

**ONTARIO  
SUPERIOR COURT OF JUSTICE**

**COMMERCIAL LIST**

THE HONOURABLE ) WEDNESDAY, THE 8<sup>TH</sup> DAY  
 )  
MR. JUSTICE FARLEY ) OF MAY, 2002



**IN THE MATTER OF  
RELIANCE INSURANCE COMPANY**

**AND IN THE MATTER OF THE  
RANCE 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**

B E T W E E N:

**THE ATTORNEY GENERAL OF CANADA**

Applicant

- and -

**RELIANCE INSURANCE COMPANY**

Respondent

**ORDER**

**THIS MOTION**, brought by KPMG Inc., the liquidator (the "Liquidator") of the insurance business in Canada of Reliance Insurance Company ("Reliance (Canada)"), originally returnable April 29, 2002, having been adjourned to May 6, 2002 and having been further adjourned to today, was heard this day at 361 University Avenue, Toronto, Ontario.

**ON READING** the Report of the Liquidator dated April 23, 2002, filed, the Order of this Court dated December 3, 2001 appointing the Liquidator (the "Appointment Order"), the Order of this Court dated January 30, 2002 (the "Meridian Extension Order") and

the Order of this Court dated April 29, 2002 (the "Second Extension Order"), on hearing submissions of counsel for the Liquidator, and on the consent of the Property and Casualty Insurance Compensation Corporation and of Maritime Road Development Corporation,

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 it is hereby dispensed with.

2. **THIS COURT ORDERS** that paragraphs 8 and 11 of the Appointment Order, amended by the Second Extension Order to extend the date of April 30, 2002 to May 6, 2002, be and hereby are further amended *nunc pro tunc* to extend the date of May 6, 2002 to December 31, 2002 or such later date as this Court may order.

3. **THIS COURT ORDERS** that paragraph 9 of the Appointment Order, amended by the Meridian Extension Order to extend the date of January 31, 2002 to April 30, 2002, be and hereby is further amended *nunc pro tunc* to extend the date to December 31, 2002 or such later date as this Court may order.


4. **THIS COURT ORDERS** that the agreement made the 3<sup>rd</sup> day of April, 2002 between London Guarantee Insurance Company ("London Guarantee") and the Liquidator substantially in the form attached to the Report (the "Meridian Transfer Agreement") be and hereby is approved.

5. **THIS COURT ORDERS** that the Liquidator be and hereby is authorized to fulfill its obligations under the Meridian Transfer Agreement, and to take such steps and do such acts as may be necessary therewith, including to agree to such modifications as may be, in its opinion, necessary or desirable without further recourse to this Court.

6. **THIS COURT ORDERS** that any payments made by the Liquidator to London Guarantee pursuant to the Meridian Transfer Agreement including, without limitation, the amount payable on Closing (as defined in the Meridian Transfer Agreement) and the amounts paid into the Claims Account (as defined therein), which latter amounts shall be held in trust for the purposes set out in the Meridian Transfer Agreement, shall be free and clear of any right, title, interest or other claim of any person, except as provided in the Meridian Transfer Agreement.

7. **THIS COURT ORDERS** that from and after Closing (as defined in the Meridian Transfer Agreement), the Liquidator and Reliance (Canada) shall have no further liability in respect of the Policy Liabilities (as defined therein) to any person, other than to London Guarantee pursuant to the Meridian Transfer Agreement.

8. **THIS COURT ORDERS** that all of Reliance (Canada)'s right, title and interest in the Policies and the Records (both as defined in the Meridian Transfer Agreement) shall be vested in London Guarantee on the Closing (as defined therein), free and clear of any right, title, interest or other claim of any person.

  
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J. Rogalski

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

MAY 1 0 2002

PER/PAR: JA

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

Proceeding commenced at Toronto

**ORDER**

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