

EXHIBIT K-3

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re

BARONET U.S.A. INC., et al.,¹

Debtors in a Foreign Proceeding.

Chapter 15

Case No. 07-13821 (JMP)

Joint Administration

ORDER GRANTING RECOGNITION OF FOREIGN MAIN PROCEEDING

A hearing having been held before the United States Bankruptcy Court of the Southern District of New York on January 9, 2008 (the "Hearing") to consider the Petition and the Verified Petition (collectively, the "Petition") for recognition of the proceeding under Canada's *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended, pending before the Quebec Superior Court of Justice (Commercial Division) (the "Canadian Proceeding"), as a foreign main proceeding pursuant to Sections 1515 and 1517 of the Bankruptcy Code, filed by Ernst & Young Inc. ("E&Y" or the "Monitor"), the monitor of the business and financial affairs of Baronet Inc. and Baronet U.S.A. Inc. (together, "Baronet" or the "Debtors"); and upon the Court's review and consideration of the Petition, the Declaration of Luc Poulin in Support of (I) Petitions for Recognition of Canadian Proceeding Under 11 U.S.C. § 1515 (II) Motion for Order Directing Joint Administration of Chapter 15 Bankruptcy Cases Under Red. R. Bankr. P. 1015(b) and (III) Application for Temporary Restraining Order and, After Notice and a Hearing, A Preliminary Injunction Granting Provisional Relief Under 11 U.S.C. § 1519(a); and upon the evidence offered

¹ These jointly administered cases are those of the following debtors: Baronet U.S.A. Inc. and Baronet Inc.

in support of the Petition; and appropriate and timely notice of the filing of the Petition and the Hearing thereon having been given, pursuant to section 1514 of the Bankruptcy Code; and no other or further notice being necessary or required; and no objections or other responses having been filed that have not been overruled, withdrawn or otherwise resolved; and all interested parties having had an opportunity to be heard at the Hearing; and after due deliberation and sufficient cause appearing therefore, the Court makes the following findings of fact and conclusions of law:

1. This Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334, and Sections 109 and 1501 of the Bankruptcy Code.
2. Venue of this proceeding is proper in this judicial district pursuant to 28 U.S.C. § 1410.
3. This is a core proceeding under 28 U.S.C. § 157(b)(2)(P).
4. E&Y as Monitor is the duly appointed “foreign representative” of the Debtors within the meaning of section 101(24) of the Bankruptcy Code.
5. These Chapter 15 cases were properly commenced pursuant to sections 1504, 1509, and 1515 of the Bankruptcy Code.
6. E&Y as Monitor has satisfied the requirements of Section 1515 of the Bankruptcy Code and Rule 2002(q) of the Interim Federal Rules of Bankruptcy Procedure.
7. The Canadian Proceeding is a “foreign proceeding” pursuant to section 101(23) of the Bankruptcy Code.
8. The Canadian Proceeding is entitled to recognition by this Court pursuant to section 1517 of the Bankruptcy Code.

9. Canada is the center of main interests of the Debtors, and accordingly the Canadian Proceeding is a “foreign main proceeding” pursuant to section 1502(4) of the Bankruptcy Code, and is entitled to recognition as a foreign main proceeding pursuant to section 1517(b)(1).

10. E&Y as Monitor is entitled to all the automatic relief available pursuant to section 1520 of the Bankruptcy Code without limitation.

11. E&Y as Monitor is further entitled to the discretionary relief expressly set forth in section 1521(a) and (b) of the Bankruptcy Code.

12. The relief granted herein is necessary and appropriate, in the interests of the public and international comity, consistent with the public policy of the United States, and warranted pursuant to sections 1517, 1520, and 1521 of the Bankruptcy Code.

NOW, THEREFORE, IT IS HEREBY:

ORDERED that the Canadian Proceeding is granted recognition pursuant to section 1517(a) of the Bankruptcy Code; and it is further

ORDERED that the Canadian Proceeding is granted recognition as a foreign main proceeding pursuant to section 1517(b)(1) of the Bankruptcy Code; and it is further

ORDERED that all persons and entities (other than the Monitor and its expressly authorized representatives and agents) are hereby enjoined, except as provided in sections 555 through 557, 559 through 562, 1520 and 1521 of the Bankruptcy Code, from:

- (1) execution against the Debtors’ assets;
- (2) taking or continuing any act to obtain possession of, or exercise control over the Debtors or any of their property;
- (3) taking or continuing any act to create, perfect or enforce a lien or other security interest, set-off or other claim against the Debtors or any of their property;

- (4) transferring, relinquishing or disposing of any property of the Debtors to any person or entity other than E&Y as Monitor;
- (5) commencing or continuing any proceedings, including, without limitation, arbitration, mediation or any judicial, quasi judicial, administrative or regulatory action, appeal, proceeding or process whatsoever (collectively, "Proceedings") against the Debtors or any of their property or seeking discovery of any nature against the Debtors;
- (6) enforcing any judicial, quasi judicial, administrative or regulatory judgment, assessment or order or arbitration award and commencing or continuing any act or any action or other Proceedings to create, perfect or enforce any lien, set-off or other claim against the Debtors or any of their property;
- (7) invoking, enforcing or relying on the benefits of any statute, rule or requirement of federal, state or local law or regulation requiring E&Y as Monitor (with respect to the Debtors) or the Debtors to establish or post security in the form of a bond, letter of credit or otherwise as a condition of prosecuting or defending any Proceedings, and such statute, rule or requirement will be rendered null and void for the purposes of such Proceedings;
- (8) declaring or considering the filing of the Canadian Proceeding or these Chapter 15 cases a default or event of default under any agreement, contract or arrangement; and
- (9) exercising control over, or possessing the Debtors' property, except as expressly authorized by E&Y as Monitor;

and it is further

ORDERED that, pursuant to section 1520(a) of the Bankruptcy Code, all persons and entities are hereby enjoined and restrained from taking any actions or steps inconsistent with, or to the detriment of, the Canadian Proceeding, the Debtors, or E&Y as Monitor, including, *inter alia*, as set forth herein; and it is further

ORDERED that, pursuant to section 1520 of the Bankruptcy Code, the right to transfer, encumber or otherwise dispose of any assets of the Debtors is suspended to the extent this right has not been suspended previously; and it is further

ORDERED that E&Y as Monitor may exercise the powers of a trustee under and to the extent provided by section 1520 of the Bankruptcy Code; and it is further

ORDERED that E&Y as Monitor is hereby authorized to examine witnesses, take evidence, seek production of documents, and deliver information concerning the assets, affairs, rights, obligations or liabilities of the Debtors, as such information is required in the Canadian Proceeding under the law of the United States; and it is further

ORDERED that the administration or realization of all or part of the assets of the Debtors within the territorial jurisdiction of the United States shall be entrusted to E&Y as Monitor and that E&Y as Monitor is hereby established as the exclusive representatives of the Debtors in the United States; and it is further

ORDERED that the Canadian Proceeding shall be granted comity and given full force and effect; and it is further

ORDERED that this Court shall retain jurisdiction with respect to (i) the enforcement, amendment or modification of this Order; (ii) any requests for additional relief or any adversary proceeding brought in and through these Chapter 15 cases; and (iii) any request by an entity for relief from the provisions of this Order, for cause shown as to any of the foregoing and provided that the same is properly commenced and within the jurisdiction of this Court; and it is further

ORDERED that no action taken by E&Y as Monitor, the Debtors or each of their successors, agents, representatives, advisors or counsel, in preparing, disseminating, applying for, implementing or otherwise acting in furtherance of or in connection with the Canadian Proceeding, this Order, or these Chapter 15 cases, or any adversary proceeding herein, or any further proceeding commenced hereunder, shall be deemed to constitute a waiver of the immunity afforded such persons under sections 306 and 1510 of the Bankruptcy Code; and it is further

ORDERED that a copy of this Order, conformed to be true and correct, shall be served by facsimile, electronic mail or overnight express delivery, on or before January 14, 2008, upon all of the Debtors' known U.S. creditors and investors and other U.S. parties in interest in these Chapter 15 cases; and it is further

ORDERED that such service shall be good and sufficient service and adequate notice for all purposes.

Dated: New York, New York
January 10, 2008

/s/ James M. Peck

Honorable James M. Peck
United States Bankruptcy Judge