

ONTARIO

**SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE MR.) FRIDAY THE 13TH DAY
)
JUSTICE G.B. MORAWETZ) OF APRIL, 2007

**IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
R.S.C. 1985, c. C-36, AS AMENDED**

**AND IN THE MATTER OF A PROPOSED PLAN OF COMPROMISE
OR ARRANGEMENT WITH RESPECT TO CFG HOLDINGS INC.
FORMERLY CERVUS FINANCIAL GROUP INC.**

ORDER

ON READING the Notice of Motion herein dated the 12th day of April, 2007, the affidavit of Daniel R. Dowdall on behalf of CFG Holdings Inc. (the "**Company**") sworn the 12th day of April, 2007 (the "**Dowdall Affidavit**") and the affidavit of Angela Scott sworn February 22, 2007, the Eighth Report of KPMG Inc. (the "**Monitor**") dated April 12th, 2007, the Initial Order of Justice Morawetz dated June 8, 2006, as amended by the Order of Justice Cumming dated June 15, 2006 (the "**Initial Order**"), the Order of Justice Morawetz dated December 27, 2006 (the "**Shareholder Distribution Order**"), the Order of Justice Siegel dated February 27, 2007 (the "**Extension Order**"), the Order of Justice Siegel dated March 9th, 2007 (the "**Distribution Direction Order**"), the Affidavit of Service, filed, and on hearing the submissions of counsel for the Applicant, the Monitor, and such other counsel as may be in attendance on this motion,

Confirmation of Service

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Motion Record is hereby abridged so that this motion is properly returnable today, that all parties entitled to notice of this Motion have been duly served with notice of this Motion, and that any further service is hereby dispensed with.

Interim Shareholder Distribution

2. **THIS COURT ORDERS** that the Monitor's activities as disclosed in the Eighth Report of the Monitor dated April 12th, 2007, are hereby approved.

3. **THIS COURT ORDERS** that the Shareholder Distribution Order be varied as follows:

(i) That paragraph 6 of the Shareholder Distribution Order be replaced with the following paragraph:

“THIS COURT ORDERS that contemporaneous with the distributions to the shareholders in accordance with paragraphs 4, 5 and 14 of this Order, the Monitor, if it is appointed as liquidator of the Company pursuant to the liquidation and dissolution of the Company under the *Alberta Business Corporations Act*, shall make a payment in cash, subject to any appropriate withholdings that may be retained by the Monitor, to the Senior Management of the Company, and to the Chairman of the Board of the Company (the **“Senior Management”**), from the net Sales Proceeds, of an amount equivalent to the distribution that the Senior Management would have received with respect to their shareholdings had the Company fully implemented the Founders Undertaking, and the amounts equivalent to the number of shares that certain members of Senior Management would have received as a result of the settlement of Claims related to employment contracts and other compensation arrangements, and had they been issued shares of the Company.”

(ii) that paragraph 14 of the Shareholder Distribution Order be replaced with the following paragraph:

“THIS COURT ORDERS that the distribution of the **“Distributed Proceeds”** as described in this Order, as

varied, shall be conducted by the Monitor as a reduction of the stated capital of the Company, if it is appointed as liquidator of the Company upon the application of a shareholder, pursuant to the liquidation and dissolution of the Company under the Alberta *Business Corporations Act*, as contemplated under the provisions of this Order, and for the purposes of implementing this distribution to shareholders, the Monitor, if appointed as liquidator, may transfer the funds to be distributed that are currently being held in its capacity as Monitor, to an account established in the liquidation and dissolution proceeding under the Alberta *Business Corporations Act*, if the Monitor is appointed as liquidator of those proceeding;”

- (iii) that paragraph 15 of the Shareholder Distribution Order be replaced with the following paragraph:


“THIS COURT ORDERS AND REQUESTS that the Court of Queen’s Bench of Alberta consider the CCAA proceeding herein when making Orders relating to the liquidation and dissolution of the Company and the distribution of the assets of the Company to the shareholders of the Company pursuant to this Order, as varied, and this Court requests the aid and assistance of the Court of Queen’s Bench for Alberta to coordinate proceedings in the Court of Queen’s Bench with proceedings in this Court under the *Companies’ Creditors Arrangement Act*.”

- (iv) that paragraph 16 of the Shareholder Distribution Order be replaced with the following paragraph:

“THIS COURT REQUESTS the aid, assistance and recognition of this Order, as varied, by the Court of Queen’s Bench of Alberta, as well as of any court, tribunal, regulatory or administrative body having jurisdiction in Canada, or in the United States, to give effect to this Order and to assist the Company, the shareholders of the Company, and the Monitor 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 Company and the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Company, the shareholders of the Company,

and the Monitor and its agents in carrying out the terms of this Order;”

4. **THIS COURT ORDERS** that the “Stay Date” referred to in Paragraph 4 of the Initial Order be, and hereby is, extended to May 31, 2007 with respect to the Company and with respect to the “Directors” as defined in paragraph 11 of the Initial Order.


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Court File No. 06-CL-6482

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COMMERCIAL LIST**

Proceeding commenced at TORONTO

ORDER

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