Court File No. CV-13-10279-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF GROWTHWORKS CANADIAN FUND LTD.

THIRTEENTH REPORT OF FTI CONSULTING CANADA INC., IN ITS CAPACITY AS MONITOR

February 26, 2015

Court File No. CV-13-10279-00CL

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THIRTEENTH REPORT OF FTI CONSULTING CANADA INC., IN ITS CAPACITY AS MONITOR

1. On October 1, 2013, GrowthWorks Canadian Fund Ltd. (the "**Fund**" or the "**Applicant**") made an application under the *Companies' Creditors Arrangement Act*, R.S.C. 1985 c. C-36, as amended (the "**CCAA**") and an initial order (the "**Initial Order**", a copy of which is attached hereto as Appendix "A") was made by the Honourable Justice Newbould of the Ontario Superior Court (Commercial List) (the "**Court**") granting, *inter alia*, a stay of proceedings against the Applicant until October 31, 2013, which stay of proceedings was thereafter extended until May 31, 2015 (the "**Stay of Proceedings**") and appointing FTI Consulting Canada Inc. as monitor of the Fund (the "**Monitor**"). The proceedings commenced by the Fund under the CCAA will be referred to herein as the "**CCAA Proceedings**".

2. The Fund is a labour sponsored venture capital fund that currently has a mature and diversified portfolio consisting primarily of investments made in small and medium-sized Canadian businesses. The Fund was formed in 1988 with the investment objective of achieving long term appreciation for its Class A shareholders, whom principally comprise retail investors.

3. The Fund experienced liquidity issues because of, *inter alia*, an inability to access short-term financing as well as unfavourable market conditions impacting its ability to divest, at a profit, its relatively illiquid investments. As a result of these liquidity issues, the Fund was unable to meet its obligations as they became due, including the obligation of the Fund to make a $20 million dollar payment to Roseway Capital S.a.r.l ("**Roseway**"), its sole secured creditor, which payment became due on September 30, 2013. With the consent of Roseway, the Fund filed for and obtained protection under the CCAA on October 1, 2013.

4. Prior to September 30, 2013 and the commencement of these CCAA Proceedings, the Fund's day-to-day operations were delegated to GrowthWorks WV Management Ltd. (the "**Former Manager**") pursuant to a Management Agreement dated July 15, 2006 ("**Management Agreement**"). In accordance with the terms of the Management Agreement, the Former Manager was permitted to delegate its duties under the Management Agreement to third parties. Pursuant to the Management Agreement, the Former Manager delegated the Manager's obligations to GrowthWorks Capital Ltd. On September 30, 2013, the Fund terminated the Management Agreement for the reasons outlined in the Affidavit of Ian Ross, sworn September 30, 2013 and filed.

5. Pursuant to an Order granted by the Court on October 29, 2013, the Initial Order was amended and restated (the "**Amended and Restated Initial Order**"). A copy of the October 29, 2013 Order attaching the Amended and Restated Initial Order is attached hereto as Appendix "B".

6. On October 21, 2014, the Court granted an Order extending the Stay of Proceedings from March 15, 2014 to and including May 31, 2015.

7. On December 18, 2014, an Order, a copy of which is attached hereto as Appendix "C", was granted approving a settlement of the litigation between Allen-Vanguard Corporation ("**AVC**") and three of the largest shareholders (the "**Offeree Shareholders**") of Med-Eng Systems Inc. ("**Med-Eng**"), including the Fund (the "**Settlement Order**"). Under the agreed terms of settlement, AVC obtained a payment of $28 million from an escrow of $40 million established pursuant to a Share Purchase Agreement between AVC and the Offeree Shareholders dated August 3, 2007. The motion of the Fund returnable March 3, 2015 proposes to deal with the remaining proceeds in escrow net of the payment to AVC.

PURPOSE OF THIS REPORT

8. The purpose of this thirteenth report of the Monitor is to

(a) provide the Monitor's recommendation in support of the Fund's request for an Order that the remaining proceeds being held in escrow in the amount of approximately $16 million, including accumulated interest, be distributed as follows:

(i) first to the Offeree Shareholders in an amount equal to expenses incurred by the Offeree Shareholders in the litigation with AVC; and

(ii) second to all of the former shareholders of Med Eng pro rata based on their percentage holdings of Med Eng at the time of the sale to AVC;

(b) provide an update to the Court with respect to the claim of the Cornerstone Group against the Fund.

TERMS OF REFERENCE

9. In preparing this report, the Monitor has relied upon unaudited financial information, other information available to the Monitor, where appropriate the Applicants' books and records and discussions with various parties and the Fund's management and advisors.

10. Future oriented financial information reported or relied on in preparing this report is based on management's assumptions regarding future events; actual results may vary from forecast and such variations may be material.

11. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian Dollars.

12. Capitalized terms not defined herein shall have the meaning ascribed to in the affidavit of Donna Parr, investment advisor of the Fund, sworn December 15, 2014 and filed, the affidavit of Paul Echenberg, Chief Executive Officer of SACI Associates Canada Inc. sworn December 15, 2014 and filed, the affidavit of Richard Black a partner of Walsingham Partners sworn December 16, 2014 and filed and the affidavit of Paul Echenberg, Chief Executive Officer of SACI Associates Canada Inc. sworn January 19, 2015. (collectively, the "**Fund Affidavits**").

13. This report should be read in conjunction with the Fund Affidavits as certain information contained in the Fund Affidavits have not been included herein in order to avoid unnecessary duplication.

THE ALLEN-VANGUARD LITIGATION SETTLEMENT DISTRIBUTION

General Background

14. On October 28, 2013, counsel to AVC served the Fund, the Monitor and all parties on the service list in the within proceedings, with a notice of motion (the "**Allen-Vanguard**

Motion") for, *inter alia*, an Order by this Court that the Stay of Proceedings does not apply to the continuation of the proceedings bearing Court File No. 08-CV-43188 and Court File No. 08-CV-43544.

15. The Allen-Vanguard Motion was derived from the litigation proceedings (the "**AVC Litigation**") commenced by AVC against the Offeree Shareholders. The AVC Litigation relates to AVC's purchase of all of the shares of Med Eng for a purchase price of approximately $650 million pursuant to a Share Purchase Agreement dated as of August 3, 2007 (the "**Share Purchase Agreement**"). At the time of the purchase by AVC of the Med Eng shares, the Offeree Shareholders held 78.7% of the Med Eng shares. According to paragraph 16 of the affidavit of Donna Parr, pursuant to a shareholders agreement binding on all of the shareholders of Med Eng (the "**Shareholder Agreement**"), the Offeree Shareholders had the power to cause all of the remaining former shareholders of Med Eng (representing approximately 200 shareholders holding collectively 21.3% of Med Eng shares (the "**Minority Shareholders**")) to sell their Med Eng shares to AVC.

16. On the closing of the share purchase transaction in 2007, $40 million of the purchase price was placed in escrow (the "**Indemnification Escrow**") pursuant to an escrow agreement between AVC and the Offeree Shareholders dated September 17, 2007 (the "**Escrow Agreement**"). The Monitor understands that the Indemnification Escrow was established solely in order to indemnify AVC for any proven claims resulting from breaches of representations and warranties made by Med Eng.

17. In addition to the Indemnification Escrow, under the Share Purchase Agreement a working capital escrow of $3 million was established to be distributed following a reconciliation of working capital adjustments to be made after closing of the sale of the Med Eng shares to AVC

(the "**Working Capital Escrow**"). The Monitor understands, based on the Fund Affidavits, that the Working Capital Escrow was released in accordance with the Escrow Agreement.

18. Under the AVC Litigation, AVC claimed damages against the Offeree Shareholders, including the Fund, for alleged fraudulent and/or negligent misrepresentation by former management of Med Eng and breach of contract in the amount of $650 million, of which $40 million was claimed against the Indemnification Escrow.

19. On November 28, 2013, the Fund served a Notice of Cross Motion returnable February 11, 2013 (the **"Cross Motion"**). The Cross Motion was for an Order directing the trial of certain issues to be heard by way of "mini trial" in the CCAA Proceedings. The Honourable Justice Brown rendered his decision with respect to the Allen-Vanguard Motion and Cross Motion and held, *inter alia*, that the Stay of Proceedings was lifted solely with respect to the AVC Litigation. A trial date of March 30, 2015 was set down by the parties for 9 to 11 weeks.

The Settlement

20. As mentioned above, on December 18, 2014, an Order was granted approving a settlement of the AVC Litigation. The Settlement Order contemplated that a payment be made to AVC from the Escrow in the amount of $28 million, comprising principal and accumulated interest thereon to November 10, 2014.

21. Pursuant to the Settlement Order, the balance of the Indemnification Escrow, in the approximate amount of $16 million, together with accumulated interest, (the "**Remaining Escrow Funds**") has remained in escrow with Computershare Trust Company of Canada, the escrow agent under the Escrow Agreement, to be distributed to all of the former shareholders of Med Eng in accordance with a further Order to be granted by the Court in these proceedings.

22. The Settlement Order preserved the claims of the Minority Shareholders to the maximum amount of their original entitlement to the Indemnification Escrow funds (i.e. the total amount they would be entitled to based on their percentage holdings in Med Eng without deduction of the fees and expenses of the Offeree Shareholders in pursuing the AVC Litigation) until a further Order by the Court with respect to the distribution of the Remaining Escrow Funds is made.

The Proposed Distribution of the Remaining Escrow Funds

23. The terms of the Settlement Order provide that the Offeree Shareholders may propose a distribution of the Remaining Escrow Funds and shall notify the Minority Shareholders of such proposal. Any motion for the distribution of the Remaining Escrow Funds shall be on at least 7 days' notice to the Offeree Shareholders, the Minority Shareholders and to the Monitor.

24. The Offeree Shareholders, including the Fund, seek an Order providing that the Remaining Escrow Funds be distributed first to reimburse the Offeree Shareholders in full for the costs they have incurred in pursuing the release of the Escrow Funds in the AVC Litigation and that the balance be distributed pro rata among all of the former Med Eng shareholders (the "**Offeree Shareholder Proposal**").

25. The AVC Litigation has been ongoing for six years. During this time, professional expenses incurred and paid by the Offeree Shareholders in respect of the AVC Litigation total approximately $4.7 million. The costs incurred by the Offeree Shareholders and the activities associated with those costs are detailed in the Affidavits of Paul Echenberg sworn December 15, 2014 and January 19, 2015 (the "**Echenberg Affidavits**").

26. In the first Echenberg Affidavit at paragraph 19, Mr. Echenberg notes that the AVC Litigation included the production of over 15,000 documents, at least 20 case conferences, more

than 25 days of examinations for discovery, numerous motions as well as the retention of a third party arbitrator to adjudicate pretrial issues.

27. The Monitor has reviewed the invoices of counsel to the Offeree Shareholders rendered in respect of the AVC Litigation, beginning from the date of the granting of the Initial Order in respect of the Fund. The Monitor has not undertaken a review of the invoices of counsel for the Offeree Shareholders prior to the date of the Initial Order. Given the extensive work that has been undertaken in the last six years by the Offeree Shareholders and the fact that such invoices pre-date the involvement of the Monitor, the Monitor is not in a position to assess the reasonableness of such pre-filing invoices.

28. Based on a review of the invoices of Bennett Jones LLP as litigation counsel to Schroders (an Offeree Shareholder) and Conway LLP as litigation counsel for the remaining Offeree Shareholders, including the Fund, these invoices appear to relate to the AVC Litigation and do not appear to be excessive or contain unreasonable charges. With respect to invoices rendered by McCarthy Tetrault LLP and Kevin McElcheran Commercial Dispute Resolution, CCAA counsel (the "**CCAA Counsel**") to the Fund, the Monitor notes that it has reviewed all invoices of the CCAA Counsel in these proceedings on a regular basis, which invoices include the AVC Litigation. The Monitor believes that that the portion of the fees allocated to the AVC Litigation by the CCAA Counsel are appropriate.

29. The Monitor understands that the Minority Shareholders have not paid any expenses incurred in respect of the AVC Litigation.

30. On January 20, 2015, the Fund and the Offeree Shareholders obtained an Order by the Court approving the form of notice and disclosure (the "**Notice of Distribution**") to the Minority Shareholders of this motion for a proposed distribution of the Remaining Escrow Funds

(the "**Notice Order**"). The Notice of Distribution attached hereto as Appendix "D" includes disclosure to the Minority Shareholders that the total costs incurred by the Offeree Shareholders in respect of the AVC Litigation is approximately $4.7 million and that a motion will be held on March 3, 2015 to consider the Offeree Shareholder Proposal.

31. The Monitor understands that the Fund, in accordance with the Notice Order, mailed the Notice of Distribution to each Minority Shareholder before January 23, 2015. Pursuant to the Notice Order, any Minority Shareholder who objects to the proposed distribution as set out in the Notice of Distribution was required to give written notice of such objection to the Monitor on or before 5:00 pm on February 23, 2015.

32. As of 5:00 pm on February 23, 2015, the Monitor had received three notices of objection from certain Minority Shareholders, copies of which are attached hereto as Appendix "E". The Monitor received two additional notice of objection by a Minority Shareholder delivered by Canada Post on February 24, 2015 (the five notices of objection are collectively referred to as the "**Filed Notices of Objection**"). The Filed Notices of Objection represent objections from four Minority Shareholders holding approximately 508,000 of the 49 million shares of Med Eng which equal to just over 1% of the common stock of Med Eng and who account for just under 5% of the of the total shareholdings of the Minority Shareholders.

33. The Filed Notices of Objections are identical and cite the following reasons for their objection to the Offeree Shareholder Proposal:

(a) The applicable Minority Shareholder was dragged along in the sale of the shares of Med Eng by the Offeree Shareholders and had no involvement in the events leading up to the sale transaction or subsequent to closing;

(b) The applicable Minority Shareholder does not believe that it should assume any liability with regard to the settlement of the AVC Litigation;

(c) The applicable Minority Shareholder understands that the $40 million holdback was subject to some working capital adjustments and agrees that these amounts should be dealt with from the holdback;

(d) The applicable Minority Shareholder does not feel it should share the cost of the Offeree Shareholders defending themselves;

(e) The applicable Minority Shareholder does not have access to shareholder agreements and other closing documentation from which to highlight specific clauses pertaining to this matter; and

(f) The applicable Minority Shareholder feels that the distribution to the Minority Shareholders should be based on the following calculation: **(40M + Accrued Interest +/- any Working Capital Adjustment) / Total number of common shares of Med Eng.**

The Monitor's Comments and Recommendation

34. The Monitor supports the Offeree Shareholder Proposal and is of the view, with respect to the Fund and its stakeholders, that the Offeree Shareholder Proposal is reasonable and allows for reimbursement to the Offeree Shareholders, including the Fund, of expenses incurred in respect of the AVC Litigation.

35. The Monitor notes that the Filed Notices of Objection mention that the $40 million holdback is subject to working capital adjustments. The Monitor understands however that the

Working Capital Escrow was established under the Share Purchase Agreement to deal with working capital adjustments and that the Working Capital Escrow has been distributed. The Monitor understands that the Indemnification Escrow of $40 million was to be held to address valid claims by AVC for damages arising from breaches of representations and warranties and not for working capital adjustments.

36. The Monitor understands that all of the former shareholders of Med Eng were bound by the Shareholders Agreement. Under the Shareholders Agreement, the Monitor understands that the Offeree Shareholders had the right to "drag along" the Minority Shareholders thereby requiring the Minority Shareholders to tender their shares under the terms of the Share Purchase Agreement. The Monitor further understands that under the Share Purchase Agreement, the Minority Shareholders were required to put into the Indemnification Escrow a portion of the proceeds from the tender of their shares to AVC. Accordingly, the Minority Shareholders have a vested interest in the release of the Indemnification Escrow as a release of any amounts from the Indemnification Escrow would result in a payment to the Minority Shareholders, based on the proportionate interests of such Minority Shareholders.

37. The Monitor is of the view that if the Offeree Shareholders had not defended the AVC Litigation or entered into the settlement with AVC, none of the former shareholders of Med Eng, including the Minority Shareholders, would have received any portion of the Indemnification Escrow.

38. In the view of the Monitor, the settlement of the AVC Litigation which will see a release of in excess of $15 million from the Indemnification Escrow was the best available option and in the interests of all of the former shareholders of Med Eng, including the Minority Shareholders. In the Monitor's view, it would be unfair if the Minority Shareholders were to be

repaid in full from the Settlement Amount, which amount is only available to the Minority Shareholders, as a result of the efforts of the Offeree Shareholders.

39. In particular, with respect to the Fund, it is the view of the Monitor that the costs incurred by the Fund with respect to the AVC Litigation should not be borne solely by stakeholders of the Fund. This would result in a circumstance where the benefit of the Fund expending the costs for the AVC Litigation would ultimately be enjoyed by the Minority Shareholders, parties with no economic stake in the Fund.

ALLEGED CLAIMS OF CORNERSTONE GROUP

40. On January 2, 2015, Mr. Gerry Fields of Cornerstone Group ("**Cornerstone**") notified the Monitor and other parties on the service list in these proceedings of a purported claim against the Fund and numerous other parties. Since that date Mr. Fields has sent further correspondence to the Monitor, the Fund and the Service List, copies of such correspondence are attached as Appendix "F" hereto.

41. Based on the foregoing correspondence, the Monitor understands that Mr. Fields is asserting that Cornerstone is owed approximately $604,478.75 by the Former Manager, Matrix Asset Management Inc., Growth Works Capital Ltd., each of the GrowthWorks entities, each of the Seamark Entities, Seamark Asset Management (2013) Ltd., Marquest Asset Management Inc., R.C. Morris & Company Ltd. and each of their respective affiliates. The Monitor understands that Cornerstone is asserting that the Fund is also liable for the outstanding indebtedness of $604,478.75 through the terms of an engagement letter and indemnity agreement (together, the "**Engagement and Indemnity Agreement**").

42. On January 5, 2015, the Monitor responded to Mr. Fields, a copy of the response is attached hereto as Appendix "G". The Monitor indicated to Mr. Fields that while the Fund was managed by the Former Manager, the Fund terminated its management agreement with the Former Manager as of September 30, 2013 and that from and after such termination date, the Former Manager had no authority to bind the Fund in any contractual arrangements.

43. In addition, the Monitor noted in its January 5th email correspondence that: (i) all claims against the Fund were stayed and that no action may be commenced without the consent of the Monitor or leave of the Court; and (ii) on January 9, 2014, the Court approved a claims process (the "**Claims Process Order**") pursuant to which claimants were required to submit a proof of claim by the claims bar date of March 6, 2014 (the "**Claims Bar Date**"), failing which a claim would be forever extinguished, barred and discharged. The Monitor informed Mr. Fields that Cornerstone had not submitted a proof of claim and therefore its alleged claim against the Fund was barred in accordance with the terms of the Claims Process Order.

44. In addition to the foregoing response of the Monitor, counsel to the Fund responded to Mr. Fields indicating that the Fund was not aware, and did not have a copy of the Engagement and Indemnity Agreement and requested a copy of same from Mr. Fields. Counsel to the Fund also informed Mr. Fields that the Fund is not an affiliate of the Former Manager or Matrix Asset Management Ltd. Rather, the Former Manager was only a third party manager of the Fund under an arm's length contract between the Former Manager and the Fund. Counsel to the Fund requested that Mr. Fields provide to the Fund and the Monitor, the Engagement and Indemnity Letter.

45. On February 17, 2015, the Fund appeared before the Court to deal with matters relating to the claim of the Former Manager. At this time, Mr. Fields attended this motion in order to seek an Order, without notice, permitting Cornerstone to file a proof of claim in the claims

process, notwithstanding the expiry of the Claims Bar Date. The Court made an endorsement on February 17, 2015, a copy of which is attached hereto as Appendix "H", permitting Mr. Fields to arrange a 9:30 hearing on a date convenient to the Monitor and the parties.

46. Following the February 17th Court hearing, Mr. Fields sent email correspondence to the service list to canvass dates for a 9:30 hearing. In response to Mr. Fields' request, on February 18, 2015, counsel to the Fund indicated to Mr. Fields that scheduling a 9:30 hearing to seek an Order permitting Cornerstone to file its late claim was premature as Mr. Fields had not provided the Fund or the Monitor with any information pertaining to Cornerstone's claim. To be in a position to consider a request to file a late proof of claim, the Monitor and the Fund require some evidence of Cornerstone's claim.

47. Counsel to the Fund in its correspondence dated February 18, 2015 also indicated to Mr. Fields that Fund's counsel would provide the times that they are available for a 9:30 hearing once Mr. Fields had provided a copy of the Engagement and Indemnity Agreement to evidence Cornerstone's alleged claim (the "**February 18th Request**", a copy of which is attached hereto as Appendix "I")

48. On February 18, 2015, Mr. Field responded to the February 18th Request, a copy of which is attached hereto as Appendix "J") noting that the Engagement and Indemnity should be in the possession of the parties, including the Monitor and the Fund and their respective legal counsel. Mr. Fields also suggested that counsel make further inquiries from their respective clients to obtain whatever documentation is required.

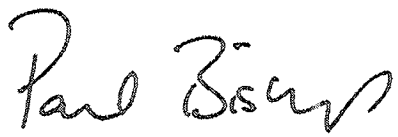
49. The Monitor and the Fund are not in possession of any documents pertaining to Cornerstone's claim and despite repeated requests, have not been provided with such documentation, including the Engagement and Indemnity Agreement. In the Monitor's view, in

order to properly and promptly consider the request of Cornerstone to file a late proof of claim or to take a position in any hearing with respect to same, the Monitor requires the documentation supporting the claim of Cornerstone, including the Engagement and Indemnity Letter.

The Monitor respectfully submits to the Court this Thirteenth Report.
Dated this 26th day of February 2015.

FTI Consulting Canada Inc.

in its capacity as Monitor of GrowthWorks Canadian Fund Ltd. and not in its personal or corporate capacity



Paul Bishop
Senior Managing Director

APPENDIX "A"

Court File No.: »
CV-13-10279-
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ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE MR.	)	TUESDAY, THE 1ST
	)	
JUSTICE NEWBOULD	)	DAY OF OCTOBER, 2013

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PROPOSED PLAN OF COMPROMISE OR ARRANGEMENT WITH RESPECT TO GROWTHWORKS CANADIAN FUND LTD.
(the "**APPLICANT**")

INITIAL ORDER

THIS APPLICATION, made by the Applicant, pursuant to the Companies' Creditors Arrangement Act, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of C. Ian Ross sworn September 30, 2013 and the Exhibits thereto (the "**Ross Affidavit**"), and on being advised that Roseway Capital S.a.r.l. ("**Roseway**"), the secured creditor who is likely to be affected by the charges created herein was given notice, and on hearing the submissions of counsel for the Applicants, counsel for Roseway and counsel for the proposed Monitor, FTI Consulting Canada Inc., counsel for the Manager (defined below) and on reading the consent of FTI Consulting Canada Inc. to act as the Monitor,

THIS APPLICATION, made by the Applicant, pursuant to the CCAA was heard this day at 330 University Avenue, Toronto, Ontario.

SERVICE

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

APPLICATION

2. THIS COURT ORDERS AND DECLARES that the Applicant is a company to which the CCAA applies.

PLAN OF ARRANGEMENT

3. THIS COURT ORDERS that the Applicant shall have the authority to file and may, subject to further order of this Court, file with this Court a plan of compromise or arrangement (hereinafter referred to as the "**Plan**").

POSSESSION OF PROPERTY AND OPERATIONS

4. THIS COURT ORDERS that the Applicant shall remain in possession and control of its current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the "**Property**"). Subject to further Order of this Court, the Applicant shall continue to carry on business in a manner consistent with the preservation of its business (the "**Business**") and Property. The Applicant shall be authorized and empowered to continue to retain and employ the employees, consultants, agents, experts, accountants, counsel and such other persons (collectively "**Assistants**") currently retained or employed by it, with liberty to retain such further Assistants as it deems reasonably necessary or desirable in the ordinary course of business or for the carrying out of the terms of this Order.

5. THIS COURT ORDERS that the Applicant shall be entitled to utilize a central cash management system (a "**Cash Management System**") and that any present or future bank providing the Cash Management System shall not be under any obligation whatsoever to inquire into the propriety, validity or legality of any transfer, payment, collection or other action taken under the Cash Management System, or as to the use or

application by the Applicant of funds transferred, paid, collected or otherwise dealt with in the Cash Management System, shall be entitled to provide the Cash Management System without any liability in respect thereof to any Person (as hereinafter defined) other than the Applicant, pursuant to the terms of the documentation applicable to the Cash Management System, and shall be, in its capacity as provider of the Cash Management System, an unaffected creditor under the Plan with regard to any claims or expenses it may suffer or incur in connection with the provision of the Cash Management System.

6. THIS COURT ORDERS that the Applicant shall be entitled but not required to pay the following expenses whether incurred prior to or after this Order:

(a) all reasonable transition costs of the Manager (as defined below), and all outstanding and future wages, salaries, employee and pension benefits, vacation pay and expenses payable on or after the date of this Order, in each case incurred in the ordinary course of business and consistent with existing management agreements, compensation policies and arrangements; and

(b) the fees and disbursements of any Assistants retained or employed by the Applicant in respect of these proceedings, at their standard rates and charges.

7. THIS COURT ORDERS that, except as otherwise provided to the contrary herein, the Applicant shall be entitled but not required to pay all reasonable expenses incurred by the Applicant in carrying on the Business in the ordinary course after this Order, and in carrying out the provisions of this Order, which expenses shall include, without limitation:

(a) all expenses and capital expenditures reasonably necessary for the preservation of the Property or the Business including, without limitation, payments on account of insurance (including directors and officers insurance), maintenance and security services;

(b) Follow on Investments in Portfolio Companies (as defined in the Ross Affidavit) for which provision is made in the Cash Flow Projection (as defined in the Ross Affidavit) or which are approved by the Monitor; and

(c) payment for goods or services actually supplied to the Applicant following the date of this Order.

8. THIS COURT ORDERS that the Applicant shall remit, in accordance with legal requirements, or pay:

(a) any statutory deemed trust amounts in favour of the Crown in right of Canada or of any Province thereof or any other taxation authority which are required to be deducted from employees' wages, including, without limitation, amounts in respect of (i) employment insurance, (ii) Canada Pension Plan, (iii) Quebec Pension Plan, and (iv) income taxes;

(b) all goods and services or other applicable sales taxes (collectively, "**Sales Taxes**") required to be remitted by the Applicant in connection with the sale of goods and services by the Applicant, but only where such Sales Taxes are accrued or collected after the date of this Order, or where such Sales Taxes were accrued or collected prior to the date of this Order but not required to be remitted until on or after the date of this Order; and

(c) any amount payable to the Crown in right of Canada or of any Province thereof or any political subdivision thereof or any other taxation authority in respect of municipal realty, municipal business or other taxes, assessments or levies of any nature or kind which are entitled at law to be paid in priority to claims of secured creditors and which are attributable to or in respect of the carrying on of the Business by the Applicant.

9. THIS COURT ORDERS that until a real property lease is disclaimed in accordance with the CCAA, the Applicant shall pay all amounts constituting rent or payable as rent under real property leases (including, for greater certainty, common area maintenance charges, utilities and realty taxes and any other amounts payable to the

landlord under the lease) or as otherwise may be negotiated between the Applicant and the landlord from time to time ("**Rent**"), for the period commencing from and including the date of this Order.

10. THIS COURT ORDERS that, except as specifically permitted herein, the Applicant is hereby directed, until further Order of this Court: (a) to make no payments of principal, interest thereon or otherwise on account of amounts owing by the Applicant to any of its creditors as of this date except as provided in the Cash Flow Projection; (b) to grant no security interests, trust, liens, charges or encumbrances upon or in respect of any of its Property; and (c) to not grant credit or incur liabilities except in the ordinary course of the Business.

RESTRUCTURING

11. THIS COURT ORDERS that the Applicant shall, subject to such requirements as are imposed by the CCAA have the right to:

(a) permanently or temporarily cease, downsize or shut down any of its business or operations, and to dispose of redundant or non-material assets not exceeding $25,000 in any one transaction or $100,000 in the aggregate;

(b) terminate the employment of such of its employees or temporarily lay off such of its employees as it deems appropriate and terminate the provision of transitional services by the Manager (as defined below); and

(c) pursue all avenues of refinancing of its Business or Property, in whole or part, subject to prior approval of this Court being obtained before any material refinancing,

all of the foregoing to permit the Applicant to proceed with an orderly restructuring of the Business (the "**Restructuring**"). For greater clarity, dispositions of the Applicant's interest in a Portfolio Company (as defined in the Ross Affidavit) as part of a liquidity event, is an ordinary course transaction that does not require Court approval.

12. THIS COURT ORDERS that the Applicant shall provide each of the relevant landlords with notice of the Applicant's intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the Applicant's entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Applicant, or by further Order of this Court upon application by the Applicant on at least two (2) days notice to such landlord and any such secured creditors. If the Applicant disclaims the lease governing such leased premises in accordance with Section 32 of the CCAA, it shall not be required to pay Rent under such lease pending resolution of any such dispute (other than Rent payable for the notice period provided for in Section 32(5) of the CCAA), and the disclaimer of the lease shall be without prejudice to the Applicant's claim to the fixtures in dispute.

13. THIS COURT ORDERS that if a notice of disclaimer is delivered pursuant to Section 32 of the CCAA, then (a) during the notice period prior to the effective time of the disclaimer, the landlord may show the affected leased premises to prospective tenants during normal business hours, on giving the Applicant and the Monitor 24 hours' prior written notice, and (b) at the effective time of the disclaimer, the relevant landlord shall be entitled to take possession of any such leased premises without waiver of or prejudice to any claims or rights such landlord may have against the Applicant in respect of such lease or leased premises and such landlord shall be entitled to notify the Applicant of the basis on which it is taking possession and to gain possession of and re-lease such leased premises to any third party or parties on such terms as such landlord considers advisable, provided that nothing herein shall relieve such landlord of its obligation to mitigate any damages claimed in connection therewith.

NO PROCEEDINGS AGAINST THE APPLICANT OR THE PROPERTY

14. THIS COURT ORDERS that until and including October 31,2013, or such later date as this Court may order (the "**Stay Period**"), no proceeding or enforcement process

in any court or tribunal (each, a "**Proceeding**") shall be commenced or continued against or in respect of the Applicant or the Monitor, or affecting the Business or the Property, except with the written consent of the Applicant and the Monitor, or with leave of this Court, and any and all Proceedings currently under way against or in respect of the Applicant or affecting the Business or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

15. THIS COURT ORDERS that during the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entity (all of the foregoing, collectively being "**Persons**" and each being a "**Person**") against or in respect of the Applicant or the Monitor, or affecting the Business or the Property, are hereby stayed and suspended except with the written consent of the Applicant and the Monitor, or leave of this Court, provided that nothing in this Order shall (i) empower the Applicant to carry on any business which the Applicant is not lawfully entitled to carry on, (ii) affect such investigations, actions, suits or proceedings by a regulatory body as are permitted by Section 11.1 of the CCAA, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

16. THIS COURT ORDERS that any rights or obligations, including any right or obligation under a contract, an agreement or other document affecting or relating to a Portfolio Company (as defined in the Ross Affidavit), that arise, come into effect or are "triggered" by the insolvency of the Applicant, by the commencement of these proceedings or the making of this Order shall be of no effect and no person shall be entitled to exercise any rights or remedies in connection therewith.

NO INTERFERENCE WITH RIGHTS

17. THIS COURT ORDERS that during the Stay Period, no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Applicant or any right, renewal right, contract, agreement, licence or permit in favour

of or held by a Portfolio Company to the extent relevant to the Applicant, the Business, the Property or these proceedings, except with the written consent of the Applicant and the Monitor, or leave of this Court.

CONTINUATION OF SERVICES

18. THIS COURT ORDERS that during the Stay Period, all Persons having oral or written agreements with the Applicant or statutory or regulatory mandates for the supply of goods and/or services, including without limitation all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Business or the Applicant, are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Applicant, and that the Applicant shall be entitled to the continued use of its current premises, telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Applicant in accordance with normal payment practices of the Applicant or such other practices as may be agreed upon by the supplier or service provider and each of the Applicant and the Monitor, or as may be ordered by this Court.

NON-DEROGATION OF RIGHTS

19. THIS COURT ORDERS that, notwithstanding anything else in this Order, no Person shall be prohibited from requiring immediate payment for goods, services, use of lease or licensed property or other valuable consideration provided on or after the date of this Order, nor shall any Person be under any obligation on or after the date of this Order to advance or re-advance any monies or otherwise extend any credit to the Applicant. Nothing in this Order shall derogate from the rights conferred and obligations imposed by the CCAA.

this Order is without prejudice to any arguments of the Fund,

CRITICAL SUPPLIERS

20. THIS COURT ORDERS AND DECLARES that Growthworks WV Management Ltd. (the "**Manager**"), GrowthWorks Capital Ltd. ("**GWC**"), ~~and each Person engaged or contracted by the Manager and/or GWC (not including employees of the Manager or GWC)~~ in connection with the purported termination of ~~providing services to the Applicant pursuant to~~ the Management Agreement described in the Ross Affidavit (the "**Management Agreement**") ~~is a critical supplier to the Applicant as contemplated by Section 11.4 of the CCAA (each, a "Critical Supplier")~~.

21. THIS COURT ORDERS that, to the extent this Court declares any Person a critical supplier as contemplated by Section 11.4 of the CCAA by subsequent order (each, a "Critical Supplier"), each Critical Supplier shall be entitled to the benefit of and is hereby granted a charge (together, the "**Critical Suppliers' Charge**") on the Property of the Applicant in an amount equal to the lesser of (a) the value of the goods and services supplied by such Critical Supplier and received by the Applicant after the date of this Order less all amounts paid to such Critical Supplier in respect of such goods and services; (b) the amount to which the Manager is entitled to be paid under section 8.6(b) of the Management Agreement; and (c) $50,000. The Critical Supplier Charge shall have the priority set out in paragraphs 36 and 38 herein.

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

22. THIS COURT ORDERS that during the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA, no Proceeding may be commenced or continued against any of the former, current or future directors or officers of the Applicant with respect to any claim against the directors or officers that arose before the date hereof and that relates to any obligations of the Applicant whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers for the payment or performance of such obligations, until a compromise or arrangement in respect of the Applicant, if one is filed, is sanctioned by this Court or is refused by the creditors of the Applicant or this Court.

DIRECTORS' AND OFFICERS' INDEMNIFICATION AND CHARGE

23. THIS COURT ORDERS that the Applicant shall indemnify its directors and officers against obligations and liabilities that they may incur as directors or officers of the Applicant after the commencement of the within proceedings, except to the extent that, with respect to any officer or director, the obligation or liability was incurred as a result of the director's or officer's gross negligence or wilful misconduct.

24. THIS COURT ORDERS that the directors and officers of the Applicant shall be entitled to the benefit of and are hereby granted a charge (the "**Directors' Charge**") on the Property, which charge shall not exceed an aggregate amount of $1,000,000, as security for the indemnity provided in paragraph 23 of this Order. The Directors' Charge shall have the priority set out in paragraphs 36 and 38 herein.

25. THIS COURT ORDERS that, notwithstanding any language in any applicable insurance policy to the contrary, (a) no insurer shall be entitled to be subrogated to or claim the benefit of the Directors' Charge, and (b) the Applicant's directors and officers shall only be entitled to the benefit of the Directors' Charge to the extent that they do not have coverage under any directors' and officers' insurance policy, or to the extent that such coverage is insufficient to pay amounts indemnified in accordance with paragraph 23 of this Order.

APPOINTMENT OF MONITOR

26. THIS COURT ORDERS that FTI Consulting Canada Inc. is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the business and financial affairs of the Applicant with the powers and obligations set out in the CCAA or set forth herein and that the Applicant and its shareholders, officers, directors, and Assistants shall advise the Monitor of all material steps taken by the Applicant pursuant to this Order, and shall co-operate fully with the Monitor in the exercise of its powers and discharge of its obligations and provide the Monitor with the assistance that is necessary to enable the Monitor to adequately carry out the Monitor's functions.

27. THIS COURT ORDERS that the Monitor, in addition to its prescribed rights and obligations under the CCAA, is hereby directed and empowered to:

(a) monitor the Applicant's receipts and disbursements;

(b) report to this Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, and such other matters as may be relevant to the proceedings herein;

(c) advise the Applicant in its preparation of the Applicant's cash flow statements;

(d) advise the Applicant in respect to the Plan and any amendments to the Plan;

(e) assist the Applicant, to the extent required by the Applicant, with the holding and administering of creditors' or shareholders' meetings for voting on the Plan;

(f) have full and complete access to the Property including the premises, the premises of the Manager to the extent Property of the Applicant is located on the Manager's premises, books, records, data, including data in electronic form, and other financial documents of the Applicant, to the extent that is necessary to adequately assess the Applicant's business and financial affairs or to perform its duties arising under this Order and all Persons, including the Applicant and the Manager, shall permit such full and complete access to such Property to the Monitor;

(g) be at liberty to engage independent legal counsel or such other persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order;

(h) establish one or more accounts to hold any proceeds of the disposition of the Portfolio Companies (the "**Proceeds Accounts**");

(i) administer the Proceeds Accounts for and on behalf of the Applicants and to distribute funds from such Proceeds Accounts from time to time to satisfy expenses that the Applicant is entitled and/or required to pay pursuant to this Order, as directed by the Applicant and in accordance with the Cash Flow Projection and any update cash flow projections; and

(j) perform such other duties as are required by this Order or by this Court from time to time.

28. THIS COURT ORDERS that the Monitor shall not take possession of the Property with the exception of the Proceeds Accounts, and shall take no part whatsoever in the management or supervision of the management of the Business or the businesses of the Portfolio Companies and shall not, by fulfilling its obligations hereunder, be deemed to have taken or maintained possession or control of the Business or Property, or any part thereof.

29. THIS COURT ORDERS that McCarthy Tétrault LLP is entitled to transfer the funds held by it in trust as described in the Ross Affidavit at paragraph 88, and any future proceeds that may be received by it from time to time from the disposition of the Portfolio Companies, to the Monitor for deposit into the Proceeds Accounts to be held by the Monitor for and on behalf of the Applicant in accordance with the terms of this Order.

30. THIS COURT ORDERS that nothing herein contained shall require the Monitor to occupy or to take control, care, charge, possession or management (separately and/or collectively, "**Possession**") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the Ontario *Environmental Protection Act*, the *Ontario Water Resources Act*, or the Ontario *Occupational Health and Safety Act* and regulations thereunder (the

"**Environmental Legislation**"), provided however that nothing herein shall exempt the Monitor from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Monitor shall not, as a result of this Order or anything done in pursuance of the Monitor's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

31. THIS COURT ORDERS that that the Monitor shall provide to any creditor of the Applicant information provided by the Applicant in response to reasonable requests for information made in writing by such creditor addressed to the Monitor. The Monitor shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Monitor has been advised by the Applicant is confidential, the Monitor shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Monitor and the Applicant may agree.

32. THIS COURT ORDERS that, in addition to the rights and protections afforded the Monitor under the CCAA or as an officer of this Court, the Monitor shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of this Order (including, without limitation, with respect to administering the Proceeds Accounts for and on behalf of the Applicants), save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded the Monitor by the CCAA or any applicable legislation.

33. THIS COURT ORDERS that the Monitor, counsel to the Monitor and counsel to the Applicant shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, by the Applicant as part of the costs of these proceedings. The Applicant is hereby authorized and directed to pay the accounts of the Monitor, counsel for the Monitor and counsel for the Applicant on a bi-weekly basis and, in addition, the Applicant is hereby authorized to pay to the Monitor, counsel to the Monitor, counsel to the Applicant and CCC, retainers in the amount of $50,000,

respectively, to be held by them as security for payment of their respective fees and disbursements outstanding from time to time

34. THIS COURT ORDERS that the Monitor and its legal counsel shall pass their accounts from time to time, and for this purpose the accounts of the Monitor and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

35. THIS COURT ORDERS that the Monitor, counsel to the Monitor, CCC (as defined in the Ross Affidavit), and the Applicant's counsel shall be entitled to the benefit of and are hereby granted a charge (the "**Administration Charge**") on the Property, which charge shall not exceed an aggregate amount of $500,000, as security for their professional fees and disbursements incurred at the standard rates and charges of the Monitor and such counsel, both before and after the making of this Order in respect of these proceedings. The Administration Charge shall have the priority set out in paragraphs 36 and 38 hereof.

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

36. THIS COURT ORDERS that the priorities of the Directors' Charge, the Administration Charge and the Critical Suppliers' Charge, as among them, shall be as follows:

First – Administration Charge (to the maximum amount of $500,000);

Second – Directors' Charge (to the maximum amount of $1,000,000); and

Third – Critical Suppliers' Charge (to the maximum amount of $50,000).

37. THIS COURT ORDERS that the filing, registration or perfection of the Directors' Charge, the Administration Charge and the Critical Suppliers' Charge (collectively, the "**Charges**") shall not be required, and that the Charges shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect.

38. THIS COURT ORDERS that each of the Charges (as constituted and defined herein) shall constitute a charge on the Property and the Charges shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise (collectively, "**Encumbrances**") in favour of any Person.

39. THIS COURT ORDERS that except as otherwise expressly provided for herein, or as may be approved by this Court, the Applicant shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with, any of the Charges, unless the Applicant also obtains the prior written consent of the Monitor and the beneficiaries of the Charges, or further Order of this Court.

40. THIS COURT ORDERS that the Charges shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Charges (collectively, the "**Chargees**") thereunder shall not otherwise be limited or impaired in any way by (a) the pendency of these proceedings and the declarations of insolvency made herein; (b) any application(s) for bankruptcy order(s) issued pursuant to *Bankruptcy and Insolvency Act* (the "**BIA**"), or any bankruptcy order made pursuant to such applications; (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (d) the provisions of any federal or provincial statutes; or (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an "**Agreement**") which binds the Applicant, and notwithstanding any provision to the contrary in any Agreement:

(a) the creation of the Charges shall not create nor be deemed to constitute a breach by the Applicant of any Agreement to which it is a party;

(b) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the creation of the Charges; and

(c) neither the payments made by the Applicant pursuant to this Order nor the granting of the Charges shall constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

41. THIS COURT ORDERS that any Charge created by this Order over leases of real property in Canada shall only be a Charge in the Applicant's interest in such real property leases.

SERVICE AND NOTICE

42. THIS COURT ORDERS that the Monitor shall (i) without delay, publish in [newspapers specified by the Court] a notice containing the information prescribed under the CCAA, (ii) within five days after the date of this Order, (A) make this Order publicly available in the manner prescribed under the CCAA, (B) send, in the prescribed manner, a notice to every known creditor who has a claim against the Applicant of more than $1000, and (C) prepare a list showing the names and addresses of those creditors and the estimated amounts of those claims, and make it publicly available in the prescribed manner, all in accordance with Section 23(1)(a) of the CCAA and the regulations made thereunder.

43. THIS COURT ORDERS that the Applicant and the Monitor be at liberty to serve this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or electronic transmission to the Applicant's creditors or other interested parties at their respective addresses as last shown on the records of the Applicant and that any such service or notice by courier, personal delivery or electronic transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

44. THIS COURT ORDERS that the Applicant, the Monitor, and any party who has filed a Notice of Appearance may serve any court materials in these proceedings by e-mailing a PDF or other electronic copy of such materials to counsels' email addresses as

recorded on the Service List from time to time, and the Monitor may post a copy of any or all such materials on its website at http://cfcanada.fticonsulting.com/gcfl.

GENERAL

45. THIS COURT ORDERS that the Applicant or the Monitor may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

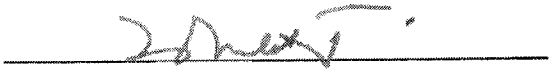
46. THIS COURT ORDERS that nothing in this Order shall prevent the Monitor from acting as an interim receiver, a receiver, a receiver and manager, or a trustee in bankruptcy of the Applicant, a Portfolio Company, the Business or the Property.

47. 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 Applicant, the Monitor and their respective 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 Applicant and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Applicant and the Monitor and their respective agents in carrying out the terms of this Order.

48. THIS COURT ORDERS that each of the Applicant and the Monitor be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Monitor is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

49. THIS COURT ORDERS that any interested party (including the Applicant and the Monitor) may apply to this Court to vary or amend this Order on not less than seven (7) days notice to any other party or parties likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

50. THIS COURT ORDERS that this Order and all of its provisions are effective as of 12:01 a.m. Eastern Standard/Daylight Time on the date of this Order.



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OCT 0 1 2013

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
R.S.C. 1985, c. C-36, AS AMENDED
AND IN THE MATTER OF GROWTHWORKS CANADIAN FUND LTD.

Court File No:
CV-13-10279-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding commenced at Toronto

INITIAL ORDER

McCARTHY TÉTRAULT LLP
Barristers and Solicitors
Suite 5300, Box 48
Toronto Dominion Bank Tower
Toronto-Dominion Centre
Toronto, ON M5K 1E6

Kevin McElcheran
Tel: (416) 601-7539
Fax: (416) 868-0673
Law Society No. 22119H

Heather L. Meredith
Tel: (416) 601-8342
Fax: (416) 868-0673
Law Society No. 48354R

Lawyers for the Applicant
#12547919

APPENDIX "B"

Court File No.: CV-13-10279-OOCL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE MADAME	)	TUESDAY, THE 29TH
	)	
JUSTICE MESBUR	)	DAY OF OCTOBER, 2013

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PROPOSED PLAN OF COMPROMISE OR ARRANGEMENT WITH RESPECT TO GROWTHWORKS CANADIAN FUND LTD.
(the "**APPLICANT**")

ORDER

THIS MOTION, made by the Applicant, for an order extending the Stay Period (the "**Stay Period**") defined in paragraph 14 of the Initial Order of the Honourable Mr. Justice Newbould dated October 1, 2013 (the "**Initial Order**") until January 15, 2014, and amending and restating the Initial Order to, among other things, declare certain persons critical suppliers and permit the Applicant to provide an indemnity for certain Applicant-nominated directors of companies in the Applicants' investment portfolio and a related charge, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of C. Ian Ross sworn October 25, 2013 and the Exhibits thereto (the "**Ross Affidavit**") and the Second Report (the "**Second Report**") of FTI Consulting Canada Inc., in its capacity as Court-appointed monitor (the "**Monitor**"), on being advised that Roseway Capital S.a.r.l. consents to the relief requested in this motion, and on hearing the submissions of counsel for the Applicants, counsel for the Monitor and counsel for Growthworks WV Management Ltd. (the "**Manager**"), no one appearing for any other party although duly served as appears from the affidavit of service,

on "counsel for Roseway," [illegible]

SERVICE

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

STAY EXTENSION

2. THIS COURT ORDERS that the Stay Period is hereby extended until and including January 15, 2014.

MONITOR'S ACTIVITIES AND REPORT

3. THIS COURT ORDERS that the First Report of the Monitor dated October 8, 2013 and the Second Report of the Monitor and the activities described therein are hereby approved.

AMENDED AND RESTATED INITIAL ORDER

4. THIS COURT ORDERS AND DECLARES that the Initial Order is hereby amended and restated in the form attached hereto as Schedule "A".

OCT 2 3 2013

SCHEDULE "A" – AMENDED AND RESTATED INITIAL ORDER

Court File No.: CV-13-10279-OOCL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE MR.	)	TUESDAY, THE 1ST
	)	
JUSTICE NEWBOULD	)	DAY OF OCTOBER, 2013

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PROPOSED PLAN OF COMPROMISE OR ARRANGEMENT WITH RESPECT TO GROWTHWORKS CANADIAN FUND LTD.
(the "**APPLICANT**")

AMENDED AND RESTATED INITIAL ORDER

THIS APPLICATION, made by the Applicant, pursuant to the Companies' Creditors Arrangement Act, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of C. Ian Ross sworn September 30, 2013 and the Exhibits thereto (the "**Ross Affidavit**"), and on being advised that Roseway Capital S.a.r.l. ("**Roseway**"), the secured creditor who is likely to be affected by the charges created herein was given notice, and on hearing the submissions of counsel for the Applicants, counsel for Roseway and counsel for the proposed Monitor, FTI Consulting Canada Inc., counsel for the Manager (defined below) and on reading the consent of FTI Consulting Canada Inc. to act as the Monitor,

THIS APPLICATION, made by the Applicant, pursuant to the CCAA was heard this day at 330 University Avenue, Toronto, Ontario.

SERVICE

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

APPLICATION

2. THIS COURT ORDERS AND DECLARES that the Applicant is a company to which the CCAA applies.

PLAN OF ARRANGEMENT

3. THIS COURT ORDERS that the Applicant shall have the authority to file and may, subject to further order of this Court, file with this Court a plan of compromise or arrangement (hereinafter referred to as the "**Plan**").

POSSESSION OF PROPERTY AND OPERATIONS

4. THIS COURT ORDERS that the Applicant shall remain in possession and control of its current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the "**Property**"). Subject to further Order of this Court, the Applicant shall continue to carry on business in a manner consistent with the preservation of its business (the "**Business**") and Property. The Applicant shall be authorized and empowered to continue to retain and employ the employees, consultants, agents, experts, accountants, counsel and such other persons (collectively "**Assistants**") currently retained or employed by it, with liberty to retain such further Assistants as it deems reasonably necessary or desirable in the ordinary course of business or for the carrying out of the terms of this Order.

5. THIS COURT ORDERS that the Applicant shall be entitled to utilize a central cash management system (a "**Cash Management System**") and that any present or future bank providing the Cash Management System shall not be under any obligation whatsoever to inquire into the propriety, validity or legality of any transfer, payment, collection or other action taken under the Cash Management System, or as to the use or

application by the Applicant of funds transferred, paid, collected or otherwise dealt with in the Cash Management System, shall be entitled to provide the Cash Management System without any liability in respect thereof to any Person (as hereinafter defined) other than the Applicant, pursuant to the terms of the documentation applicable to the Cash Management System, and shall be, in its capacity as provider of the Cash Management System, an unaffected creditor under the Plan with regard to any claims or expenses it may suffer or incur in connection with the provision of the Cash Management System.

6. THIS COURT ORDERS that the Applicant shall be entitled but not required to pay the following expenses whether incurred prior to or after this Order:

(a) all reasonable transition costs of the Manager (as defined below) pursuant to the terms of the Critical Transition Services Agreement (as defined below), and all outstanding and future wages, salaries, employee and pension benefits, vacation pay and expenses payable on or after the date of this Order, in each case incurred in the ordinary course of business and consistent with existing management agreements, compensation policies and arrangements; and

(b) the fees and disbursements of any Assistants retained or employed by the Applicant in respect of these proceedings, at their standard rates and charges.

7. THIS COURT ORDERS that, except as otherwise provided to the contrary herein, the Applicant shall be entitled but not required to pay all reasonable expenses incurred by the Applicant in carrying on the Business in the ordinary course after this Order, and in carrying out the provisions of this Order, which expenses shall include, without limitation:

(a) all expenses and capital expenditures reasonably necessary for the preservation of the Property or the Business including, without limitation, payments on account of insurance (including directors and officers insurance), maintenance and security services;

(b) Follow on Investments in Portfolio Companies (as defined in the Ross Affidavit, the "**Portfolio Companies**", each a "**Portfolio Company**") for which provision is made in the Cash Flow Projection (as defined in the Ross Affidavit) or which are approved by the Monitor; and

(c) payment for goods or services actually supplied to the Applicant following the date of this Order.

8. THIS COURT ORDERS that the Applicant shall remit, in accordance with legal requirements, or pay:

(a) any statutory deemed trust amounts in favour of the Crown in right of Canada or of any Province thereof or any other taxation authority which are required to be deducted from employees' wages, including, without limitation, amounts in respect of (i) employment insurance, (ii) Canada Pension Plan, (iii) Quebec Pension Plan, and (iv) income taxes;

(b) all goods and services or other applicable sales taxes (collectively, "**Sales Taxes**") required to be remitted by the Applicant in connection with the sale of goods and services by the Applicant, but only where such Sales Taxes are accrued or collected after the date of this Order, or where such Sales Taxes were accrued or collected prior to the date of this Order but not required to be remitted until on or after the date of this Order; and

(c) any amount payable to the Crown in right of Canada or of any Province thereof or any political subdivision thereof or any other taxation authority in respect of municipal realty, municipal business or other taxes, assessments or levies of any nature or kind which are entitled at law to be paid in priority to claims of secured creditors and which are attributable to or in respect of the carrying on of the Business by the Applicant.

9. THIS COURT ORDERS that until a real property lease is disclaimed in accordance with the CCAA, the Applicant shall pay all amounts constituting rent or payable as rent under real property leases (including, for greater certainty, common area

maintenance charges, utilities and realty taxes and any other amounts payable to the landlord under the lease) or as otherwise may be negotiated between the Applicant and the landlord from time to time ("**Rent**"), for the period commencing from and including the date of this Order.

10. THIS COURT ORDERS that, except as specifically permitted herein, the Applicant is hereby directed, until further Order of this Court: (a) to make no payments of principal, interest thereon or otherwise on account of amounts owing by the Applicant to any of its creditors as of this date except as provided in the Cash Flow Projection; (b) to grant no security interests, trust, liens, charges or encumbrances upon or in respect of any of its Property; and (c) to not grant credit or incur liabilities except in the ordinary course of the Business.

RESTRUCTURING

11. THIS COURT ORDERS that the Applicant shall, subject to such requirements as are imposed by the CCAA have the right to:

(a) permanently or temporarily cease, downsize or shut down any of its business or operations, and to dispose of redundant or non-material assets not exceeding $25,000 in any one transaction or $100,000 in the aggregate;

(b) terminate the employment of such of its employees or temporarily lay off such of its employees as it deems appropriate and terminate the provision of transitional services by the Manager (as defined below); and

(c) pursue all avenues of refinancing of its Business or Property, in whole or part, subject to prior approval of this Court being obtained before any material refinancing,

all of the foregoing to permit the Applicant to proceed with an orderly restructuring of the Business (the "**Restructuring**"). For greater clarity, dispositions of the Applicant's interest in a Portfolio Company as part of a liquidity event, is an ordinary course transaction that does not require Court approval.

12. THIS COURT ORDERS that the Applicant shall provide each of the relevant landlords with notice of the Applicant's intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the Applicant's entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Applicant, or by further Order of this Court upon application by the Applicant on at least two (2) days notice to such landlord and any such secured creditors. If the Applicant disclaims the lease governing such leased premises in accordance with Section 32 of the CCAA, it shall not be required to pay Rent under such lease pending resolution of any such dispute (other than Rent payable for the notice period provided for in Section 32(5) of the CCAA), and the disclaimer of the lease shall be without prejudice to the Applicant's claim to the fixtures in dispute.

13. THIS COURT ORDERS that if a notice of disclaimer is delivered pursuant to Section 32 of the CCAA, then (a) during the notice period prior to the effective time of the disclaimer, the landlord may show the affected leased premises to prospective tenants during normal business hours, on giving the Applicant and the Monitor 24 hours' prior written notice, and (b) at the effective time of the disclaimer, the relevant landlord shall be entitled to take possession of any such leased premises without waiver of or prejudice to any claims or rights such landlord may have against the Applicant in respect of such lease or leased premises and such landlord shall be entitled to notify the Applicant of the basis on which it is taking possession and to gain possession of and re-lease such leased premises to any third party or parties on such terms as such landlord considers advisable, provided that nothing herein shall relieve such landlord of its obligation to mitigate any damages claimed in connection therewith.

NO PROCEEDINGS AGAINST THE APPLICANT OR THE PROPERTY

14. THIS COURT ORDERS that until and including October 31,2013, or such later date as this Court may order (the "**Stay Period**"), no proceeding or enforcement process

in any court or tribunal (each, a "**Proceeding**") shall be commenced or continued against or in respect of the Applicant or the Monitor, or affecting the Business or the Property, except with the written consent of the Applicant and the Monitor, or with leave of this Court, and any and all Proceedings currently under way against or in respect of the Applicant or affecting the Business or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

15. THIS COURT ORDERS that during the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entity (all of the foregoing, collectively being "**Persons**" and each being a "**Person**") against or in respect of the Applicant or the Monitor, or affecting the Business or the Property, are hereby stayed and suspended except with the written consent of the Applicant and the Monitor, or leave of this Court, provided that nothing in this Order shall (i) empower the Applicant to carry on any business which the Applicant is not lawfully entitled to carry on, (ii) affect such investigations, actions, suits or proceedings by a regulatory body as are permitted by Section 11.1 of the CCAA, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

16. THIS COURT ORDERS that any rights or obligations, including any right or obligation under a contract, an agreement or other document affecting or relating to a Portfolio Company, that arise, come into effect or are "triggered" by the insolvency of the Applicant, by the commencement of these proceedings or the making of this Order shall be of no effect and no person shall be entitled to exercise any rights or remedies in connection therewith.

NO INTERFERENCE WITH RIGHTS

17. THIS COURT ORDERS that during the Stay Period, no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Applicant or any right, renewal right, contract, agreement, licence or permit in favour

of or held by a Portfolio Company to the extent relevant to the Applicant, the Business, the Property or these proceedings, except with the written consent of the Applicant and the Monitor, or leave of this Court.

CONTINUATION OF SERVICES

18. THIS COURT ORDERS that during the Stay Period, all Persons having oral or written agreements with the Applicant or statutory or regulatory mandates for the supply of goods and/or services, including without limitation all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Business or the Applicant, are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Applicant, and that the Applicant shall be entitled to the continued use of its current premises, telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Applicant in accordance with normal payment practices of the Applicant or such other practices as may be agreed upon by the supplier or service provider and each of the Applicant and the Monitor, or as may be ordered by this Court.

NON-DEROGATION OF RIGHTS

19. THIS COURT ORDERS that, notwithstanding anything else in this Order, no Person shall be prohibited from requiring immediate payment for goods, services, use of lease or licensed property or other valuable consideration provided on or after the date of this Order, nor shall any Person be under any obligation on or after the date of this Order to advance or re-advance any monies or otherwise extend any credit to the Applicant. Nothing in this Order shall derogate from the rights conferred and obligations imposed by the CCAA.

CRITICAL SUPPLIERS

20. THIS COURT ORDERS AND DECLARES that this Order is without prejudice to any arguments of the Fund, Growthworks WV Management Ltd. (the "**Manager**") or GrowthWorks Capital Ltd. ("**GWC**"), in connection with the purported termination of the Management Agreement described in the Ross Affidavit (the "**Management Agreement**").

21. THIS COURT ORDERS that, the Manager, GWC, and each Person engaged or contracted by the Manager and/or GWC (not including employees of the Manager or GWC) in connection with providing transitional services to the Applicant pursuant to the Management Agreement on or after October 1, 2013 is a critical supplier to the Applicant as contemplated by Section 11.4 of the CCAA (each, a "**Critical Supplier**") and each Critical Supplier shall be entitled to the benefit of and is hereby granted a charge (together, the **"Critical Suppliers' Charge")** on the Property of the Applicant in an amount equal to the lesser of (a) the value of the goods and services supplied by such Critical Supplier and received by the Applicant after the date of this Order less all amounts paid to such Critical Supplier in respect of such goods and services; and, (b) the amount to which the Manager is entitled to be paid under the Critical Transition Services Agreement attached hereto as Schedule "1". The Critical Supplier Charge shall have the priority set out in paragraphs 38 and 40 herein.

22. THIS COURT ORDERS that each Critical Supplier shall, in addition to any other obligations it has under this Initial Order, supply and continue to supply the Applicant with transitional services pursuant to the Management Agreement. In the case of the Manager, it shall supply and continue to supply the Critical Transition Services (as defined in the Critical Transition Services Agreement) pursuant to and as set out in the Critical Transition Services Agreement. No Critical Supplier may require the payment of a deposit or the posting of any security in connection with the supply of such services after the date of this Order.

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

23. THIS COURT ORDERS that during the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA, no Proceeding may be commenced or continued against any of the former, current or future directors or officers of the Applicant, or against any current or future Applicant-nominated director of any of the Portfolio Companies (the "**Portfolio Company Directors**") with respect to any claim against the directors, officers or Portfolio Company Directors that arose before, on or after the date hereof and that relates, (i) in the case of the former, current or future directors or officers of the Applicant, to any obligations of the Applicant, or (ii) in the case of the Portfolio Company Directors, to any obligations of the Portfolio Companies, and in either case whereby the directors, officers or Portfolio Company Directors are alleged under any law to be liable in their capacity as directors or officers for the payment or performance of such obligations, until a compromise or arrangement in respect of the Applicant, if one is filed, is sanctioned by this Court or is refused by the creditors of the Applicant or this Court.

DIRECTORS' AND OFFICERS' INDEMNIFICATION AND CHARGE

24. THIS COURT ORDERS that the Applicant shall indemnify its directors and officers, and may indemnify the Portfolio Company Directors if, in its own discretion and in consultation with the Monitor, it elects to do so, against obligations and liabilities that they may incur as directors or officers of the Applicant or directors of a Portfolio Company after the commencement of the within proceedings, except to the extent that, with respect to any director, officer or Portfolio Company Director, the obligation or liability was incurred as a result of the director's, officer's or Portfolio Company Director's gross negligence or wilful misconduct. The Applicant and the Portfolio Company Directors will use reasonable commercial efforts to address any dispute regarding the indemnity coverage with the guidance and assistance of the Monitor, and, if required, this Court.

25. THIS COURT ORDERS that the directors and officers of the Applicant shall be entitled to the benefit of and are hereby granted a charge (the "**Directors' Charge**") on

the Property, which charge shall not exceed an aggregate amount of $1,000,000, as security for the indemnity provided in paragraph 24 of this Order. The Directors' Charge shall have the priority set out in paragraphs 38 and 40 herein.

26. THIS COURT ORDERS that the Portfolio Company Directors shall be entitled to the benefit of and are hereby granted a charge (the "**Portfolio Company Directors' Charge**") on the Property, which charge shall not exceed an aggregate amount of $10,000,000, as security for the indemnity referred to in paragraph 24 of this Order, to the extent one is provided by the Applicant. The Portfolio Company Directors' Charge shall have the priority set out in paragraphs 38 and 40 herein.

27. THIS COURT ORDERS that, notwithstanding any language in any applicable insurance policy to the contrary, (a) no insurer shall be entitled to be subrogated to or claim the benefit of the Directors' Charge or the Portfolio Company Directors' Charge, and (b) the Applicant's directors and officers shall only be entitled to the benefit of the Directors' Charge to the extent that they do not have coverage under any directors' and officers' insurance policy, or to the extent that such coverage is insufficient to pay amounts indemnified in accordance with paragraph 24 of this Order, and the Portfolio Company Directors shall only be entitled to the benefit of the Portfolio Company Directors' Charge to the extent that they do not have coverage under any directors' and officers' insurance policy, or to the extent that such coverage is insufficient to pay amounts indemnified by the Applicant, to the extent an indemnity is provided by the Applicant accordance with paragraph 24 of this Order.

APPOINTMENT OF MONITOR

28. THIS COURT ORDERS that FTI Consulting Canada Inc. is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the business and financial affairs of the Applicant with the powers and obligations set out in the CCAA or set forth herein and that the Applicant and its shareholders, officers, directors, and Assistants shall advise the Monitor of all material steps taken by the Applicant pursuant to this Order, and shall co-operate fully with the Monitor in the exercise of its

powers and discharge of its obligations and provide the Monitor with the assistance that is necessary to enable the Monitor to adequately carry out the Monitor's functions.

29. THIS COURT ORDERS that the Monitor, in addition to its prescribed rights and obligations under the CCAA, is hereby directed and empowered to:

(a) monitor the Applicant's receipts and disbursements;

(b) report to this Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, and such other matters as may be relevant to the proceedings herein;

(c) advise the Applicant in its preparation of the Applicant's cash flow statements;

(d) advise the Applicant in respect to the Plan and any amendments to the Plan;

(e) assist the Applicant, to the extent required by the Applicant, with the holding and administering of creditors' or shareholders' meetings for voting on the Plan;

(f) have full and complete access to the Property including the premises, the premises of the Manager to the extent Property of the Applicant is located on the Manager's premises, books, records, data, including data in electronic form, and other financial documents of the Applicant, to the extent that is necessary to adequately assess the Applicant's business and financial affairs or to perform its duties arising under this Order and all Persons, including the Applicant and the Manager, shall permit such full and complete access to such Property to the Monitor;

(g) be at liberty to engage independent legal counsel or such other persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order;

(h) establish one or more accounts to hold any proceeds of the disposition of the Portfolio Companies (the "**Proceeds Accounts**");

(i) administer the Proceeds Accounts for and on behalf of the Applicants and to distribute funds from such Proceeds Accounts from time to time to satisfy expenses that the Applicant is entitled and/or required to pay pursuant to this Order, as directed by the Applicant and in accordance with the Cash Flow Projection and any update cash flow projections; and

(j) perform such other duties as are required by this Order or by this Court from time to time.

30. THIS COURT ORDERS that the Monitor shall not take possession of the Property with the exception of the Proceeds Accounts, and shall take no part whatsoever in the management or supervision of the management of the Business or the businesses of the Portfolio Companies and shall not, by fulfilling its obligations hereunder, be deemed to have taken or maintained possession or control of the Business or Property, or any part thereof.

31. THIS COURT ORDERS that McCarthy Tétrault LLP is entitled to transfer the funds held by it in trust as described in the Ross Affidavit at paragraph 88, and any future proceeds that may be received by it from time to time from the disposition of the Portfolio Companies, to the Monitor for deposit into the Proceeds Accounts to be held by the Monitor for and on behalf of the Applicant in accordance with the terms of this Order.

32. THIS COURT ORDERS that nothing herein contained shall require the Monitor to occupy or to take control, care, charge, possession or management (separately and/or collectively, "**Possession**") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other

contamination including, without limitation, the *Canadian Environmental Protection Act*, the Ontario *Environmental Protection Act*, the *Ontario Water Resources Act*, or the Ontario *Occupational Health and Safety Act* and regulations thereunder (the "**Environmental Legislation**"), provided however that nothing herein shall exempt the Monitor from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Monitor shall not, as a result of this Order or anything done in pursuance of the Monitor's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

33. THIS COURT ORDERS that that the Monitor shall provide to any creditor of the Applicant information provided by the Applicant in response to reasonable requests for information made in writing by such creditor addressed to the Monitor. The Monitor shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Monitor has been advised by the Applicant is confidential, the Monitor shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Monitor and the Applicant may agree.

34. THIS COURT ORDERS that, in addition to the rights and protections afforded the Monitor under the CCAA or as an officer of this Court, the Monitor shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of this Order (including, without limitation, with respect to administering the Proceeds Accounts for and on behalf of the Applicants), save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded the Monitor by the CCAA or any applicable legislation.

35. THIS COURT ORDERS that the Monitor, counsel to the Monitor and counsel to the Applicant shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, by the Applicant as part of the costs of these proceedings. The Applicant is hereby authorized and directed to pay the accounts of the Monitor, counsel for the Monitor and counsel for the Applicant on a bi-weekly basis and, in

addition, the Applicant is hereby authorized to pay to the Monitor, counsel to the Monitor, counsel to the Applicant and CCC (as defined in the Ross Affidavit), retainers in the amount of $50,000, respectively, to be held by them as security for payment of their respective fees and disbursements outstanding from time to time

36. THIS COURT ORDERS that the Monitor and its legal counsel shall pass their accounts from time to time, and for this purpose the accounts of the Monitor and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

37. THIS COURT ORDERS that the Monitor, counsel to the Monitor, CCC (as defined in the Ross Affidavit), and the Applicant's counsel shall be entitled to the benefit of and are hereby granted a charge (the "**Administration Charge**") on the Property, which charge shall not exceed an aggregate amount of $500,000, as security for their professional fees and disbursements incurred at the standard rates and charges of the Monitor and such counsel, both before and after the making of this Order in respect of these proceedings. The Administration Charge shall have the priority set out in paragraphs 38 and 40 hereof.

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

38. THIS COURT ORDERS that the priorities of the Directors' Charge, the Administration Charge and the Critical Suppliers' Charge, as among them, shall be as follows:

First – Administration Charge (to the maximum amount of $500,000);

Second – Directors' Charge (to the maximum amount of $1,000,000);

Third – Critical Suppliers' Charge (to the maximum amount of $50,000); and,

Fourth – Portfolio Company Directors' Charge and Critical Suppliers' Charge to the extent that it exceeds $50,000.

39. THIS COURT ORDERS that the filing, registration or perfection of the Directors' Charge, the Administration Charge, the Critical Suppliers' Charge and the Portfolio Company Directors' Charge (collectively, the "**Charges**") shall not be required, and that the Charges shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect.

40. THIS COURT ORDERS that each of the Charges (as constituted and defined herein) shall constitute a charge on the Property and that the entire Directors' Charge, the entire Administration Charge and the Critical Suppliers' Charge to a maximum amount of $50,000 shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise (collectively, "**Encumbrances**") in favour of any Person. To the extent the Critical Suppliers' Charge exceeds $50,000, such additional amount, together with the Portfolio Company Directors' Charge, shall rank *pari passu* with one another behind the Encumbrances.

41. THIS COURT ORDERS that except as otherwise expressly provided for herein, or as may be approved by this Court, the Applicant shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with, any of the Charges, unless the Applicant also obtains the prior written consent of the Monitor and the beneficiaries of the Charges, or further Order of this Court.

42. THIS COURT ORDERS that the Charges shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Charges (collectively, the "**Chargees**") thereunder shall not otherwise be limited or impaired in any way by (a) the pendency of these proceedings and the declarations of insolvency made herein; (b) any application(s) for bankruptcy order(s) issued pursuant to *Bankruptcy and Insolvency Act* (the "**BIA**"), or any bankruptcy order made pursuant to such applications; (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (d) the provisions of any federal or provincial statutes; or (e)

any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an "**Agreement**") which binds the Applicant, and notwithstanding any provision to the contrary in any Agreement:

(a) the creation of the Charges shall not create nor be deemed to constitute a breach by the Applicant of any Agreement to which it is a party;

(b) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the creation of the Charges; and

(c) neither the payments made by the Applicant pursuant to this Order nor the granting of the Charges shall constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

43. THIS COURT ORDERS that any Charge created by this Order over leases of real property in Canada shall only be a Charge in the Applicant's interest in such real property leases.

SERVICE AND NOTICE

44. THIS COURT ORDERS that the Monitor shall (i) without delay, publish in The Globe and Mail (National Edition) a notice containing the information prescribed under the CCAA, (ii) within five days after the date of this Order, (A) make this Order publicly available in the manner prescribed under the CCAA, (B) send, in the prescribed manner, a notice to every known creditor who has a claim against the Applicant of more than $1000, and (C) prepare a list showing the names and addresses of those creditors and the estimated amounts of those claims, and make it publicly available in the prescribed manner, all in accordance with Section 23(1)(a) of the CCAA and the regulations made thereunder.

45. THIS COURT ORDERS that the Applicant and the Monitor be at liberty to serve this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or electronic transmission to the Applicant's creditors or other interested parties at their respective addresses as last shown on the records of the Applicant and that any such service or notice by courier, personal delivery or electronic transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

46. THIS COURT ORDERS that the Applicant, the Monitor, and any party who has filed a Notice of Appearance may serve any court materials in these proceedings by e-mailing a PDF or other electronic copy of such materials to counsels' email addresses as recorded on the Service List from time to time, and the Monitor may post a copy of any or all such materials on its website at http://cfcanada.fticonsulting.com/gcfl.

GENERAL

47. THIS COURT ORDERS that the Applicant or the Monitor may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

48. THIS COURT ORDERS that nothing in this Order shall prevent the Monitor from acting as an interim receiver, a receiver, a receiver and manager, or a trustee in bankruptcy of the Applicant, a Portfolio Company, the Business or the Property.

49. 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 Applicant, the Monitor and their respective 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 Applicant and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative

status to the Monitor in any foreign proceeding, or to assist the Applicant and the Monitor and their respective agents in carrying out the terms of this Order.

50. THIS COURT ORDERS that each of the Applicant and the Monitor be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Monitor is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

51. THIS COURT ORDERS that any interested party (including the Applicant and the Monitor) may apply to this Court to vary or amend this Order on not less than seven (7) days notice to any other party or parties likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

52. THIS COURT ORDERS that this Order and all of its provisions are effective as of 12:01 a.m. Eastern Standard/Daylight Time on the date of this Order.

APPENDIX "C"

Court File No.: CV-13-10279-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE	)	THURSDAY , THE 18TH
	)	
MR. JUSTICE PATTILLO	)	DAY OF DECEMBER, 2014

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PROPOSED PLAN OF COMPROMISE OR ARRANGEMENT WITH RESPECT TO GROWTHWORKS CANADIAN FUND LTD.

ORDER APPROVING SETTLEMENT

THIS MOTION, made by GrowthWorks Canadian Fund Ltd. (the "**Fund**") for an order approving an agreement settling actions bearing Court File Numbers 08-CV-43544 and 08–CV-43188, between Allen-Vanguard Corporation ("**AVC**") and the Fund and other parties (the "**AVC Litigation**"), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Motion Record of the Fund, including the Affidavit of Donna Parr sworn December 15, 2014, the Affidavit of Paul Echenberg sworn December 15, 2014 and the Twelfth report of FTI Consulting Canada, Inc. (the "**Monitor**"), on being advised that notices in the form of a letter have been sent to each former shareholder of Med-Eng Systems Inc.("**Med-Eng**") at the most recent known address(es) for notifying each such former shareholder of this settlement and the hearing, and on hearing the submissions of counsel for the Fund, Offeree Shareholders, as defined below, AVC, and the Monitor, no one else appearing although properly served as appears from the Affidavit of Swee-Teen Yeoh, sworn December 15, 2014:

1. THIS COURT ORDERS that the time for service of the Motion Record is hereby abridged and validated such that this Motion is properly returnable today and hereby dispenses

with further service thereof.

2. THIS COURT ORDERS AND DECLARES that the Minutes of Settlement settling the AVC Litigation made between AVC and certain former shareholders of Med-Eng including Richard L'Abbe, 1062455 Ontario Inc., the Fund, SVMCL Management Canada Limited as general partner of certain investment funds, Schroder Ventures Holdings Limited as general partner of certain other investment funds and SVG Capital plc. (collectively, the "**Offeree Shareholders**") effective December 12, 2014 (the "**Settlement Agreement**"), be and is hereby approved in substantially the same form as Exhibit "D" of the Affidavit of Donna Parr sworn December 15, 2014.

3. THIS COURT ORDERS that the Fund is authorized to execute and deliver the Settlement Agreement and shall perform its obligations thereunder, including without limiting the generality of the foregoing, the distribution of $28,000,000 of the settlement proceeds (the "**Settlement Proceeds**") to AVC, and that the remainder of the Settlement Proceeds after the distribution to AVC (the "**Remaining Proceeds**") shall be held in escrow until further order of this Court.

4. 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 Fund and any bankruptcy order issued pursuant to any such applications; and

c. any assignment in bankruptcy made in respect of the Fund;

the distribution of Settlement Proceeds to AVC and the distribution of the Remaining Proceeds pursuant to this Order and any further order of this Court shall be binding on any trustee in bankruptcy that may be appointed in respect of the Fund and shall not be void or voidable by creditors of the Fund, nor shall it constitute nor be deemed to be a settlement, fraudulent preference, assignment, fraudulent conveyance 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.

5. THIS COURT ORDERS AND DECLARES that, in addition to the releases to be exchanged pursuant to the Settlement Agreement, AVC is hereby released from any and all claims arising or in respect of the Share Purchase Agreement dated as of August 3, 2007 (the "**SPA**") and the Escrow Agreement dated as of September 17, 2007 (the "**Escrow Agreement**") including, without limiting the generality of the foregoing, any claims of former minority shareholders, and that any claims by former minority shareholders of Med-Eng (the "**Minority Shareholders**") arising from the Share Purchase Agreement or the Escrow Agreement shall attach exclusively to the Remaining Funds.

6. THIS COURT ORDERS that the Offeree Shareholders shall incur no liability whatsoever arising from the release of the Settlement Proceeds to AVC.

7. THIS COURT ORDERS that the Offeree Shareholders may propose a distribution of the Remaining Funds and notify all former shareholders, including the Minority Shareholders, of such proposal by mail and/or email to the most recent address(es) maintained by Robert Chapman, the vendor's counsel in respect of the Share Purchase Agreement. Any motion for the distribution of the Remaining Funds shall be on at least 7 days' notice to the Offeree Shareholders, the Minority Shareholders and to the Monitor.

DEC 19 2014

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED AND IN THE MATTER OF A PROPOSED PLAN OF COMPROMISE OR ARRANGEMENT WITH RESPECT TO GROWTHWORKS CANADIAN FUND LTD.

Court File No. CV-13-10279-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(Commercial List)

Proceeding Commenced at Toronto

ORDER APPROVING SETTLEMENT

McCARTHY TÉTRAULT LLP
Suite 5300, Toronto Dominion Bank Tower
Toronto ON M5K 1E6

Sharon Kour LSUC#: 58328D
Tel: (416) 601-8305
Fax: (416) 868-0673
skour@mccarthy.ca

Kevin P. McElcheran Professional Corporation

Kevin McElcheran LSUC#: 22119H
Tel: (416) 855-0444
kevin@mcelcheranadr.com

Lawyers for GrowthWorks Canadian Fund Ltd.

14045210

APPENDIX "D"

Court File No.: CV-13-10279-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE Mr.	)	Tuesday, THE 20th
	)	January
JUSTICE Perry	)	DAY OF ~~MARCH~~, 2015

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PROPOSED PLAN OF COMPROMISE OR ARRANGEMENT WITH RESPECT TO GROWTHWORKS CANADIAN FUND LTD.

NOTICE PROCEDURE ORDER

(In respect of a Distribution Motion)

THIS MOTION, made by GrowthWorks Canadian Fund Ltd. (the "**Fund**") for an order approving the form of notice of a motion to distribute the proceeds of a sale of shares in Med-Eng Systems Inc. ("**Med-Eng**") currently remaining in escrow (the "**Remaining Proceeds**") pursuant to an escrow agreement dated September 17, 2007 (the "**Escrow Agreement**") , was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Motion Record of the Fund, including the affidavit of Paul Echenberg sworn December 15, 2014, the affidavit of Donna Parr sworn December 15, 2014, and the affidavit of Paul Echenberg sworn January 19, 2015, and on hearing the submissions of counsel for the Fund, the Offeree Shareholders, as defined below, and the Monitor, no one else appearing although properly served as appears from the Affidavit of Emilia Moon-de Kemp, sworn January 19, 2015:

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

2. THIS COURT ORDERS AND DECLARES that a motion to determine the distribution of the Remaining Proceeds shall be heard on March 3, 2015 at 10:00 a.m. (the "**Distribution Motion**").

3. THIS COURT ORDERS AND DECLARES that the form of notice for the Distribution Motion and the form and content of a disclosure statement to be attached thereto, are hereby approved in the form appended as Schedule "A" (the "**Notice and Disclosure**"), and shall be delivered to the former minority shareholders of Med-Eng (the "**Minority Shareholders**") and the service list.

4. THIS COURT ORDERS AND DECLARES that the mailing by ordinary mail of the Notice and Disclosure to each Minority Shareholder, on or before January 23, 2015, to the most recent address on the list maintained by Robert Chapman, formerly of McCarthy Tétrault LLP, counsel for the Offeree Shareholders (as defined in the Settlement Approval Order) in respect of the SPA (as defined in the Settlement Approval Order), shall be sufficient service of the Distribution Motion.

5. THIS COURT ORDERS that any Minority Shareholder who objects to the proposed distribution set out in the Notice and Disclosure must give notice in writing of such objection and the reasons for the objection in the form attached to the Notice and Disclosure to FTI Consulting Canada Inc. (the "Monitor") on or before 5:00 p.m. on February 23, 2015, and the Monitor is hereby directed to post such objection on the Monitor's website and to file a copy with the Court.

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

JAN 2 1 2015

SCHEDULE "A"

NOTICE TO FORMER SELLING SHAREHOLDERS OF

MED-ENG SYSTEMS INC.

PLEASE TAKE NOTICE that the Ontario Superior Court of Justice issued an order (the "**Order Approving Settlement**") approving a settlement of certain litigation which is defined in the Order Approving Settlement as the "AVC Litigation". Attached to this notice is a copy of the Order Approving Settlement. Capitalized terms used in this notice have the meanings set out in the Order Approving Settlement.

PLEASE TAKE NOTICE that the AVC Litigation has now been settled in accordance with the Minutes of Settlement. Accordingly, the Settlement Proceeds, totalling $28 million were paid to AVC on December 23, 2014 from the Indemnification Escrow Fund (as defined in the Escrow Agreement) and the Mutual Full and Final Release (as defined in the Minutes of Settlement) has been executed and delivered. The Remaining Proceeds, which totaled $15,832,358.82 as of January 2, 2015, continue to be held in escrow pursuant to the Escrow Agreement.

PLEASE TAKE NOTICE that a hearing will be held on March [], 2015 at 10:00 a.m. at 330 University Avenue, 8th floor, Toronto, Ontario, in the Ontario Superior Court of Justice (Commercial List), to consider the proposal by the Offeree Shareholders that the Remaining Proceeds be distributed as follows:

> To each of the Offeree Shareholders, an amount equal to the professional costs they incurred in their efforts to secure the release of the Remaining Proceeds, including fees and disbursements of the advisors and experts of the Offeree Shareholders incurred in connection with:
>
> (i) The AVC Litigation;
>
> (ii) The claim of AVC in the Fund's proceedings under the *Companies' Creditors Arrangement Act* (the "**CCAA Proceedings**") including the

motion and cross motions brought in respect of the conduct of AVC's claim;

(iii) The negotiation of the settlement of the AVC Litigation;

(iv) The motion in the CCAA Proceedings for the approval of the settlement;

(v) The implementation of the settlement; and

(vi) This motion, the Distribution Motion and the distribution of the Remaining Proceeds;

(b) After payment of the amounts set out in (a) above, the balance to each of the former selling shareholders of Med-Eng pro rata based on their holdings of Med-Eng shares at the time of the sale of such shares.

PLEASE TAKE NOTICE that the total of professional costs included in (a) above is approximately $4.7 million and that a description of the professional costs and the basis for the proposed distribution are set out in the Disclosure Statement attached to this Notice and in the affidavit of Paul Echenberg sworn on January 19, 2015. You can find this affidavit and the rest of the court materials related to this motion at http://cfcanada.fticonsulting.com/gcfl.

PLEASE TAKE NOTICE that if you object to such distribution and wish to oppose the granting of the order sought by the Offeree Shareholders at the court hearing on March [], 2015, you must deliver a Notice of Objection on or before 5:00 p.m. (Toronto Time) on February 23, 2015, in the attached form to the following address:

FTI Consulting Canada Inc., GrowthWorks Canadian Fund Ltd. Monitor
TD Waterhouse Tower
79 Wellington Street, West

Suite 2010, P.O. Box 104

Toronto, Ontario, Canada, M5K 1G8

Fax 416-649-8101

Email: growthworkscanadianfundltd@fticonsulting.com

Attn: Paul Bishop and Jodi Porepa

SUMMARY

Objection Deadline: 5:00 p.m. (Toronto Time) on February 23, 2015

Court Hearing: 10:00 a.m. on March [], 1015

Court :Location: 330 University Avenue, 8th Floor, Toronto, Ontario.

DATED this 23rd day of January, 2015

NOTICE OF OBJECTION

I, [insert name of former shareholder of Med-Eng] object to the distribution of the Remaining Proceeds in the manner proposed by the Offeree Shareholders.

The following are my reasons for my objection:

I hereby certify that

1. I am a former shareholder of Med-Eng.

2. I held [insert number of shares] of Med-Eng on the closing of the sale of my shares to Allen-Vanguard Corporation.

3. I have attached any documentation in my possession that supports the reasons for my objection.

Dated:

Signature:

Witness signature:

Witness name:

DISCLOSURE STATEMENT

To: The former Minority Shareholders of Med-Eng Systems Inc., as defined in the Share Purchase Agreement, dated as of August 3, 2007 (the "**Share Purchase Agreement**"), and as listed in schedule 4.1(f) of the Escrow Agreement made as of September 17, 2007 among the Offeree Shareholders, Richard L'Abbé, 1062455 Ontario Inc., GrowthWorks Canadian Fund Ltd., Schroder Venture Managers (Canada) Limited, Schroder Ventures Holding Limited, Allen-Vanguard Corporation, Med-Eng Systems Inc. and Computershare Trust Company of Canada (the "**Escrow Agreement**").

Re: In the Matter of GrowthWorks Canadian Fund Ltd., Superior Court of Justice (Commercial List), Court File No. CV-13-10279-00CL Superior Court of Justice (Commercial List), Court File No. CV-13-10279-00CL ("**GrowthWorks CCAA Proceedings**");

Richard L'Abbé et al. v. Allen-Vanguard Corporation et al., Ontario Superior Court File No. 08-CV-43188; Allen-Vanguard Corporation v. Richard L'Abbé et al., Ontario Superior Court File No. 08-CV-43544 (the "**Allen-Vanguard Litigation**").

In 2007, the former majority shareholders of Med-Eng Systems Inc. ("**Med-Eng**") entered into the Share Purchase Agreement as "Offeree Shareholders" with Allen-Vanguard Corporation ("**Allen-Vanguard**"), whereby Allen-Vanguard agreed to purchase all of the shares of Med-Eng, including the shares you formerly owned, for an aggregate purchase price of approximately $650 million. The share purchase transaction closed in September 2007.

You have already received almost 94% of your share of the proceeds of this sale. As part of the sale purchase transaction, however, $40 million of the purchase price (the "**Escrow Amount**") was set aside in escrow pursuant to the provisions of the Escrow Agreement. The purpose of the Escrow Agreement was to make the Escrow Amount available to compensate Allen-Vanguard if the representations and warranties that Med-Eng made in the Share Purchase Agreement were incorrect or false and Allen-Vanguard suffered losses as a result.

In September 2008, Allen-Vanguard gave the Offeree Shareholders notice that it believed that Med-Eng's representations and warranties were false and that it intended to seek recovery of the entire Escrow Amount for its resulting damages. In November, 2008, the Offeree Shareholders started a law suit for the release of the Escrow Amount based on their position that there had been no relevant breaches of representation or warranty.

In addition to defending the Offeree Shareholders' law suit, Allen-Vanguard started another law suit claiming that Med-Eng's representations and warranties were not accurate and

that the Escrow Amount should therefore be paid to Allen-Vanguard. Because both law suits involved the Share Purchase Agreement and the Escrow Agreement, they have proceeded together as the Allen-Vanguard Litigation. In February, 2013, Allen-Vanguard sought and obtained an order from the court permitting it to amend its statement of claim, increasing its claim for damages in the Allen-Vanguard Litigation from $40 million to $650 million. Also, in October, 2013, GrowthWorks Canadian Fund Ltd. ("**GrowthWorks**") obtained creditor protection in the GrowthWorks CCAA Proceedings which impacted the course of the Allen-Vanguard Litigation.

Since it started in November 2008, the Allen-Vanguard Litigation has been pursued diligently by the Offeree Shareholders. A detailed history of the Allen-Vanguard Litigation is set out in an affidavit that has been filed in the GrowthWorks CCAA Proceedings. You can find this affidavit and the rest of the court materials related to this motion at http://cfcanada.fticonsulting.com/gcfl.

The Allen-Vanguard Litigation has been complex, intensely contested and expensive, involving the production of over 15,000 documents, approximately 10 contested motions, more than 20 case conferences and 35 days of examinations for discovery. The trial was scheduled for 11 weeks starting in March 2015. In total, the Offeree Shareholders spent more than $4.7 million in legal and other professional expenses in pursuing the release of the Escrow Funds for benefit of all former shareholders of Med-Eng.

After extensive and difficult negotiations and in order to avoid the further expense and risks that would be incurred in going ahead with the scheduled 11 week trial, in December 2014 the Offeree Shareholders entered into a settlement agreement with Allen-Vanguard, which was approved by the Ontario Superior Court of Justice (the "**Court**") on December 18, 2014. Under the terms of the settlement agreement, Allen-Vanguard received $28 million of the Escrow Amount at the end of December 2014.

The balance of the Escrow Amount, together with accumulated interest (the "**Remaining Escrow Fund Balance**") which totalled $15,832,358.82 as of January 2, 2015, will be distributed to all of the former shareholders of Med-Eng in accordance with an order of the Court that will be made in the GrowthWorks CCAA Proceedings.

GrowthWorks has applied to the Court in the Growthworks CCAA Proceedings for an order that the Remaining Escrow Fund Balance be distributed to the former shareholders of Med-Eng in proportion to their respective shareholdings, **after first deducting the Offeree Shareholders' out of pocket expenses for legal fees and disbursements incurred as result of the Allen-Vanguard Litigation (the "Litigation Expenses").** The Escrow Agreement does not expressly state that the Litigation Expenses must be reimbursed to the Offeree Shareholders. However, as such expenses were incurred for the benefit of all former shareholders of Med-Eng, the Offeree Shareholders believe it is fair that they recoup

their expenses before the Remaining Escrow Fund Balance is distributed. Over more than 6 years, the Offeree Shareholders have devoted many hours of their time and attention to the conduct of the Allen-Vanguard Litigation but they do not seek compensation for their own time and effort. They seek to recoup only their out of pocket expenses

The Offeree Shareholders will be supporting GrowthWorks 'motion to the Court for an order for distribution of the Remaining Escrow Fund Balance first to the Offeree Shareholders to reimburse them for their Litigation Expenses and then pro rata to all former shareholders of Med-Eng. As a former shareholder of Med-Eng entitled to a portion of the Remaining Escrow Fund Balance, you may object to the distribution proposed by the Offeree Shareholders by delivering a notice of objection to the Monitor in the attached form and may appear to make submissions to the Court at the hearing to be held to consider the GrowthWorks' motion at 330 University Avenue, Toronto, Ontario at **10:00 a.m.** on March*, 2015. Whether or not you object and/or appear to make submissions at that hearing, the Court may make the order requested by the Offeree Shareholders.

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED AND IN THE MATTER OF A PROPOSED PLAN OF COMPROMISE OR ARRANGEMENT WITH RESPECT TO GROWTHWORKS CANADIAN FUND LTD.

Court File No. CV-13-10279-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(Commercial List)

Proceeding Commenced at Toronto

NOTICE PROCEDURE ORDER
(In respect of the Distribution Motion)

McCARTHY TÉTRAULT LLP
Suite 5300, Toronto Dominion Bank Tower
Toronto ON M5K 1E6

Sharon Kour LSUC#: 58328D
Tel: (416) 601-8305
Fax: (416) 868-0673
skour@mccarthy.ca

Kevin P. McElcheran Professional Corporation

Kevin McElcheran LSUC#: 22119H
Tel: (416) 855-0444
kevin@mcelcheranadr.com

Lawyers for GrowthWorks Canadian Fund Ltd.

14045210

APPENDIX "E"

Notice of Objection

I, DENZIL DOYLE the offeror, objects to the distribution of the Remaining Proceeds in the manner proposed by the Offeree Shareholders of Med-Eng Systems.

The following are the offeror's reasons for the objection:

- Although the offeror is grateful for the success of its investment in Med-Eng Systems Inc., the offeror is a minority shareholder which was 'dragged along' and as such had no involvement or influence in events leading up to the transaction and events subsequent to the transaction closing.
- The offeror understands that the $40M holdback was subject to some working capital adjustments and agrees that these amounts should be dealt with from the holdback.
- The offeror does not feel that it should assume any liability with regard to the settlement with Allan Vanguard or it subsequent owners.
- The offeror does not feel that it should share the cost of the Offeree shareholders defending themselves.
- The offeror does not have ready access to shareholder agreements and other closing documentation from which to highlight specific clauses pertaining to this matter.
- The offeror feels that the distribution to the non-Offeree shareholders should be based on the following:

  ($40M + Accrued Interest +/- any Working Capital Adjustments) / Total number of Common Shares

- The offeror feels that legal costs of $4.7M and settlement(s) of $28M should be borne by the Offeree Shareholders.

I hearby certify that

I am a former shareholder of Med-Eng Systems

I held 50,011 shares of Med-Eng Systems on the closing of the sale of my share to Allen-Vanguard Corporation.

Dated: February 6, 2015

Signature: _____

Witness signature: _____

Witness name: Jeffrey Doyle

Submitted to:

FTI Consulting Canada Inc., Growth Works Canadian Fund Ltd. Monitor

TD Waterhouse Tower

79 Wellington Street, West

Suite 2010, P.O. Box 104

Toronto, Ontario, Canada, M5K 1G8

Notice of Objection

I, Glenn M.J. McDougall on behalf of Green Avenue Ventures Inc. (GAVI), the offeror, objects to the distribution of the Remaining Proceeds in the manner proposed by the Offeree Shareholders of Med-Eng Systems.

Note: GAVI's ownership is in equal portions Glenn McDougall, Jeffrey Doyle and Pakenham Holdings Inc.

Pakenham Holdings Inc. has abstained from this matter.

The following are the offeror's reasons for the objection:

- Although the offeror is grateful for the success of its investment in Med-Eng Systems Inc., the offeror is a minority shareholder which was 'dragged along' and as such had no involvement or influence in events leading up to the transaction and events subsequent to the transaction closing.

- The offeror understands that the $40M holdback was subject to some working capital adjustments and agrees that these amounts should be dealt with from the holdback.

- The offeror does not feel that it should assume any liability with regard to the settlement with Allan Vanguard or it subsequent owners.

- The offeror does not feel that it should share the cost of the Offeree shareholders defending themselves.

- The offeror does not have ready access to shareholder agreements and other closing documentation from which to highlight specific clauses pertaining to this matter.

- The offeror feels that the distribution to the non-Offeree shareholders should be based on the following:

  ($40M + Accrued Interest +/- any Working Capital Adjustments) / Total number of Common Shares

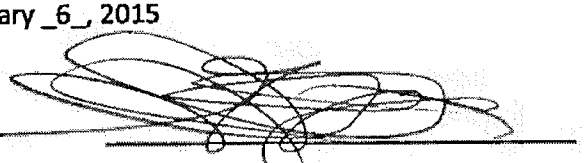
- The offeror feels that legal costs of $4.7M and settlement(s) of $28M should be borne by the Offeree Shareholders.

I hearby certify that:

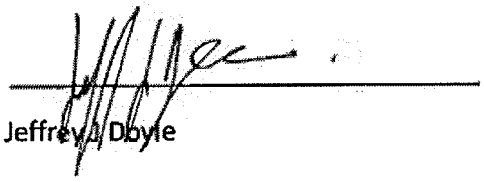
I am a former shareholder of Med-Eng Systems

I held 130,971 shares of Med-Eng Systems on the closing of the sale of my share to Allen-Vanguard Corporation.

Dated: February _6_, 2015

Signature: 

Glenn M.J. McDougall, President, Green Avenue Ventures Inc.

Witness signature: 

Witness name: Jeffrey J Doyle

Submitted to:

FTI Consulting Canada Inc., Growth Works Canadian Fund Ltd. Monitor

TD Waterhouse Tower

79 Wellington Street, West

Suite 2010, P.O. Box 104

Toronto, Ontario, Canada, M5K 1G8

Notice of Objection

I, DENIS DOYLE on behalf of 485189 ONTARIO, the offeror, objects to the distribution of the Remaining Proceeds in the manner proposed by the Offeree Shareholders of Med-Eng Systems.

The following are the offeror's reasons for the objection:

- Although the offeror is grateful for the success of its investment in Med-Eng Systems Inc., the offeror is a minority shareholder which was 'dragged along' and as such had no involvement or influence in events leading up to the transaction and events subsequent to the transaction closing.

- The offeror understands that the $40M holdback was subject to some working capital adjustments and agrees that these amounts should be dealt with from the holdback.

- The offeror does not feel that it should assume any liability with regard to the settlement with Allan Vanguard or it subsequent owners.

- The offeror does not feel that it should share the cost of the Offeree shareholders defending themselves.

- The offeror does not have ready access to shareholder agreements and other closing documentation from which to highlight specific clauses pertaining to this matter.

- The offeror feels that the distribution to the non-Offeree shareholders should be based on the following:

  ($40M + Accrued Interest +/- any Working Capital Adjustments) / Total number of Common Shares

- The offeror feels that legal costs of $4.7M and settlement(s) of $28M should be borne by the Offeree Shareholders.

I hearby certify that

I am a former shareholder of Med-Eng Systems

I held 35,000 shares of Med-Eng Systems on the closing of the sale of my share to Allen-Vanguard Corporation.

Dated: February 6TH, 2015

Signature: _____

Witness signature: _____

Witness name: Jeffrey Doyle

Submitted to:

FTI Consulting Canada Inc., Growth Works Canadian Fund Ltd. Monitor

TD Waterhouse Tower

79 Wellington Street, West

Suite 2010, P.O. Box 104

Toronto, Ontario, Canada, M5K 1G8

Notice of Objection

I, Jean-Pierre Soublière, on behalf of Loch Isle Holdings Ltd (now known as Anderson Soublière Inc.) the offeror, objects to the distribution of the Remaining Proceeds in the manner proposed by the Offeree Shareholders of Med-Eng Systems.

The following are the offeror's reasons for the objection:

- Although the offeror is grateful for the success of its investment in Med-Eng Systems Inc., the offeror is a minority shareholder which was 'dragged along' and as such had no involvement or influence in events leading up to the transaction and events subsequent to the transaction closing.

- The offeror shareholder was appreciative of the formal communication provided during the last few years of the dispute.

- The offeror understands that the $40M holdback was subject to some working capital adjustments and agrees that these amounts should be dealt with from the holdback.

- The offeror does not feel that it should assume any liability with regard to the settlement with Allan Vanguard or it subsequent owners.

- The offeror believes that the Offerree shareholders agreed to a one-sided result to eliminate the threat against them regarding the suit for the full-purchase price.

- Thus, the offeror does not feel that it should share the cost and the results of the Offeree shareholders defending themselves from the suit of the full purchase price.

- The offeror does not have ready access to shareholder agreements and other closing documentation from which to highlight specific clauses pertaining to this matter.

- The offeror feels that the distribution to the non-Offeree shareholders should be based on the following:

  ($40M + Accrued Interest +/- any Working Capital Adjustments) / Total number of Common Shares

- The offeror feels that legal costs of $4.7M and settlement(s) of $28M should be borne by the Offeree Shareholders.

I hearby certify that

I am a former shareholder of Med-Eng Systems

I held 182,989 Class A shares of Med-Eng Systems on the closing of the sale of my share to Allen-Vanguard Corporation.

Dated: February 18, 2015

Signature: _____

Witness signature: Catherine Soublière

Witness name: Catherine Soublière

Submitted to:

FTI Consulting Canada Inc., Growth Works Canadian Fund Ltd. Monitor

TD Waterhouse Tower

79 Wellington Street, West

Suite 2010, P.O. Box 104

Toronto, Ontario, Canada, M5K 1G8

Notice of Objection

I, Jean-Pierre Soublière, the offeror, objects to the distribution of the Remaining Proceeds in the manner proposed by the Offeree Shareholders of Med-Eng Systems.

The following are the offeror's reasons for the objection:

- Although the offeror is grateful for the success of its investment in Med-Eng Systems Inc., the offeror is a minority shareholder which was 'dragged along' and as such had no involvement or influence in events leading up to the transaction and events subsequent to the transaction closing.
- The offeror shareholder was appreciative of the formal communication provided during the last few years of the dispute.
- The offeror understands that the $40M holdback was subject to some working capital adjustments and agrees that these amounts should be dealt with from the holdback.
- The offeror does not feel that it should assume any liability with regard to the settlement with Allan Vanguard or it subsequent owners.
- The offeror believes that the Offerree shareholders agreed to a one-sided result to eliminate the threat against them regarding the suit for the full-purchase price.
- Thus, the offeror does not feel that it should share the cost and the results of the Offeree shareholders defending themselves from the suit of the full purchase price.
- The offeror does not have ready access to shareholder agreements and other closing documentation from which to highlight specific clauses pertaining to this matter.
- The offeror feels that the distribution to the non-Offeree shareholders should be based on the following:

  ($40M + Accrued Interest +/- any Working Capital Adjustments) / Total number of Common Shares

- The offeror feels that legal costs of $4.7M and settlement(s) of $28M should be borne by the Offeree Shareholders.

I hearby certify that

I am a former shareholder of Med-Eng Systems

I held 90,000 Class A shares of Med-Eng Systems on the closing of the sale of my share to Allen-Vanguard Corporation.

Dated: February 18, 2015

Signature: _____

Witness signature: _____

Witness name: Catherine Soublière

Submitted to:

FTI Consulting Canada Inc., Growth Works Canadian Fund Ltd. Monitor

TD Waterhouse Tower

79 Wellington Street, West

Suite 2010, P.O. Box 104

Toronto, Ontario, Canada, M5K 1G8

APPENDIX "F"

Schwarz, Karin

From:	Gerry Fields <gfields@cornerstonegroup.com>
Sent:	Friday, January 9, 2015 4:56 PM
To:	David.Levi@growthworks.ca; Joanne Kennedy (Joanne.Kennedy@growthworks.ca); Anne.Peterson@growthworks.ca; clintmatthewsca@gmail.com; alex.irwin.law@gmail.com; djj@iwjlaw.com; jill@iwjlaw.com; Tony.Rautava@growthworks.ca; Joe.Timlin@growthworks.ca; vladimir.arkhipchenko@growthworks.ca; dparker3@telus.net; lbell@shaw.ca; John_Shields@shaw.ca; Lee Watson - Hay & Watson; Essop Mia; 'Anthony Barke; fvettese@deloitte.ca; cmorris@rcmorris.com; kirsten@rcmorris.com; andy@marquest.ca; gerry@marquest.ca; ROBERT GRANATSTEIN (robert.granatstein@blakes.com); Gary.Shiff@blakes.com; dwishart@seamark.ca; rmckim@seamark.ca; paul.bishop@fticonsulting.com; jodi.porepa@fticonsulting.com; lbugden@stewartmckelvey.com; info@norvistacapital.com; canyonst@gmail.com; jchow@norvistacapital.com; tammy@iwjlaw.com; vladimir.arkhipchenko@growthworks.ca; Wasserman, Marc; Fell, Caitlin; kmcelcheran@mccarthy.ca; jgrant@mccarthy.ca; hmeredith@mccarthy.ca; kpeters@mccarthy.ca; tony.reyes@nortonrosefulbright.com; alexander.schmitt@nortonrosefulbright.com; akauffman@fasken.com; bmoore@fasken.com; jofrtiz@deloitte.ca; rslaght@litigate.com; elederman@litigate.com; imacleod@litigate.com; tconway@cavanagh.ca; chutchison@cavanagh.ca; critchie@cavanagh.ca; leonj@bennettjones.com; belld@bennettjones.com; masadi@osc.gov.on.ca
Cc:	Gerry Fields; Lynne Silver
Subject:	CORNERSTONE NOTICE OF CLAIM DATED JANUARY 9, 2015 - OUR FILE NO. 8114
Attachments:	CORNERSTONE NOTICE OF CLAIM DATED JANUARY 9, 2015 - OUR FILE NO. 8114.pdf
Importance:	High

TO: ALL NAMED RECIPIENTS

Please review the Cornerstone Notice of Claim dated January 9, 2015 as attached.

Gerry Fields, LL.B., J.D.
President and Chief Executive Officer
CORNERSTONE GROUP ™
The Exchange Tower
130 King Street West
Suite 1800, P.O. Box 427
Toronto, Ontario
M5X 1E3

Email: gfields@cornerstonegroup.com
Tel.: (416) 862-8000
Fax: (416) 862-8001
Mobile: (416) 567-7000 / (917) 965-5490

Please see below.

From: Gerry Fields
Sent: January-05-15 12:47 PM
To: 'David.Levi@growthworks.ca'; 'david.levi@matrix.ca'; Joanne Kennedy (Joanne.Kennedy@growthworks.ca); 'Anne.Peterson@growthworks.ca'; 'clintmatthewsca@gmail.com'; 'alex.irwin.law@gmail.com'; 'djj@iwjlaw.com'; 'jill@iwjlaw.com'; 'Tony.Rautava@growthworks.ca'; 'Joe.Timlin@growthworks.ca'; 'vladimir.arkhipchenko@growthworks.ca'; 'dparker3@telus.net'; 'lbell@shaw.ca'; 'John_Shields@shaw.ca'; 'Lee Watson - Hay & Watson'; 'Essop Mia'; "Anthony Barke'; 'fvettese@deloitte.ca'; 'cmorris@rcmorris.com'; 'kirsten@rcmorris.com'; 'andy@marquest.ca'; 'gerry@marquest.ca'; ROBERT GRANATSTEIN (robert.granatstein@blakes.com); 'Gary.Shiff@blakes.com'; 'dwishart@seamark.ca'; 'rmckim@seamark.ca'; 'paul.bishop@fticonsulting.com'; 'jodi.porepa@fticonsulting.com'; 'lbugden@stewartmckelvey.com'; 'info@norvistacapital.com'; 'canyonst@gmail.com'; 'jchow@norvistacapital.com'; 'tammy@iwjlaw.com'; vladimir.arkhipchenko@growthworks.ca; 'mwasserman@osler.com'; 'cfell@osler.com'; 'kmcelcheran@mccarthy.ca'; 'jgrant@mccarthy.ca'; 'hmeredith@mccarthy.ca'; 'kpeters@mccarthy.ca'; 'tony.reyes@nortonrosefulbright.com'; 'alexander.schmitt@nortonrosefulbright.com'; 'akauffman@fasken.com'; 'bmoore@fasken.com'; 'jofrtiz@deloitte.ca'; 'rslaght@litigate.com'; 'elederman@litigate.com'; 'imacleod@litigate.com'; 'tconway@cavanagh.ca'; 'chutchison@cavanagh.ca'; 'critchie@cavanagh.ca'; 'leonj@bennettjones.com'; 'belld@bennettjones.com'; 'masadi@osc.gov.on.ca'
Cc: Gerry Fields; Lynne Silver
Subject: MATRIX, GROWTHWORKS, SEAMARK, MARQUEST, R.C. MORRIS & CO. ET AL AND THE GROWTHWORKS CANADIAN FUND LTD. ET AL - CORNERSTONE'S CLAIM FOR $604,478.75 AS OF JANUARY 15, 2015 - CORNERSTONE'S EMAIL DATED JANUARY 5, 2015 - OUR FILE NO. 8114
Importance: High

WITH PREJUDICE

DATE: JANUARY 5, 2015 AT 12:45 PM

TO: ALL NAMED RECIPIENTS – SEE CORNERSTONE'S ATTACHED DISTRIBUTION AND SERVICE LIST

Dear Sirs / Mesdames:

This email is being delivered to you on a with prejudice basis. Please be sure to carefully review the entire attachment that is an integral part of this email.

We have received your email of January 2, 2015 acknowledging your receipt of our email of January 2, 2015 and our earlier correspondence that was previously faxed and delivered to you by registered mail.

Notwithstanding the CCAA proceedings to date for GrowthWorks Canadian Fund Ltd. (Court File No. CV-13-10279-00CL) Cornerstone's Claim is that GrowthWorks Canadian Fund Ltd., as a GrowthWorks affiliate, is responsible to Cornerstone for Cornerstone's Claim against GrowthWorks Canadian Fund Ltd., a GrowthWorks affiliate, in the amount of $604,478.75 owing to Cornerstone as of January 15, 2015 plus finance charges, interest and costs. These costs will include all legal fees and expenses and all costs of collection and enforcement on a full indemnity basis including the costs of all appeals until the final disposition of all matters as expressly set out in Cornerstone's Engagement Agreement and Indemnity Agreement dated April 8, 2010 as amended in writing from time to time by David Levi. All of Cornerstone's unpaid invoices are subject to an ongoing finance charge of 1.5% per month or the maximum permitted by law, whichever is the lower, plus all expenses of collection.

The Cornerstone Engagement Letter and the Cornerstone Indemnity Agreement dated April 8, 2010 as amended in writing from time to time by David Levi specifically and expressly include all Matrix Entities, all GrowthWorks Entities, all Seamark Entities, all Marquest Entities, all R.C. Morris & Company Entities, each of their respective affiliates, and each of their controlling persons, their professional advisors, their associated persons, related entities and related parties.

We have also attached a copy of Cornerstone's recent correspondence as well as a copy of Cornerstone's Amended Distribution and Service List as of 5:00 PM on Friday, January 2, 2015.

By this email we are hereby formally requesting that Cornerstone immediately be added to the Service List in the GrowthWorks Canadian Fund Ltd. CCAA Action. The GrowthWorks Canadian Fund Ltd. Service List dated February 6, 2013 is attached hereto.

As you know, this will go to the issue of costs for the upcoming civil, regulatory and administrative proceedings against you. You have now been placed on formal written notice. Kindly govern yourself accordingly.

Gerry Fields, LL.B., J.D.
President and Chief Executive Officer
CORNERSTONE GROUP ™
The Exchange Tower
130 King Street West
Suite 1800, P.O. Box 427
Toronto, Ontario
M5X 1E3

Email: gfields@cornerstonegroup.com
Tel.: (416) 862-8000
Fax: (416) 862-8001
Mobile: (416) 567-7000

------ Original message------
From: Bishop, Paul
Date: Fri, Jan 2, 2015 4:17 PM
To: Gerry Fields;
Cc: 'Caitlin Fell (cfell@osler.com)';Wasserman, Marc;
Subject:RE: MATRIX , GROWTHWORKS, SEAMARK, MARQUEST, R.C. MORRIS ET AL - INTERIM STATEMENT OF ACCOUNT DUE JANUARY 15, 2015 FOR $8,475.00 AND PRIOR OUTSTANDING BALANCE OF $596,003.75 FOR A TOTAL NOW OWING TO CORNERSTONE OF $604,478.75 - OUR FILE NO. 8114

Mr. Fields

You have copied us on several pieces of correspondence regarding your dealings with Mr. David Levi and certain other parties.

On October 1, 2013 The Growthworks Canadian Fund (the "Fund") sought and obtained an order under the Companies' Creditors Arrangements Act. FTI Consulting Canada Inc. was appointed Monitor under this order.

The above noted order and other information regarding the Fund's CCAA proceedings are available at our website; http://cfcanada.fticonsulting.com/gcfl/courtOrders.htm

The Fund is not responsible for any amounts that may be owed to you by Mr. Levi or entities affiliated with Mr. Levi

Please direct any further correspondence on this matter to our legal counsel who are copied on this email

Regards

Paul Bishop

From: Gerry Fields [mailto:gfields@cornerstonegroup.com]
Sent: Friday, January 02, 2015 2:57 PM
To: David.Levi@growthworks.ca; Joanne Kennedy (Joanne.Kennedy@growthworks.ca); Anne.Peterson@growthworks.ca; clintmatthewsca@gmail.com; alex.irwin.law@gmail.com; djj@iwjlaw.com; jill@iwjlaw.com; Tony.Rautava@growthworks.ca; Joe.Timlin@growthworks.ca; Tom.Hayes@growthworks.ca; dparker3@telus.net; lbell@shaw.ca; John_Shields@shaw.ca; Lee Watson - Hay & Watson (lwatson@hay-watson.bc.ca); Essop Mia (emia@hay-watson.bc.ca); 'Anthony Barke (abarke@deloitte.ca)'; fvettese@deloitte.ca; cmorris@rcmorris.com; kirsten@rcmorris.com; andy@marquest.ca; gerry@marquest.ca; robert.granatstein@blakes.com; Gary.Shiff@blakes.com; dwishart@seamark.ca; rmckim@seamark.ca; Bishop, Paul; Porepa, Jodi; lbugden@stewartmckelvey.com; info@norvistacapital.com; canyonst@gmail.com
Cc: Gerry Fields; Lynne Silver
Subject: MATRIX , GROWTHWORKS, SEAMARK, MARQUEST, R.C. MORRIS ET AL - INTERIM STATEMENT OF ACCOUNT DUE JANUARY 15, 2015 FOR $8,475.00 AND PRIOR OUTSTANDING BALANCE OF $596,003.75 FOR A TOTAL NOW OWING TO CORNERSTONE OF $604,478.75 - OUR FILE NO. 8114
Importance: High

BY EMAIL AND BY REGISTERED MAIL – JANUARY 2, 2015 – 2:55 PM (EASTERN TIME)

WITH PREJUDICE

Attention:

David Ron Levi, Daphne Nielsen, Joanne Kennedy, Anne Peterson, Clinton Edward Matthews, CPA, CA, David Balsdon, Timothy K. Lee, CFA, Alex Irwin, Alex Irwin Law Corporation, David J. Jennings, Jill W. Donaldson, Irwin, White & Jennings, Tony Rautava, Joe Timlin, Tom Hayes, Dale Parker, Larry Bell, John Shields, G. Peter Marshall, Stephen Joseph Rankin, Brent W. Barrie, CFA, Bruce MacGregor, William Eeuwes, Murray Munro, Marine J. Guimond, A. Kirk Purdy, Pierre Saint-Laurent, Kenneth R. Yurichuk, Malvin Charles Spooner, CFA, Raymond M. Steele, CFA, Lee Watson, CPA, CA, Essop Mia, CPA, CA, Hay & Watson, Anthony Barke, CPA, CA, Frank Vettese, CPA, CA, Deloitte LLP, Paul Bishop, Jodi Porepa, FTI Consulting Canada Inc., Andrew Arnott McKay, Gerald Leslie Brockelsby, CFA, Gerald Patrick McCarvill, Paul Jason Crath, Stephen Joseph Zamin, Brett Leonard Northrup, Lawrence R. Sinclair, Gordon A. McMillan, Michael G. Butler, Marquest Asset Management Inc., Donald Arthur Wishart, CFA, Robert George McKim, CFA, the Seamark Entities, Seamark Asset Management (2013) Ltd., Robert Christopher Morris, Kristen James, Conrad Krebs-Carstens, R.C. Morris & Company Ltd., Matrix Asset Management Inc., Growth Works Capital Ltd., the GrowthWorks Entities, Lydia S. Bugden, Stewart McKelvey, Robert Marc Granatstein, Gary Robert Shiff, Blake, Cassels & Graydon LLP, Norvista Capital Corporation and each of their respective affiliates and related parties

This email is being delivered on a **with prejudice basis.**

Following my meeting in Toronto with David Levi on May 23, 2014, attached please find Cornerstone's Interim Statement of Account due January 15, 2015 for $604,478.75.

Please arrange for the immediate transfer of the sum of $8,475.00 to Cornerstone's Account, CIBC, Main Branch, Toronto, by electronic funds transfer on January 15, 2015, as per Cornerstone's banking coordinates noted on our Interim Statement

of Account, together with the previously outstanding sum of $596,003.75 owing to Cornerstone as of December 15, 2014, which together totals the sum of $604,478.75 now owing to Cornerstone by Matrix Asset Management Inc., Growth Works Capital Ltd., each of the GrowthWorks Entities, each of the Seamark Entities, Seamark Asset Management (2013) Ltd., Marquest Asset Management Inc., R.C. Morris & Company Ltd. and each of their respective affiliates. These are the parties expressly set out in Cornerstone's Engagement Letter dated April 8, 2010, signed by David Levi and as amended in writing by David Levi from time to time specifically and expressly on behalf of Matrix Asset Management Inc., Growth Works Capital Ltd., each of the GrowthWorks Entities, each of the Seamark Entities, Seamark Asset Management (2013) Ltd., Marquest Asset Management Inc., R.C. Morris & Company Ltd. and on behalf of each of their respective affiliates, their Officers, Directors, their controlling persons, their professional advisors, their associated persons, related entities and related parties.

As you know, all work fees and success fees paid to Cornerstone since the inception of Cornerstone's engagement back on April 8, 2010 have been made to Cornerstone exclusively by Growth Works Capital Ltd.

Please note that all unpaid invoices are subject to a finance charge of 1.5% per month or the maximum permitted by law, whichever is the lower, plus all expenses of collection.

This email is being sent to you to place you on formal written notice once again of Cornerstone's Claim against you as a named party and against Matrix Asset Management Inc., Growth Works Capital Ltd., each of the GrowthWorks Entities, each of the Seamark Entities, Seamark Asset Management (2013) Ltd., Marquest Asset Management Inc., R.C. Morris & Company Ltd., and each of their respective affiliates, their Officers, Directors, their controlling persons, their professional advisors, their associated persons, related entities and related parties for the sum of $604,478.75 plus finance charges, interest and costs.

We have been advised by counsel to deliver to each of you this email and our attached Interim Statement of Account due January 15, 2015 by email and by registered mail c/o David Levi and c/o Joanne Kennedy for further immediate distribution by David Levi and Joanne Kennedy to all parties to provide formal written notice to each of the named parties and named entities as at December 31, 2014 of Cornerstone's multiple claims previously made and hereby once again made against each of you as a named party and a named entity for the sum of $604,478.75 plus all finance charges, interest and costs. These costs will include all legal fees and expenses and all costs of collection and enforcement on a full indemnity basis including the cost of all appeals until the final determination of all matters as expressly set out in Cornerstone's Engagement Agreement dated April 8, 2010 as amended in writing from time to time by David Levi.

As you know, this will go to the issue of costs for the upcoming civil, regulatory and administrative proceedings.

Kindly govern yourself accordingly.

Gerry Fields, LL.B., J.D.
President and Chief Executive Officer
Cornerstone Securities Canada Inc.
The Exchange Tower
130 King Street West
Suite 1800, P.O. Box 427
Toronto, Ontario
M5X 1E3

Email: gfields@cornerstonegroup.com
Tel.: (416) 862-8000
Fax: (416) 862-8001
Mobile: (416) 567-7000

APPENDIX "G"

Schwarz, Karin

From: Gerry Fields <gfields@cornerstonegroup.com>
Sent: Monday, January 5, 2015 3:06 PM
To: Bishop, Paul; Porepa, Jodi
Cc: Fell, Caitlin; Wasserman, Marc; Gerry Fields; Lynne Silver
Subject: RE: MATRIX, GROWTHWORKS, SEAMARK, MARQUEST, R.C. MORRIS & CO. ET AL AND THE GROWTHWORKS CANADIAN FUND LTD. ET AL - CORNERSTONE'S CLAIM FOR $604,478.75 AS OF JANUARY 15, 2015 - CORNERSTONE'S EMAIL DATED JANUARY 5, 2015 - OUR FILE NO. 8114

These matters will be judicially reviewed.

From: Bishop, Paul [mailto:Paul.Bishop@fticonsulting.com]
Sent: January-05-15 1:38 PM
To: Gerry Fields; Porepa, Jodi
Cc: Lynne Silver; 'Caitlin Fell (cfell@osler.com)'; Wasserman, Marc
Subject: RE: MATRIX, GROWTHWORKS, SEAMARK, MARQUEST, R.C. MORRIS & CO. ET AL AND THE GROWTHWORKS CANADIAN FUND LTD. ET AL - CORNERSTONE'S CLAIM FOR $604,478.75 AS OF JANUARY 15, 2015 - CORNERSTONE'S EMAIL DATED JANUARY 5, 2015 - OUR FILE NO. 8114

Mr. Fields,

The Growthworks Canadian Fund Ltd (the "Fund") is not a "Growthworks Affiliate as you put it. The Fund was until September 30, 2103 managed by Growthworks WV Management Ltd. (the "Manager"). The Fund terminated its management agreement with the Manager on September 30, 2103. From that date forward, the Manager had no authority to bind the Fund in any contractual arrangements. The Fund was granted an order under the CCAA on October 1, 2013. As set out in the Order of October 1, 2013, all actions and proceedings against the Fund were stayed at that date, and no actions may be brought against the Fund without Court approval. Have you sought and obtained such approval? I don't believe you have. Additionally I would point out that on January 9, 2014 the Court approved a process for evaluating claims against the Fund, this Claims Process Order established March 6, 2014 as the "Claims Bar Date". Any claim against the Fund which was not filed by March 6, 2014 is, by Court Order, forever "extinguished, barred discharged and released" as against the Fund. As previously mentioned, all the documents to which I have referred above are available on our website.

In summary, you have no claim against the Fund, and even if you did it would be barred as against the Fund.

Regards

Paul Bishop

From: Gerry Fields [mailto:gfields@cornerstonegroup.com]
Sent: Monday, January 05, 2015 1:17 PM
To: Bishop, Paul; Porepa, Jodi
Cc: Gerry Fields; Lynne Silver
Subject: FW: MATRIX, GROWTHWORKS, SEAMARK, MARQUEST, R.C. MORRIS & CO. ET AL AND THE GROWTHWORKS CANADIAN FUND LTD. ET AL - CORNERSTONE'S CLAIM FOR $604,478.75 AS OF JANUARY 15, 2015 - CORNERSTONE'S EMAIL DATED JANUARY 5, 2015 - OUR FILE NO. 8114
Importance: High

APPENDIX "H"

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED AND IN THE MATTER OF GROWTHWORKS CANADIAN FUND LTD.

Feb 17-15 Court File No: CV-13-10279-00CL

Feb 17/15
See responding re costs-motion
record of Growthworks for
endorsement of today
Spence J

MB

ONTARIO
SUPERIOR COURT OF JUSTICE

Proceeding commenced at Toronto

RESPONDING MOTION RECORD
(RETURNABLE FEBRUARY 17, 2015)

McCarthy Tétrault LLP
Suite 5300, Toronto Dominion Bank Tower
Toronto ON M5K 1E6

Sharon A. Kour LSUC#: 58328D
Tel: (416) 601-8305
Fax: (416) 868-0673
Email: skour@mccarthy.ca

Kevin P. McElcheran Professional Corporation
420-120 Adelaide St W
Toronto ON M5H 1T1

Kevin McElcheran LSUC#: 22119H
Tel: (416) 855-0444
Email: kevin@mcelcheranadr.com

Lawyers for the Applicant
14108661

APPENDIX "I"

Schwarz, Karin

From: Kevin McElcheran <kevin@mcelcheranadr.com>
Sent: Wednesday, February 18, 2015 9:42 AM
To: Gerry Fields; kmcelcheran@mccarthy.ca; jgrant@mccarthy.ca; hmeredith@mccarthy.ca; kpeters@mccarthy.ca; Wasserman, Marc; Fell, Caitlin; 'paul.bishop@fticonsulting.com'; 'jodi.porepa@fticonsulting.com'; tony.reyes@nortonrosefulbright.com; alexander.schmitt@nortonrosefulbright.com; akauffman@fasken.com; bmoore@fasken.com; jofritz@deloitte.ca; rslaght@litigate.com; elederman@litigate.com; imacleod@litigate.com; tconway@cavanagh.ca; chutchison@cavanagh.ca; critchie@cavanagh.ca; leonj@bennettjones.com; belld@bennettjones.com; masadi@osc.gov.on.ca
Cc: Lynne Silver
Subject: RE: Growthworks et al - 9:30 AM Hearing Request Form - Court File No. CV-13-10279-00CL - Our File No. 8114

Dear Mr. Fields

As I mentioned to you yesterday, there is no point arranging a 9:30 appointment with the Commercial list when you have not provided the Monitor or Growthworks Canadian Fund Ltd. with any basis for your alleged claim against the Fund. If you want to bring a motion to permit the late filing of your alleged claim, counsel will provide you with times when they are available for a 9:30 appointment to schedule the hearing of that motion. As I also mentioned, you have been asked a number of times for a copy of the indemnity agreement that you say was executed by Mr. Levi on behalf of "affilates" of Matrix. I repeat that request and your explanation of how the Growthworks Canadian Fund Ltd. could possibly be responsible for the fees you say are owing to Cornerstone.

Yours truly

Kevin McElcheran

From: Gerry Fields [mailto:gfields@cornerstonegroup.com]
Sent: February 17, 2015 9:09 PM
To: Kevin McElcheran; kmcelcheran@mccarthy.ca; jgrant@mccarthy.ca; hmeredith@mccarthy.ca; kpeters@mccarthy.ca; mwasserman@osler.com; cfell@osler.com; 'paul.bishop@fticonsulting.com'; 'jodi.porepa@fticonsulting.com'; tony.reyes@nortonrosefulbright.com; alexander.schmitt@nortonrosefulbright.com; akauffman@fasken.com; bmoore@fasken.com; jofritz@deloitte.ca; rslaght@litigate.com; elederman@litigate.com; imacleod@litigate.com; tconway@cavanagh.ca; chutchison@cavanagh.ca; critchie@cavanagh.ca; leonj@bennettjones.com; belld@bennettjones.com; masadi@osc.gov.on.ca
Cc: Gerry Fields; Lynne Silver
Subject: Growthworks et al - 9:30 AM Hearing Request Form - Court File No. CV-13-10279-00CL - Our File No. 8114
Importance: High

9:30 AM Commercial List Hearing Request Form for Growthwoks et al – Court File No. CV-13-10279-00CL

Following the two endorsements made this morning by Mr. Justice Spence in this matter, I require from all counsel three alternative dates for a 9:30 AM Hearing so that I can complete the Commercial List Hearing Request Form for Growthworks et al and file it immediately with the Court.

A true copy of the two endorsements made earlier today by Mr. Justice Spence both on the Responding and Cross Motion Record and on the Responding Motion Record are attached for your file. The two endorsements are self-explanatory.

I am also enclosing an additional copy of the Notice of Appearance for Cornerstone Securities Canada Inc. dated February 17, 2015 previously served upon you by fax earlier today pursuant to the Rules as well as a copy of our Affidavit of Service dated February 17, 2015 as filed today with the Court.

Please provide me with three alternative dates **by this Friday at Noon**, failing which I will bring an *ex parte* application before the Court.

Thank you.

Gerald S. Fields, LL.B., J.D.
President and General Counsel
CORNERSTONE GROUP ™
The Exchange Tower
130 King Street West
Suite 1800, P.O. Box 427
Toronto, Ontario
M5X 1E3

Email: gfields@cornerstonegroup.com
Tel.: (416) 862-8000
Fax: (416) 862-8001
Mobile: (416) 567-7000 / (917) 965-5490

APPENDIX "J"

Schwarz, Karin

From:	Gerry Fields <gfields@cornerstonegroup.com>
Sent:	Wednesday, February 18, 2015 2:35 PM
To:	Kevin McElcheran; kmcelcheran@mccarthy.ca; jgrant@mccarthy.ca; hmeredith@mccarthy.ca; kpeters@mccarthy.ca; Wasserman, Marc; Fell, Caitlin; 'paul.bishop@fticonsulting.com'; 'jodi.porepa@fticonsulting.com'; tony.reyes@nortonrosefulbright.com; alexander.schmitt@nortonrosefulbright.com; akauffman@fasken.com; bmoore@fasken.com; jofritz@deloitte.ca; rslaght@litigate.com; elederman@litigate.com; imacleod@litigate.com; tconway@cavanagh.ca; chutchison@cavanagh.ca; critchie@cavanagh.ca; leonj@bennettjones.com; belld@bennettjones.com; masadi@osc.gov.on.ca
Cc:	Toronto.Commerciallist@jus.gov.on.ca; Gerry Fields; Lynne Silver
Subject:	RE: Growthworks et al - 9:30 AM Hearing Request Form - Court File No. CV-13-10279-00CL - Our File No. 8114
Importance:	High

Growthworks et al - Court File No. CV-13-10279-00CL

To All Counsel on the Growthworks Matters:

As Mr. McElcheran personally confirmed to Mr. Justice Spence yesterday, Cornerstone Securities Canada Inc. was not provided with any prior notice regarding any Proof of Claim to be filed by Cornerstone in Action No. CV-13-10279-00CL regarding Growthworks et al.

All required documentation to and from Cornerstone is or should be in the possession of the parties including the Monitor and Growthworks and their respective legal counsel.

I strongly suggest that all Counsel make further and immediate inquiries from your respective clients and from the other Counsel to obtain whatever documentation you require – including copies of all of the documentation that you are now requesting from Cornerstone such as Cornerstone's engagement letter and indemnity agreement dated April 8, 2010, as amended, covering all affiliates and all related parties.

As you know, there are 53 Bankers Boxes of documents and recorded notes from April 8, 2010 to the present date relating to Matrix, Growthworks, Seamark, Marquest, R.C. Morris et al and each of their respective affiliates and each of their controlling persons, their professional advisors, their associated persons and their related entities and related parties.

Furthermore, as you know, all parties and their advisors have received monthly written updates and interim accounts on a continuous and uninterrupted basis of all monies owing to Cornerstone Securities Canada Inc. by Matrix, Growthworks , Seamark, Marquest, R.C. Morris and their related entities delivered by Cornerstone to them by email, by registered mail, and by hand delivery etc.

As of February 15, 2015, the amount owing to Cornerstone Securities Canada Inc. is $612,953.75 plus all finance charges (at 1.5% per month) interest and costs. This amount continues to grow at $8,475.00 per month. For Mr. McElcheran to attempt to characterize Cornerstone's Claim for its outstanding and validated Claim of $612,953.75 as an 'alleged" claim is not only inaccurate but it is improper. Cornerstone's Claim has been

expressly admitted in writing by the parties on their behalf and on behalf of all of their affiliates in numerous executed documents including as recently as January, 2015.

The Court made clear yesterday that it does not intend to allow the parties to conduct a "trial of the issues" (with extensive cross-examination on affidavits, multiple motions and cross-motions etc. that Mr. McElcheran was suggesting) with further extensive delays and unnecessary legal fees and additional expenses to all parties.

Mr. Justice Spence pointed out yesterday to both Mr. McElcheran and to Mr. Kauffman that there are two issues to be addressed in this order: **(1)** in the absence of notice to Cornerstone Securities Canada Inc. which is admitted, is Cornerstone Securities Canada Inc. entitled to file its Proof of Claim Form *nunc pro tunc?*; and, **(2)** if and when the Court orders that Cornerstone Securities Canada Inc. is entitled to file its Proof of Claim Form *nunc pro tunc*, the Court will decide as to the next steps as per the written instructions of Mr. Justice Spence reflected in his two endorsements of February 17, 2015, including instructions on how the Monitor is to handle Cornerstone's Claim if at all.

So that there is absolutely no possibility of any misunderstanding, I hereby repeat that if Counsel fails to provide me in writing with the suggested dates as ordered by Mr. Justice Spence, I will bring an *ex parte* application immediately before Mr. Justice Spence who is now seized of this matter.

Should you fail to abide by the two endorsements of Mr. Justice Spence, you will be responsible for all costs. Your only two options are: **(1)** to provide suitable dates to me in writing by this Friday at Noon; or, **(2)** to advise me that your client has instructed you not to appear as Mr. Tony Reyes of Norton Rose Fulbright has already done.

I trust that all senior counsel will fully comply with the two endorsements made yesterday by Mr. Justice Spence.

By a copy of this email to the Commercial List Office, I am requesting that Cornerstone Securities Canada Inc. be added immediately to the updated Service List for File No. CV-13-10279-00CL. If there are any issues, please check directly with Mr. Justice Spence. Thank you.

(By Email and By Fax to 416-327-6228).

Gerry Fields, LL.B., J.D.
President and General Counsel
CORNERSTONE GROUP ™
The Exchange Tower
130 King Street West
Suite 1800, P.O. Box 427
Toronto, Ontario
M5X 1E3

Email: gfields@cornerstonegroup.com
Tel.: (416) 862-8000
Fax: (416) 862-8001
Mobile: (416) 567-7000 / (917) 965-5490

From: Kevin McElcheran [mailto:kevin@mcelcheranadr.com]
Sent: February-18-15 9:42 AM

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED
AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF GROWTHWORKS CANADIAN FUND LTD.

Court File No: **CV-13-10279-00CL**

Ontario
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
Proceeding commenced at Toronto

THE THIRTEENTH REPORT OF FTI CONSULTING CANADA INC., IN ITS CAPACITY AS MONITOR

Osler, Hoskin & Harcourt LLP
Box 50, 1 First Canadian Place
Toronto, Ontario, Canada M5X 1B8

Marc Wasserman (LSUC#44066M)
Tel: (416) 862-4908
Email: mwasserman@osler.com

Caitlin Fell (LSUC #60091H)
Tel: (416) 862-6690
Email: cfell@osler.com

Solicitors for the Monitor
F. 1145565