

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

THE HONOURABLE
JUSTICE *NEWBOULD*

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FRIDAY, THE 16TH DAY
OF OCTOBER, 2015



**IN THE MATTER OF AN APPLICATION UNDER
SECTION 47 (1) OF THE *BANKRUPTCY AND INSOLVENCY ACT*
R.S.C. 1985, C.B-3**

**AND IN THE MATTER of SECTION 101 of *THE
COURTS of JUSTICE ACT*, R.S.O. 1990, C.C-43**

B E T W E E N:

PEOPLES TRUST COMPANY

Applicant

- and -

PARAGON HEALTH CARE INC. and 1508669 ONTARIO LIMITED

Respondents

ORDER

THIS MOTION made by Deloitte Restructuring Inc. ("**Deloitte**"), appointed as interim receiver and receiver and manager (the "**Receiver**") pursuant to section 101 of the *Courts of Justice Act*, without security, of the current and future assets, undertakings and property of Paragon Health Care Inc. ("**Paragon**"), Paragon Health Care (Ontario) Inc. ("**Paragon Ontario**") and 1508669 Ontario Limited ("**1508669**") pursuant to the terms of the Order of the Honourable Mr. Justice Cumming dated January 23, 2006 and effective 9:00 a.m. on January 24, 2006 (the "**Initial Order**"), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Notice of Motion, the Tenth Report of the Receiver dated October 9, 2015 (the "**Tenth Report**"), filed, and upon hearing the submissions of counsel for the Receiver, no other parties attending, although duly served as appears from the Affidavit of Service of Gina Mitchell, sworn October 13, 2015, filed,

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Motion Record herein is hereby abridged, if necessary, and that this motion is properly returnable today and that service, including the form, manner and time that such service was actually effected on all parties, is hereby validated, and where such service was not effected such service is hereby dispensed with.
2. **THIS COURT ORDERS** that the Tenth Report is hereby accepted and approved.
3. **THIS COURT ORDERS** that the conduct of the Receiver and its agents from December 10, 2012 to October 9, 2015, as detailed in the Tenth Report, be and the same is hereby approved.
4. **THIS COURT ORDERS** that the Receiver's Final Statement of Receipts and Disbursements for the period January 24, 2006 to October 6, 2015 in respect of Paragon as set out in Appendix "R" to the Tenth Report, filed, is hereby approved.
5. **THIS COURT ORDERS** that the Receiver's Final Statement of Receipts and Disbursements for the period January 24, 2006 to October 6, 2015 in respect of 1508669 as set out in Appendix "T" to the Tenth Report, filed, is hereby approved.
6. **THIS COURT ORDERS** that the Receiver is hereby authorized and directed to distribute the sum of \$995,378.00, less the amount of the final invoice of counsel to the Receiver and any further required payments incidental to the completion of the receivership, to Peoples Trust Company from the trust account in respect of Paragon, as partial payment on account of its secured claims against Paragon.

7. **THIS COURT ORDERS** that the Receiver is hereby authorized and directed to distribute the sum of \$401,674.00, less the amount of the final invoice of counsel to the Receiver and any further required payments incidental to the completion of the receivership, to Peoples Trust Company from the trust account in respect of 1508669, as partial payment on account of its secured claims against 1508669.

8. **THIS COURT ORDERS** that the fees and disbursements of the Receiver relating to the receivership of Paragon and 1508669 for the period November 1, 2012 to September 14, 2015 in the amount of \$108,046.09 in respect of Paragon and \$130,583.38 in respect of 1508669, as set out in the Affidavit of Hartley Bricks sworn September 28, 2015, filed, be and the same are hereby approved.

9. **THIS COURT ORDERS** that the fees and disbursements of Gowling Lafleur Henderson LLP, counsel to the Receiver, relating to the receivership of Paragon and 1508669 for the period December 31, 2012 to October 8, 2015 in the amount of \$31,275.33 in respect of Paragon and \$26,836.87 in respect of 1508669, as set out in the Affidavit of Leila Burden Nixon, sworn October 8, 2015, filed, be and the same are hereby approved.

10. **THIS COURT ORDERS** that upon payment of the amounts contemplated in paragraphs 6 and 7 above, the Receiver shall be discharged as Receiver of the current and future assets, undertakings and properties of Paragon, Paragon Ontario and 1508669, provided however that notwithstanding its discharge herein:

(a) the Receiver shall remain Receiver for the performance of such incidental duties as may be required to complete the administration of the receivership; and

(b) the Receiver shall continue to have the benefit of the provisions of all orders made in this proceeding including all approvals, protections and stays of proceedings.

11. **THIS COURT ORDERS** and declares that the Receiver is hereby released and discharged from any and all liabilities that the Receiver now has or may hereafter have by reason of, or in any way arising out of, the acts or omissions of the Receiver while acting in its capacity as Receiver herein. Without limiting the generality of the foregoing, the Receiver is hereby forever released and discharged from any and all liability relating to matters that were raised, or which could have been raised within the receivership proceedings, save and accept for any gross negligence or wilful misconduct on the Receiver's part.



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



OCT 19 2015

PEOPLES TRUST COMPANY

- and -

PARAGON HEALTH CARE INC. and 1508669 ONTARIO LIMITED

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

(PROCEEDING COMMENCED AT TORONTO)

ORDER

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Solicitors for Deloitte Restructuring 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