

IN THE MATTER OF AN APPLICATION PURSUANT TO SECTION 243(1) OF THE BANKRUPTCY AND INSOLVENCY ACT, R.S.C. 1985, c. B-3, AS AMENDED AND

IN THE MATTER OF SECTION 101 OF THE COURTS OF JUSTICE ACT, R.S.O. 1990 c. C.43, AS AMENDED WITH RESPECT TO DONDEB INC. AND ALL THE DEBTORS LISTED AT SCHEDULE "A" HERETO

Feb 13/13

J. Dietrich + N. Rabinovitch
for Receiver

February 13, 2013

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

P. Masic, on behalf of A-Debtors for Dondelb.

R. Dodhia for Empire

D. Hayes for Virgin Vintners

E. Park for CRH.

PROCEEDING COMMENCED AT TORONTO

MOTION RECORD
(Motion Returnable February 13, 2013)

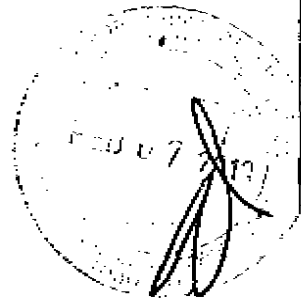
FRASER MILNER CASGRAIN LLP
77 King Street West
Suite 400
Toronto Ontario
M5K 0A1

The opposite put forth by Mr. Masic was ^{re} limited objection to the Sales Process, based on the affidavit of Mr. Dany sworn June 14, 2013, which was ~~the primary~~ reference on the motion heard.

I made a number of comments in my oral reasons of June 15, 2013 relating to Mr. Dany. These comments ~~also~~ equally apply to this motion.

In summary, the Receiver was appointed by Order of Gyphell.

The Order authorized the Receiver



LAWYERS FOR the Receiver

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to market the Property of the Debtor. The Order was not appealed.

The Receiver has marketed the Corporate Property and the Brechin Property.

Full details of the marketing process are set out in the Receiver's reports.

The Receiver recommends ~~that~~ that the two transactions be approved.

The affected mortgagees have approved the proposed transactions.

The considerations for the ^{Court} Receiver to take into account are set out in Royal Bank v

Sandair 7 CBR (3d) 1 (C.A.)

(1) The ^{Court} Receiver should consider whether the Receiver has made a sufficient effort to obtain the best price and has not acted imprudently

(2) The Court should consider the interests of all parties

(3) The Court should consider the efficiency

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and integrity of the process of which offers
have been obtained; and

(4) The Court should consider whether there
has been unfairness in the working
out of the process.

Having reviewed the unchallenged record
and in particular the statements at paragraphs
17-22 of the Report, I am satisfied that
the Receiver's recommendations are appropriate in
the circumstances.

I see no basis to second ^{guess} ~~guess~~ any
of the Receiver's recommendations. An
appropriate sale process has been
followed. I find the objections of
the Debtor to be without foundation.

The Collateral Transactions and the
Brechi Transactions can both be
considered to be fair and commercially
reasonable in all respects.

Both Transactions are approved

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and Sale and Approval Orders in respect of each transaction are granted.

He remains relying relating to approval of the Second Report and the two Supplements and the Third Report was not opposed and the Recor was not aware of any adverse comment relating to the Reports, which he approved.

The proposed disbursement of proceeds in respect of the Tom Horton's Dorset Place and Purton Springs are all approved. Reason These proposed disbursements were not ~~opposed~~ opposed.

As a result relating requested in the Notice of Costs also approved.

The Notice is granted and 3 ^{separate} ~~separate~~ Orders have been signed.

[Signature]
Judges Initials: *[Initials]*

[subject to edit, if typed]

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Supplementary Endorsement

The Review requested that Confidential
Appendices A - B to the 3rd Report be
sealed until such time as the Review
files its Certificate in relation to the
closing of the two transactions.

The Appendices do contain, in my view,
sensitive commercial information, the
disclosure of which could be harmful
to stakeholders. Having considered the
Sura Club test, I am persuaded that
the requested sealing order should be
made and sealing provisions are included
in the Order approving the Creditor and
Brechin Transactions.

[Signature]

Subject to
edit if
needed