



Court File No. CV-11-9368-00CL

ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)

THE HONOURABLE MR.	)	MONDAY, THE 19 <sup>th</sup>
	)	
JUSTICE COLIN CAMPBELL	)	DAY OF MARCH, 2012

IN THE MATTER OF THE *COMPANIES' CREDITORS*  
*ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE AND  
ARRANGEMENT INVOLVING OLYMPUS UNITED FUNDS CORPORATION /  
CORPORATION DE FONDS UNIS OLYMPUS

OLYMPUS UNITED FUNDS CORPORATION / CORPORATION DE FONDS UNIS  
OLYMPUS, BY ITS RECEIVER, RSM RICHTER INC.

Applicant

**SANCTION ORDER**

**THIS MOTION** made by the Applicant Olympus United Funds Corporation / Corporation de Fonds Unis Olympus ("**Olympus Funds**"), represented by its Court-appointed receiver RSM Richter Inc. ("**Richter**" or "**Receiver**"), for an order:

1. extending the Stay Period, as defined in paragraph 8 of the Initial CCAA Order, to and including July 30, 2012;
2. sanctioning the plan of compromise and arrangement (the "**Plan**") proposed by the Applicant, attached as Exhibit "A" to the third report of Richter in its capacity as the monitor in this proceeding (the "**Monitor**"), dated March 9, 2012 (the "**Third Report**");
3. authorizing the Receiver and Monitor to take all steps necessary to implement the Plan;

4. approving the Third Report and the activities of the Monitor described therein; and
5. for other relief as counsel may advise and this Honourable Court may deem just;

was heard March 19, 2012 at 330 University Avenue, Toronto, Ontario.

**ON READING** the Notice of Motion, the Third Report of the Monitor, and on hearing the submissions of counsel for Richter in its capacity as Receiver and Monitor, and on being advised that the parties listed on the service list as of March 9, 2012 attached to the Motion Record (the “**Service List**”) were served with the Motion Record;

#### **SERVICE**

6. **THIS COURT ORDERS** that, in accordance with the Meeting Order, this Motion is properly returnable today and hereby dispenses with further service thereof.

#### **DEFINITIONS**

7. **THIS COURT ORDERS** that any capitalized terms not otherwise defined in this Order shall have the meanings ascribed to such terms in the Plan.

#### **STAY PERIOD**

8. **THIS COURT ORDERS** that the Stay Period be extended to and including July 30, 2012.

#### **MEETING DOCUMENTS AND APPROVAL MEETING**

9. **THIS COURT ORDERS AND DECLARES** that the Meeting Order remains in full force and effect, unvaried and unamended.
10. **THIS COURT ORDERS AND DECLARES** that there has been good and sufficient notice, service and delivery of the Meeting Documents (as defined in the Meeting Order) and that the Approval Meeting called pursuant to paragraph 22 of the Meeting Order was duly convened, held and conducted, in conformity with the CCAA and the Meeting Order.

**SANCTION OF PLAN**

11. **THIS COURT ORDERS AND DECLARES** that:

- (a) the Plan has been approved by the requisite majorities of the Creditors present and voting, either in person or by proxy, at the Approval Meeting, all in conformity with the CCAA, the terms of the Initial CCAA Order and the Meeting Order;
- (b) the Applicant has acted in good faith and with due diligence, has complied with the provisions of the CCAA, and has not done or purported to do (nor does the Plan do or purport to do) anything that is not authorized by the CCAA;
- (c) the Applicant has adhered to, and acted in accordance with all Orders of this Court in the CCAA Proceedings; and
- (d) the Plan, together with all of the compromises, arrangements, transactions, releases, discharges, bar orders, injunctions and results provided for therein and effected thereby are fair, reasonable and in the best interests of the Creditors and does not unfairly disregard the interests of any Person (whether a Creditor or otherwise).

12. **THIS COURT ORDERS** that the Plan is hereby sanctioned and approved pursuant to Section 6 of the CCAA.

**PLAN IMPLEMENTATION**

13. **THIS COURT ORDERS** that Olympus Funds and the Monitor, as the case may be, are authorized and directed to take all steps and actions, and to do all things, necessary or appropriate to enter into or implement the Plan in accordance with its terms, and enter into, execute, deliver, implement and consummate all of the steps, transactions and agreements contemplated pursuant to the Plan.

14. **THIS COURT ORDERS** that upon the satisfaction or waiver, as applicable, of the conditions precedent set out in Section 7.1 of the Plan, the Monitor shall file with this Court a certificate that states that all conditions precedent set out in Section 7.1 of the Plan have been

satisfied or waived, as applicable, and that, with the filing of such certificate by the Monitor, the Plan Implementation Date shall have occurred in accordance with the Plan.

15. **THIS COURT ORDERS** upon the Plan Implementation Date occurring, the Monitor, Olympus Funds and the Receiver are hereby directed and authorized to complete the distributions contemplated under the Plan.

16. **THIS COURT ORDERS AND DECLARES** that any distributions under the Plan and this Order shall not constitute a "distribution" for the purposes of section 159 of the *Income Tax Act* (Canada), section 270 of the *Excise Tax Act* (Canada) and section 107 of the *Corporations Tax Act* (Ontario) and any party in making any such payments is not "distributing", nor shall be considered to have "distributed", such funds, and shall not incur any liability under the abovementioned statutes for making any payments ordered and is hereby forever released, remised and discharged from any claims against it under section 159 of the *Income Tax Act* (Canada), section 270 of the *Excise Tax Act* (Canada) and section 107 of the *Corporations Tax Act* (Ontario).

17. **THIS COURT ORDERS AND DECLARES** that as of the Plan Implementation Date, the Plan, including all compromises, arrangements, transactions, releases, discharges, bar orders and injunctions provided for therein, shall inure to the benefit of and be binding and effective upon the Creditors, the Monitor and all other Persons affected thereby, and on their respective heirs, administrators, executors, legal personal representatives, successors and assigns.

18. **THIS COURT ORDERS** that, subject to the performance by Olympus Funds, the Receiver, KPMG LLP and the Monitor of their respective obligations under the Plan, and except to the extent expressly provided otherwise by the Plan or this Order, no Person who is a party to any obligation or agreement with Olympus Funds shall, following the Plan Implementation Date, accelerate, terminate, rescind, refuse to perform or repudiate its obligations thereunder, or enforce or exercise any right (including any right of set-off, dilution or other remedy) or make any demand under or in respect of any such obligation or agreement, by reason:

- (a) of any event(s) that occurred on or prior to the Plan Implementation Date that would have entitled any other Person thereto to enforce those rights or remedies

(including defaults or events of default arising as a result of the insolvency of Olympus Funds);

- (b) of the fact that relief under the CCAA has been sought or obtained in respect of Olympus Funds, that the CCAA Proceedings have been commenced or completed, or that the within restructuring has been implemented in respect of Olympus Funds; or
- (c) of any compromises or arrangements effected pursuant to this Plan.

19. **THIS COURT ORDERS** that, as of the Plan Implementation Date, each Creditor shall be deemed to have consented and agreed to all of the provisions of the Plan in their entirety and, in particular, each Creditor shall be deemed:

- (a) to have executed and delivered to the Monitor and to Olympus Funds all consents, releases or agreements required to implement and carry out the Plan in its entirety; and
- (b) to have agreed that if there is any conflict between the provisions, express or implied, of any agreement or other arrangement, written or oral, existing between such Creditor and Olympus Funds as of the Plan Implementation Date and the provisions of the Plan, the provisions of the Plan take precedence and priority and the provisions of such agreement or other arrangement shall be deemed to be amended accordingly.

#### **RELEASES, DISCHARGES AND INJUNCTIONS**

20. **THIS COURT ORDERS AND DECLARES** that the compromises, arrangements, exculpations, releases, discharges and injunctions contemplated in the Plan, including those granted for the benefit of KPMG Canada, KPMG LLP (Canada), KPMG Barbados, all other member firms of KPMG International and their related or affiliated entities and their respective past, present and future partners, officers, directors, employees, servants, agents, assigns, insurers and counsel (collectively, the “**KPMG Releasees**”), are integral components thereof and are necessary for, and vital to, the success of the Plan and that, effective on the Plan Implementation Date, all such compromises, arrangements, exculpations, releases, discharges,

bar orders and injunctions are hereby sanctioned, approved and given full force and effect in accordance with and subject to their respective terms.

21. **THIS COURT ORDERS** that without limiting the effect or validity of any provision of this Order or the Plan and for greater certainty, immediately upon the Plan Implementation Date having occurred, the Receiver of Olympus Funds, the Retail Investors of Olympus Funds, all other Creditors affected by the Plan, their respective current officers, directors, employees, servants, agents, heirs, administrators, successors, assigns and any Person who claims a right or interest through them, will be deemed to have fully, finally and forever released, remised, acquitted and forever discharged, without qualification or limitation, the KPMG Releasees, separately and jointly, of and from any and all rights, interests, obligations, debts, dues, sums of money, accounts, reckonings, damages, claims, actions, allegations, causes of action, counterclaims or demands whatsoever, whether known or unknown, in law or equity, of whatever kind or character, suspected, fixed or contingent relating directly or indirectly to any of the Norshield Companies (collectively “**Claims**”) that have been, that could be, or that could have been asserted against the KPMG Releasees (collectively, the “**KPMG Claims**”).

22. **THIS COURT ORDERS** that without limiting the effect or validity of any provision of this Order or the Plan and for greater certainty, immediately upon Plan Implementation occurring, all Persons (regardless of whether or not such Persons are Creditors), including without limitation Richter as Receiver of the Norshield Companies and the Retail Investors of the Norshield Companies, along with their respective affiliates, present and former officers, directors, employees, associated individuals, auditors, financial advisors, legal counsel, other professionals, sureties, insurers, indemnitees, agents, dependents, heirs, representatives and assigns, as applicable, are permanently and forever barred, estopped, stayed and enjoined, on and after the Effective Time, with respect to the KPMG Claims, from (i) commencing, conducting or continuing in any manner, directly or indirectly, any action, suits, demands or other proceedings of any nature or kind whatsoever (including, without limitation, any proceeding in a judicial, arbitral, administrative or other forum and further including proceedings for past, present or future legal fees, disbursements and/or taxes relating directly or indirectly to the Proposed Class Action and any authorized or certified class action resulting therefrom) against the KPMG

Releasees; (ii) enforcing, levying, attaching, collecting or otherwise recovering or enforcing by any manner or means, directly or indirectly, any judgment, award, decree or order against the KPMG Releasees or their property, including for past, present or future legal fees, disbursements and/or taxes relating directly or indirectly to the Proposed Class Action and any authorized or certified class action resulting therefrom; (iii) commencing, conducting or continuing in any manner, directly or indirectly, any action, suits or demands, including without limitation, by way of contribution or indemnity or other relief, in common law, or in equity, or under the provisions of any statute or regulation, or other proceedings of any nature or kind whatsoever (including, without limitation, any proceeding in a judicial, arbitral, administrative or other forum) against any Person who makes such a claim or might reasonably be expected to make such a claim, in any manner or forum, against one or more of the KPMG Releasees; (iv) creating, perfecting, asserting or otherwise enforcing, directly or indirectly, any lien or encumbrance of any kind; or (v) taking any actions to interfere with the implementation or consummation of this Plan. This paragraph does not apply to enjoin the making of Excepted Claims.

23. **THIS COURT ORDERS** that, notwithstanding paragraphs 21 and 22, nothing in this Order shall: (i) release, enjoin or compromise claims against directors of Olympus Funds that are described in Section 5.1(2) of the CCAA; or (ii) stay, release, discharge, bar, enjoin or otherwise interfere with any powers or remedies of, or proceedings or investigations by, any regulatory or self-regulatory body having jurisdiction (pursuant to any applicable statute, regulation or rule) over any of the KPMG Releasees concerning their involvement with the Norshield Companies, provided that paragraphs 21 and 22 would be effective to release and enjoin the making of any order or award to compensate or make restitution to an aggrieved person or company or to pay general or punitive damages to any other person or company.

24. **THIS COURT ORDERS** that, without derogating from Section 8.3 of the Plan, paragraphs 21 and 22 hereof do not apply to an Excepted Claim (and only an Excepted Claim as strictly defined herein) by a potential plaintiff against a KPMG Releasee for damages, provided that:

- (a) for the purposes of this paragraph 24, “**Excepted Claim**” shall mean a claim by a potential plaintiff against the KPMG Releasees for damages that is based on a

final judgment that the potential plaintiff suffered damages as a direct result of the potential plaintiff's reliance on fraudulent misrepresentations made by any or all of the KPMG Releasees or their agents when any or all of the KPMG Releasees had actual knowledge that the misrepresentations were false;

(b) for the purposes of this paragraph 24, the initial pleadings of an Excepted Claim shall set out particulars of the following elements:

(i) the allegation that an authorized representative of any or all of the KPMG Releasees made one or more express fraudulent misrepresentations directly to the potential plaintiff with the intention to induce the potential plaintiff to invest or transact with any or all of the Norshield Companies;

(ii) the allegation that the representations of the KPMG Releasees' authorized representative was knowingly false to the knowledge of the representative where the potential plaintiff identifies:

1. the name of the authorized representative of the KPMG Releasee, including position if known;
2. the person or persons to whom the representation was made, including his/her position with the potential plaintiff;
3. the date or dates of the representation;
4. the text of the representation said to be materially untrue and whether oral or in writing;
5. the action taken by the potential plaintiff in reliance on the representation;

(iii) the allegation that the potential plaintiff placed reliance on the representation and the basis on which it is alleged that the reliance was reasonable; and

(iv) the detriment alleged to be suffered by the potential plaintiff;

(c) the KPMG Releasees against which the claim is made may move before the CCAA Court for a determination that the claim of the potential plaintiff, as pled,



does not constitute an Excepted Claim, and the determination of the CCAA Court shall be binding on the parties;

- (d) a potential plaintiff shall only have the right to pursue an Excepted Claim if:
  - (i) the potential plaintiff expressly waives the application of Sections 9.1 and 9.2 of the Plan and paragraphs 21 and 22 hereof as they apply to any defences or counterclaims against the potential plaintiff that the KPMG Releasees may wish to assert;
  - (ii) the potential plaintiff serves and files an initial pleading in a proceeding to pursue the Excepted Claim containing the particulars required by paragraph 24(b) within nine weeks of the date of delivery of notice by the Monitor;
- (e) except as provided in this paragraph 24, paragraphs 21 and 22 shall remain in full force and effect, and for greater certainty,
  - (i) a potential plaintiff may not commence any claim other than an Excepted Claim;
  - (ii) a potential plaintiff may pursue an Excepted Claim only as provided by, and in accordance with the time limits set out in, this paragraph 24, and any Excepted Claim that is not pursued as provided by, and in accordance with the time limits set out in, this paragraph 24 is subject to paragraphs 21 and 22 and to Sections 9.1 and 9.2 of the Plan and therefore is forever released and barred upon the Plan Implementation Date having occurred;
  - (iii) no claim other than an Excepted Claim shall be advanced by any potential plaintiff, even if such claim arises from the same set of facts that allegedly give rise to the Excepted Claim, and the Excepted Claim may not be expanded by the potential plaintiff through the discovery process provided that adding further factual particulars in respect of the Excepted Claim through the discovery process shall not be an expansion of the Excepted Claim; and

- (iv) the KPMG Releasees may not under any circumstances seek contribution, indemnity or other relief over in respect of an Excepted Claim from another KPMG Releasee (other than the potential plaintiff, as contemplated by paragraph 24(d)(i)) where a potential plaintiff pursues an Excepted Claim against that KPMG Releasee in accordance with this paragraph 24;
- (f) the successful litigant will be entitled to legal costs on a full indemnity basis with respect to Excepted Claim(s); and
- (g) the Monitor shall, within five Business Days following the date of this Order, give notice of the rights of potential plaintiffs under this paragraph 24 and Section 9.5 of the Plan as follows:
  - (i) sending a notice to each party represented on the service list for this proceeding;
  - (ii) posting a notice on the Website; and
  - (iii) sending a notice to each Creditor who filed a Proof of Claim, Proof of Investment or Proof of Creditor Claim form with the Monitor, by e-mail or (where no e-mail address was provided to the Monitor) by courier at the last e-mail or mailing address provided to the Monitor by the Creditor.

#### **APPROVAL OF THE MONITOR'S REPORT**

25. **THIS COURT ORDERS** that the Third Report of the Monitor and the activities of the Monitor referred to therein be and are hereby approved.

#### **DISCHARGE OF MONITOR**

26. **THIS COURT ORDERS** that on the Plan Completion Date, and subject to this Order, the Monitor shall be discharged and released and shall have no further obligations or responsibilities.

27. **THIS COURT ORDERS** that the completion of the Monitor's duties shall be evidenced, and its final discharge shall be effected, by the filing by the Monitor with this Court of a certificate of discharge.

28. **THIS COURT ORDERS AND DECLARES** that the actions and conduct of the Monitor in the CCAA Proceedings are hereby approved and that the Monitor has satisfied all of its obligations up to and including the date of this Order, and that in addition to the protections in favour of the Monitor as set out in the Orders of this Court in the CCAA Proceedings to date, the Monitor shall not be liable for any act or omission on the part of the Monitor, including with respect to any reliance thereon, including without limitation, with respect to any information disclosed, any act or omission pertaining to the discharge of duties under the Plan or as requested by Olympus Funds or with respect to any other duties or obligations in respect of the implementation of the Plan, save and except for any claim or liability arising out of any gross negligence or willful misconduct on the part of the Monitor. Subject to the foregoing, and in addition to the protections in favour of the Monitor as set out in the Orders of this Court, any claims against the Monitor in connection with the performance of its duties as Monitor or as Receiver of Olympus Funds are hereby released, stayed, extinguished and forever barred and the Monitor and Receiver shall have no liability in respect thereof.

29. **THIS COURT ORDERS** that no action or other proceeding shall be commenced against the Monitor in any way arising from or related to its capacity or conduct as Monitor or as Receiver of Olympus Funds except with prior leave of this Court and on prior written notice to the Monitor and Receiver and such further order securing, as security for costs, the solicitor and his own client costs of the Monitor and Receiver in connection with any proposed action or proceeding as the Court hearing the motion for leave to proceed may deem just and appropriate.

30. **THIS COURT ORDERS** that Richter, its affiliates, and their respective officers, directors, employees and agents, and counsel for Richter, are hereby released and discharged from any and all claims that any Persons may have or be entitled to assert against Richter, 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, dealing or other occurrence existing or taking place on or prior to the date of issue of this Order in any way relating to,

arising out of or in respect of the appointment of Richter as Monitor or as Receiver pursuant to the provisions of the Ontario *Securities Act* and *Courts of Justice Act* by Orders of this Court dated June 29, 2005, July 14, September 9 and October 14, 2005, up to the discharge of Richter as Monitor and Receiver.

### **INITIAL CCAA ORDER AND OTHER ORDERS**

31. **THIS COURT ORDERS** that:

- (a) except to the extent that the Initial CCAA Order has been varied by or is inconsistent with this Order or any further Order of this Court, the provisions of the Initial CCAA Order shall remain in full force and effect until the Plan Implementation Date; provided that the protections granted in favour of the Monitor shall continue in full force and effect after the Plan Implementation Date; and
- (b) all other Orders made in the CCAA Proceedings shall continue in full force and effect in accordance with their respective terms, except to the extent that such Orders are varied by, or are inconsistent with, this Order or any further Order of this Court in the CCAA Proceedings; provided that the protections granted in favour of the Monitor shall continue in full force and effect after the Plan Implementation Date.

### **EFFECT, RECOGNITION, ASSISTANCE**

32. **THIS COURT ORDERS** that this Order shall have full force and effect in all provinces and territories in Canada, outside Canada and against all Persons against whom it may otherwise be enforceable.

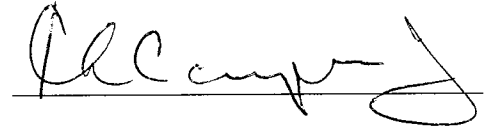
33. **THIS COURT REQUESTS** the aid, recognition and assistance of other courts in Canada in accordance with Section 17 of the CCAA and requests that the Federal Court of Canada and the courts and judicial, regulatory and administrative bodies of or by the provinces and territories of Canada, the Parliament of Canada, the United States of America, the states and other subdivisions of the United States of America including, without limitation, the U.S. District

Court, and other nations and states act in aid, recognition and assistance of, and be complementary to, this Court in carrying out the terms of this Order and any other Order in this proceeding. The Monitor shall be at liberty, and is hereby authorized and empowered, to make such further applications, motions or proceedings to or before such other court and judicial, regulatory and administrative bodies, and take such other steps, in Canada or the United States of America, as may be necessary or advisable to give effect to this Order.

**ADVICE AND DIRECTION**

34. **THIS COURT ORDERS** that the Applicant may from time to time apply to this Court for advice and directions concerning further amendments to the Plan.

35. **THIS COURT ORDERS** that the Applicant may from time to time apply to this Court for advice and directions concerning the implementation of the Plan or the discharge of its powers and duties hereunder.



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

MAR 19 2012



**SCHEDULE “A”**

**Norshield Companies**

1. Olympus United Funds Corporation / Corporation de Fonds Unis Olympus
2. Norshield Asset Management (Canada) Ltd. / Gestion de Placements Norshield (Canada) Ltée
3. Norshield Investment Partners Holdings Ltd. / Gestion des Partenaires d’Investissement Norshield Ltée
4. Olympus United Funds Holdings Corporation
5. Olympus United Bank and Trust SCC
6. Olympus United Group Inc. / Groupe Olympus United Inc.
7. Norshield Capital Management Corporation / Corporation Gestion de l’Actif Norshield
8. Honeybee Software Technologies Inc. / Technologies de Logiciels Honeybee Inc.  
(formerly Norshield Investment Corporation/Corporation d’Investissement Norshield)

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c.C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE AND ARRANGEMENT INVOLVING OLYMPUS UNITED FUNDS CORPORATION /  
CORPORATION DE FONDS UNIS OLYMPUS, OLYMPUS UNITED FUNDS CORPORATION / CORPORATION DE FONDS UNIS OLYMPUS, BY ITS  
RECEIVER, RSM RICHTER INC.

Applicant

Court File No.: CV-11-9368-00CL

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

Proceedings commenced at Toronto

**SANCTION ORDER**

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Olympus United Funds Corporation / Corporation de Fonds Unis Olympus