Court File No. CV-12-9617-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(Commercial List)

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF First Leaside Wealth Management Inc., First Leaside Finance Inc., First Leaside Securities Inc., FL Securities Inc., First Leaside Management Inc., First Leaside Accounting and Tax Services Inc., First Leaside Holdings Inc., 2086056 Ontario Inc., First Leaside Realty Inc., First Leaside Capital Inc., First Leaside Realty II Inc., First Leaside Investments Inc., 965010 Ontario Inc., 1045517 Ontario Inc., 1024919 Ontario Inc., 1031628 Ontario Inc., 1056971 Ontario Inc., 1376095 Ontario Inc., 1437290 Ontario Ltd., 1244428 Ontario Ltd., PrestonOne Development (Canada) Inc., PrestonTwo Development (Canada) Inc., PrestonThree Development (Canada) Inc., PrestonFour Development (Canada) Inc., 2088543 Ontario Inc., 2088544 Ontario Inc., 2088545 Ontario Inc., 1331607 Ontario Inc., Queenston Manor General Partner Inc., 1408927 Ontario Ltd., 2107738 Ontario Inc., 1418361 Ontario Ltd., 2128054 Ontario Inc., 2069212 Ontario Inc., 1132413 Ontario Inc., 2067171 Ontario Inc., 2085306 Ontario Inc., 2059035 Ontario Inc., 2086218 Ontario Inc., 2085438 Ontario Inc., First Leaside Visions Management Inc., 1049015 Ontario Inc., 1049016 Ontario Inc., 2007804 Ontario Inc., 2019418 Ontario Inc., FL Research Management Inc., 970877 Ontario Inc., 1031628 Ontario Inc., 1045516 Ontario Inc., 2004516 Ontario Inc., 2192341 Ontario Inc., and First Leaside Fund Management Inc. (the "Applicants")

FACTUM OF THE APPLICANTS
(Returnable April 30, 2012)

April 27, 2012

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FACTUM OF THE APPLICANTS
(Returnable April 30, 2012)

PART I – INTRODUCTION

1. First Leaside Wealth Management Inc. ("**FLWM**") and the other Applicants as well as the limited partnerships affiliated with the Applicants (the "**Included LPs**", set out in Exhibit "A" of the Affidavit of Gregory MacLeod sworn April 23, 2012) (hereafter the Applicants and Included LPs are referred to collectively as "**First Leaside**", or the "**Company**") bring this motion seeking:

(a) an Order approving the Unit Purchase, Transfer of General Partner and Transfer of Property Agreement dated April 11, 2012 (the "**Beverages Agreement**"), and made between FLWM, First Leaside Progressive Limited Partnership, FLWM Holdings Limited Partnership, F.L. Beverages Group Limited Partnership (collectively, the "**CCAA Vendors**"), and 1045515 Ontario Inc. (together with the CCAA Vendors, the "**Vendor**"), as vendors, and Provincial Beverages of Canada Inc. and Provincial Beverages Inc. (collectively, the "**Beverages Purchaser**"), as purchaser wherein the Beverages Purchaser is purchasing the Vendor's interest in Beverages;

(b) an order vesting title to the interests of the CCAA Vendors in the "**Purchased Units 1**" (as defined in the Beverages Agreement) in the Beverages Purchaser upon the closing of the Beverages Agreement;

(c) an Order approving the Agreement of Purchase and Sale dated March 16, 2012 ("**Queenston Agreement**"), and made between Queenston Manor General Partner Inc. ("**Queenston Manor**"), as vendor, and Starlight Investments Ltd., in trust, (the "**Queenston Purchaser**"), as purchaser, wherein the Queenston Purchaser is purchasing from Queenston Manor the property municipally known as 382 Queentson Street, St. Catherines ("**Property**");

(d) an order vesting title to the Property in the Queenston Purchaser upon the close of the transaction set out in the Queenston Agreement; and

(e) an order authorizing and directing Queenston Manor to pay the sum of $4,397,405.05 to the sole secured creditor and first registered mortgagee of the Property, Midland Loan Services Inc. ("**Midland**") (through its nominee Computershare Trust Company of Canada), on closing of the sale.

2. As will be discussed in greater detail below, the two proposed dispositions of assets by First Leaside are appropriate, fair and reasonable in the circumstances. First Leaside conducted the sales processes with integrity and efficacy. Accordingly, the sale transactions maximize the values of Beverages and the Property and benefit all interested parties.

PART II – THE FACTS

Background

3. By order of the Honourable Mr. Justice Brown made February 23, 2012 ("**Initial Order**"), the Applicants applied for and were granted protection from their creditors under the Companies' Creditors Arrangement Act, R.S.C. 1985, c. C-36 ("**CCAA**"). The stay of proceedings and other relief in the Initial Order was extended to include the Included LPs.

> Affidavit of Gregory MacLeod sworn April 23, 2012 ["MacLeod Affidavit"] at para. 2, Motion Record, Tab 2

4. Pursuant to the Initial Order, Grant Thornton Limited was appointed as monitor ("**Monitor**") of First Leaside, and Fraser Milner Casgrain LLP was appointed as representative counsel to represent the interests of clients of First Leaside Securities Inc. in these proceedings.

> MacLeod Affidavit at para. 3, Motion Record, Tab 2

5. The Initial Order provided, at paragraph 16, that First Leaside shall have the right to pursue all avenues for the potential sale of its Business or Property (as such terms are defined in the Initial Order), subject to further approval of the court.

> MacLeod Affidavit at para. 4, Motion Record, Tab 2

6. On February 21, 2012 and March 21, 2012, First Leaside indicated to the court its intention to return to seek approval of sale transactions related to the sale of First Leaside's interest in First Leaside Beverages Limited Partnership ("**Beverages**"), and the Property, a retirement living apartment building in St. Catherines, Ontario.

MacLeod Affidavit at para. 5, Motion Record, Tab 2

7. First Leaside entities have recently entered into sale agreements in respect of the divestiture of their interests in Beverages and Queenston Manor.

MacLeod Affidavit at para. 6, Motion Record, Tab 2

Beverages – Ownership and Operations

8. Beverages wholly owns a majority interest in a brewery and cidery, and the land and building upon which the cidery is located. The business has ten employees and is not an applicant in these CCAA proceedings.

MacLeod Affidavit at paras. 7 and 8, Motion Record, Tab 2

9. First Leaside holds a controlling 50.45% position in Beverages through Applicants FLWM (26.59%), First Leaside Progressive LP (10.17%), FLWM Holdings LP (11.56%), and F.L. Beverages LP (2.13%). Nominal units are also held in the general partner, 1045515 Ontario Inc. and King Brewery LP. Minority interests are held by current employees, former shareholders of the cidery, and a FLWM director.

MacLeod Affidavit at para. 9, Motion Record, Tab 2

10. Beverages acquired the following properties between December 2010 and February 2011 and remains the sole owner or shareholder, as the case may be:

(a) *Beer Barons* – Based out of Nobleton, Ontario, Beer Barons is an importer and distributor of a German brand beer and also serves as the management arm of Beverages;

(b) *King Brewery* – Located in Nobleton, Ontario, the brewery has an authentic German decoction which allows it to brew premium craft beer under its own label;

(c) *Thornbury Cidery* – Thornbury Village Cidery produces "Thornbury Village Cider" as its flagship product; and

(d) Land and building located at 90 King Street East, Thornbury, Ontario, which houses the cidery operation.

MacLeod Affidavit at para. 10, Motion Record, Tab 2

11. Beverages is in the early stages of its development. Although it has established its beer and cidery brands in the market on a limited basis, it currently operates below break-even and has required operating cash flow support on a monthly basis since acquisition.

MacLeod Affidavit at para. 11, Motion Record, Tab 2

12. Further, Beverages requires significant capital investment over the next 36 months to build productive capacity and to support necessary product marketing initiatives. First Leaside is unable to provide such financial support and, consequently, Beverages' ability to continue as a going concern is in jeopardy.

MacLeod Affidavit at para. 12, Motion Record, Tab 2

Beverages – Marketing and Sales Process

13. Prior to the CCAA proceedings, the Applicant consulted with potentially interested parties to gauge interest in purchasing the Applicant's shareholdings in Beverages.

MacLeod Affidavit at para. 14, Motion Record, Tab 2

14. Commencing in October of 2011 management of Beverages began seeking a marketing process to identify new investors in Beverages, or a potential acquirer of First Leaside's ownership interest in Beverages. Those contacted included a range of industry participants and competitors thought to have an interest in an acquisition such as Beverages.

MacLeod Affidavit at para. 15, Motion Record, Tab 2

15. During the months of December 2011 and January 2012, five potential acquirers signed non-disclosure agreements. All five were permitted to review the corporate records, financial statements and projections, and the material contracts of Beverages. Four of the interested parties participated in tours of the facilities and had due diligence meetings with Beverages' management.

MacLeod Affidavit at para.17, Motion Record, Tab 2

16. After preliminary due diligence, as described above, four of the five interested parties gave notice that, for market or strategic reasons, they were not interested in acquiring the CCAA Vendors' interest in Beverages and would not be making an offer. These parties also advised that they had no interest in acquiring any individual assets.

MacLeod Affidavit at para. 18, Motion Record, Tab 2

17. On January 20, 2012, Beverages Purchaser submitted the only expression of interest to First Leaside. Gregory MacLeod, president of G.S. MacLeod & Associates

the court-appointed chief restructuring officier ("**CRO**") authorized First Leaside to execute the term sheet and proceed with negotiations to finalize a sale agreement.

MacLeod Affidavit at para. 19, Motion Record, Tab 2

18. To address Beverages' urgent operational cash requirements that First Leaside could not meet due to inadequate cash reserves, and an inability to raise new funds, First Leaside and the Beverages Purchaser agreed, as a stop gap measure, that the Beverages Purchaser would fund Beverages operating cash requirements up to a maximum amount of $500,000 by way of a secured demand loan.

MacLeod Affidavit at para. 20, Motion Record, Tab 2

19. There are no registered security interests against the CCAA Vendors in respect of the Purchased Units 1 being sold.

MacLeod Affidavit at para. 21, Motion Record, Tab 2

Beverages – Monitor and Minority Unitholder Support for the Sale

20. The Monitor supports the relief sought with respect to the Beverages Agreement.

MacLeod Affidavit at para. 24 (e), Motion Record, Tab 2

21. The minority unitholder of Beverages support the transaction and have agreed to execute the necessary consents authorizing the Vendor to complete the sale of the Vendor's interests in Beverages.

MacLeod Affidavit at para. 24 (f), Motion Record, Tab 2

Beverages Agreement – Transaction Terms and Conditions

22. On April 11, 2012, the Vendor in Beverages executed the Sale Agreement together with the Beverages Purchaser. The key transaction terms are as follows:

(a) the Beverages Purchaser will purchase the Vendor's collective ownership interest in Beverages (the "**Beverages Purchased Assets**") in consideration of the payment of $760,000 (the "**Beverages Purchase Price**");

(b) the Purchase Price is to be paid by certified cheque at closing;

(c) the Beverages Agreement is conditional upon the CCAA Vendors obtaining an order of the court approving the Beverages Agreement and vesting title in and to the Purchased Units 1 and in the Beverages Purchaser; and

(d) the closing date shall occur on or before May 31, 2012, failing which the Beverages Agreement shall terminate, without obligation.

MacLeod Affidavit at para. 23, Motion Record, Tab 2

Queenston Manor – Background and Marketing Process

23. Queenston Manor owns and operates a 77-unit, retirement living apartment building located at 382 Queenston Street, St. Catherines Ontario (defined above as the Property). The Property is approximately 97% occupied.

MacLeod Affidavit at para. 25, Motion Record, Tab 2

24. Prior to these CCAA proceedings, in November 2011, First Leaside engaged Colliers International ("**Colliers**") to act as advisor and broker/agent in connection with the marketing and sale of Queenston Manor. The Colliers' advisory team was experienced and professionally expert.

MacLeod Affidavit at para. 26, Motion Record, Tab 2

25. Colliers prepared an "Opinion of Value & Marketability Report" dated December 6, 2011 (the "**Value Opinion**"), which is comprehensive and arrived at a highest and best use valuation of the Property based on Colliers' assessment of direct comparison, and income and cost approaches to valuation.

MacLeod Affidavit at para. 27, Motion Record, Tab 2

26. To effect a sale, Colliers was also retained in December 2011 to undertake additional due diligence with respect to the Property and to prepare a Confidential Investment Memorandum (the "**CIM**") for marketing purposes. The CIM described the Property in considerable detail. It provided an overview of the property, investment highlights, rent roll information and included a *pro forma* income statement.

MacLeod Affidavit at para. 28, Motion Record, Tab 2

27. Colliers engaged in a focussed and thorough sales process, speaking directly with and presenting the CIM to approximately 40 to 50 potential acquirers over a period of six weeks between the beginning of December 2011 and mid-January, 2012. The list of potential acquirers included private equity investors, developers, multifamily real estate investment trusts, and first time investors and property owners across the Niagara region that had expressed an interest in assets similar to the Property. The contact list included Colliers' Apartment Team's network of local, national and international investors.

MacLeod Affidavit at para. 29, Motion Record, Tab 2

28. Of the persons contacted by Colliers, eight requested a tour of the Property and an opportunity to further review the books and records and undertake additional Property related due diligence.

MacLeod Affidavit at para. 30, Motion Record, Tab 2

29. In January 2012 First Leaside received three formal offers to purchase the Property. The Queenston Purchaser submitted the superior bid in the circumstances and First Leaside authorized Colliers to negotiate the final business terms for the sale of the Property.

MacLeod Affidavit at para. 31, Motion Record, Tab 2

30. During the negotiations between Colliers and the Queenston Purchaser, First Leaside filed for CCAA protection. For a brief period of time negotiations between First Leaside and the Queenston Purchaser were suspended. However, at the direction of the CRO, the negotiations resumed in February of 2012 and the final form of the Queenston Purchase Agreement was executed on March 16, 2012.

MacLeod Affidavit at para. 32, Motion Record, Tab 2

Queenston Manor – Midland Mortgage

31. Midland, through its nominee Computershare Trust Company of Canada, is the only secured creditor registered against the Property.

MacLeod Affidavit at para. 34, Motion Record, Tab 2

32. At the hearing of First Leaside's initial application for relief under the CCAA, Midland opposed the inclusion of Queenston Manor in the proceedings, and has sought leave to appeal to the Court of Appeal from the Initial Order.

MacLeod Affidavit at para. 35, Motion Record, Tab 2

33. In connection with the sale of the Property, Queenston Manor and Midland have resolved their outstanding dispute and settled upon terms pursuant to which Midland has agreed to (a) accept prepayment of its mortgage loan (the "**Midland Loan**"), (b) withdraw its opposition to (and appeal of) the within CCAA proceedings, and (c) discharge its security against the Property, all provided that it receives payment in full (including a prepayment charge) of the outstanding amount owing by Queenston Manor under the Midland Loan on closing ("**Midland Settlement**").

MacLeod Affidavit at para. 36, Motion Record, Tab 2

34. It is a term of the Midland Settlement that Queenston Manor will obtain court approval of the repayment of Midland Loan to Midland on closing, which is anticipated to be on May, 1, 2012. There will be $4,397,405.05 due and owing (subject to any minor adjustments that may be agreed between the parties) to Midland on the Midland Loan as of May 1, 2012.

MacLeod Affidavit at para. 37, Motion Record, Tab 2

Queenston Manor – Monitor Support for Sale

35. First Leaside has provided information to the Monitor related to the sales process and marketing of the Property, all of which the Monitor has reviewed. The Monitor is supportive of the sale of the Property pursuant to Queenston Purchase Agreement.

MacLeod Affidavit at para. 39, Motion Record, Tab 2

Queenston Manor – Key Terms and Conditions of the Sale Agreement

36. Pursuant to the Queenston Purchase Agreement:

(a) the Queenston Purchaser has agreed to purchase the Property from Queenston Manor in exchange for $7,100,000;

(b) the Queenston Purchaser provided a $100,000 deposit to Queenston Manor upon execution of the Queenston Purchase Agreement and another $100,000 deposit on April 17, 2012. The balance of the purchase price, subject to normal closing adjustments, will be paid by way of bank draft or certified cheque to Queenston Manor on closing;

(c) there are two relevant conditions precedent to be satisfied:

i. Queenston Manor must obtain approval of the Queenston Purchase Agreement; and

ii. Queenston Manor must deliver title free of all charges, liens and encumbrances; and

(d) subject to Court approval, the sale is scheduled to close on May 1, 2012.

MacLeod Affidavit at para. 33, Motion Record, Tab 2

PART III – ISSUES

37. The Applicants are seeking:

(a) an order approving the Beverages Agreement;

(b) an order vesting title to the interests of the CCAA Vendors in the Purchase Units 1 in the Beverages Purchaser upon the closing of the Beverages Agreement;

(c) an order approving the Queenston Agreement;

(d) an order vesting title to the Property in the Queenston Purchaser upon the close of the transaction set out in the Queenston Agreement; and

(e) an order authorizing and directing Queenston Manor to pay the sum of $4,397,405.05 Midland on closing of the sale.

PART IV – LAW AND ARGUMENT

Court Approval of a Sale of Assets by a Debtor under CCAA protection

38. The sale of assets outside the ordinary course of business by a debtor under CCAA protection requires court authorization. Before approving an application, the court must consider:

(a) whether the process leading to the proposed sale or disposition was reasonable in the circumstances

(b) whether the monitor approved the process leading to the proposed sale or disposition;

(c) whether the monitor filed with the court a report stating that in their opinion the sale or disposition would be more beneficial to the creditors that a sale or disposition under a bankruptcy;

(d) the extent to which the creditors were consulted;

(e) the effects of the proposed sale or disposition on the creditors and other interested parties; and

(f) whether the consideration to be received for the assets is reasonable and fair, taking into account their market value.

CCAA s. 36(1) and (3)

39. However, the elements set out in CCAA, s. 36(3) are not exhaustive and need not all be fulfilled in order to grant an order under the section. The court must look at the transaction as a whole and decide whether or not the sale is appropriate, fair and reasonable.

> *Re White Birch Paper Holding Co.*, 2010 CarswellQue 10954 (Q.C.S.C.) at paras. 48 and 49, Applicants' Book of Authorities Tab 1

40. The principles established in *Royal Bank v. Soundair Corp*, (1991), [1991] O.J. No. 1137 (C.A.) and *Crown Trust Co. v. Rosenberg* (1986), 60 O.R. (2d) 87 (H.C.J.) are appropriate for the sale of assets as part of a court supervised process in a CCAA proceeding.

> *Re Nortel Networks Corp.*, 2009 CarswellOnt 4838 (S.C.J.)[CL] at para. 34, Applicants' Book of Authorities Tab 2

41. Accordingly, the court when reviewing a proposed sale of assets should consider:

(a) Whether sufficient effort has been made to obtain the best price and that the debtor has not acted improvidently;

(b) The interests of all of the parties;

(c) The efficacy and integrity of the process by which offers have been obtained; and

(d) Whether there has been unfairness in the working out of the process.

Re Nortel Networks Corp., 2009 CarswellOnt 4838 (S.C.J.)[CL] at para. 35, Applicants' Book of Authorities Tab 2

Re White Birch Paper Holding Co., 2010 CarswellQue 10954 (Q.C.S.C.) at para. 53, Applicants' Book of Authorities Tab 1

The Beverages Sale is Fair, Reasonable and Appropriate

42. First Leaside undertook a reasonable sales process for Beverages, making sufficient efforts to obtain the best price and not acting improvidently. First Leaside canvassed the market with respect to those companies that would be interested in purchasing a start-up business. This included contacting industry participants and competitors, affording five potential acquirers an opportunity to perform in-depth due diligence, and an analysis of and follow up discussions with potential acquirers.

43. Before agreeing to the Sale Agreement, the management of Beverages considered all of the options for maximizing value, including discussing the possibility of selling the assets of Beverages individually.

44. Further, the Beverages Purchase Price is reasonable and fair, given the needed investments to develop Beverages and the lack of market interest in Beverages. There is no basis to expect that the CCAA Vendors could obtain a better realization on their

investment than what is offered by the Beverages Purchaser. As a start-up, Beverages has limited liquidity and urgent needs for operating capital. Beverages Purchaser has already injected significant sums in the Beverages business, reducing the potential value for the business to other hypothetical bidders.

45. The proposed sale is in the best interests of the creditors and all other parties. Beverages Purchase Price offered by Beverages Purchaser is a more convenient source of recovery for creditors than a start-up business with urgent operating cash requirements or a pool of real / personal / intangible assets. Beverages requires substantial capital investments over the next three years to build productive capacity and to support the product marketing initiatives needed to move the company beyond the early stages of development.

46. The Monitor and minority unitholders of Beverages support the Share Purchase Agreement.

47. There have been no suggestions of a lack of efficacy or integrity or an unfairness in the sales process.

The Queenston Manor Sale is Fair, Reasonable and Appropriate

48. First Leaside undertook a reasonable sales process for Queenston Manor, making sufficient efforts to obtain the best price and not acting improvidently. First Leaside engaged Colliers, an eminently qualified industry expert, to produce the Valuation and the CIM as well as to market the property. The valuation was comprehensive and engaged in a detailed analysis to establish the reasonable range for an estimated sale price. The CIM provided potential acquirers with detailed data about the Property that would be needed to formulate a bid. The Colliers-led sales process

drew upon the firm's local, national and international investor network, including a range of different types of real estate investors. After a rigorous analysis by First Leaside and Colliers the Queenston Purchaser's bid emerged as the greatest value.

49. The proposed sale of Queenston is advantageous to creditors as it converts a real property asset into an injection of cash that may be more easily distributed. Further, approval of the sale will result in the settlement of the dispute with Midland.

50. The Monitor supports the sale pursuant to the Queenston Agreement.

51. The process was efficient and there have been no suggestions it was compromised or that there was unfairness.

PART V – ORDER REQUESTED

52. First Leaside therefore requests the relief as set out at paragraph 1 be granted.

ALL OF WHICH IS RESPECTFULLY SUBMITTED THIS 27th day of April, 2012

Cassels Brock & Blackwell LLP

Lawyers for the Applicants

SCHEDULE "A"

LIST OF AUTHORITIES

1. *Re White Birch Paper Holding Co.*, 2010 CarswellQue 10954 (Q.C.S.C.)
2. *Re Nortel Networks Corp.*, 2009 CarswellOnt 4838 (S.C.J.)[CL]

SCHEDULE "B"

STATUTES

Companies' Creditors Arrangement Act, R.S.C. 1985, c. C-36, as amended

Section 36

Restriction on disposition of business assets

36. (1) A debtor company in respect of which an order has been made under this Act may not sell or otherwise dispose of assets outside the ordinary course of business unless authorized to do so by a court. Despite any requirement for shareholder approval, including one under federal or provincial law, the court may authorize the sale or disposition even if shareholder approval was not obtained.

Notice to creditors
(2) A company that applies to the court for an authorization is to give notice of the application to the secured creditors who are likely to be affected by the proposed sale or disposition.

Factors to be considered
(3) In deciding whether to grant the authorization, the court is to consider, among other things,

(a) whether the process leading to the proposed sale or disposition was reasonable in the circumstances;

(b) whether the monitor approved the process leading to the proposed sale or disposition;

(c) whether the monitor filed with the court a report stating that in their opinion the sale or disposition would be more beneficial to the creditors than a sale or disposition under a bankruptcy;

(d) the extent to which the creditors were consulted;

(e) the effects of the proposed sale or disposition on the creditors and other interested parties; and

(f) whether the consideration to be received for the assets is reasonable and fair, taking into account their market value.

Additional factors — related persons
(4) If the proposed sale or disposition is to a person who is related to the company, the court may, after considering the factors referred to in subsection (3), grant the authorization only if it is satisfied that

(a) good faith efforts were made to sell or otherwise dispose of the assets to persons who are not related to the company; and

(b) the consideration to be received is superior to the consideration that would be received under any other offer made in accordance with the process leading to the proposed sale or disposition.

Related persons
(5) For the purpose of subsection (4), a person who is related to the company includes

(a) a director or officer of the company;

(b) a person who has or has had, directly or indirectly, control in fact of the company; and

(c) a person who is related to a person described in paragraph (a) or (b).

Assets may be disposed of free and clear
(6) The court may authorize a sale or disposition free and clear of any security, charge or other restriction and, if it does, it shall also order that other assets of the company or the proceeds of the sale or disposition be subject to a security, charge or other restriction in favour of the creditor whose security, charge or other restriction is to be affected by the order.

Restriction — employers
(7) The court may grant the authorization only if the court is satisfied that the company can and will make the payments that would have been required under paragraphs 6(4)(a) and (5)(a) if the court had sanctioned the compromise or arrangement.

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C.1985, c. C.36, as amended;

AND IN THE MATTER OF FIRST LEASIDE WEALTH MANAGEMENT INC. et al

Court File No: CV-12-9617-00CL

ONTARIO
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(COMMERCIAL LIST)

Proceeding commenced at Toronto

FACTUM OF THE APPLICANTS
(RETURNABLE APRIL 30, 2012)

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