

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

11 SEPT 2008

Court File No. 07-CL-7283

Ms. L. Corne for Wasanda +834934 Ont. Sent 1110E.

Mr. M.D. Abramowitz for United Trust

Mr. D. Nunn for D'Angelo Brands

At the outset of the hearing Ms Corne advised that she was also representing 834934 but listed an affiliate of Wasanda and an unsecured creditor of D'Angelo. Ms Corne advised the Court of a s.4 technical issue arising out of the CCAA to the effect that the relief sought can today may not be given to Wasanda and in its capacity as a secured creditor. As a result, Ms Corne requested that the note be amended so as to reflect that 834934 Ontario was also an

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

PROCEEDING COMMENCED AT TORONTO

MOTION RECORD
(PLAN FILINGS, CREDITOR MEETINGS AND
STAY EXTENSION)

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Solicitors for Wasanda Enterprises Inc.

JL

moving party.

The CCAA has evolved to the point where creditor sponsored applications are not uncommon. In addition the jurisprudence indicates that CCAA Plans can be sanctioned in situations where Plans are proposed by the secured creditor (see Anvil Paper).

The situation is somewhat different. The secured creditor, Wasada, is expected to suffer a significant short/fall in its debt. It is proposed to fund the CCAA Plan which provides some benefits to the unsecured creditors.

834934 is a creditor of D'Angelo but not 1540633. The technical gap is that the note is not being drafted by a secured creditor of 1540633. In the ~~above~~ circumstances and without having to ^{examine} s 4 of the CCAA in detail, I am exercising my discretion to permit the Plans to be filed in the form provided. I ~~also~~ also taking into account the Counsel's representation that 834934 intends to assign some debt of 1540633 in the near future.

The Structure of the CCAA ~~is~~ should
be kept in mind and a proposal
so creditors in this case is better
than the proposed.

The Plans are accepted for filing
The Meeting Date is ~~now~~ set for
Oct 30 as opposed to Oct 29 as
set out in the record.

The Section Hearing, if required
is scheduled for Nov 12.

I am satisfied that the
Debtors continue to work in
good faith & with due diligence
such that the 341 Date is
extended to Dec 10/08.

The Trustee has filed a report
and is supportive of the relief
sought.

The Counsel to the Trustee ~~has~~
advises that there has

Section 7.11 Further Assurances

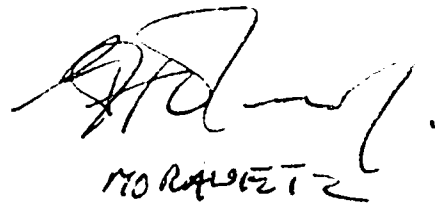
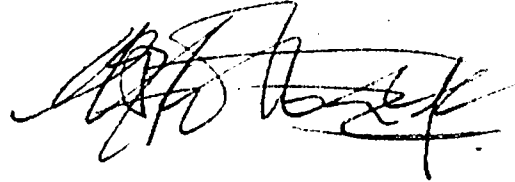
Notwithstanding that the transactions and events set out in this Plan shall occur and be deemed to occur in the order set out herein without any additional act or formality, each of the Persons affected hereby shall make, do and execute, or cause to be made, done and executed at the cost of the requesting party, all such further acts, deeds, agreements, transfers, assurances, instruments or documents as may reasonably be required by the Applicant in order to better implement this Plan.

Section 7.12 Governing Law

This Plan shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein. Any questions as to the interpretation or application of this Plan and all proceedings taken in connection with this Plan and its provisions shall be subject to the exclusive jurisdiction of the Court.

been no adverse comment with respect to the 2nd Report. The activities of the Trustee described in the 2nd Report are approved.

Order to go in the form submitted, as amended. Ms. Come is to file an affidavit detailing the position of 234934 Int. ad its status as an unsecured creditor of both debtors.


MORAVETZ