

Court File No. RE 4315/94

ONTARIO COURT OF JUSTICE
(GENERAL DIVISION)

THE HONOURABLE)
MR. JUSTICE HOULDEN) WEDNESDAY
) THE 10TH DAY OF
) SEPTEMBER, 1997

IN THE MATTER OF
CONFEDERATION LIFE INSURANCE COMPANY

AND IN THE MATTER OF THE
INSURANCE COMPANIES ACT, S.C. 1991, AS AMENDED

AND IN THE MATTER OF THE
WINDING-UP ACT, R.S.C. 1985, C.W-11, AS AMENDED

B E T W E E N:

THE ATTORNEY GENERAL OF CANADA

Applicant

- and -

CONFEDERATION LIFE INSURANCE COMPANY

Respondent

ORDER

THIS MOTION made by the Superintendent of Financial Institutions in his capacity as provisional liquidator (the "Provisional Liquidator") of Confederation Life Insurance Company (the "Company"), by his agent KPMG Inc. (the "Agent"), was heard this day at Osgoode Hall, 130 Queen Street West, Toronto;

ON READING the report of the Provisional Liquidator by his Agent dated September 3, 1997, and the consent of KPMG Inc. filed; AND UPON hearing the submissions of counsel for the Provisional Liquidator, for KPMG Inc., and for the Canadian Life and Health Insurance Compensation Corporation ("CompCorp"), and James H. Grout, appointed as representative counsel to appear and represent the interests of the Policyholders for motions for the passing of certain accounts and approval of certain fees and disbursements pursuant to the Order of this Court made Friday, the 4th day of April, 1997, no one appearing for those other persons to whom notice of this motion was to be given pursuant to this Court's Order of August 1, 1997, although properly served:

1. THIS COURT ORDERS that the service of the Notice of Motion and the Motion Record herein has been effected in accordance with the Order of this Court made on August 1, 1997, is good and sufficient service of this motion, that this motion is properly returnable today, and that any further service of the Notice of Motion and the Motion Record be and the same is hereby dispensed with.
2. THIS COURT ORDERS that, effective at midnight on September 10, 1997, the Superintendent of Financial Institutions (the "Superintendent") be and he is hereby discharged as Provisional Liquidator.
3. THIS COURT ORDERS that, effective at midnight on September 10, 1997, KPMG Inc. be and it is hereby appointed permanent liquidator (the "Liquidator") of the estate and effects of the Company in place of the Superintendent, without security, and it may act through such officers or employees as it may deem appropriate.
4. THIS COURT ORDERS that, effective at midnight on September 10, 1997, the Superintendent's custody and control of all the property, effects and *choses in action* of the Company shall be transferred to KPMG Inc.

5. THIS COURT ORDERS AND CONFIRMS that the Provisional Liquidator is not required to apply to this Court for further orders passing and approving his accounts and that the Liquidator shall be responsible for the passing and approving of the accounts as reflected in the financial statements of the Company, and the fees and disbursements of the professional advisors, effective with the period commencing July 1, 1997.

6. THIS COURT ORDERS that the rights of the Provisional Liquidator and CompCorp to apply to this Court for orders approving payments of all or any portion of the costs incurred by them in connection with the liquidation of the estate of the Company to the date hereof be and the same are hereby reserved.

7. THIS COURT ORDERS that

- (a) the Liquidator shall have all the authority, rights, powers, privileges and protections granted to the Provisional Liquidator by this Court;
- (b) all orders of this Court and agreements made by the Provisional Liquidator with respect to the liquidation of the Company during the appointment of the Provisional Liquidator shall apply to, bind and benefit the Liquidator as if the Liquidator were referred to therein in place of the Provisional Liquidator; and
- (c) the Liquidator has the authority to continue and maintain all actions or other proceedings to which the Company is a party.

8. THIS COURT ORDERS that the Superintendent is appointed Inspector to assist and advise the Liquidator in the winding-up of the Company and shall be provided with such information as the Superintendent may require on the condition of the affairs of the Company, with such particulars as the Superintendent may require.

9. THIS COURT ORDERS that the Superintendent may apply to this Court on motion for directions concerning any matter relating to the liquidation of the Company.

10. THIS COURT ORDERS that this Order and any other orders in these proceedings shall have full force and effect in all Provinces and Territories in Canada.

11. THIS COURT SEEKS AND REQUESTS the aid and recognition of any Court or administrative body in any Province or Territory of Canada and any Canadian Federal Court or administrative body and any Federal or State Court or administrative body in the United States of America and any Court or administrative body in the United Kingdom or elsewhere to act in aid of and to be complementary to this Court in carrying out the terms of this Order.



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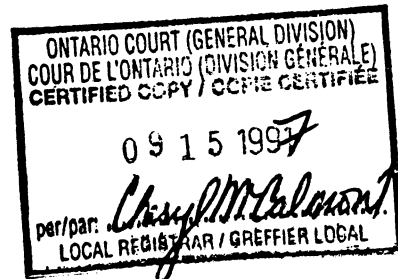
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INSCRIT À/ENTERED AT TORONTO

IN BOOK No.:
DANS LE REGISTRE No.:

ON/LE: 0 9 0 9 1997

PER/PAR:



THE ATTORNEY GENERAL OF CANADA

and

CONFEDERATION LIFE INSURANCE COMPANY

APPLICANT

RESPONDENT

COURT FILE No. RE-4315/94

ONTARIO COURT (GENERAL DIVISION)
Proceedings commenced at: Toronto

ORDER

GOODMAN PHILLIPS & VINEBERG
Box 24, Suite 2400
250 Yonge Street
Toronto, ON M5B 2M6

Gale Rubenstein
Graham D. Smith
Tel: (416) 979-2211
Fax: (416) 979-1234
Solicitors for KPMG Inc., Agent to the
Superintendent of Financial Institutions, Provisional
Liquidator of Confederation Life Insurance Company
File No. 94-1219

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