

No. S081520
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

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

AND

**IN THE MATTER OF THE *CANADA BUSINESS CORPORATIONS ACT*
R.S.C., 1985, c. C-44**

AND

**IN THE MATTER OF THE *BRITISH COLUMBIA BUSINESS CORPORATIONS ACT*
R.S.B.C. 2002 c. 57**

AND

**IN THE MATTER OF ASCALADE COMMUNICATIONS INC.
AND ASCALADE TECHNOLOGIES INC.**

PETITIONERS

ORDER

BEFORE THE HONOURABLE) WEDNESDAY, THE 17th DAY
)
MR. JUSTICE BURNYEAT) OF DECEMBER, 2008

THE APPLICATION coming on for hearing at Vancouver, British Columbia this day, and on hearing Geoffrey Thompson, counsel for the Petitioners, and those counsel listed in **Schedule "A"** hereto; AND UPON READING the Orders pronounced herein on March 3, 2008, April 2, 2008, May 20, 2008, May 26, 2008 and June 24, 2008 (the "**Orders**"), the pleadings and other materials filed herein, including the Affidavit of Greg Allen sworn in these proceedings and filed:

1. THIS COURT ORDERS that the time for service of the Petitioners' Notice of Motion and the materials herein is hereby abridged and the application is properly returnable today and further service thereof is hereby dispensed with.

2. THIS COURT ORDERS that the terms not otherwise defined in this Order shall have the same meanings as attributed thereto in the Plan of Compromise or Arrangement filed by the Petitioners (the "Plan") in the version attached to the Proof of Claim Package as defined in, and forwarded to Creditors pursuant to the terms of, the Order pronounced on May 20, 2008 (the "Procedural Order").

3. THIS COURT acknowledges the resignations of Greg Allen, Troy Bullock and Edmund Ho as directors of Ascalade Communications Inc. ("ACI") and Ascalade Technologies Inc. ("ATI") effective December 31, 2008 and that following December 31, 2008 the Petitioners will have no directors.

4. THIS COURT FURTHER ORDERS AND DECLARES THAT Jervis Rodrigues and/or Melinda McKie, on behalf of Deloitte & Touche Inc., in its capacity as Monitor herein, are hereby authorized but not obligated to take all actions on behalf of the Petitioners deemed necessary or appropriate to effect the terms of the Plan and to effect an orderly wind-up of the Business and the Petitioners and, without limiting the generality of the foregoing, Jervis Rodrigues and Melinda McKie, on behalf of the Monitor, are hereby specifically authorized and empowered to:

- (i) execute any and all agreements and documents;
- (ii) retain and instruct counsel and/or other advisors;
- (iii) settle any claims, actions or disputes;
- (vi) distribute any further dividends to Creditors;
- (v) approve such matters and take such steps as may be necessary, following payment in full of all Creditors, to effect any payment to shareholders of the Petitioners either by way of dividend, reduction of paid-up capital or otherwise;
- (vi) attend to any other corporate matters of the Petitioners; and
- (vii) perform such other acts or duties,

as deemed necessary, prudent or advisable to carry out the terms of the Plan and this Order.

5. THIS COURT FURTHER ORDERS AND DECLARES that Deloitte & Touche Inc. is entitled to all of the rights and protections afforded to the Petitioners by the Orders and, in addition to the rights and protections specifically afforded to the Monitor under the *Companies' Creditors Arrangement Act*, R.S.C. 1985 c. C-36 (the "CCAA") or which the Monitor possesses as an officer of this Court, Deloitte & Touche Inc., its officers and employees shall incur no liability or obligation as a result of its appointment herein or the carrying out of the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the rights and protections given to the Monitor by any applicable legislation.

6. THIS COURT FURTHER ORDERS that, except as otherwise provided in this Order, the stay of proceedings set out in the Initial Order dated March 3, 2008 and extended on April 2, 2008, May 20, 2008, May 26, 2008 and June 24, 2008, shall be further extended and shall remain in full force and effect with respect to the Petitioners and the Monitor until one day after the Monitor files a Final Report advising this Court that substantially all of the assets of the Petitioners have been liquidated and the net proceeds distributed to the Creditors and shareholders under the terms of the Plan, whereupon the stay of proceedings will automatically terminate without further Order of this Court.

7. THIS COURT FURTHER ORDERS that the Monitor may [subject to the provisions of the CCAA and the *Bankruptcy and Insolvency Act* ("BIA")] at any time file a voluntary assignment in bankruptcy or a proposal pursuant to the commercial reorganization provisions of the BIA if it determine that such a filing is appropriate.

8. THIS COURT FURTHER ORDERS that upon the filing of the Final Report, Deloitte & Touche Inc., having then fulfilled its duties as Monitor of the Petitioners pursuant to the terms of the Orders, shall be discharged from its duties as set forth in the Orders in relation to the Petitioners and shall be at liberty to apply to pass its accounts and those of its legal counsel before this Court on a summary basis.

9. THIS COURT FURTHERS ORDERS that prior to passing of its accounts, the Monitor shall be at liberty from time to time to apply reasonable amounts, out of monies in its hands, against its fees and disbursements, including legal fees and disbursements, incurred at the

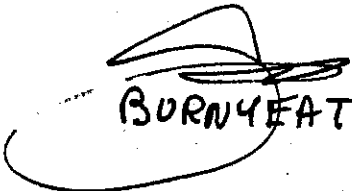
normal rates and charges of the Monitor or its counsel, and such amounts shall constitute advances held against its remuneration and disbursements when and as approved by this Court.

10. THIS COURT FURTHER ORDERS AND DIRECTS that, until the Final Report is filed, the Monitor's powers shall continue as set forth in the Orders and Plan, except as expanded or otherwise provided in this Order.

11. THIS COURT FURTHER ORDERS that, pursuant to Section 186 of the *British Columbia Business Corporations Act* SBC 2002, c.57, the time for ACI to call an Annual General Meeting of its shareholders be and is hereby extended to December 31, 2009.

12. THIS COURT FURTHER ORDERS AND DECLARES that the Monitor and any other interested parties are hereby granted leave to apply to this Court for any directions or determinations required to resolve any matter or dispute relating to the Plan, this Order or the subject matter thereof and the rights and benefits thereunder, provided that no provision of this Order shall be construed to modify or impair any right, title, interest, privilege or remedy expressly provided for or reserved under the Plan.

13. THIS COURT FURTHER ORDERS that approval of this Order as to form by counsel appearing on this application is hereby dispensed with.

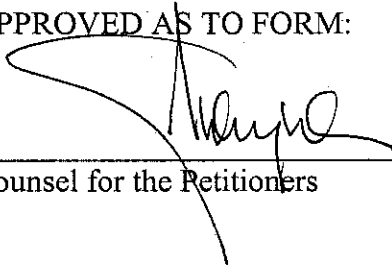

BURNYEAT, J.


BY THE COURT



DISTRICT REGISTRAR

APPROVED AS TO FORM:



Counsel for the Petitioners 

Schedule "A"

(List of Counsel)

KIBBEN JACKSON

DELOITTE & TOUCHE INC.

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