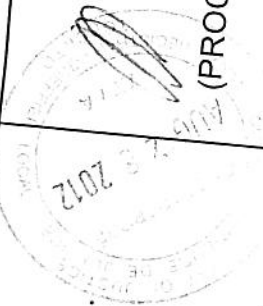


Sept 4/12



F. Lamie + H. Murray

September 4, 2012

The motion proceeded unopposed.  
 The first secured creditor, Peoples Trust, is expected to offer a significant short fall. It is the party with the economic interest. It is entered with the judge requested. There has been no adverse comment in the full Report

ONTARIO  
 SUPERIOR COURT OF JUSTICE  
 (COMMERCIAL LIST)

(PROCEEDING COMMENCED AT TORONTO)

MOTION RECORD  
 (Returnable September 4, 2012)

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Solicitors for Deloitte & Touche Inc. in its capacity as Interim Receiver and Receiver and Manager of the current and future assets, undertakings and properties of Paragon Health Care Inc., Paragon Health Care (Ontario) Inc. and 1508669 Ontario Limited

A. security opinion expiring the validity  
of the security has been obtained.  
Having reviewed the record I  
am satisfied that the relief requested  
is appropriate in the circumstances.  
Eight report approved. ~~Inter~~  
statute of R + D approved.  
Distribution approved.  
Order signed in the form presented.

A. H. Rawlings