

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

THE HONOURABLE ) TUESDAY, THE 10<sup>TH</sup>  
JUSTICE MORAWETZ ) DAY OF DECEMBER, 2013

IN THE MATTER OF AN APPLICATION PURSUANT  
TO RULE 14.05(2) OF THE *ONTARIO RULES OF CIVIL PROCEDURE*, R.R.O. 1990,  
Reg. 194 AND SECTION 35 OF THE *PARTNERSHIPS ACT*, R.S.O. 1990, c. P.5

IN THE MATTER OF AN APPLICATION PURSUANT TO  
SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.R.O. 1990, c. C. 43

B E T W E E N:

JAMES HAGGERTY HARRIS

Applicant

- and -

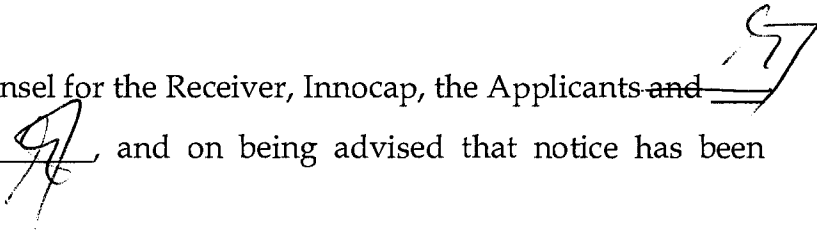
BELMONT DYNAMIC GROWTH FUND,  
an Ontario limited partnership

Respondent

**O R D E R**

THIS MOTION, made by the Receiver of Belmont Dynamic Growth Fund, for an order approving the terms of resolution (the "**Innocap Settlement**") between the Receiver, Innocap Global Investment Management Ltd. ("**Innocap**") and RBC Dominion Securities Inc. ("**RBC**"), as described in the Seventh Report of the Receiver, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Notice of Motion, the Seventh Report of the Receiver and the affidavits of Elizabeth Murphy of KPMG Inc., sworn December 2, 2013 and Elizabeth Pillon of Stikeman Elliott LLP, sworn November 29, 2013 (the "**Fees Affidavits**"), and

on hearing the submissions of counsel for the Receiver, Innocap, the Applicants and   
\_\_\_\_\_ and on being advised that notice has been  
provided to the Service List,

ON BEING ADVISED that the terms of the proposed settlement relating to the Vontobel Claim have been agreed to by the parties to the Innocap Settlement,

ON BEING ADVISED that factors considered in entering into the Innocap Settlement included the fact that the Belmont Dynamic Segregated Portfolio was in wind up proceedings and the value of such portfolio was diminishing with time,

1. THIS COURT ORDERS that the First Report, Second Report, Supplement to the Second Report, Third Report, Supplement to the Third Report, Fourth Report, Supplement to the Fourth Report, Fifth Report, Sixth Report and Seventh Report and the activities of the Receiver as described therein are hereby authorized and approved.

2. THIS COURT ORDERS AND DECLARES that the Innocap Settlement is approved. The Receiver, on behalf of the Belmont Dynamic Growth Fund and the Belmont Dynamic GP Inc., is hereby authorized and directed to enter into and perform its and their obligations under the Innocap Settlement and to take such additional steps and execute, deliver and perform its and their obligations under:

- (a) the Special Resolution of the Limited Partners of the Belmont Dynamic Growth Fund, substantially as attached as Appendix G to the Seventh Report;
- (b) the Amending Agreement to the Forward Agreements, substantially in the form as attached as Appendix H to the Seventh Report;
- (c) the Amendment to Limited Partnership Agreement, substantially in the form attached as Appendix I to the Seventh Report; and

- (d) such additional documents, applications, agreements, certificates, undertakings and statements as may be necessary or desirable for the completion of the Innocap Settlement and the transactions contemplated by the Innocap Settlement and the documents referred to in subparagraphs 2 (a)-(c) herein.

3. THIS COURT ORDERS, DIRECTS AND AUTHORIZES the Receiver, on behalf of the Belmont Dynamic Growth Fund and the Belmont Dynamic GP Inc., to hold shares of the Belmont Dynamic Segregated Portfolio, previously held by Innocap, and to exercise any shareholder, partnership or other rights in respect of the shares in the Belmont Dynamic Segregated Portfolio.

4. THIS COURT ORDERS that, from and after the date hereof and conditional on the payment to Innocap of US\$1.5 million as provided for in the Innocap Settlement, all distributions made by the Belmont Dynamic Segregated Portfolio in respect of the shares currently held by Innocap that are to be transferred to the Receiver pursuant to the terms of the Innocap Settlement, less US\$1.5 million which is to be paid directly to Innocap prior to the transfer of the shares to the Receiver, shall be paid to the Receiver (the “**Segregated Portfolio Funds**”) and distributed or held, as the case may be, by the Receiver as outlined in paragraphs 5 and 6 hereof. For greater certainty the Receiver’s Charge as provided for in the Initial Appointment Order of August 6, 2009 (the “**Initial Order**”) shall continue to apply to the Segregated Portfolio Funds unless and until distributed by the Receiver in accordance with paragraph 5.

5. THIS COURT ORDERS AND DIRECTS the Receiver upon receipt of necessary clearance certificates by the Receiver, to distribute the balance of the Segregated Portfolio Funds as follows:

- (a) First, to claimants, on a pro rata basis, in respect of the allowed claims in the Belmont estate as outlined in Appendix L of the Seventh Report to a maximum of \$269,177.64; and

- (b) Second, at RBC's direction, to RBC in repayment of all fees and expenses of the Receiver and its counsel in these proceedings ("**Receiver Costs**"), as approved herein or as subsequently may be approved in these proceedings, which have been paid by RBC.

The balance of the Segregated Portfolio Funds are to be held pending further Order of this Court.

6. THIS COURT ORDERS that the fees and disbursements of KPMG as Receiver and its counsel, as set out in the Seventh Report and the Fees Affidavits, are hereby approved.

7. THIS COURT ORDERS that notwithstanding any other provision of this Order, and without in any way limiting the protections for the Receiver set forth in the Orders of this Court, the Receiver shall have no obligation to make any payment contemplated under this Order, and nothing shall be construed as obligating the Receiver to make any such payment, unless and until the Receiver is in receipt of funds adequate to effect any such payment and that in the event the Segregated Portfolio Funds are insufficient to satisfy any such amounts, the Receiver shall have no liability with respect to the payment thereof.

8. THIS COURT ORDERS that the Receiver and its counsel shall not incur any liability or obligation as a result of entering into and carrying out of the provisions of the Innocap Settlement and this Order, save and except for any liability or obligation incurred as a result of gross negligence or wilful misconduct on its or their part. Nothing in this Order shall derogate from the protections afforded the Receiver by the *Bankruptcy and Insolvency Act*, any other applicable legislation, the Initial Order including the stay of proceedings in its favour, and this Order.

9. THIS COURT ORDERS AND PERMITS the Receiver to utilize estimated NAV values of the Belmont Dynamic Segregated Portfolio as supplied by Citco Fund Services (Europe) B.V., as at June 30, 2013, for purposes of administering the Belmont estate.

10. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada, the United States or Cayman Islands to give effect to this Order and to assist the Receiver and its 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 Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

A handwritten signature in black ink, appearing to read "A. D. Hanson", is written over a horizontal line.

CLERK OF THE COURT  
COURT OF CHANCERY  
CAYMAN ISLANDS

DEC 11 2013

A small, stylized handwritten signature or mark in black ink.

JAMES HAGGERTY HARRIS  
Applicant

and

BELMONT DYNAMIC GROWTH  
FUND, an Ontario limited partnership  
Respondent

Court File No: 09-8302-00CL

**ONTARIO  
SUPERIOR COURT OF JUSTICE**

Proceeding commenced at Toronto

**ORDER**

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