSKLAUS	0.9	Conference call with OSC re: reporting issuer application.
May 4, 2012	ROBIN B. SCHWILL	1.9	Telephone call with Robert Harlang regarding claims process matters; attending on conference call with OSC regarding reporting issuer matter; conference call with Geoff Cornish regarding same.
May 4, 2012	MATTHEW HIMEL	2.3	Phone call with OSC re: exemptive relief application; phone call with G. Cornish; discussion with J. Grossklaus and R. Schwill.
May 6, 2012	NEAL H. ARMSTRONG	0.8	Review tax filing history.
May 7, 2012	NEAL H. ARMSTRONG	3.3	Review Coventree history and meet with Geoff Cornish and Ani Hotoyan-Joly to review.
May 7, 2012	ROBIN B. SCHWILL	0.3	Reading and replying to various e-mails regarding interim distribution issues and material change report.
May 8, 2012	ROBIN B. SCHWILL	0.4	Reviewing and commenting on claims determination memo.
May 9, 2012	ROBIN B. SCHWILL	0.7	Reviewing material for upcoming Inspectors' Meeting.
May 10, 2012	ROBIN B. SCHWILL	1.8	Attending Inspectors' Meeting; discussions with Mitch Vininsky regarding claims notices.
May 11, 2012	ROBIN B. SCHWILL	0.1	Reading and replying to various e-mails regarding claims.
May 14, 2012	JENNIFER GROSSKLAUS	0.2	Review email from OSC with additional questions.
May 15, 2012	JENNIFER GROSSKLAUS	0.2	Review emails re: OSC questions.
May 16, 2012	JENNIFER GROSSKLAUS	0.2	Emails re: OSC questions and response.
May 16, 2012	ROBIN B. SCHWILL	0.7	Reviewing and commenting on various Notice of Determination of Claim letters.
May 18, 2012	NEAL H. ARMSTRONG	0.5	Telephone call with Geoff Cornish.
May 21, 2012	NEAL H. ARMSTRONG	0.6	Review disclosure considerations.
May 22, 2012	NEAL H. ARMSTRONG	2.5	Review and revise analysis of Geoff Cornish; telephone call advising Geoff Cornish.
May 22, 2012	JENNIFER GROSSKLAUS	1.1	Discussion with Neal Armstrong re: GST/HST tax credits. Discuss with Vincent Mercier. Call with Coventree and Duff & Phelps.
May 22, 2012	RAJ JUNEJA	0.5	Review and consider email from N. Armstrong; conference with N. Armstrong.

DAVIES WARD PHILLIPS & VINEBERG LLP  
BILLING STATEMENT FOR 123525 / 239120  
DUFF & PHELPS CANADA RESTRUCTURING INC. - LIQUIDATOR OF COVENTREE INC.

DATE	TIMEKEEPER	HOURS	DESCRIPTION
May 22, 2012	ROBIN B. SCHWILL	0.8	Discussions with Mitch Vininsky regarding Notice of Determination of Claims; reviewing e-mail from Geoff Cornish regarding same.
May 23, 2012	NEAL H. ARMSTRONG	0.1	Review Geoff Cornish e-mail.
May 23, 2012	JENNIFER GROSSKLAUS	1.9	Review and comment on financial statements and MD&A for Q2.
May 24, 2012	JENNIFER GROSSKLAUS	1.5	Various emails and telephone conversations re: MD&SA and financials.
May 24, 2012	ROBIN B. SCHWILL	2.6	Reviewing and commenting on draft quarterly financial statements and related materials, press releases, etc.; discussions with Jennifer Grossklaus regarding same.
May 25, 2012	ROBIN B. SCHWILL	2.0	Attending at inspectors meeting; discussions with Mitch Vininsky regarding Notices of Determination of Claims.
May 26, 2012	ROBIN B. SCHWILL	2.5	Reviewing quarterly financial statements, related press release and financial summary and final form of MD&A; reviewing Tai statement of defence; reviewing Court of Appeal decision on D&O insurance policy matter.
May 28, 2012	ROBIN B. SCHWILL	2.0	Reviewing and commenting on draft Notices of Determination of Claims; Telephone call with Mitch Vininsky regarding same.
May 29, 2012	MICHAEL A. DISNEY	0.5	Discussion with Robin Schwill regarding interpretation of cap on indemnity, review indemnity agreement and email regarding issue.
May 29, 2012	ROBIN B. SCHWILL	2.1	Discussions with Michael Disney regarding indemnity agreement cap; discussions with Mitch Vininsky regarding same; reviewing indemnity agreement pertaining to same; reviewing revised claim notice letter to OSC and Dean Tai.
June 6, 2012	PATRICK HARTFORD	1.7	Researched the Ontario Solicitor's Act & provisions regarding the assessment of costs.

July 11, 2012

File No. 239120

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

Attention: Mr. Robert Harlang

**Liquidator of Coventree Inc.**  
**Period: June 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 \$17,736.50

## DISBURSEMENTS

Cyberbahn (Searches)	80.00
Mailroom Deliveries	8.00
File Storage/Retrieval	4.44
Postage	19.08
Scancopy	1.35
Searches/Reports	90.00
Searches – Library	119.88
Telephone Calls	9.51
Reproduction Charges	10.75

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\$343.01

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343.01

SUBTOTAL \$18,079.51

HST 2,350.34

TOTAL \$20,429.85

Tor#: 2860685.1

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)

DAVIES WARD PHILLIPS VINEBERG LLP  
BILLING STATEMENT FOR 123525 / 239120  
DUFF & PHELPS CANADA RESTRUCTURING INC. - LIQUIDATOR OF COVENTREE INC.

DATE	TIMEKEEPER	HOURS	DESCRIPTION
June 5, 2012	ROBIN B. SCHWILL	2.1	Reviewing e-mails from Geoff Cornish regarding comments on various claims notice letters; e-mails with Mitch Vininsky regarding same; reviewing Stockwoods assessment order; reviewing and commenting on Notice of Determination regarding Stockwoods claim; e-mail exchanges with Lisa Hughes regarding discharge of Personal Property Security Act registrations against Cornish's holdco;
June 6, 2012	SEAN CAMPBELL	0.6	Research into cost awards of a hearing on the assessment of a lawyer's account.
June 6, 2012	ROBIN B. SCHWILL	2.2	Discussions with Mitch Vininsky regarding draft notice of determination of claim letters; reviewing and commenting on same; conference call with Geoff Cornish and Mitch Vininsky regarding HST on indemnity claim and D&O insurance coverage availability for OSC penalty assessments; discussion with Sean Campbell regarding cost awards on cost assessment motions; related e-mail exchanges with Mitch Vininsky regarding same;
June 6, 2012	LISA HUGHES	0.5	Instructions received and order search to confirm registration particulars. Review search received and advise of status. Further instructions received and searches ordered. Confirm particulars of registration in question and review draft discharge prepared. Forward draft for review and request further instructions regarding additional registration disclosed.
June 7, 2012	JENNIFER GROSSKLAUS	0.4	Emails re: Notice of Change with Ontario government.
June 7, 2012	ROBIN B. SCHWILL	0.2	Reviewing e-mails regarding corporate filings, resignation of directors, etc.
June 7, 2012	ROSANNA PRINCIPE	0.5	E-mail request from J. Grossklaus for corporate profile report for Coventree Inc. re: requirement by Ontario Government to file notice of change; obtaining same and forwarding by e-mail; subsequent e-mail from J. Grossklaus re: filing of Ontario notice of change (Form 1); completing draft notice, review and forwarding to J. Grossklaus for review and authorization; note re: compliance with election of directors.
June 8, 2012	JENNIFER GROSSKLAUS	0.2	Review filed Notice of Change, telephone conversation with Rosanna Principe re: same.
June 8, 2012	ROBIN B. SCHWILL	0.3	E-mail exchanges with Mitch Vininsky regarding claims notice letter; drafting revisions to reply letter to Stockwoods LLP.
June 8, 2012	ROSANNA PRINCIPE	0.2	E-mail instructions from J. Grossklaus re: filing of Notice of Change for Coventree Inc.; updating officer appointment date and arranging for electronic filing; receipt of duplicate and forwarding same to J. Grossklaus by e-mail.
June 11, 2012	ROBIN B. SCHWILL	0.4	Drafting revisions to reply letter to Stockwoods regarding Notice of Determination of Claim; e-mail exchanges with Mitch Vininsky regarding same;
June 12, 2012	ROBIN B. SCHWILL	0.7	Reviewing Personal Property Security Act search results and draft discharge and amendment registrations; drafting e-mail regarding same to Mitch Vininsky; reviewing Stockwoods reply letter;
June 12, 2012	LISA HUGHES	0.3	Instructions received. Review draft amending registration and forward for review and approval, together with a pdf copy of the searches against the two number amalgamating companies, as requested.
June 14, 2012	STEPHEN S. RUBY	0.8	Meeting with Raj Juneja to discuss adventure in nature of trade write-down.
June 14, 2012	RAJ JUNEJA	2.5	Re: CRA matter - review correspondence; review agreements; research case law; conference with S. Ruby;

DATE	TIMEKEEPER	HOURS	DESCRIPTION
June 14, 2012	ROBIN B. SCHWILL	0.5	Attending to Personal Property Security Act discharges and related matters in connection with Cornish loan; reviewing Notice of Claim Determination letters;
June 14, 2012	LISA HUGHES	0.3	Instructions received and discharge registration filed as requested. Revise draft amending registration as instructed and forward for review and approval as required.
June 15, 2012	RAJ JUNEJA	1.5	Re: CRA matter - review previous correspondence; conference with A. Atin; research tax issues;
June 15, 2012	ROBIN B. SCHWILL	0.2	Engaged regarding Personal Property Security Act registration matters and related reporting e-mails.
June 15, 2012	LISA HUGHES	0.3	Instructions received. File amending registration as requested and forward an electronic copy of the verification statement as required.
June 15, 2012	AARON ATIN	0.4	Research on capital vs. income characterization;
June 17, 2012	AARON ATIN	5.0	Research on whether assets normally considered inventory can be characterized as capital property in a context where their purchase is a precondition for the acquisition of other capital assets needed to run a business;
June 18, 2012	JENNIFER GROSSKLAUS	0.3	Emails re: insurance decision and review press release re: same.
June 18, 2012	AARON ATIN	0.3	Memo revisions on research re capital vs inventor of certain assets;
June 19, 2012	RAJ JUNEJA	1.9	Meeting with A. Atin; research case law; meeting with G. Cornish;
June 19, 2012	ROBIN B. SCHWILL	0.2	Reviewing press release and related e-mails regarding Navigator's appeal to S.C.C.
June 19, 2012	AARON ATIN	0.7	Revising memo; presenting material;
June 22, 2012	RAJ JUNEJA	0.8	Conference call with Ernst & Young; emails from and to G. Cornish;
June 25, 2012	RAJ JUNEJA	2.8	Draft memorandum on tax issue; email memorandum to G. Cornish;
June 25, 2012	ROBIN B. SCHWILL	1.1	Telephone call with Geoff Cornish regarding D&O and HST issues; Telephone call with Mitch Vininsky regarding same;
June 26, 2012	RAJ JUNEJA	0.2	Review email from G. Cornish;
June 26, 2012	ROBIN B. SCHWILL	0.3	Telephone call with Mitch Vininsky regarding HST and D&O claim issues;
June 28, 2012	ROBIN B. SCHWILL	0.1	Reviewing memo on TABs Securities tax issue;
June 29, 2012	ROBIN B. SCHWILL	0.5	E-mail exchanges with Wes Voorheis regarding Cornish indemnity agreement; Telephone call with Mitch Vininsky regarding same; reviewing Notice of Determination reporting memo;

September 13, 2012

File No. 239120

Duff & Phelps Canada Restructuring Inc.  
Bay Adelaide Centre  
333 Bay Street, 14th Floor  
Toronto, ON M5H 2R2

Attention: Mr. Robert Harlang

**Liquidator of Coventree Inc.**  
**Period: July 23, 2012 to September 6, 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	\$10,266.00
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DISBURSEMENTS

File Storage/Retrieval	4.55
Telephone Calls	6.05
Reproduction Charges	11.55
	\$22.15

22.15

SUBTOTAL	\$10,288.15
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HST	1,337.46
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TOTAL	\$11,625.61
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Tor#: 2886466.1

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).

DAVIES WARD PHILLIPS & VINEBERG LLP  
BILLING STATEMENT FOR 123525 / 239120  
DUFF & PHELPS CANADA RESTRUCTURING INC. - LIQUIDATOR OF COVENTREE INC.

DATE	TIMEKEEPER	HOURS	DESCRIPTION
July 23, 2012	RAJ JUNEJA	0.4	Conference with G. Cornish re: tax issue;
July 24, 2012	ROBIN B. SCHWILL	0.5	Telephone call with Wes Voorheis regarding HST issue on Cornish indemnity; e-mail exchanges with Mitch Vininsky regarding same;
July 25, 2012	ROBIN B. SCHWILL	0.6	Reviewing e-mail regarding request for share transfer in respect of settlement of Dean Tai's divorce proceedings; Telephone call with Mitch Vininsky and Robert Harlang regarding same; Telephone call with Geoff Hall regarding same; reviewing Cornish Notice of Determination of Claim and providing comments thereon;
July 26, 2012	ROBIN B. SCHWILL	0.3	E-mail exchanges regarding consent to transfer shares in Mr. Tai and his wife's divorce;
August 15, 2012	RAJ JUNEJA	1.8	Review notes on tax issue; conference with G. Cornish; meeting with CRA; conference with G. Cornish
August 15, 2012	DEREK RICCI	3.6	Reviewed new correspondence from OSC; email to client re same; internal meeting to discuss response to OSC letter; reviewed database for missing documents;
August 16, 2012	ROBIN B. SCHWILL	1.0	Reviewing and commenting on draft MD&A;
August 17, 2012	JENNIFER GROSSKLAUS	1.1	Review MD&A and financials.
August 17, 2012	ROBIN B. SCHWILL	0.3	Reviewing draft interim financial statements; drafting e-mail to Jennifer Grossklaus regarding same;
August 23, 2012	JENNIFER GROSSKLAUS	0.6	Voicemail from OSC re: reporting issuer application and prepare responses to additional questions.
August 23, 2012	ROBIN B. SCHWILL	0.4	Reviewing OSC e-mail and draft response from Jennifer Grossklaus regarding termination of reporting issuer status;
August 24, 2012	JENNIFER GROSSKLAUS	0.4	Revise response to OSC and email to OSC re: reporting issuer application.
August 24, 2012	ROBIN B. SCHWILL	0.2	Further review of revised draft of reply to OSC's e-mail in light of further comments from Geoff Cornish;
August 27, 2012	ROBIN B. SCHWILL	0.1	Reviewing e-mails regarding Notices of Determination of Claims;
August 28, 2012	ROBIN B. SCHWILL	2.1	Reviewing material in preparation for Inspectors Meeting; attending at Inspectors Meeting;
September 5, 2012	JENNIFER GROSSKLAUS	0.3	Review email from Geoff Cornish, telephone conversation with Robin Schwill.
September 6, 2012	JENNIFER GROSSKLAUS	0.8	Review emails re: shareholder meeting, review securities law requirements, telephone conversation with Mindy Gilbert and email to Geoff Cornish re: same.
September 6, 2012	RAJ JUNEJA	0.5	Review 2009 amended return;



October 15, 2012

File No. 239120

Duff & Phelps Canada Restructuring Inc.  
Bay Adelaide Centre  
333 Bay Street  
14th Floor  
Toronto, ON M5H 2R2

**Attention: Mr. Robert Harlang**  
**Managing Director**

**Liquidator of Coventree Inc.**

Period: September 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	\$10,518.50
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DISBURSEMENTS

Reproduction Charges	3.60
	<u>\$3.60</u>

	3.60
SUBTOTAL	<u>\$10,522.10</u>
HST	<u>1,367.87</u>
TOTAL	<u><u>\$11,889.97</u></u>



In accordance with Section 33 of the *Solicitors Act* (Ontario), 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.

Payment can be wired as follows:

Canadian Dollars				US Dollars Pay by SWIFT MT 103			
BENEFICIARY BANK Canadian Imperial Bank of Commerce (CIBC) CIBC Main Branch, Commerce Court, Toronto, Ontario M5L 1G9				REMIT TO AGENT BANK - INTERMEDIARY BANK Wells Fargo Bank, N.A., 375 Park Avenue, New York, NY 4080			
BANK # 010	TRANSIT # 00002	ACCOUNT # 29-09219	CIBC SWIFT CODE CIBCCATT	BIC/SWIFT PNBPUS3N	ABA/ROUTING # 026 005 092	CHIPS 0509	CIBC's CHIPS UID 015035
BANK ACCOUNT NAME Davies Ward Phillips & Vineberg LLP Canadian General Account				BENEFICIARY BANK Canadian Imperial Bank of Commerce (CIBC) CIBC Main Branch, Commerce Court, Toronto, Ontario M5L 1G9			
BANK # 010	TRANSIT # 00002	ACCOUNT # 02-10714	CIBC SWIFT CODE CIBCCATT	BANK ACCOUNT NAME Davies Ward Phillips & Vineberg LLP US General Account			

Please include file number as reference on transfer documents.

If you require further information, please contact David Neal, Collections Supervisor at 416.367.6950 or by e-mail at [DNeal@dwpv.com](mailto:DNeal@dwpv.com).

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>.

DATE	TIMEKEEPER	HOURS	DESCRIPTION
September 5, 2012	ROBIN B. SCHWILL	1.4	Reviewing e-mail from Geoff Cornish regarding annual meetings; reviewing OBCA and court orders regarding same; discussion with Jennifer Grossklau regarding same; drafting reply e-mail regarding same;
September 6, 2012	MINDY GILBERT	0.1	Discussions with J. Grossklau re proxy related matters;
September 6, 2012	ROBIN B. SCHWILL	1.5	E-mail from Geoff Cornish regarding need of Information Circular for Liquidator annual meeting; reviewing provisions of OBCA regarding same; drafting reporting e-mail regarding same;
September 14, 2012	ROBIN B. SCHWILL	0.1	Reading and replying to e-mail from Mitch Vininsky regarding annual Liquidator meeting requirement;
September 19, 2012	ROBIN B. SCHWILL	1.4	Attending Inspectors Meeting by telephone regarding response to Tai objection to Personal Property Security Act realization on shares; reviewing letters and related materials regarding same;
September 20, 2012	ROBIN B. SCHWILL	0.5	Conference call with Robert Harlang, Mitch Vininsky and Marc Wasserman regarding reasonable costs of Personal Property Security Act realization on shares;
September 24, 2012	ROBIN B. SCHWILL	4.2	Reviewing Mr. Tai's claim regarding share realization costs; reviewing provisions of Personal Property Security Act and related case law; reviewing Liquidator's Notice of Determination of Claim; reviewing Notice of Objection; drafting reply to Notice of Objection; reviewing letter from Stockwoods LLP regarding indemnity costs claim; drafting reply regarding same;
September 25, 2012	ROBIN B. SCHWILL	1.8	Reviewing and considering comments on draft letter to Paul Le Vay; drafting revisions to letter to Paul Le Vay regarding Notice of Objection; discussion with Geoff Cornish regarding comments on letter; drafting further revisions to same;
September 26, 2012	DINA MILIVOJEVIC	3.2	Research re: reasonable expenses under Personal Property Security Act
September 27, 2012	ROBIN B. SCHWILL	0.3	Finalizing letter to Paul Le Vay regarding Notice of Objection;
September 27, 2012	WENDY GRAY	0.4	Email from and to Robin Schwill engaged in performing corporate searches for "Efficient Capital";
September 28, 2012	ROBIN B. SCHWILL	0.4	Reading case summaries on "reasonable costs" in Personal Property Security Act realizations; discussion with Dina Milivojevic regarding same;

November 12, 2012

File No. 239120

Duff & Phelps Canada Restructuring Inc.  
Bay Adelaide Centre  
333 Bay Street  
14th Floor  
Toronto, ON M5H 2R2

Attention: **Mr. Robert Harlang**  
**Managing Director**

**Liquidator of Coventree Inc.**

Period: October 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 \$15,228.00

## DISBURSEMENTS

Mailroom Deliveries	8.00
File Storage/Retrieval	8.84
Postage	.61
Scancopy	1.00
Searches – Library	172.77
Reproduction Charges	14.40
	<hr/>
	\$205.62

205.62

SUBTOTAL

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\$15,433.62

HST

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2,006.37

TOTAL

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\$17,439.99

Tor#: 2914599.1

GST/HST No. R118882927

PER 

In accordance with Section 33 of the *Solicitors Act* (Ontario), 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.

Payment can be wired as follows:

Canadian Dollars				US Dollars Pay by SWIFT MT 103			
BENEFICIARY BANK Canadian Imperial Bank of Commerce (CIBC) CIBC Main Branch, Commerce Court, Toronto, Ontario M5L 1G9				REMIT TO AGENT BANK - INTERMEDIARY BANK Wells Fargo Bank, N.A., 375 Park Avenue, New York, NY 4080			
BANK # 010	TRANSIT # 00002	ACCOUNT # 29-09219	CIBC SWIFT CODE CIBCCATT	BIC/SWIFT PNBPUS3N NYC	ABA/ROUTING # 026 005 092	CHIPS 0509	CIBC's CHIPS UID 015035
BANK ACCOUNT NAME Davies Ward Phillips & Vineberg LLP Canadian General Account				BENEFICIARY BANK Canadian Imperial Bank of Commerce (CIBC) CIBC Main Branch, Commerce Court, Toronto, Ontario M5L 1G9			
BANK # 010	TRANSIT # 00002	ACCOUNT # 02-10714	CIBC SWIFT CODE CIBCCATT	BANK ACCOUNT NAME Davies Ward Phillips & Vineberg LLP US General Account			

Please include file number as reference on transfer documents.

If you require further information, please contact David Neal, Collections Supervisor at 416.367.6950 or by e-mail at [DNeal@dwpv.com](mailto:DNeal@dwpv.com).

Please see important terms of client service, including file retention and disposal policy, on our website, <http://www.dwpv.com/ServiceTerms>.

DATE	TIMEKEEPER	HOURS	DESCRIPTION
October 1, 2012	JENNIFER GROSSKLAUS	0.6	Review email from OSC with latest comments on reporting issuer application, telephone conversation with Robin Schwil and email to Coventree and Duff & Phelps re: same.
October 1, 2012	ROBIN B. SCHWILL	1.2	Reading case law regarding "reasonable costs" for Personal Property Security Act realizations; discussion with Jennifer Grossklaus regarding OSC application to cease to be a reporting issuer; reviewing related e-mail
October 2, 2012	JENNIFER GROSSKLAUS	0.7	Revise OSC decision documents, review and comment on press release re: reporting issuer application, telephone conversation with Ontario Securities Commission, emails with Geoff Cornish.
October 2, 2012	ROBIN B. SCHWILL	0.9	Reviewing and commenting on draft press release and related issues concerning decision document pertaining to application to cease being a reporting issuer;
October 3, 2012	JENNIFER GROSSKLAUS	0.4	Review revised press release re: reporting issuer application and emails with the OSC re: same.
October 3, 2012	ROBIN B. SCHWILL	0.5	Reviewing revisions to press release regarding OSC reporting issuer application; reviewing OBCA regarding "offering corporation" provisions and related application; e-mail exchanges with Jennifer Grossklaus regarding same;
October 4, 2012	JENNIFER GROSSKLAUS	0.4	Emails re: reporting issuer application press release.
October 4, 2012	ROBIN B. SCHWILL	0.2	E-mail exchanges regarding press release for OSC reporting issuer application;
October 5, 2012	JENNIFER GROSSKLAUS	0.7	Draft letter to OSC re: OBCA application.
October 9, 2012	JENNIFER GROSSKLAUS	0.7	Review and revise letter to OSC and emails re: same.
October 9, 2012	ROBIN B. SCHWILL	2.7	Telephone call with Mitch Vininsky and Robert Harlang regarding Alkyon share realization costs claim; drafting motion record material regarding same;
October 10, 2012	JENNIFER GROSSKLAUS	0.7	Revise letter to OSC, emails with OSC.
October 10, 2012	ROBIN B. SCHWILL	1.1	Reviewing OSC application material regarding reporting issuer status and offering corporation status; drafting Motion Record materials regarding Alkyon share realization costs claim; e-mail exchanges with the Liquidator regarding same;
October 11, 2012	JENNIFER GROSSKLAUS	1.1	Telephone conversation with Geoff Cornish, review OBCA provisions, telephone conversation with Robin Schwil re: same, review OBCA auditor provisions.
October 11, 2012	ROBIN B. SCHWILL	2.0	Drafting revisions to Motion Record material regarding Alkyon claim; researching costs rules; discussion with Jennifer Grossklaus regarding dispensing with audit and requirement to produce financial statements; Telephone call with Geoff Cornish regarding Alkyon share realization costs claim;
October 12, 2012	ROBIN B. SCHWILL	1.6	Reviewing draft Third Report; voicemail from Paul Le Vay and e-mails regarding same; reviewing and reporting on letter from Paul Le Vay regarding share realization costs claim;
October 15, 2012	ROBIN B. SCHWILL	0.3	Reviewing and commenting on reply letter to Paul Le Vay;

DATE	TIMEKEEPER	HOURS	DESCRIPTION
October 17, 2012	JENNIFER GROSSKLAUS	0.3	Revise OBCA Order based on comments from OSC, emails re: same.
October 17, 2012	ROBIN B. SCHWILL	1.0	Telephone call with Robert Harlang, Mitch Vininsky and Geoff Cornish regarding audited financial statement and annual meeting requirements; reviewing OBCA provisions regarding same;
October 18, 2012	ROBIN B. SCHWILL	1.5	Drafting reporting e-mail regarding audited financial statement and annual meeting requirements; discussion with Jennifer Grossklaus regarding remaining Securities Act requirements;
October 19, 2012	ROBIN B. SCHWILL	0.3	Reviewing reporting e-mail to Inspectors regarding ongoing financial reporting issues;
October 26, 2012	ROBIN B. SCHWILL	0.1	Reviewing e-mail from Geoff Cornish regarding D&O insurance settlement of quantum issue;
October 29, 2012	JENNIFER GROSSKLAUS	0.5	Emails with Coventree re: press release regarding insurance settlement, review draft press release re: same.
October 29, 2012	ROBIN B. SCHWILL	0.4	Reviewing and commenting on draft press release and related e-mails regarding D&O insurance settlement;

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.

<b>ONTARIO</b> <b>SUPERIOR COURT OF JUSTICE – COMMERCIAL LIST</b>  Proceeding Commenced at Toronto	
<b>AFFIDAVIT OF</b> <b>ROBIN B. SCHWILL</b> (Sworn November █, 2012)	
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	



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.

<b>ONTARIO</b> <b>SUPERIOR COURT OF JUSTICE – COMMERCIAL LIST</b>  Proceeding Commenced at Toronto	
<b>AFFIDAVIT OF</b> <b>ROBIN B. SCHWILL</b> (Sworn December 3, 2012)	
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 “I”**

**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**

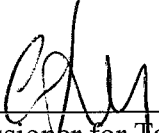
**IN THE MATTER OF THE WINDING UP OF  
COVENTREE INC.**

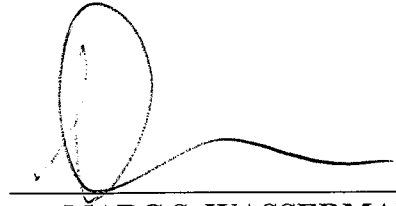
**AFFIDAVIT OF MARC S. WASSERMAN  
(sworn December 3, 2012)**

I, **MARC S. WASSERMAN**, of the City of Toronto, in the province of Ontario,  
a partner of Osler, Hoskin & Harcourt LLP ("**Osler**"), **MAKE OATH AND SAY:**

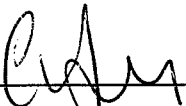
1. This affidavit is made in support of a motion, to be made by Duff & Phelps Canada Restructuring Inc. ("**D&P**"), in its capacity as liquidator of Coventree Inc., which seeks, *inter alia*, the approval of Osler's fees and disbursements.
2. Attached hereto as Exhibit "1" are copies of Osler's invoices for professional services rendered for the period from April 1, 2012 to June 30, 2012, which disclose in detail, the name, hourly rate and time expended of each person who rendered services, the dates on which the services were rendered, the time expended each day, and the total charges for each of the categories of services rendered for the relevant time period.
3. Attached hereto as Exhibit "2" is a summary of Osler's invoices and includes the name, year of call, total time expended and hourly rate for all professionals, as well as an average hourly rate of legal professional fees.
4. I have supervised all activity on this matter. I have reviewed the Osler invoices and consider the time expended and the legal fees charged to be reasonable for the services performed and consistent with prevailing market rates for legal services.

SWORN BEFORE ME at the City of Toronto,  
in the Province of Ontario, on December 2,  
2012.

  
\_\_\_\_\_  
Commissioner for Taking Affidavits

  
\_\_\_\_\_  
**MARC S. WASSERMAN**

**THIS IS EXHIBIT "1" REFERRED TO  
IN THE AFFIDAVIT OF MARC S. WASSERMAN  
SWORN BEFORE ME, THIS DECEMBER 3, 2012**

  
\_\_\_\_\_  
**Commissioner for Taking Affidavits**

Osler, Hoskin & Harcourt LLP  
1 First Canadian Place  
PO BOX 50  
Toronto ON M5X 1B8  
CANADA  
416.362.2111 MAIN  
416.862.6666 FACSIMILE

OSLER

Marc Wasserman, Partner  
Invoice No. 11447088  
Client No. 224288  
GST/HST Registration No. 121983217 RT0001

**ACCOUNT FOR PROFESSIONAL SERVICES RENDERED**

June 25, 2012

Duff & Phelps Canada Restructuring Inc.  
200 King Street West, Suite 1100  
P.O.Box 48  
Toronto, ON M5H 3T4  
CANADA

ATTENTION: Robert Harlang

**Liquidation of Coventree Inc.**  
Our File Number: 1135176

Name	Hours Billed	Current Hourly Rate in CAD	Fee
<u>Partner</u>			
Shelley W. Obal	2.50	845.00	2,112.50
<u>Partner</u>			
Marc Wasserman	1.00	695.00	695.00
<b>OUR FEE HEREIN</b>			<b>2,807.50</b>
HST @ 13% Payable on Fees			364.98
<b><u>OTHER CHARGES</u></b>			
Printing Costs *		7.65	
	<b>Subtotal</b>	<b>7.65</b>	
HST @ 13% Payable on Taxable Reimbursable		0.99	
Disbursements & Other Charges ( <i>where applicable</i> *)			
<b>TOTAL DUE ON ACCOUNT</b>			<b><u>CAD3,181.12</u></b>

OSLER

**DUE AND PAYABLE NO LATER THAN 30 DAYS FOLLOWING THE DATE OF THIS INVOICE**

*Fees, Reimbursable Disbursements and Other Charges, if any.*

*Recorded after the period covered by this account will appear on a subsequent account.*

Invoice No.: 11447088

**Liquidation of Coventree Inc.**

Our File Number: 1135176

TO: PROFESSIONAL SERVICES RENDERED IN THIS MATTER AT YOUR REQUEST

DATE	NAME	HOURS	DESCRIPTION
Apr-12-12	Marc Wasserman	0.50	Discussions with R. Harlang regarding status of claim process and other matters.
May-15-12	Marc Wasserman	0.50	Attending discussions with M. Vininsky and R. Harlang.
May-16-12	Shelley W. Obal	2.20	Reviewing tax claim; considering indemnity and release issues; preparing e-mail for M. Wasserman regarding same; discussion with M. Wasserman regarding same.
May-17-12	Shelley W. Obal	0.30	E-mail exchange with M. Wasserman regarding indemnity question.



## REMITTANCE FORM

ATTENTION: Robert Harlang

Duff & Phelps Canada Restructuring Inc.  
200 King Street West, Suite 1100  
P.O.Box 48  
Toronto, ON M5H 3T4  
CANADA

Re: Client Number: 224288  
Matter Number: 1135176  
Invoice Number: 11447088

Invoice Total: CAD3,181.12  
Invoice Date: June 25, 2012

### PLEASE RETURN THIS FORM WITH YOUR PAYMENT TO:

Osler, Hoskin & Harcourt LLP  
FINANCE & ACCOUNTING DEPARTMENT (RECEIPTS)  
1 First Canadian  
PO BOX 50  
Toronto ON (Ontario) M5X 1B8  
Canada  
416.362.2111 MAIN  
416.862.6666 FACSIMILE

### DUE AND PAYABLE NO LATER THAN 30 DAYS FOLLOWING THE DATE OF THIS INVOICE

Electronic Fee Transfers (EFT) and WIRE INSTRUCTIONS for Account:  
(PLEASE NOTE THAT WIRE TRANSFER MAY COST MORE THAN EFT)

Account Name for all payments: Osler, Hoskin & Harcourt LLP

(Canadian Dollar Payments)

TD Canada Trust  
180 TD Square, 317 – 7<sup>th</sup> Avenue S.W.  
Calgary, Alberta T2P 2Y9  
Transit No: 80629-0004  
Account No: 5219313  
Swift Code: TDOMCATTOR

(US Dollar Payments)

Intermediary Bank: Bank of America, N.Y.  
ABA: 026009593  
Beneficiary Bank: TD Canada Trust  
Branch: 55 King St. W., Toronto, ON M5K 1A2  
Transit No: 10252-0004  
Account No: 7366769  
Swift Code: TDOMCATTOR

(EURO Payments)

TD Canada Trust  
55 King St. W.  
Toronto, Ontario M5K 1A2  
Transit No: 10252-0004  
Account No: 0360 01 3952346  
Swift Code: TDOMCATTOR

E-mail us at [payments@osler.com](mailto:payments@osler.com)

Please reference your invoice number(s) when making payments to any of these accounts.

Osler, Hoskin & Harcourt LLP  
1 First Canadian Place  
PO BOX 50  
Toronto ON M5X 1B8  
CANADA  
416.362.2111 MAIN  
416.862.6666 FACSIMILE

OSLER

Marc Wasserman, Partner  
Invoice No. 11456214  
Client No. 224288  
GST/HST Registration No. 121983217 RT0001

**ACCOUNT FOR PROFESSIONAL SERVICES RENDERED**

July 30, 2012

Duff & Phelps Canada Restructuring Inc.  
200 King Street West, Suite 1100  
P.O.Box 48  
Toronto, ON M5H 3T4  
CANADA

ATTENTION: Robert Harlang

**Liquidation of Coventree Inc.**  
Our File Number: 1135176

Name	Hours Billed	Current Hourly Rate in CAD	Fee
<u>Partner</u>			
Shelley W. Obal	0.80	845.00	676.00
<u>Associate</u>			
Andréa M. Lockhart	1.40	485.00	679.00
<b>OUR FEE HEREIN</b>			<b>1,355.00</b>
HST @ 13% Payable on Fees			176.15
<b><u>OTHER CHARGES</u></b>			
Printing Costs *		20.85	
	Subtotal	<u>20.85</u>	
HST @ 13% Payable on Taxable Reimbursable Disbursements & Other Charges ( <i>where applicable</i> *)		2.71	
<b>TOTAL DUE ON ACCOUNT</b>			<b><u>CAD1,554.71</u></b>

OSLER

**DUE AND PAYABLE NO LATER THAN 30 DAYS FOLLOWING THE DATE OF THIS INVOICE**

*Fees, Reimbursable Disbursements and Other Charges, if any,*

*Recorded after the period covered by this account will appear on a subsequent account.*

# OSLER

Invoice No.: 11456214

**Liquidation of Coventree Inc.**  
Our File Number: 1135176

TO: PROFESSIONAL SERVICES RENDERED IN THIS MATTER AT YOUR REQUEST

DATE	NAME	HOURS	DESCRIPTION
Jun-04-12	Shelley W. Obal	0.50	Reviewing indemnity agreement and by-law; discussion with M. Wasserman regarding director claim.
Jun-04-12	Andréa M. Lockhart	1.40	Reviewing claim of Alkyon Corporation and Alkyon Holdings Corporation; drafting reporting email to M. Wasserman regarding validity of claim.
Jun-12-12	Shelley W. Obal	0.30	Reviewing and revising claim denial.

## REMITTANCE FORM

ATTENTION: Robert Harlang

Duff & Phelps Canada Restructuring Inc.  
200 King Street West, Suite 1100  
P.O.Box 48  
Toronto, ON M5H 3T4  
CANADA

Re: Client Number: 224288  
Matter Number: 1135176  
Invoice Number: 11456214

Invoice Total: CAD1,554.71  
Invoice Date: July 30, 2012

### PLEASE RETURN THIS FORM WITH YOUR PAYMENT TO:

Osler, Hoskin & Harcourt LLP  
FINANCE & ACCOUNTING DEPARTMENT (RECEIPTS)  
1 First Canadian  
PO BOX 50  
Toronto ON (Ontario) M5X 1B8  
Canada  
416.362.2111 MAIN  
416.862.6666 FACSIMILE

### DUE AND PAYABLE NO LATER THAN 30 DAYS FOLLOWING THE DATE OF THIS INVOICE

Electronic Fee Transfers (EFT) and WIRE INSTRUCTIONS for Account:  
(PLEASE NOTE THAT WIRE TRANSFER MAY COST MORE THAN EFT)

Account Name for all payments: Osler, Hoskin & Harcourt LLP

(Canadian Dollar Payments)

TD Canada Trust  
180 TD Square, 317 – 7<sup>th</sup> Avenue S.W.  
Calgary, Alberta T2P 2Y9  
Transit No: 80629-0004  
Account No: 5219313  
Swift Code: TDOMCATTOR

(US Dollar Payments)

Intermediary Bank: Bank of America, N.Y.  
ABA: 026009593  
Beneficiary Bank: TD Canada Trust  
Branch: 55 King St. W., Toronto, ON M5K 1A2  
Transit No: 10252-0004  
Account No: 7366769  
Swift Code: TDOMCATTOR


(EURO Payments)

TD Canada Trust  
55 King St. W.  
Toronto, Ontario M5K 1A2  
Transit No: 10252-0004  
Account No: 0360 01 3952346  
Swift Code: TDOMCATTOR

E-mail us at [payments@osler.com](mailto:payments@osler.com)

Please reference your invoice number(s) when making payments to any of these accounts.

**THIS IS EXHIBIT "2" REFERRED TO  
IN THE AFFIDAVIT OF MARC S. WASSERMAN  
SWORN BEFORE ME, THIS DECEMBER 3, 2012**

  
\_\_\_\_\_  
**Commissioner for Taking Affidavits**

Osler, Hoskin & Harcourt LLP Fee Summary of Invoices for Professional Services rendered for the period from April 1, 2012 to June 30, 2012.

<u>Name of Professional</u>	<u>Area of Practice</u>	<u>Year of Call</u>	<u>Time Billed (Hours)</u>	<u>Hourly Rate (CAD)</u>	<u>Total Charged</u>
<b><u>Partners</u></b>					
Marc S. Wasserman	Insolvency & Restructuring Research	2001 (Ontario)	1.0	\$695	\$695.00
Shelley W. Obal		1985 (Ontario)	3.3	\$845	\$2,788.50
<b><u>Associates</u></b>					
Andrea M. Lockhart	Insolvency & Restructuring	2008 (Ontario)	1.4	\$485	\$679.00
<b>Total</b>			<b>5.7</b>	<b>\$730.26 (Avg. Rate)</b>	<b>\$4,162.50</b>

**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

**AFFIDAVIT OF MARC S. WASSERMAN  
(sworn December 3, 2012)**

OSLER, HOSKIN & HARCOURT LLP  
P.O. Box 50, First Canadian Place  
Toronto, ON M5X 1B8

Marc S. Wasserman (LSUC # 44066M)  
Tel: (416) 862-4908  
Fax: (416) 862-6666

Independent claims counsel to the Applicant