



**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE

JUSTICE

CUMMING

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TUESDAY, THE 11TH

DAY OF OCTOBER, 2011

BETWEEN:

2293035 ONTARIO LIMITED

Applicant

and

HEALTHSCREEN SOLUTIONS INCORPORATED

Respondent

APPROVAL AND VESTING ORDER

(Physiomed Group Inc.)

THIS MOTION, made by Deloitte & Touche Inc. in its capacity as the Court-appointed receiver (the "Receiver") of the undertaking, property and assets of Healthscreen Solutions Incorporated (the "Debtor") for an order approving the sale transaction (the "Transaction") contemplated by an agreement of purchase and sale (the "Purchase Agreement") between the Receiver and Physiomed Group Inc. (the "Purchaser") dated September 23, 2011, and appended to the Report of the Receiver dated October 3, 2011 (the "Report"), and vesting in the Purchaser the Debtor's right, title and interest in and to the assets described in the Purchase

Agreement (the "Purchased Assets"), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the First Report of the Receiver dated September 30, 2011 (the "First Report") and on hearing the submissions of counsel for the Receiver, no one appearing for any other person on the service list, although properly served as appears from the affidavits of Kellie Engelhardt and Jonathan Wigley sworn October 5, 2011, filed:

1. THIS COURT ORDERS that the time for service of the Notice of Motion and the Motion is hereby abridged and validated so that this motion is properly returnable today and hereby dispenses with further service thereof.

2. THIS COURT ORDERS AND DECLARES that the asset sale Transaction to the Purchaser, as described in the First Report, is hereby approved, and the execution of the Purchase Agreement by the Receiver is hereby authorized and approved, with such minor amendments as the Receiver may deem necessary. The Receiver is hereby 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 Purchased Assets to the Purchaser.

3. THIS COURT ORDERS AND DECLARES that upon the delivery of a Receiver's certificate to the Purchaser substantially in the form attached as *Schedule A* hereto (the "Receiver's Certificate"), all of the Debtor's right, title and interest in and to the Purchased Assets described in the Purchase Agreement dated September 23, 2011, shall vest absolutely in the Purchaser, 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 Marrocco dated September 2, 2011; and (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 (all of which are collectively referred to as the “Encumbrances”) and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.

4. THIS COURT ORDERS that for the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Assets shall stand in the place and stead of the Purchased Assets, and that from and after the delivery of the Receiver’s Certificate all Claims and Encumbrances shall attach to the net proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

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, pursuant to clause 7(3)(c) of the Canada Personal Information Protection and Electronic Documents Act, the Receiver is authorized and permitted to disclose and transfer to the Purchaser such human resources and payroll information in the Debtor’s records, including personal information, pertaining to those employees of the Debtor who have been offered and accepted employment with the Purchaser, if any. The Purchaser 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.

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

the vesting of the Purchased Assets in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Debtor and shall not be void or voidable by creditors of the Debtor, nor shall it constitute nor be deemed to be a settlement, 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.

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

9. 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.

Oct. 11, 2011 Peter A. Cumming J.

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

OCT 11 2011

REG/PAR:

MB

Schedule A – Form of Receiver’s Certificate

Court File No. CV-11-9365-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

B E T W E E N:

2293035 ONTARIO LIMITED

Applicant

and

HEALTHSCREEN SOLUTIONS INCORPORATED

Respondent

RECEIVER’S CERTIFICATE

RECITALS

A. Pursuant to an Order of the Honourable Mr. Justice Marrocco of the Ontario Superior Court of Justice (the “Court”) dated September 2, 2011, Deloitte & Touche Inc. was appointed as the receiver (the “Receiver”) of the undertaking, property and assets of Healthscreen Solutions Incorporated (the “Debtor”).

B. Pursuant to an Order of the Court dated October 11, 2011, the Court approved the agreement of purchase and sale made as of September 23, 2011 (the “Purchase Agreement”) between the Receiver and Physiomed Group Inc. (the “Purchaser”) and provided for the vesting in the Purchaser of the Debtor’s right, title and interest in and to the Purchased Assets, which

vesting is to be effective with respect to the Purchased Assets upon the delivery by the Receiver to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the Purchase Price for the Purchased Assets; (ii) that the conditions to Closing as set out in section 4 of the Purchase Agreement have been satisfied or waived by the Receiver and the Purchaser; 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 Purchase Agreement.

THE RECEIVER CERTIFIES the following:

1. The Purchaser has paid and the Receiver has received the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Purchase Agreement;
2. The conditions to Closing as set out in section 4 of the Purchase Agreement have been satisfied or waived by the Receiver and the Purchaser; and
3. The Transaction has been completed to the satisfaction of the Receiver.
4. This Certificate was delivered by the Receiver at _____ o'clock on October ____, 2011.

**Deloitte & Touche Inc., in its capacity as
Receiver of the undertaking, property and
assets of Healthscreen Solutions
Incorporated, and not in its personal capacity**

Per: _____

Name:

Title:

2293035 ONTARIO LIMITED

-and-
Applicant

HEALTHSCREEN SOLUTIONS INCORPORATED

Respondent

Court File No. CV-11-9365-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

**PROCEEDING COMMENCED AT
TORONTO**

**APPROVAL AND VESTING ORDER
(PHYSIOMED GROUP INC.)**

GARDINER ROBERTS LLP
Scotia Plaza
40 King Street West, Suite 3100
Toronto ON M5H 3Y2

Tel: (416) 865-6600
Fax: (416) 865-6636

Jonathan H. Wigley (20120P)
jwigley@gardiner-roberts.com
Tel: (416) 865-6655

Jeffrey B. Rosekat (43352Q)
jrosekat@gardiner-roberts.com
Tel: (416) 865-6662

Lawyers for Deloitte & Touche Inc., the Court-appointed
Receiver of Healthscreen Solutions Incorporated