

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE Mr.) WEDNESDAY, THE 18TH DAY
)
JUSTICE McEwen) OF JUNE, 2014

QUALITY MEAT PACKERS HOLDINGS LIMITED

Applicant

- and -

QUALITY MEAT PACKERS LIMITED AND
TORONTO ABATTOIRS LIMITED

Respondents

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

ORDER

THIS MOTION made by A. Farber & Partners Inc. in its capacity as the Court-appointed receiver (the "Receiver") of the undertaking, property and assets of Quality Meat Packers Limited ("QMP") and Toronto Abattoirs Limited ("TAL") (collectively the "Debtors"), for an order approving the sale transaction (the "Transaction") contemplated by the Liquidation Services Agreement (the "Liquidation Agreement") negotiated between the Receiver and Hilco Asset Sales Canada Corp. (the "Liquidation Party"), and the vesting in the purchaser(s) (the "Purchaser") of the assets described in the Liquidation Agreement (the "Purchased Assets"), all

of the Debtors' right, title and interest in such Purchased Assets; was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the First Report of the Receiver (the "First Report") dated June 12, 2014, and on hearing the submissions of counsel for the Receiver, counsel for the Applicant and counsel for Alex Abreu and Debbie Abreu, no one appearing for any other person on the service list, although properly served as appears from the Affidavit of Paula Hoosain sworn June 13, 2014.

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Motion is hereby abridged and validated so that this motion is properly returnable today and hereby dispenses with further service thereof.
2. **THIS COURT ORDERS** that the First Report, including the Confidential Appendices thereto, and the activities of the Receiver set out therein be and the same are hereby approved.
3. **THIS COURT ORDERS** Confidential Appendices B and C of the First Report be and are hereby sealed until further order of this Honourable Court.
4. **THIS COURT ORDERS AND DECLARES** that the Transaction is hereby approved and that the Liquidation Services Agreement is commercially reasonable and in the best interest of the Debtors and their stakeholders. The execution of the Liquidation Services 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 any of the Purchased Assets of the Debtors sold to

the Purchaser in accordance with the Liquidation Services Agreement (each an "Auctioned Asset") and collectively the "Auctioned Assets").

5. **THIS COURT ORDERS** that upon the Liquidation Party completing the sale of any of the Auctioned Assets to a Purchaser, in accordance with the terms of the Liquidation Services Agreement, and delivering a bill of sale of such Purchaser (a "Bill of Sale"), all of the Debtors' right, title and interest in and to the Auctioned Assets described in such Bill of Sale shall vest absolutely in such 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 Mr. Justice D.M. Brown dated May 6, 2014; and (ii) all charges, security interests and claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system.

6. **THIS COURT ORDERS** that the purposes of determining the nature and priority of Claims, the net proceeds from the sale of any Auctioned Asset shall stand in the place and stead of that Auctioned Asset, and that from and after the delivery to the relevant Purchaser of the Bill of Sale conveying such Auctioned Asset, all Claims shall attach to the net proceeds from the sale of the Auctioned Asset with the same priority as they had with respect to the Auctioned Asset immediately prior to the sale, as if such Auctioned Asset had not been sold and remained in the possession or control of the person having that possession nor control immediately prior to the sale.

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

- (a) the pendency of these proceedings; and
- (b) any bankruptcy pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of the Debtors and any bankruptcy order issued pursuant to any such bankruptcies;

the vesting of the Purchased Assets in any Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Debtors and shall not be void or voidable by creditors of the Debtors, 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.

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

9. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United State 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.

10. **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 with 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.

11. **THIS COURT ORDERS AND DECLARES** that the relief granted by order is subject to provisional execution.



A handwritten signature in cursive script, appearing to read "M. E. T.", is written above a horizontal line.

QUALITY MEAT PACKERS HOLDINGS LIMITED

and

QUALITY MEAT PACKERS LIMITED

Applicant

Respondent

Court File No.: CV-14-10537-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceedings commenced at **Toronto**

ORDER

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