



Court File No. 07-CL-7283

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

THE HONOURABLE MR.

JUSTICE MORAWETZ

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FRIDAY, THE 28<sup>TH</sup>

DAY OF NOVEMBER, 2008

**IN THE MATTER OF AN APPLICATION BY WASANDA ENTERPRISES INC.  
UNDER THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C.  
1985, c. C-36, AS AMENDED AND BUSINESS CORPORATIONS ACT,  
R.S.O. 1990, c.B-16, AS AMENDED**

**AND IN THE MATTER OF A PLAN OR PLANS OF COMPROMISE  
OR ARRANGEMENT TO BE PROPOSED IN RESPECT OF  
D'ANGELO BRANDS LTD. AND 1540633 ONTARIO INC.,  
O/A AS STEELBACK BREWERIES**

**ORDER  
(Plan Sanction)**

**THIS MOTION**, made by the Applicant, Wasanda Enterprises Inc. and 834934 Ontario Limited (together, the "Applicants"), was heard this day at 330 University Avenue, Toronto, Ontario.

**ON READING** the Notice of Motion and the Motion Record, including the affidavit of Douglas Hendler sworn November 21, 2008, and the Ninth Report dated as of November 21, 2008, of Mintz & Partners Limited in its capacity as monitor (the "Monitor"), of D'Angelo Brands Ltd. ("DBL") and 1540633 Ontario Inc. ("154"), and on hearing the submissions of counsel for the Applicants, the Monitor; DBL, 154, and the other parties represented,

**Definitions**

1. **THIS COURT ORDERS** that capitalized terms not otherwise defined in this order shall have the meanings ascribed to them in the Amended Plan of Compromise or Arrangement dated

October 30, 2008 in respect of DBL and the Amended Plan of Compromise or Arrangement dated October 30, 2008 in respect of 154 (the "Amended Plans").

### **Approval of Monitor's Report**

2. **THIS COURT ORDERS** that the Eighth Report of the Monitor dated November 10, 2008, and the Ninth Report of the Monitor dated November 21, 2008, and the activities of the Monitor as described in its Eighth and Ninth Reports be and are hereby approved.

### **Sanction of Amended Plans**

3. **THIS COURT ORDERS AND DECLARES** that being satisfied that: (a) the Amended Plans have been approved by the Required Majority of the Affected Creditors; (b) DBL, 154, and the Applicants have complied with all statutory requirements of the *Companies' Creditors Arrangement Act* (the "CCAA") and have not done or purported to do anything that is not authorized by the CCAA; and (c) the Amended Plans are fair and reasonable; the Amended Plans shall be and are hereby sanctioned and approved pursuant to section 6 of the CCAA and the compromises and arrangements contemplated under the Amended Plans are approved, binding and effective as herein set out upon all Affected Creditors.

4. **THIS COURT ORDERS** that the reorganization of the share capital of DBL, as described in the Articles of Reorganization in the form attached hereto as Schedule "A" is hereby approved pursuant to section 186 of the *Business Corporations Act* (Ontario) ("*OBCA*").

5. **THIS COURT ORDERS** that the reorganization of the share capital of 154, as described in the Articles of Reorganization in the form attached hereto as Schedule "B" is hereby approved pursuant to section 186 of the *OBCA*.

### **Plan Implementation**

6. **THIS COURT ORDERS** that DBL and 154 shall be and are hereby authorized to take all actions necessary or appropriate to implement and give effect to the Amended Plans in accordance with their terms, and enter into, implement and consummate the contracts, instruments, releases, leases, indentures, agreements and other documents to be created in connection with the Amended Plans.

## Plan Releases

7. **THIS COURT ORDERS** that on the Effective Date, the Released Parties shall, to the extent not specifically prohibited by the CCAA, be released and discharged from any and all demands, claims, actions, causes of action, counterclaims, suits, debts, sums of money, accounts, covenants, damages, judgments, expenses, executions, liens and other recoveries on account of any liability, obligation, demand or cause of action of whatever nature which any Person may be entitled to assert, including, without limitation, any and all claims in respect of potential statutory liabilities of the former, present and future directors and officers of DBL and 154, whether known or unknown, matured or unmatured, foreseen or unforeseen, existing or hereafter arising, based in whole or in part on any act or omission, transaction, dealing or other occurrence existing or taking place on or prior to the Effective Date relating to, arising out of or in connection with Affected Claims, the business and affairs of DBL and 154, these Amended Plans and the CCAA Proceedings, provided that nothing herein shall release or discharge DBL and 154 from or in respect of their obligations under the Amended Plans and nothing therein shall release or discharge a Released Party if the Released Party is adjudged by the express terms of a judgment rendered on a final determination on the merits to have committed fraud or wilful misconduct.

8. **THIS COURT ORDERS** that, upon the Effective Date, each Affected Claim shall be settled, compromised and released in accordance with the Amend Plans, and the ability of an Affected Creditor to proceed against DBL and 154, any of the assets or property of DBL and 154 or the Released Parties in respect to, in connection with or relating to such Affected Claims ~~are~~ <sup>is</sup> hereby permanently stayed, subject only to the right of Affected Creditors to receive distributions in accordance with the Amended Plans. AR

## Additional Provisions

9. **THIS COURT ORDERS** that this Order shall have full force and effect in all provinces and territories in Canada and abroad and as against all Persons against whom it may otherwise be enforceable.

10. **THIS COURT ORDERS AND REQUESTS** the aid and recognition of any court or any judicial, regulatory or administrative body in any province or territory of Canada (including, without limitation, the assistance of any court in Canada pursuant to section 17 of the CCAA)

and the Federal Court of Canada and any judicial, regulatory or administrative tribunal or other court or any judicial, regulatory or administrative body of the United States of America and the states or other subdivisions of the United States of America and of any other nation or state to act in aid of and to be complementary to this Court in carrying out the terms of this Order.

11. **THIS COURT** hereby reserves jurisdiction to make all further orders as may be necessary to complete or give effect to all matters ancillary to or arising in the course of these proceedings and the Applicant, 154, DBL, or the Monitor may apply to this Court for such further orders, advice, directions, or assistance, as may be necessary to complete any outstanding matters or to give effect to the terms of the Amended Plans.



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The Articles of the Corporation be amended by:

- a. reclassifying and exchanging any and all the existing Common Shares into 100 Special Shares.
- b. deleting paragraph 7 of the Articles of Incorporation dated May 15, 1998 in its entirety.
- c. providing that the rights, privileges, restrictions and conditions attaching to the Common Shares and Special Shares shall be as provided for in Schedule "A" attached hereto.

## SCHEDULE "A"

### Common Shares

1. The rights, privileges, restrictions and conditions attaching to the Common Shares are as follows:

- (i) Voting

The holders of the Common Shares shall be entitled to receive notice of, to attend and to one (1) vote in respect of each Common Share held at all meetings of shareholders of the Corporation, except meetings at which only holders of another class of shares of the Corporation are entitled to vote.

- (ii) Dividends

The holders of the Common Shares shall be entitled to receive dividends if, as and when declared by the directors of the Corporation on such class of shares out of the assets of the Corporation properly applicable to the payment of dividends in such amounts and payable in such manner as the directors of the Corporation may from time to time determine.

- (iii) Remaining Property on Dissolution

In the event of the liquidation, dissolution or winding up of the Corporation or other distribution of assets of the Corporation among its shareholders for the purpose of winding up the affairs of the Corporation, and subject to the prior payment of the Special Share Redemption Amount, as hereinafter defined, for each issued and outstanding Special Share, the holders of the Common Shares shall be entitled to receive rateably the remaining property of the Corporation.

### Special Shares

2. The rights, privileges, restrictions and conditions attaching to the Special Shares are as follows:

- (i) Voting

Subject to the provisions of the provisions of the *Business Corporations Act* as the same may be amended or re-enacted from time to time and the regulations made thereunder (the "Act"), the holders of the Special Shares shall not be entitled, as such, to attend or vote at any meeting of the shareholders of the Corporation.

- (ii) Dividends

The holders of the Special Shares shall not be entitled to receive dividends thereon.

(iii) Redemption by Corporation

Subject to the provisions of Act, the Corporation may, without the consent of the holders of the Special Shares, redeem at any time and from time to time the whole or any part of the then outstanding Special Shares on payment of the fair market value of the Special Shares as of the date of the reclassification of the prior issued and outstanding common shares into the Special Shares as determined by the Directors, such amount being herein referred to as the "**Special Share Redemption Amount**".

In the case of redemption of Special Shares under the provisions of 2 (iii) hereof, the Corporation shall at least 15 days before the date specified for redemption mail to each person who at the date of mailing is a holder of Special Shares to be redeemed a notice in writing of the intention of the Corporation to redeem such Special Shares. Such notice shall be mailed by letter, postage prepaid, addressed to each such holder at his address as it appears on the records of the Corporation or in the event of the address of any such holder not so appearing then to the last known address of such holder; provided, however, that accidental failure to give any such notice to one or more of such holders shall not affect the validity of such redemption. Such notice shall set out the Special Share Redemption Amount and the date on which redemption is to take place and if part only of the shares held by the person to whom it is addressed is to be redeemed the number thereof so to be redeemed. On or after the date so specified for redemption, the Corporation shall pay or cause to be paid to or to the order of the holders of the Special Shares to be redeemed the Special Share Redemption Amount thereof on presentation and surrender at the registered office of the Corporation or any other place designated in such notice of the certificates representing the Special Shares called for redemption. Such payment shall be made by cheque payable at par at any branch of the Corporation's bankers in Canada. If a part only of the shares represented by any certificate be redeemed a new certificate for the balance shall be issued at the expense of the Corporation. From and after the date specified for redemption in any such notice the holders of the Special Shares called for redemption shall not be entitled to exercise any of the rights of holders of Special Shares in respect thereof unless payment of the Special Share Redemption Amount is not made upon presentation of certificates in accordance with the foregoing provisions, in which case the rights of the holders of the said Special Shares shall remain unaffected. The Corporation shall have the right at any time after the mailing of notice of its intention to redeem any Special Shares to deposit the Special Share Redemption Amount of the shares so called for redemption or of such of the said shares represented by certificates as have not at the date of such deposit been surrendered by the holders thereof in connection with such redemption to a special account in any chartered bank or in any trust company in Canada, named in such notice, to be paid without interest to or to the order of the respective holders of such Special Shares called for redemption upon presentation and surrender to such bank or trust company of the certificates representing the same, and upon such deposit being made or upon the date specified for redemption in such notice, whichever is the later, the Special Shares in respect whereof such deposit shall have been made shall be redeemed and the rights of the holders thereof after such deposit or such redemption date, as the case may be, shall be limited to receiving without interest their proportionate part of the total Special Share Redemption Amount so deposited against presentation and surrender of the said certificates held by them respectively and any interest allowed on such deposit shall belong to the Corporation.

6. The terms and conditions to which the reorganization is made subject by the Order have been complied with.  
*Les conditions que l'ordonnance impose à la réorganisation ont été respectées.*

These articles are submitted under section 186 of the *Business Corporations Act* and are signed in duplicate.  
*Les présents statuts sont déposés en vertu de l'article 186 de la Loi sur les sociétés par actions. Ils sont signés en double exemplaire.*

D'ANGELO BRANDS LTD.

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Name of Corporation / *Dénomination sociale de la société*

By/  
Par :

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Signature / *Signature*

Description of Office / *Fonction*



The Articles of the Corporation be amended by:

- a. creating an unlimited number of Special Shares.
- b. reclassifying and exchanging any and all the existing common shares into 100 Special Shares.
- c. deleting and cancelling all of the authorized and unissued preference share.
- d. deleting and cancelling all of the authorized and unissued Series "A" preference shares.
- e. deleting paragraph 6 of the Articles of Incorporation dated September 5, 2002 in its entirety and replacing same with the following:

The classes and any maximum number of shares that the Corporation is authorized to issue shall be as follows:

- (i) an unlimited number of Common Shares; and
  - (ii) an unlimited number of Special Shares.
- f. deleting paragraph 7 of the Articles of Incorporation dated September 5, 2002 in its entirety.
  - g. providing that the rights, privileges, restrictions and conditions attaching to the Common Shares and Special Shares shall be as provided for in Schedule "A" attached hereto.

## SCHEDULE "A"

### Common Shares

1. The rights, privileges, restrictions and conditions attaching to the Common Shares are as follows:

(i) Voting

The holders of the Common Shares shall be entitled to receive notice of, to attend and to one (1) vote in respect of each Common Share held at all meetings of shareholders of the Corporation, except meetings at which only holders of another class of shares of the Corporation are entitled to vote.

(ii) Dividends

The holders of the Common Shares shall be entitled to receive dividends if, as and when declared by the directors of the Corporation on such class of shares out of the assets of the Corporation properly applicable to the payment of dividends in such amounts and payable in such manner as the directors of the Corporation may from time to time determine.

(iii) Remaining Property on Dissolution

In the event of the liquidation, dissolution or winding up of the Corporation or other distribution of assets of the Corporation among its shareholders for the purpose of winding up the affairs of the Corporation, and subject to the prior payment of the Special Share Redemption Amount, as hereinafter defined, for each issued and outstanding Special Share, the holders of the Common Shares shall be entitled to receive rateably the remaining property of the Corporation.

### Special Shares

2. The rights, privileges, restrictions and conditions attaching to the Special Shares are as follows:

(i) Voting

Subject to the provisions of the provisions of the *Business Corporations Act* as the same may be amended or re-enacted from time to time and the regulations made thereunder (the "Act"), the holders of the Special Shares shall not be entitled, as such, to attend or vote at any meeting of the shareholders of the Corporation.

(ii) Dividends

The holders of the Special Shares shall not be entitled to receive dividends thereon.

6. The terms and conditions to which the reorganization is made subject by the Order have been complied with.  
*Les conditions que l'ordonnance impose à la réorganisation ont été respectées.*

These articles are submitted under section 186 of the *Business Corporations Act* and are signed in duplicate.  
*Les présents statuts sont déposés en vertu de l'article 186 de la Loi sur les sociétés par actions. Ils sont signés en double exemplaire.*

1540633 Ontario Inc.

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Name of Corporation / *Dénomination sociale de la société*

By/  
Par :

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Signature / *Signature*

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Description of Office / *Fonction*

**IN THE MATTER OF AN APPLICATION BY WASANDA ENTERPRISES INC. UNDER THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED AND BUSINESS CORPORATIONS ACT, R.S.O. 1990, c.B-16, AS AMENDED**

**AND IN THE MATTER OF A PLAN OR PLANS OF COMPROMISE OR ARRANGEMENT TO BE PROPOSED IN RESPECT OF D'ANGELO BRANDS LTD. AND 1540633 ONTARIO INC., O/A STEELBACK BREWERIES**

Court File No. 07-CL-7283

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SUPERIOR COURT OF JUSTICE  
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**PROCEEDING COMMENCED AT TORONTO**

**ORDER  
(Plan Sanction)**

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