

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
- COMMERCIAL LIST**

THE HONOURABLE ) TUESDAY, THE 8<sup>TH</sup> DAY  
 )  
MR. JUSTICE MORAWETZ ) OF APRIL, 2008



**IN THE MATTER OF  
RELIANCE INSURANCE COMPANY**

**AND IN THE MATTER OF THE  
INSURANCE COMPANIES ACT, S.C. 1991, C.47, AS AMENDED**

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

BETWEEN:

**THE ATTORNEY GENERAL OF CANADA**

Applicant

- and -

**RELIANCE INSURANCE COMPANY**

Respondent

**ORDER**

**THIS MOTION**, brought by KPMG Inc., liquidator (the "Liquidator") of the insurance business in Canada of Reliance Insurance Company ("Reliance (Canada)"), was heard this day at 330 University Avenue, Toronto, Ontario.

**ON READING** the Report of the Liquidator dated April 1, 2008 (the "Report"), the Affidavit of Gale Rubenstein sworn April 1, 2008 and the Affidavit of Robert O. Sanderson

sworn April 1, 2008, filed, and on hearing submissions of counsel for the Liquidator, no other party appearing, although properly served as appears from the proof of service, filed:

1. **THIS COURT ORDERS** that the service of the Notice of Motion and materials herein is good and sufficient service of this motion, that the motion is properly returnable before this Court and that further service thereof upon any interested party other than those parties served be and is hereby dispensed with.

2. **THIS COURT ORDERS** that the accounts of the Liquidator for the period October 1, 2006 to December 31, 2007 (the "Period"), as reflected in the financial statements of Reliance (Canada) attached to the Report, be and they are hereby passed and approved as submitted.

3. **THIS COURT ORDERS** that the fees and disbursements of the Liquidator and of its counsel, Goodmans LLP, for the Period be and they are hereby approved as submitted.

4. **THIS COURT ORDERS** that the Liquidator is hereby authorized to pay a fifth interim distribution from the estate of Reliance (Canada) in the amount of 20% of valid and allowed loss claims, where, and to the extent that, such amount, combined with the amount of payment by way of the first, second, third and fourth interim distributions, exceeds the payments authorized by paragraph 8 of the Order herein of the Honourable Mr. Justice Farley dated December 3, 2001 that, *inter alia*, appointed the Liquidator (the "Appointment Order").

5. **THIS COURT ORDERS** that the Appointment Order is hereby varied such that the payments authorized by paragraphs 8, 9 and 11 thereof (as may have been varied or amended by further Orders of this Court) are authorized to be paid up to the lesser of (i) the full amount of

the relevant valid claim, or, in the case of paragraph 11, the amount of reasonable legal and other costs, and (ii) the applicable limits of the relevant policy.

ENREGISTRÉ / INSCRIT À TORONTO  
ON / BOOK NO:  
LE / DANS LE REGISTRE NO.:



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APR 08 2008

PER/PAR: PQ

THE ATTORNEY GENERAL OF CANADA  
Applicant and  
RELIANCE INSURANCE COMPANY  
Respondent

Court File No: 01-CL-4313

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
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Proceeding commenced at Toronto

**ORDER  
(April 8, 2008)**

**GOODMANS LLP**  
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Solicitors for KPMG Inc.,  
Liquidator of Reliance (Canada)

File No. 016699