

Re: Growthworks Canada Fund Ltd.

CV-13-10279-00CL

Date: December 14, 2015; 9:30am & 4:30pm

Before: S.F. Dunphy J.

Appearances

For Applicant: *S. Kour, J. Grant, E. Ng.*

For Monitor: *C. Fell*

For Growthworks Management et al.: *M. Solomon*

Endorsement

Having reviewed the Affidavit of C. Ian Ross sworn December 8, 2015 and the exhibits thereto as well as the Fifteenth Report of FTI Consulting Canada Inc. as Monitor I am satisfied that the Applicants have been diligently pursuing their restructuring and have the cash resources necessary to continue until June 30, 2016. Mr. Solomon has just been retained on behalf of Growthworks Management, replacing Mr. Kaufman. He received the material on Friday and has not yet taken instructions from his client. He understands that the stay extension is necessary and that, if he is so advised, nothing in the stay extension prevents him from bringing a motion on proper notice to terminate the CCAA in favour of BIA proceedings were his client to be so advised.

I am satisfied on the evidence that a stay extension is warranted and that, given the lengthy time necessary to realize upon the assets in question, an extension to June 30, 2016 as asked is warranted.

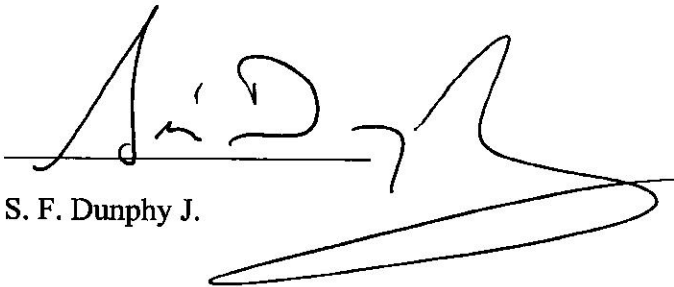
I direct the Monitor and parties to report to the court prior to the next stay extension however as to the advisability and practicability of propounding a scheme of distribution of the assets without waiting for the final realization upon all of them to determine whether it might be possible to reduce to the maximum the costs of administration of this Estate. This will require recommendations on how to resolve the material outstanding disputed claims surfaced in the claims process. I have signed a copy of the draft stay extension order (amended to the 30th of June from the 15th) and retained a court copy for the file. Stay extended until June 30, 2016.

Mr. Solomon sought an adjournment of the remainder of the motion to approve the IAA. His client decided to change counsel and retain him on Friday December 11 (the motion was served last Tuesday the 8th). The IAA expired on December 9th and the assets have been un-administered since that date. The proposed IAA is with a party (Crimson) who had been administering the assets before hand as sub-contractor for the prior advisor. The Monitor advises that it only consented to the termination of the prior advisor (enabling the Applicant to contract

directly with Crimson at some savings and greater convenience) on the understanding that there would not be a hiatus. Mr. Solomon was unable to articulate any prejudice to his client in approving the IAA nor even whether his client opposed it.

In my view, an adjournment on such vague grounds is neither advisable nor necessary. I adjourned this matter until 4:30pm today to allow Mr. Solomon time to consult with his client. After having an opportunity to do so, Mr. Solomon advised that he is not opposing approval of the IAA.

The evidence satisfies me that an IAA is required in the circumstances given the illiquid nature of the assets in the portfolio and the timeline necessary to obtain value for them. I am also satisfied on the evidence that reasonable steps have been taken to obtain the best deal possible in the circumstances and that accordingly the terms of the IAA should be approved as asked. I am therefore prepared to approve the form of order substantially in the form of the approval order contained as Tab B of the Motion Record. Counsel for the Applicant may attend this afternoon at 4:30 at Courtroom C. to have the order signed by me.

A handwritten signature in black ink, appearing to read 'S. F. Dunphy J.', is written over a horizontal line. The signature is stylized and extends significantly below the line with a large, sweeping flourish.

S. F. Dunphy J.