



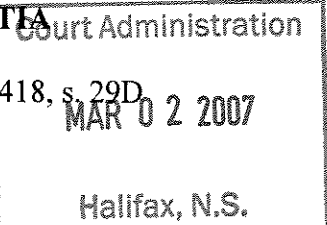
S.H. No. 276050

IN THE SUPREME COURT OF NOVA SCOTIA

IN THE MATTER OF: The *Securities Act*, R.S.N.S. 1989, c. 418, s. 29D

- and -

IN THE MATTER OF: An application by the NOVA SCOTIA SECURITIES COMMISSION to appoint PricewaterhouseCoopers Inc. as Receiver of JABEZ FINANCIAL SERVICES, INC.



ORDER

**BEFORE THE HONOURABLE JUSTICE C. RICHARD COUGHLAN
IN CHAMBERS:**

UPON APPLICATION made by the Nova Scotia Securities Commission ("Commission") pursuant to s. 29D of the *Securities Act*, R.S.N.S. 1989, c. 418 as am., s. 43(9) of the *Judicature Act*, R.S.N.S. 1989, c.240, and Civil Procedure Rule 46.01 for an Order appointing PricewaterhouseCoopers Inc. as the Receiver of the assets and property of Jabez Financial Services, Inc. ("Company");

AND UPON HEARING Stephen Kingston and Justin Kimball, counsel for the Commission;

AND UPON HAVING READ:

- (i) The Affidavit of Abel Lazarus sworn herein on January 10, 2007;
- (ii) The Supplementary Affidavit of Abel Lazarus sworn herein on February 21, 2007;
- (iii) The Affidavit of David Boyd sworn herein on February 9, 2007;
- (iv) The Affidavits of Stephen Kingston sworn herein on January 11, February 27, and March 2, 2007; and
- (v) All other materials and submissions filed in connection with the this matter

AND UPON IT APPEARING that PricewaterhouseCoopers Inc. consents to the appointment as Receiver herein;

NOW UPON MOTION:

CRC, J.

IT IS ORDERED THAT:

Appointment

1. PricewaterhouseCoopers Inc. be and is hereby appointed Receiver ("Receiver"), without security, of all the Company's current and future assets and property of every nature and kind whatsoever and wherever situate, tangible and intangible, including all proceeds thereof ("Property").

Receiver's Powers

2. The Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:
 - (i) to take possession and control, gather in, realize and sell all the Property of the Company (and any and all proceeds, receipts and disbursements arising out of or from the Property of the Company), including without limitation, any real and personal property, cash, choses in action, negotiable instruments, security granted or assigned to the Company by third parties including property held in trust or for the benefit of the Company, and rights, tangible and intangible, wheresoever situated and to take such steps as are necessary or appropriate to verify the existence and location of all of the Property of the Company or any assets formerly held either directly or indirectly or to the order of or to the benefit to the Company for any present or former subsidiary or company associated with the Company;
 - (ii) to receive, preserve, protect and maintain control of the Property, or any part or parts thereof, including but not limited to, opening bank accounts, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;
 - (iii) to engage, empower, employ, retain and/or delegate functions upon, consultants, appraisers, agents, employees, experts, receivers, auditors, judicial administrators, accountants, managers, attorneys at law, solicitors, barristers, counsel (in any part of the world, as the Receiver

may deem necessary) and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the powers and duties conferred by this Order;

- (iv) to receive and collect all monies and accounts now owed or hereafter owing to the Company and to exercise all remedies of the Company in collecting such monies, including, without limitation, to enforce any security held by the Company;
- (v) to settle, extend or compromise any indebtedness owing to the Company;
- (vi) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Company, for any purpose pursuant to this Order;
- (vii) to institute and prosecute all suits, actions and proceedings at law as may in the opinion of the Receiver, be necessary or desirable for the proper protection of the property and assets of the Company, and likewise to defend all suits, proceedings and actions instituted against it as such Receiver, and to appear and conduct the prosecution and defence of all such suits, actions or proceedings now pending in any Court against the Company, the prosecution or defence of which will, in the judgment of the Receiver, be necessary for the proper protection of the property and assets of the Company, and the authority hereby conveyed shall extend to such appeals as the Receiver shall deem proper and advisable in respect of any Order of Judgment pronounced in any such suit, action or proceeding;
- (viii) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;
- (ix) to transfer any and all leases held by the Company subject to any consents which may be required pursuant to any lease agreements;

- (x) to disclaim any interest in or to abandon such of the Property as in the opinion of the Receiver it shall be necessary or desirable to do so;
- (xi) to apply for any vesting Order or other Orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;
- (xii) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the Receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;
- (xiii) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (xiv) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Company;
- (xv) to enter into agreements with any trustee in bankruptcy, liquidator or like official with similar duties appointed in respect of the Company, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Company;
- (xvi) to exercise any shareholder, partnership, joint venture or other rights which the Company may have;
- (xvii) to seek the assistance of administrative agencies of foreign governments, including, but not limited to, securities regulators, in order to advance the purposes of this Order;
- (xviii) to seek all kinds of judicial relief in any court of competent jurisdiction anywhere in the world, pursuant to the laws of each such jurisdiction, in order to advance the purposes of this Order;
- (xix) to pay or make arrangements with any encumbrancers of any of the Property; and

- (xx) to take any steps reasonably incidental to the exercise of these powers;

and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined below), including the Company, and without interference from any other Person.

Duty to Provide Access and Co-Operation to the Receiver

3. The (i) Company, (ii) all of its current and former directors, officers, managers, employees, agents, accountants, holders of powers of attorney, legal counsel and shareholders, and all other persons acting on its instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being "Persons" and each being a "Person") shall forthwith advise the Receiver of the existence of any Property in such Person's possession, power, control, or knowledge, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property to the Receiver upon the Receiver's request, subject only to any privilege attaching to solicitor-client communications or statutory provisions prohibiting such disclosure.
4. All Persons shall forthwith advise the Receiver of the existence of and grant access to and deliver to the Receiver or to such Agent or Agents it may appoint, any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Company, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "Records") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, subject only to any privilege attaching to solicitor-client communications or statutory provisions prohibiting such disclosure.
5. If any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written

consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

6. The Persons are hereby restrained and enjoined from disturbing or interfering with the Receiver and with the exercise of the powers and authority of the Receiver conferred hereunder.

No Proceedings Against the Receiver

7. No proceeding or enforcement process in any Court or tribunal including but not limited to any levy, distress, suit, action or proceeding (all of the foregoing, collectively, being "Proceedings" and each being a "Proceeding"), shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Honourable Court upon Application made on seven (7) clear days notice to the Receiver.

No Proceedings Against the Company or the Property

8. Subject to the terms of this Order, no Proceeding against or in respect of the Company or the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Honourable Court upon Application made on seven (7) clear days notice to the Receiver and any and all Proceedings currently underway against or in respect of the Company or the Property are hereby stayed and suspended pending further Order of this Honourable Court. Notwithstanding the preceding sentence, this Order shall not apply to nor shall it stay or suspend Proceedings (including but not limited to investigations, hearings and other processes governed by statute) either commenced by the Commission prior to the date of this Order or commenced thereafter.

No Exercise of Rights or Remedies

9. All rights and remedies against the Company, the Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Honourable Court, provided however that nothing in this paragraph shall (i) exempt the Receiver or the Company from compliance with statutory or regulatory provisions relating to health, safety or the environment, (ii) prevent the filing of any

registration to preserve or perfect a security interest, or (iii) prevent the registration of a claim for lien.

No Interference with the Receiver

10. No Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Company, without written consent of the Receiver or leave of this Honourable Court.

Continuation of Services

11. All Persons having oral or written agreements with the Company or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation and freight services, utility or other services to the Company are hereby restrained until further Order of this Honourable Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Receiver, and that the Receiver shall be entitled to the continued use of the Company's current telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Receiver in accordance with normal payment practices of the Company or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Honourable Court.

Receiver to Hold Funds

12. All funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including without limitation the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "Post Receivership Accounts") and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further Order of this Honourable Court.
13. The Receiver shall be at liberty to open temporary bank accounts in foreign jurisdictions and receive the proceeds from the sale or realization of the Company's Property in those jurisdictions into those accounts,

provided such funds shall be returned to the jurisdiction of this Honourable Court and placed in the Post Receivership Accounts within a reasonable period of time.

Labour and Employment

14. Subject to the laws of the jurisdiction(s) where the Company maintains employees as at the date of this Order, the employment of all persons employed by the Company, whether subject to a collective agreement or otherwise, is hereby terminated and that the Receiver shall not be liable as an employer for wages, vacation pay, severance or termination pay, pay in lieu of termination notice, pension benefits or any other obligations of the Company to such employees or other former employees of the Company except those that arise out of the Receiver's actual employment of any or all of such persons.

Limitation on the Receiver's Liability

15. The Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and except for any negligence or misconduct on its part.

Receiver's Accounts

16. Any expenditure or liability which shall properly be made or incurred by the Receiver, including the fees of the Receiver and the fees and disbursements of its legal counsel as taxed, shall be allowed to it in passing its accounts and shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person (the "Receiver's Charge").
17. The Receiver and its legal counsel shall pass its accounts from time to time, and for this purpose the accounts of the Receiver and its legal counsel are hereby referred to a Justice of this Honourable Court.
18. Prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including legal fees and disbursements, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Honourable Court.

Borrowing

19. The Receiver:

- (a) In addition to any other powers conferred herein, be at liberty and is hereby empowered to borrow moneys without personal liability from time to time as it may consider necessary or desirable not exceeding the principal sum of \$100,000 in the aggregate at such rate or rates of interest as it deems advisable and for such period or periods as it may be able to arrange for the purpose of protecting and preserving the Property, and that as security for such borrowings and every part thereof, the Receiver is authorized to pledge, assign or give security or securities on the Property or any portion thereof which shall form a charge on the Property, any other property or asset subject to the priority interest of any affected secured creditor and subject to the right of the Receiver to be indemnified out of the Property with respect to its own liabilities, expenses and remuneration properly incurred; and
- (b) If the moneys authorized to be borrowed by Paragraph 19(a) above shall be in the nature of a revolving credit the Receiver may pay off or re-borrow within the limits of the authority thereby conferred so long as the maximum principal amount owing in respect of such borrowings at any one time does not exceed the amount thereby authorized.

Disposal of the Property

- 20. Subject to the respective security interests of the secured creditors to the Property, the Receiver is empowered:
 - (a) To offer to sell any or all of the Property by public auction, tender, call for proposals, on a going concern basis, *en bloc*, or in such lots and in such manner as the Receiver in its sole discretion shall determine;
 - (b) To enter into an agreement or agreements for the sale, conveyance, transfer, assignment, leasing or other disposition of the Property in whole or in part, in such manner and at such price as the Receiver in its sole discretion may determine, subject to the approval of such sale by this Honourable Court where the appraised value of such portion of the Property so intended to be sold in each instance equals or exceeds \$100,000; and
 - (c) In connection with any such sale, lease or other disposition of the Property, in whole or in part, to execute in the name of and on behalf of the Company such deeds, bills of sale or other documents conveying and which shall be effective to convey all of the estate, right, title, interest, claim and property of the Company in any of the Property.

General

21. The Receiver, and any person retained by the Receiver, be and is hereby indemnified out of the Property from and against all liabilities arising out of the due and proper performance of its duties pursuant to the terms of this Order, save and any for any negligence or misconduct on the part of the Receiver or such persons with respect to such duties, and the Receiver on behalf of itself and such persons shall have a charge on the Property for such indemnity.
22. The Receiver may from time to time apply to this Honourable Court for advice and directions in the discharge of its powers and duties hereunder, including any applications that may be required for amendment of this Order.
23. Nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy or liquidator of the Company in Nova Scotia or elsewhere as the case may be.
24. The Receiver, and any person retained by the Receiver, be at liberty and is hereby authorized and empowered to seek the assistance of or otherwise apply, upon such notice as it may consider necessary or desirable, to any Court, tribunal, governmental body, agency, regulator or other judicial authority howsoever styled or constituted in any other jurisdictions (collectively "Foreign Authorities"), whether in Canada, the United States, the Republic of Panama, Curaçao, Netherlands Antilles or elsewhere, for Orders recognizing the appointment of the Receiver by this Honourable Court and confirming the powers of the Receiver in any other jurisdiction or jurisdictions and all such Foreign Authorities of all other jurisdictions are hereby respectfully requested to make such Orders and to act in aid of and to be complementary to this Honourable Court in carrying out the terms of this Order in providing such other aid and assistance to the Receiver, as an officer of this Honourable Court, as they may deem necessary or appropriate in furtherance of this Order.
25. The Receiver shall be at liberty and is hereby authorized as an officer of this Honourable Court to act in any foreign jurisdiction where it believes Property and/or Records of the Company may be situate or traced at equity or otherwise, and shall have the right to bring any proceeding or action in a foreign jurisdiction for the purpose of fulfilling its duties and obligations under this Order and to seek the assistance of any court and/or governmental agency of a foreign jurisdiction in the carrying out of the provisions of this Order.

26. The Receiver is hereby constituted as a foreign representative for the purposes of any proceeding with respect to the Company that may be commenced or taken under any applicable law outside of Nova Scotia, including but not limited to bankruptcy, trust, insolvency, company or other applicable law.
27. The Commission shall have its costs of this motion, up to and including entry and service of this Order, to be taxed as between solicitor and client to be paid by the Receiver from the Company's estate as part of the expense of the receivership.
28. The powers and duties hereunder of the Receiver may be exercised and performed by Marcus A. Wide of PricewaterhouseCoopers Inc. or any person acting under his supervision and he and any such other persons shall be considered to be officers of this Honourable Court when so acting.
29. The appointment of the Receiver shall remain in full force and effect pending further Order of this Honourable Court

ISSUED at Halifax, in the Province of Nova Scotia, this 2 day of March, 2007.

GEORGE GHOSN
Deputy Prothonotary

PROTHONOTARY

Certified to be a true and correct copy
of original document herein

Date: _____

11 March 2007

GEORGE GHOSN
Deputy Prothonotary