

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

THE HONOURABLE MR.) TUESDAY THE 29TH DAY
JUSTICE MORAWETZ) OF MARCH 2011

B E T W E E N:

ONTARIO SECURITIES COMMISSION

Applicant

- and -

**1725587 ONTARIO INC., carrying on business as HEALTH AND HARMONEY and
HARMONEY CLUB INC.**

Respondents

**ORDER
(Approval of Distribution and Receiver's Discharge)**

THIS MOTION made by BDO Canada Limited, in its capacity as the Receiver and Manager (in such capacities, the "Receiver") of all of the property, assets and undertaking of 1725587 Ontario Inc. (c.o.b. Health and HarMONEY) and Harmoney Club Inc. (the "Companies"), for the relief sought in its Notice of Motion herein dated March 23, 2011, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Second Report of the Receiver dated March 3, 2011 and the Appendices thereto (the "Second Report"), the Affidavit of the Receiver and its counsel as to fees (the "Fee Affidavits") and on hearing the submissions of counsel for the Receiver and

counsel for the Ontario Securities Commission, no one else appearing although served as evidenced by the Affidavit of Maria Magni sworn March 23, 2011, filed:

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and Motion herein be and is hereby abridged such that this Motion is properly returnable today, that all parties entitled to notice of the Motion have been duly served with notice, that no other parties are affected by this Order, and that any requirement for service of the Notice of Motion and the Motion Record upon any party other than the parties served is unnecessary and is hereby dispensed with and that the service of the Notice of Motion and the Motion Record is hereby validated in all respects.
2. **THIS COURT ORDERS** that the conduct and activities of the Receiver, as set out in the Second Report, be and they are hereby approved.
3. **THIS COURT ORDERS** that the Receiver be and it is hereby authorized and directed to make a distribution (the "Distribution") to those parties who have proven claims with the Receiver in accordance with the Second Report.
4. **THIS COURT ORDERS** that the Receiver be and it is hereby authorized and directed to cease any further efforts to recover funds from Winsome Investment Trust.
5. **THIS COURT ORDERS** that the Receiver is authorized to instruct the Trustee in Bankruptcy for Horizon Fx Investments Limited Partnership ("Horizon") to remit any future dividends payable to 1725587 Ontario Inc. (c.o.b. Health and HarMONEY) to the Superintendent of Bankruptcy as undistributed funds in the Horizon bankruptcy.
6. **THIS COURT ORDERS** that upon completion of the Distribution and upon the Receiver filing a certificate certifying that it has completed the other activities described in the Second Report, in the form attached hereto as Schedule "A", the Receiver shall be discharged as Receiver of the undertaking, property and assets of the Companies, provided, however, that notwithstanding its discharge herein (a) the Receiver shall remain Receiver for the performance of such incidental duties as may be required to complete the administration of the receivership herein, and (b) the Receiver shall continue to have the benefit of the provisions of all Orders made in this proceeding,

including all approvals, protections and stays of proceedings in favour of BDO Canada Limited in its capacity as Receiver.

7. **THIS COURT ORDERS** that the Receiver's Statement of Receipts and Disbursements for the period of August 5, 2010 to January 21, 2011 be and is hereby approved.
8. **THIS COURT ORDERS** that the fees and disbursements of the Receiver and its legal counsel, as set out in the Second Report and the Fee Affidavits, be and they are hereby assessed and allowed as filed.
9. **THIS COURT ORDERS AND DECLARES** that BDO Canada Limited is hereby released and discharged from any and all liability that BDO Canada Limited now has or may hereafter have by reason of, or in any way arising out of, the acts or omissions of BDO Canada Limited while acting in its capacity as Receiver herein, save and except for liabilities arising from gross negligence or wilful misconduct. Without limiting the generality of the foregoing, BDO Canada Limited is hereby forever released and discharged from any and all liability relating to matters that were raised, or which could have been raised, in the within receivership proceedings, save and except for liabilities arising from gross negligence or wilful misconduct.



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| <div>ONTARIO</div> <div>SUPERIOR COURT OF JUSTICE (COMMERCIAL LIST)</div> <div>Proceedings commenced at Toronto</div> | |
| <div>ORDER</div> <div>(Approval of Distribution and Receiver's Discharge)</div> | |
| <div>ThorntonGroutFinnigan LLP</div> <div>Barristers and Solicitors</div> <div>100 Wellington Street West</div> <div>Suite 3200</div> <div>Toronto, ON M5K 1K7</div> <div>James H. Grout (LSUC #22741H)</div> <div>Danny M. Nunes (LSUC# 53802D)</div> <div>Tel: 416-304-0593</div> <div>Fax: 416-304-1313</div> <div>Lawyers for BDO Canada Limited, in its capacity as Receiver and Manager of 1725587 Ontario Inc. (c.o.b. Health and HarMONEY) and Harmony Club Inc.</div> | |