

**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 RENIN  
CORP., RENIN CORP. US and KINGSTAR PRODUCTS (WESTERN) INC.

APPLICATION UNDER THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,  
R.S.C. 1985, c. C-36, AS AMENDED

**HEARD: December 22, 2011**

**UNOFFICIAL TRANSCRIPT OF THE  
ENDORSEMENT OF JUSTICE BROWN**

December 22, 2011

The Applicants seek approval of the Plan of Arrangement found at Tab 2 of this Record. I have reviewed the Application Record, the 2 orders made by Mesbur J., the Pre-Filing Report of FTI and the 2 reports of the Monitor.

I am satisfied that there has been strict compliance with all statutory requirements and adherence to previous orders of the Court – see Monitor's Dec. 19/11 Report, paras. 15 to 20. I am satisfied that the applicant has not taken any actions not authorized by the CCAA.

As to fairness and reasonableness, I am guided by the principles set out in Re Canadian Airlines (2000), 20 C.B.R. (4th) 1:

1. On the evidence before me, the only alternative to the Plan is the liquidation of the Applicant's assets which might make the First Lien Lenders whole, but would result in a significant shortfall to the Second Lien Lenders. While the Plan essentially enables the Applicant to "tread water" for the next two years or so, the Plan would enable the Applicant to continue as a going concern, continue the employment of its work force, and position the company to take advantage of any uptick in the North American housing market which might occur.
2. The Plan was approved by the requisite majorities of the Affected Creditors. The fifth Affected Creditor, Fortelus, has not participated in this proceeding, although given notice of it.

3. The Plan does not involve a compromise of the Affected Creditors' loans - it extends them and continues the PIK Interest arrangement. From a practical point of view, in light of liquidation as the only alternative, it is difficult to see much prejudice to the rights of the Second Lien Lenders.
4. Equity rights are unaffected by the Plan. I am satisfied that proper service has been made.

Accordingly, I am satisfied that the proposed Plan is fair and reasonable and I approve it.

Order to go in accordance with draft filed which I have signed.

D.M. Brown J.

Counsel:

E. Cobb, for Applicant

T. Sandler, for Monitor

J. Moher for Wellspring

No one appearing for Fortelus.