Court File No. 01-CL-4313

ONTARIO SUPERIOR COURT OF JUSTICE - COMMERCIAL LIST -

IN THE MATTER OF RELIANCE INSURANCE COMPANY

AND IN THE MATTER OF THE INSURANCE 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

BETWEEN:

THE ATTORNEY GENERAL OF CANADA

Applicant

- and -

RELIANCE INSURANCE COMPANY

Respondent

NOTICE OF MOTION (Returnable June 29, 2011)

KPMG Inc., liquidator (the "Liquidator") of the insurance business of Reliance Insurance

Company in Canada ("Reliance Canada"), will make a motion to a Judge presiding over the

Commercial List on Wednesday, June 29, 2011 at 10:00 a.m., or as soon after that time as the

motion can be heard, at 330 University Avenue, Toronto.

PROPOSED METHOD OF HEARING: The motion is to be heard orally.

THE MOTION IS FOR:

- 1. An Order substantially in the form attached as Schedule "A" hereto: and
- 2. Such further and other relief as this Honourable Court may deem just.

THE GROUNDS FOR THE MOTION ARE:

- 1. The Liquidator is seeking an Order:
 - (a) passing the accounts and approving the activities of the Liquidator for the period
 October 1, 2009 to March 31, 2011 (the "Period"), as reflected in the Report of
 the Liquidator dated June 21, 2011 and the financial statements of Reliance
 Canada; and
 - (b) approving the professional fees and costs of the Liquidator and of its counsel for the Period;;
- 2. Rule 37 of the *Rules of Civil Procedure*;
- 3. Sections 33 and 35 of the *Winding-up and Restructuring Act*;
- 4. The Orders of this Honourable Court made herein on December 3, 2001; and
- 5. Such further and other grounds as counsel may advise and this Honourable Court permit.

THE FOLLOWING DOCUMENTARY EVIDENCE will be used at the hearing of the motion:

- 1. The Report of the Liquidator dated June 21, 2011;
- 2. Affidavit of Elizabeth J. Murphy sworn June 21, 2011;
- 3. Affidavit of Gale Rubenstein sworn June 21, 2011; and

June 22, 2011

GOODMANS LLP

Barristers & Solicitors Bay Adelaide Centre 333 Bay Street, Suite 3400 Toronto, Ontario M5H 2S7

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Lawyers for the Property and Casualty Insurance Compensation Corporation

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AND TO: Office of the Superintendent of Financial Institutions 121 King Street West Toronto, Ontario M5H 3T9

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AND TO: Allan L. Bromstein Professional Corporation

P.O. Box 24 1020 – 95 Wellington St. West Toronto, Ontario M5J 2N7

Allan L. Bromstein

Tel: 416-862-4396 Fax: 416-862-7736

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AND TO: McInnes Cooper

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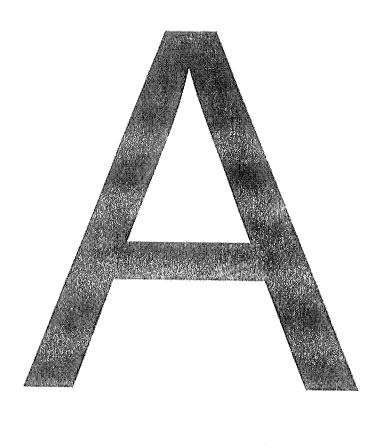
Jane O'Neill

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Tel: 902-444-8592 Fax: 902-425-6350

Lawyers for Secunda Marine Services Limited

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Schedule "A"

Court File No. 01-CL-4313

ONTARIO SUPERIOR COURT OF JUSTICE - COMMERCIAL LIST

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THE HONOURABLE •

WEDNESDAY, THE 29TH DAY

)) OF JUNE 2011

IN THE MATTER OF RELIANCE INSURANCE COMPANY

AND IN THE MATTER OF THE INSURANCE 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

 $B \in T W \in N$:

THE ATTORNEY GENERAL OF CANADA

Applicant

- and -

RELIANCE INSURANCE COMPANY

Respondent

ORDER

THIS MOTION, brought by KPMG Inc., liquidator (the "Liquidator") of the insurance business in Canada of Reliance Insurance Company ("Reliance Canada"), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Report of the Liquidator dated June 21, 2011 (the "Report"),

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the Affidavit of Gale Rubenstein sworn June 21, 2011 and the Affidavit of Elizabeth J. Murphy

sworn June 21, 2011, filed, and on hearing submissions of counsel for the Liquidator, no other party appearing, although properly served as appears from the proof of service, filed:

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 is hereby dispensed with.

2. **THIS COURT ORDERS** that the accounts and activities of the Liquidator for the period October 1, 2009 to March 31, 2011 (the "Period"), as reflected in the Report and the financial statements of Reliance Canada attached to the Report, be and they are hereby passed and approved as submitted.

3. **THIS COURT ORDERS** that the fees and disbursements of the Liquidator and of its counsel, Goodmans LLP, for the Period, be and they are hereby approved as submitted.

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| THE ATTORNEY GENERAL OF CANADA Applicant and | RELIANCE INSURANCE COMPANY Respondent | |
|---|--|---|
| | | ONTARIO SUPERIOR COURT OF JUSTICE - COMMERCIAL LIST Proceeding commenced at Toronto |
| | | ORDER (June 29, 2011) |
| | | GOODMANS LLP Barristers & Solicitors 333 Bay Street, Suite 3400t Toronto, Ontario M5H 2S7 Graham Smith (LSUC # 26377D) |
| | | Tel: 416-597-4161 Fax: 416-979-1234 Lawyers for KPMG Inc., Liquidator of Reliance (Canada) |
| | | File No. 016699 |
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| THE ATTORNEY GENERAL OF CANADA Applicant | and | RELIANCE INSURANCE COMPANY Respondent | Court File No: 01-CL-4313 |
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| | | | ONTARIO SUPERIOR COURT OF JUSTICE - COMMERCIAL LIST - Proceeding commenced at TORONTO |
| | | | NOTICE OF MOTION (Returnable June 29, 2011) |
| | | | GOODMANS LLP Barristers & Solicitors Bay Adelaide Centre 333 Bay Street, Suite 3400 Toronto, Ontario M5H 2S7 Graham D. Smith\LSUC #26377D Tel: (416) 979-2211 Fax: (416) 979-1234 Lawyers for KPMG Inc., Liquidator of Reliance (Canada) |