



Court File No. CV-22-00692309-00CL

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

THE HONOURABLE

)

FRIDAY, THE 5TH

)

JUSTICE STEELE

)

DAY OF APRIL, 2024

B E T W E E N:

PRICEWATERHOUSECOOPERS INC.

(solely in its capacity as court-appointed receiver and manager of Bridging Finance Inc. and
certain related entities and investment funds)

Applicant

- and -

2305145 ONTARIO INC. and MERK INVESTMENTS LTD.

Respondents

**ORDER
(Settlement Approval and Ancillary Relief)**

THIS MOTION, made by Alvarez & Marsal Canada Inc. (“**A&M**”), in its capacity as the court-appointed receiver and manager (in such capacity, the “**Receiver**”), without security, of all of the assets, undertakings, and properties of each of 2305145 Ontario Inc. (formerly Skymark Finance Corporation) (“**230**”) and Merk Investments Ltd. (“**Merk**”, and together with 230, the “**Companies**”), for an order, among other things, authorizing and approving the settlement agreement dated as of March 28, 2024 between KLN Holdings Inc. (“**KLN**”) and the Receiver

(for and on behalf of 230 and Merk) (the “**KLN Settlement Agreement**”), was heard this day by video conference at the courthouse, 330 University Avenue, Toronto Ontario.

ON READING the Motion Record of the Receiver dated March 28, 2024, the fourth report of the Receiver dated March 28, 2024 (the “**Fourth Report**”), together with Confidential Appendix “A” to the Fourth Report (the “**Confidential Appendix**”), and on hearing the submissions of counsel for the Receiver and counsel for KLN, and counsel for the other parties listed on the participant information form, no one appearing for any other person on the service list, although properly served as appears from the affidavit of service of Connie Deng sworn April 1, 2024, filed:

SERVICE AND DEFINITIONS

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Motion Record 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 any capitalized terms used but not defined herein have the meanings given to them in the Fourth Report.

APPROVAL OF SETTLEMENT AGREEMENT

3. **THIS COURT ORDERS** that the KLN Settlement Agreement is hereby authorized and approved, and the Receiver and KLN are authorized and directed to take all steps necessary to give effect to the terms of the KLN Settlement Agreement.
4. **THIS COURT ORDERS** that, notwithstanding:
 - (a) the pendency of these proceedings;

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- (b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of the Companies and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made in respect of the Companies,

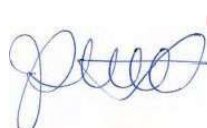
the approval of the KLN Settlement Agreement pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Companies and shall not be void or voidable by creditors of the Companies, nor shall it constitute or be deemed to be a fraudulent preference, assignment, 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.

REPORT AND ACTIVITIES OF THE RECEIVER

5. **THIS COURT ORDERS** that the Fourth Report, the Confidential Appendix, and the conduct and activities of the Receiver as described therein, be and are hereby approved, provided, however, that only the Receiver, in its personal capacity and only with respect to its own personal liability, shall be entitled to rely upon or utilize in any way such approval.

STATEMENT OF RECEIPTS AND DISBURSEMENTS

6. **THIS COURT ORDERS** that the Receiver's statement of receipts and disbursements for the period February 6, 2024 to March 27, 2024, as set out in Section 5.0 of the Fourth Report, be and is hereby approved.

 Digitally signed
by Jana Steele
Date: 2024.04.05
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PRICEWATERHOUSECOOPERS INC. (solely in its capacity as
court-appointed receiver and manager of Bridging Finance Inc. and
certain related entities and investment funds)

-and- 2305145 ONTARIO INC. et al.

Applicant

Responder

Court File No. CV-22-00692309-00C

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| ONTARIO SUPERIOR COURT OF JUSTICE (COMMERCIAL LIST) Proceeding commenced at Toronto | |
| ORDER (Settlement Approval and Ancillary Relief) | |
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