Court File No. CV-12-9930-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE MADAM	)	TUESDAY THE 6TH
	)	
JUSTICE CONWAY	)	DAY OF JUNE, 2017

IN THE MATTER OF THE RECEIVERSHIP OF First Leaside Wealth Management Inc. and the Applicants Listed on Schedule "A" (collectively, "**First Leaside**")

ORDER

(Fidelity Clearing Wind-down)

THIS MOTION, made by Grant Thornton Limited ("**GTL**") in its capacity as the Court-appointed receiver and manager (the "**Receiver**"), without security, of all of the assets, undertakings and properties of First Leaside, for an order:

(a) validating and abridging the time for service of this Notice of Motion and Motion Record and directing that any further service of the Notice of Motion and Motion Record be dispensed with such that this Motion is properly returnable on June 6, 2017;

(b) approving and implementing the comprehensive wind-up of securities accounts held in favour of former clients of First Leaside Securities Inc. by Fidelity Clearing Canada ULC ("**Fidelity**");

was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Fourth Report; and on hearing the submissions of counsel for the Receiver and the other parties on the sign-in sheet, attached, no one else appearing although served as evidenced by the Affidavit of Nancy Thompson sworn May 26, 2017, filed:

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Motion Record is hereby abridged and the manner thereof validated so that this Motion is properly returnable today and hereby dispenses with any further or other service thereof.

CUSTODIAL AGREEMENT

2. **THIS COURT ORDERS** that the custodial services agreement dated December 5, 2012 between First Leaside Securities Inc. and Fidelity (the "**Custodial Agreement**") is hereby terminated and of no further force and effect.

3. **THIS COURT ORDERS** that notwithstanding the termination of the Custodial Agreement, the Receiver shall continue to pay to Fidelity a monthly fee of $5,000, in the ordinary course, until September 30, 2017.

FEES AND COMFORT DEPOSIT

4. **THIS COURT ORDERS AND DECLARES** that Fidelity shall henceforth be entitled to apply the following charges (collectively, the "**Charges**") against cash in any account that was, prior to the termination of the Custodial Agreement by this Order, subject to the Custodial Agreement (each an "**Account**"):

i. Deregistration fee of $50 per deregistration;

ii. Account transfer-out fee of $125 per transfer;

iii. Cheque issuance fee of $8 per cheque;

iv. Client validation charge of $125 per Account holder inquiry;

v. Payment processing fee of $75 per employee hour to process payments from issuers to Accounts.

5. **THIS COURT ORDERS AND DECLARES** that if there is insufficient cash in any Account (following the liquidation of any marketable securities pursuant to Paragraph 11 hereof) to pay applicable Charges, Fidelity shall deduct the applicable Charges for that Account from the balance of the deposit paid to Fidelity pursuant to Section 7 of the Custodial Agreement (the "**Comfort Deposit**").

6. **THIS COURT ORDERS AND DECLARES** that Fidelity shall not transfer securities out of Accounts that do not contain sufficient cash to pay the applicable Charges unless such applicable Charges are paid by the Account holder requesting the transfer, and for greater certainty Fidelity shall not apply any such charges against the Comfort Deposit.

7. **THIS COURT ORDERS AND DECLARES** that Fidelity shall be entitled to satisfy its reasonable legal fees incurred in connection with the termination of the Custodial Agreement from the Comfort Deposit.

8. **THIS COURT ORDERS** that Fidelity shall remit to the Receiver, or such other party as the Receiver may direct in writing, the balance of the Comfort Deposit (if any), forthwith following the closure of the last Account.

NOTICE TO INVESTORS

9. **THIS COURT DIRECTS** Fidelity to provide to Cassels, Brock & Blackwell LLP, in its capacity as Court appointed representative counsel ("**Representative Counsel**"), the names and email addresses, in electronic from, of all holders of Accounts, forthwith following the granting of this Order.

10. **THIS COURT DIRECTS** Representative Counsel to notify all holders of Accounts disclosed to Representative Counsel by Fidelity pursuant to paragraph 9 of the issuance of this Order, by sending them an email to the address provided by Fidelity within fourteen (14) calendar days of receiving the disclosure from Fidelity required by Paragraph 9 hereof (the "**Notice**"), which Notice shall be provided to the Investment Industry Regulatory Organization of Canada, in draft, for an opportunity to review and comment not fewer than three (3) business days before the issuance of such Notice. Representative Counsel shall have no additional obligations under this Order once such email messages are sent.

WIND-DOWN OF ACCOUNTS

11. **THIS COURT ORDERS AND DECLARES** that for any Accounts containing assets that have not been transferred out within 120 calendar days of the Notice being sent, Fidelity shall be entitled to (a) liquidate any non-cash assets held in such Account that Fidelity, in its sole discretion, determines to be marketable, or

(b) designate as defunct securities any non-cash assets held in such Account that Fidelity, in its sole discretion, determines to be un-marketable.

12. **THIS COURT ORDERS AND DECLARES** that Fidelity shall be entitled to charge an account dormancy fee of $25 per month (an "**Account Dormancy Fee**") if no action is taken by any Account holder to transfer cash out of such Account holder's Account within 90 calendar days of the liquidation of the last non-cash asset in such Account, pursuant to Paragraph 11 hereof.

13. **THIS COURT ORDERS AND DECLARES** that Fidelity shall forthwith close all Accounts as and when such Accounts cease to contain cash or non-cash assets, after deducting from such Accounts any applicable Charges or Account Dormancy Fees.

REPORTING

14. **THIS COURT ORDERS AND DIRECTS** that Fidelity shall provide an accounting of fees and expenses, including the application of funds from the Comfort Deposit and monthly fees paid by the Receiver, in form and substance acceptable to the Receiver (the "**Initial Report**"), within 14 calendar days from the date of the issuance of this Order.

15. **THIS COURT ORDERS AND DIRECTS** that Fidelity shall provide the Receiver with a report, including an accounting of fees and expenses, on a bi-monthly basis, in form and substance acceptable to the Receiver, beginning two weeks after the delivery of the Initial Report and continuing until the final Account is closed.

16. **THIS COURT ORDERS AND DECLARES** that each of the Receiver, Fidelity and Representative Counsel shall be at liberty to share any information in their possession regarding the Accounts with the other.

ADVICE AND DIRECTIONS

17. **THIS COURT ORDERS AND DECLARES** that any affected party shall be entitled, on notice to the Receiver and Fidelity, to seek the Court's advice, direction or intervention regarding the implementation of any of the terms of this Order.

C. Irwin
Registrar

ENTERED AT / INSCRIT À TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO:

JUN 0 6 2017

PER / PAR:

Schedule A – List of Additional Receivership Applicants

First Leaside Finance Inc.
First Leaside Securities Inc.
F.L. Securities Inc.
Mill Street Limited Partnership
Harmony Townhomes Limited Partnership
First Leaside Management Inc.
Development Notes Limited Partnership
Special Notes Limited Partnership
First Leaside Accounting and Tax Services Inc.
2086056 Ontario Inc.
First Leaside Properties Limited Partnership
First Leaside Realty Inc.
First Leaside Realty Limited Partnership
First Leaside Realty II Inc.
First Leaside Investors Limited Partnership
First Leaside Premier Limited Partnership
First Leaside Progressive Limited Partnership
First Leaside Realty II Limited Partnership
First Leaside Ultimate Limited Partnership
First Leaside Universal Limited Partnership
Uxbridge Development Limited Partnership
First Leaside Retirement Residences Limited Partnership
First Leaside Venture Limited Partnership
965010 Ontario Inc.
Wimberly Apartments Limited Partnership
1045517 Ontario Inc.
The Shores Limited Partnership
1024919 Ontario Inc.
Old Mill Pond Apartments Limited Partnership
1031628 Ontario Inc.
1056971 Ontario Inc.
The Bluffs of Lakewood Limited Partnership
1376095 Ontario Inc.
F.L. Spring Valley Limited Partnership
1437290 Ontario Ltd.
First Leaside Partners Limited Partnership
First Leaside Opportunities Limited Partnership
1244428 Ontario Ltd.
Preston Racquet Club Real Estate Limited Partnership Series 910PA
Preston Racquet Club Real Estate Limited Partnership Series 910PB
Preston Racquet Club Real Estate Limited Partnership Series 910PC
Preston Racquet Club Real Estate Limited Partnership Series 910PD
PrestonOne Development (Canada) Inc.
PrestonTwo Development (Canada) Inc.

PrestonThree Development (Canada) Inc.
PrestonFour Development (Canada) Inc.
2088543 Ontario Inc.
2088544 Ontario Inc.
F.L.W. Pond Master Ltd.
2088545 Ontario Inc.
F.L.W. Shores Master Ltd.
1331607 Ontario Inc.
First Leaside Acquisitions Limited Partnership
Queenston Manor General Partner Inc.
Queenston Manor Limited Partnership
2107738 Ontario Inc.
First Leaside Advantage Limited Partnership
2128054 Ontario Inc.
First Leaside Elite Limited Partnership
1132413 Ontario Inc.
First Leaside Entities Limited Partnership
2067171 Ontario Inc.
First Leaside Expansion Limited Partnership
2085306 Ontario Inc.
First Leaside Growth Limited Partnership
2086218 Ontario Inc.
First Leaside Unity Limited Partnership
First Leaside Visions Management Inc.
2007804 Ontario Inc.
First Leaside Wealth Management Limited Partnership
First Leaside Fund Management Inc.
F.L. Beverages Group Limited Partnership
First Leaside Global Limited Partnership
Special U.S. Notes Limited Partnership
FLWM Holdings Limited Partnership
First Leaside Select Limited Partnership
Cherry Park Retirement Residences Limited Partnership
First Leaside Retirement Residences (Okanagan) Limited Partnership
Orchard Valley Retirement Residences Limited Partnership
The Shores Retirement Residences Limited Partnership
F.L. PrimeTime Living Limited Partnership

COUNSEL SLIP

COURT FILE NO CV-12-09930-CL.

DATE JUNE 6, 2017.

NO ON LIST 6

TITLE OF PROCEEDING	IN THE MATTER OF THE RECEIVERSHIP OF THE FIRST LEASIDE WEALTH MANAGEMENT INC.	
COUNSEL FOR: PLAINTIFF(S) APPLICANT(S) PETITIONER(S)	CHRIS BURR for ~~First Leaside~~ the Grant Thornton, Receiver	PHONE & FAX NOS Email: chris.burr@blakes.com 416-863-3261
COUNSEL FOR: DEFENDANT(S) RESPONDENT(S)		PHONE & FAX NOS Email:
	J. Dietrich Representative Counsel for the Investors	416 8605223 (tel) jdietrich@casselsbrock.com
	J D G Douglas for CIPF	416-367-6029 jdouglas@blg.com

IN THE MATTER OF THE RECEIVERSHIP OF FIRST LEASIDE WEALTH MANAGEMENT INC. AND THE APPLICANTS LISTED ON SCHEDULE "A".

Court File No: CV-12-9930-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(Commercial List)

Proceeding commenced at Toronto

ORDER
(Fidelity Clearing Wind-down)

BLAKE, CASSELS & GRAYDON LLP
199 King Street West, Suite 4000
Commerce Court West
Toronto, Ontario, M5L 1A9

Chris Burr LSUC #: 55172H
Tel: 416.863.3261
Fax: 416.863.2663
chris.burr@blakes.com

Ilia Kravtzov, Quebec Bar #319295-4
Tel: 514-982-4066
ilia.kravtzov@blakes.com

Lawyers for the Receiver

23138256.3