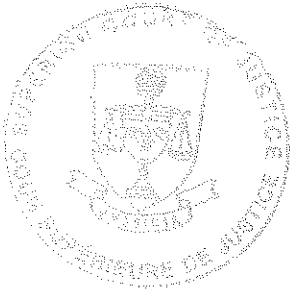


ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE)
)
JUSTICE PENNY) FRIDAY, THE 23rd DAY
) OF OCTOBER, 2015

BETWEEN:



BANK OF MONTREAL

Applicant

- and -

**THANE INTERNATIONAL, INC., THANE DIRECT, INC., THANE DIRECT
COMPANY, THANE DIRECT MARKETING INC., WEST COAST DIRECT
MARKETING, INC., THANE DIRECT CANADA INC. AND TDG, INC.**

Respondents

**APPLICATION UNDER section 243 of the *Bankruptcy and Insolvency Act*,
R.S.C. 1985, c. B-3, as amended, and under section 101 of the
Courts of Justice Act, R.S.O. 1990, c. C.43**

APPROVAL, VESTING AND DISTRIBUTION ORDER

THIS APPLICATION made by Bank of Montreal, in its capacity as agent (“**BMO**” or the “**Applicant**”) for certain lenders, including Bank of Montreal, forming a syndicate (the “**Lenders**”) pursuant to a Credit Agreement dated September 28, 2012 between BMO and the Lenders and the Respondents and certain other related entities, as amended from time to time (the “**Credit Agreement**”), for an Order:

- (a) approving the sale transaction (the "**Transaction**") contemplated by an offer to purchase (the "**Sale Agreement**") made to Richter Advisory Group Inc. in its capacity as receiver of the Respondents (the "**Receiver**" or the "**Seller**") by 9472541 Canada Inc., 9472550 Canada Inc., 635427, Inc. and 652134 Limited as purchasers. (together, the "**New Thane Purchasers**") dated October 16, 2015 and appended to the Affidavit of Paul Findlay sworn October 16, 2015 (the "**Findlay Affidavit**");
- (b) authorizing and directing the Receiver to enter into the Sale Agreement and vesting in the New Thane Purchasers the right, title and interest in and to the assets of the Debtors (defined below) to be sold pursuant to and as described in the Sale Agreement (the "**Assets**");
- (c) providing for distribution to the Lenders of the cash purchase price for the Assets; and,
- (d) for related relief,

was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Findlay Affidavit and the Exhibits thereto, and the Report of Richter Advisory Group Inc. ("**Richter**") dated October 19, 2015 (the "**Richter Report**") in its capacity as proposed Receiver (the "**Pre-Appointment Report**") and on hearing the submissions of counsel for BMO, counsel for the Receiver, counsel for the Respondents Thane International, Inc., Thane Direct, Inc., Thane Direct Company, Thane Direct Marketing Inc., West Coast Direct Marketing, Inc., Thane Direct Canada Inc. and TDG, Inc. (together, the "**Debtors**") and counsel for the New Thane Purchasers, no one appearing for any other party although duly served as appears from the Affidavit of Service of Haddon Murray,

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of Application, the Application Record herein and the Pre-Appointment Report is hereby abridged, if necessary, and that this application is properly returnable today and that service, including the form, manner and

time that such service was actually effected on all parties, is hereby validated, and where such service was not effected such service is hereby dispensed with.

APPROVAL

2. **THIS COURT ORDERS AND DECLARES** that the Transaction and the Sale Agreement are hereby approved, and that the Sale Agreement is commercially reasonable and in the best interests of the Debtors and their stakeholders. The Receiver is hereby authorized and directed to execute the Sale Agreement, with such minor amendments as the Receiver may deem necessary. The Receiver is hereby further 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 Assets to the New Thane Purchasers, including, without limitation, taking proceedings pursuant to Chapter 15 of the United States Bankruptcy Code in respect of the Transaction and the Sale Agreement.

3. **THIS COURT ORDERS** that the Pre-Appointment Report and the activities and conduct of Richter described therein be and the same are hereby approved.

VESTING AND DISTRIBUTION

4. **THIS COURT ORDERS AND DECLARES** that upon the delivery of a Receiver's certificate to the New Thane Purchasers substantially in the form attached as **Schedule "A"** hereto (the "**Receiver's Certificate**"), all of the Debtors' right, title and interest in and to the Assets described in the Sale Agreement and described in summary form in **Schedule "B"** hereto shall vest absolutely in each of the New Thane Purchasers as set out in **Schedule "B"**, 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 Penny dated October 23, 2015; (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; and

(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 listed on **Schedule "D"** hereto) and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Assets are hereby expunged and discharged as against the Assets.

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 all cash proceeds of sale of the Assets as provided for under the Sale Agreement shall, as part of the closing of the Transactions, be immediately paid or caused to be paid by the Receiver to the Agent for the benefit of the Lenders (the "**Distribution**") to be applied on account of and in partial payment of the obligations due and owing by the Debtors or any of them to the Lenders pursuant to the Credit Agreement and the Distribution may be effected by way of direction.

7. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, the Receiver and the Debtors are authorized and permitted to disclose and transfer to the New Thane Purchasers all human resources and payroll information in the Company's records pertaining to the Debtor's past and current employees, including personal information of those employees to be hired by the New Thane Purchasers pursuant to the Sale Agreement. The New Thane Purchasers shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use of such information by the Debtor.

8. **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 Debtors and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made in respect of the Debtors;

the vesting of the Assets in the New Thane Purchasers 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 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.

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

SEALING

10. **THIS COURT ORDERS AND DECLARES** that Confidential Appendices "1" and "2" to the Richter Report, being the Thane Confidential Information Memorandum dated August 24, 2014 and the Report on Valuation of Thane International dated October 16, 2015 prepared by Ernst & Young LLP (the "**Valuation Report**"), and paragraph 53 of the Findlay Affidavit, which references information in the Valuation Report, shall be treated as confidential and shall be sealed and segregated from the public record, pending the closing of the Transaction contemplated by the Sale Agreement.

GENERAL

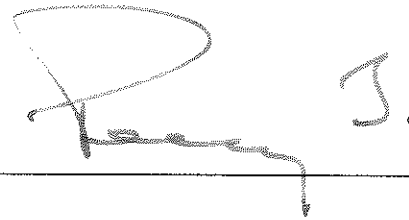
11. **THIS COURT ORDERS** that the Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

12. **THIS COURT ORDERS** that the Receiver is hereby exempted from the requirements of section 245(1)b of the BIA in respect of all creditors of the Debtors whose claims are not Excluded Obligations as defined in the Sale Agreement.


13. **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.

14. **THIS COURT ORDERS** that the Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Receiver is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.



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

OCT 23 2015 

SCHEDULE "A"

Form of Receiver's Certificate

Court File No.: CV-15-11146-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

BETWEEN:

BANK OF MONTREAL

Applicant

- and -

**THANE INTERNATIONAL, INC., THANE DIRECT, INC., THANE DIRECT
COMPANY, THANE DIRECT MARKETING INC., WEST COAST DIRECT
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RECEIVER'S CERTIFICATE

RECITALS

A. Pursuant to an Order of the Honourable Justice Penny of the Ontario Superior Court of Justice (the "**Court**") dated October 23, 2015, Richter Advisory Group Inc. was appointed as the receiver (the "**Receiver**") of the assets, undertakings and properties of the Respondents (the "**Debtors**").

B. Pursuant to an Order of the Court dated October 23, 2015, the Court approved the sale transaction (the “**Transaction**”) contemplated by an offer to purchase made to the Receiver by 9472541 Canada Inc., 9472550 Canada Inc., 635427, Inc. and 652134 Limited (together, the “**New Thane Purchasers**”) made as of October 16, 2015 (the “**Sale Agreement**”) and provided for the vesting in the New Thane Purchasers of the Debtors’ right, title and interest in and to the assets of the Debtors to be sold pursuant to and as described in the Sale Agreement, (the “**Assets**”), which vesting is to be effective with respect to the Assets upon the delivery by the Receiver to the New Thane Purchasers of a certificate confirming (i) the payment by the New Thane Purchasers of the Purchase Price (as defined in the Sale Agreement) for the Assets; (ii) that the conditions to Closing as set out in Article 4 of the Sale Agreement have been satisfied or waived by the Receiver and the New Thane Purchasers; and (iii) 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 New Thane Purchasers have paid the Purchase Price for the Assets payable on the Closing Date pursuant to the Sale Agreement;
2. The conditions to Closing as set out in Article 4 of the Sale Agreement have been satisfied or waived by the Receiver and the New Thane Purchasers; and
3. The Transaction has been completed to the satisfaction of the Receiver.
4. This Certificate was delivered by the Receiver at ● on ●.

Richter Advisory Group Inc., in its capacity as Receiver of the assets, undertakings and properties of the Debtors, and not in its personal capacity

Per: _____

Name:

Title:

SCHEDULE "B"

Vesting of Assets

<u>Thane Receivership Company</u>	<u>Assets/Shares Being Sold</u>	<u>Purchaser</u>
Thane International, Inc.	IP Assets	652134 Limited ("New Thane IPCO (UK)")
	Other Assets	635427, Inc. ("New Thane US")
Thane Direct, Inc.	Shares – 80% equity interest in Grupo Mejor Compra SAPI de CV	9472541 Canada Inc. ("New Thane Holdco")
	Other Assets	New Thane Holdco
Thane Direct Company	Shares: <ul style="list-style-type: none"> • Danoz Direct Pty Ltd. • TVNS Scandanavia AB • Thane Direct UK Ltd. 	New Thane Holdco
	IP Assets	New Thane IPCO (UK)
	Other Assets	9472550 Canada Inc. ("New Thane Canada")
	IP Licence with New Thane IPCO(UK)	New Thane Canada
Thane Direct Marketing Inc.	Shares: <ul style="list-style-type: none"> • Medio Latino Inc. • Thane USA, Inc. 	New Thane U.S.
	Other Assets	New Thane Canada
West Coast Direct Marketing, Inc.	Other Assets	New Thane U.S.
TDG, Inc.	Other Assets	New Thane U.S.
Thane Direct Canada Inc.	IP Assets	New Thane IPCO (UK)
	IP Licence with New Thane IPCO (UK)	New Thane Canada
	Other Assets	New Thane Canada

Note that in the foregoing chart "Other Assets" refers to any asset owned by a Thane Receivership Company except intellectual property assets, intellectual property licence rights pursuant to licences given to certain of the Thane Receivership Companies by New Thane IPCO (UK) as a closing step and Excluded Assets described in the Offer. Other Assets can include Thane Group contractual rights, equipment, inventory and accounts receivable, as applicable.

SCHEDULE "C"

Encumbrances

A. Personal Property Security Act						
1.	Bank of Montreal, as Agent	666420336	20101207 1700 1590 3006 (6 years)	December 7, 2010	Thane Direct Company	I, E, A, O, MV
2.	Bank of Montreal, as Agent	666420327	20101207 1659 1590 3005 (6 years)	December 7, 2010	Thane Direct Canada Inc.	I, E, A, O, MV
3.	Bank of Montreal, as Agent	710681778	20151007 1623 1862 9770 (2 years)	October 7, 2015	Thane Direct Marketing Inc.	I, E, A, O, MV
4.	Bank of Montreal, as Agent	666420354	20101207 1700 1590 3007 (6 years)	December 7, 2010	Thane Direct, Inc.	I, E, A, O, MV
B. Uniform Commercial Code						

SCHEDULE "D"

Permitted Encumbrances

BMW Canada Inc.	703790991	20150224 1039 1529 9581 (4 years)	February 24, 2015	Thane Direct Canada Inc.	E, O, MV Amount: \$75149 2015 BMW Model X6 xDrive 35I
BMW Canada Inc.	701504037	20141112 1442 1530 2922 (5 years)	November 12, 2014	Thane Direct Canada Inc.	CG, E, O, MV Amount: \$69169 2015 BMW, Model X4 xDrive 35I
Mercedes-Benz Financial Services Canada Corporation and Mercedes-Benz Financial	692119602	20131125 1942 1531 4299 (3 years)	November 25, 2013	Thane Direct Canada Inc.	E, O, MV 2014 Mercedes-Benz, Model GLK3504M
Mercedes-Benz Financial Services Canada Corporation and Mercedes-Benz Financial	691288407	20131023 1937 1531 9932 (3 years)	October 23, 2013	Thane Direct Canada Inc.	CG, E, O, MV Amount: \$73612 2014 Mercedes-Benz, Model E350C4M

Mercedes-Benz Financial Services Canada Corporation and Mercedes-Benz Financial	687481461	20130604 1937 1531 9933 (3 years)	June 4, 2013	Thane Direct Canada Inc.	E, O, MV 2014 Mercedes-Benz Model E550W4M
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Applicant

Respondents

**ONTARIO
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(COMMERCIAL LIST)**

(PROCEEDING COMMENCED AT TORONTO)

**APPROVAL, VESTING AND DISTRIBUTION
ORDER**

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