

ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST

IN THE MATTER OF SECTION 243(1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*,  
R.S.C. 1985, C. B-3, AS AMENDED, SECTION 101 OF THE *COURTS OF JUSTICE ACT*,  
R.S.O 1990 C. C. 43, AS AMENDED

THE HONOURABLE MR ) WEDNESDAY, THE 12th DAY  
)  
JUSTICE C. CAMPBELL ) OF DECEMBER, 2012

BETWEEN:

**MARTIN HANDELMAN, STEPHEN HANDELMAN, B & M HANDELMAN  
INVESTMENTS LIMITED, ORENBACH INVESTMENTS LIMITED, YORKDALE  
CONTRACT INTERIORS LIMITED, M. W. TRUST, YERUSHA INVESTMENTS INC.,  
DIANE GRAFSTEIN, BAMBURGH HOLDINGS LTD., SHELDON TAREK, MARVIN  
TEPERMAN, ROBERT WEINGARDEN, M. HIMEL HOLDINGS INC., NATME  
HOLDINGS LTD., EVELYN CHARENDOFF and RIDGEWAY OCCUPATIONAL  
CONSULTANTS INC.**

Applicants

- and -

**1791979 ONTARIO INC.**

Respondent

**ORDER**

**THIS MOTION**, made by SF Partners Inc. in its capacity as the Court-appointed receiver (the “Receiver”) of the undertaking, property and assets of the Respondent 1791979 Ontario Inc. (the “Debtor”) for an order approving the sale transaction (the “Transaction”) contemplated by an agreement of purchase and sale (the “Agreement”) between the Receiver and S.M. Enterprises Inc. (the “Purchaser”) dated October 25, 2012, appended to the First Report of the Receiver dated October 30, 2012 (the “First Report”), as amended by an amendment to agreement of purchase and sale dated November 9, 2012 (the “Amendment”), appended to the Supplementary Report (the “Supplementary Report”) to the First Report dated November 12, 2012, as further amended by a second amendment to agreement of purchase and sale dated November 23, 2012 (the “Second Amendment”), appended to the Second Supplementary Report (the “Second Supplementary Report”) to the First Report dated November 23, 2012 (the Agreement, the Amendment and the Second Amendment are hereinafter referred to collectively as the “Sale Agreement” and the First Report, the Supplementary Report and the Second Supplementary Report are hereinafter referred to collectively as the “Report”), and vesting in the Purchaser the Debtor’s right, title and interest in and to the assets described in the Sale Agreement (the “Purchased Assets”), originally returnable on November 6, 2012, adjourned by the Honourable Mr. Justice Wilton-Siegel at the request of SMV Financial Services Inc. to November 15, 2012, adjourned by the Honourable Mr. Justice Morawetz on November 15, 2012, and further adjourned by the Honourable Mr. Justice Wilton-Siegel on November 29, 2012 was heard this day at 330 University Avenue, Toronto, Ontario.

**ON READING** the Report and on hearing the submissions of counsel for the Receiver, *and* counsel for the Applicants, ~~Sunil Bhardwaj, appearing in person on behalf of SMV Financial Services Inc., and Laiq Muhammad, appearing in person on behalf of the Debtor,~~ *also* no one appearing for any other person on the service list, although served as appears from the affidavit of service of Luisa Salerno sworn November 2, 2012, the affidavit of service of Christina Corrente sworn November 13, 2012 and the affidavits of Brendan Bissell sworn November 27, and December 12, 2012, filed,

1. **THIS COURT ORDERS AND DECLARES** that the Transaction is hereby approved, and the execution of the Sale Agreement by the Receiver is hereby authorized and approved, with such minor amendments as the Receiver may deem necessary. The Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of the Purchased Assets to the Purchaser.

2. **THIS COURT ORDERS AND DECLARES** that upon the delivery of a Receiver's certificate to the Purchaser substantially in the form attached as Schedule "A" hereto (the "Receiver's Certificate"), all of the Debtor's right, title and interest in and to the Purchased Assets described in the Sale Agreement, including the real property identified in Schedule "B" hereto (the "Real Property") and the personal property listed on Schedule "E" hereto shall vest absolutely in the Purchaser, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "Claims" ) including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of the Honourable Justice Patillo dated September 28, 2012; (ii) all charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system; (iii) those Claims listed on Schedule "C" hereto (all of which are collectively referred to as the "Encumbrances", which term shall not include the permitted encumbrances, easements and restrictive covenants listed on Schedule "D"); (iv) and any claims of Irving Oil Marketing G.P. as they affect the Purchased Assets and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.

3. **THIS COURT ORDERS** that upon the registration in the Land Registry Office for the Land Titles Division of Peterborough (No. 45) of an Application for Vesting Order in the form prescribed by the *Land Titles Act*, the Land Registrar is hereby directed to enter the Purchaser as

the owner of the Real Property in fee simple, and is hereby directed to delete and expunge from title to the Real Property all of the Claims listed in Schedule "C" hereto.

4. **THIS COURT ORDERS** that for the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Assets shall stand in the place and stead of the Purchased Assets, and that from and after the delivery of the Receiver's Certificate all Claims and Encumbrances shall attach to the net proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

5. **THIS COURT ORDERS AND DIRECTS** the Receiver to file with the Court a copy of the Receiver's Certificate, forthwith after delivery thereof.

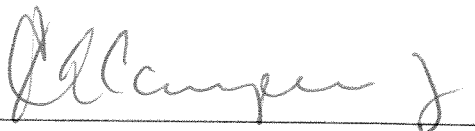
6. **THIS COURT ORDERS** that, notwithstanding:

- (a) the pendency of these proceedings;
- (b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of the Debtor and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made in respect of the Debtor;

the vesting of the Purchased Assets in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Debtor and shall not be void or voidable by creditors of the Debtor, nor shall it constitute nor be deemed to be a settlement, fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

7. **THIS COURT ORDERS AND DECLARES** that the Transaction is exempt from the application of the *Bulk Sales Act* (Ontario).

8. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.



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



DEC 12 2012

Schedule "A" – Form of Receiver's Certificate

Court File No. CV-12-9853-00CL

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B E T W E E N:

**MARTIN HANDELMAN, STEPHEN HANDELMAN, B & M HANDELMAN  
INVESTMENTS LIMITED, ORENBACH INVESTMENTS LIMITED, YORKDALE  
CONTRACT INTERIORS LIMITED, M. W. TRUST, YERUSHA INVESTMENTS INC.,  
DIANE GRAFSTEIN, BAMBURGH HOLDINGS LTD., SHELDON TAREK, MARVIN  
TEPERMAN, ROBERT WEINGARDEN, M. HIMEL HOLDINGS INC., NATME  
HOLDINGS LTD., EVELYN CHARENOFF and RIDGEWAY OCCUPATIONAL  
CONSULTANTS INC.**

Applicants

- and -

**1791979 ONTARIO INC.**

Respondent

**RECEIVER'S CERTIFICATE**

RECITALS

A. Pursuant to an Order of the Honourable Pattillo of the Ontario Superior Court of Justice (the “Court”) dated September 28, 2012, SF Partners Inc. was appointed as the receiver (the “Receiver”) of the undertaking, property and assets of 1791979 Ontario Inc. (the “Debtor”).

B. Pursuant to an Order of the Court dated [DATE], the Court approved the agreement of purchase and sale made as of [DATE OF AGREEMENT] (the “Sale Agreement”) between the Receiver [Debtor] and [NAME OF PURCHASER] (the “Purchaser”) and provided for the vesting in the Purchaser of the Debtor’s right, title and interest in and to the Purchased Assets, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Receiver to the Purchaser of a certificate confirming (i) the stalking horse sales process contemplated under the Sale Agreement has come to an end; (ii) the payment by the Purchaser of the Purchase Price for the Purchased Assets; (iii) that the conditions to Closing as set out in the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and (iv) the Transaction has been completed to the satisfaction of the Receiver.

C. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Sale Agreement.

THE RECEIVER CERTIFIES the following:

1. The stalking horse sales process contemplated under the Sale Agreement has come to an end.
2. The Purchaser has paid and the Receiver has received the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Sale Agreement;
3. The conditions to Closing as set out in the Sale Agreement have been satisfied or waived by the Receiver and the Purchaser; and
4. The Transaction has been completed to the satisfaction of the Receiver.
5. This Certificate was delivered by the Receiver at [TIME] on [DATE].

**SF PARTNERS INC., in its capacity as  
Receiver of the undertaking, property  
and assets of 1791979 ONTARIO INC.,  
and not in its personal capacity**

Per: \_\_\_\_\_  
Name:  
Title:



Schedule "B" – Real Property

Part Lot 12 Concession 7, Smith, as in Instrument No. R503692, subject to Transfer of Easement, Instrument No. R241248, in the Land Titles Office for the Registry Office of Smith-Ennismore No. 45

Being all of PIN 28425-0029 (LT)

municipally known as 989 Ward Street, Bridgenorth, Ontario.

## Schedule "C"

## REGISTRATIONS TO BE DELETED FROM PIN28425-0029 (LT)

1. Registration No. PE99031 registered 2009/03/31 – Transfer 1254755 Ontario Limited to GT Investments Group Inc.
2. Registration No. PE118124 registered 2010/01/21 – Application for name change GT Investments Group Inc. to 1791979 Ontario Inc.
3. Registration No. PE118131 registered 2010/01/21 – Charge to Martin Handelman, Stephen Handelman, B&M Handelman Investments Limited, Orenbach Investments Limited, Yorkdale Contract Interiors Limited, M.W. Trust;
4. Registration No. PE11832 registered 2010/01/21 – Notice of Assignment Rent General to Martin Handelman, Stephen Handelman, B&M Handelman Investments Limited, Orenbach Investments Limited, Yorkdale Contract Interiors Limited, M.W. Trust;
5. Registration No. PE150596 registered 2011/07/18 – Charge in favour of Yerusha Investments Inc., Diane Grafstein, Bamburgh Holdings Ltd. Sheldon Taerk, Marvin Teperman, Robert Weingarden, M. Himel Holdings Inc., Natme Holdings Ltd., Evelyn Charendoff, and Ridgeway Occupational Consultants Inc.
6. Registration No. PE150597 registered 2011/07/18 – Notice of Rents in favour of Yerusha Investments Inc., Diane Grafstein, Bamburgh Holdings Ltd. Sheldon Taerk, Marvin Teperman, Robert Weingarden, M. Himel Holdings Inc., Natme Holdings Ltd., Evelyn Charendoff, and Ridgeway Occupational Consultants Inc.
7. Registration No. PE159747 registered 2011/12/06 – Charge in favour of Comfort Capital Inc.
8. Registration No. PE159748 registered 2011/12/06 – Notice of Assignment of Rents in favour of Comfort Capital Inc.
9. Registration No. PE164374 registered 2012/03/09 – Charge in favour of SMV Financial Inc.

Schedule "D"

REGISTRATIONS TO BE PERMITTED ON PIN 28425-0029 (LT)

1. Instrument No. R 164048 registered 1966/09/21 -By-Law
2. Instrument No. R45R607, registered 1972/07/07 – Plan Reference
3. Instrument No. R41248, registered 1972/10/27 - Transfer Easement in favour of the Bell Telephone Company of Canada
4. Instrument No. PE118030, registered 210/01/20 - Land Registrar's Order

Schedule "E"

All tangible and intangible assets in or on the Lands and Buildings, including all chattels, equipment, fixtures, machinery, appliances, computers, canopy, pylons, underground tanks, piping, the Physical Inventory and pumps and goodwill.

But specifically excluding the following:

- (1) Irving branded canopy fascia
- (2) Irving branded pylon sign
- (3) Bulloch POS system
- (4) Inventory (stock-in-trade) of the Vendor

**MARTIN HANDELMAN et al**  
Applicants

-and- **1791979 ONTARIO INC.**  
Respondent

Court File No. CV-12-9853-00CL

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PROCEEDING COMMENCED AT  
**TORONTO**

**ORDER**

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Lawyers for SF Partners Inc.  
In its capacity as Court appointed Receiver  
of 1791979 Ontario Inc.