



**ONTARIO
SUPERIOR COURT OF JUSTICE
(Commercial List)**

THE HONOURABLE) **FRIDAY, THE 24th DAY**
)
JUSTICE MCEWEN) **OF NOVEMBER, 2017**

BETWEEN:

**VOLKAN BASEGMEZ, CEM BLEDA BASEGMEZ, ANIL RUKAN BASEGMEZ,
BA&B CAPITAL INC., SERDAR KOCTURK
and KAAH HOLDINGS INC.**

Applicants

– and –

**ALI AKMAN, SAMM CAPITAL HOLDINGS INC.
and TARN FINANCIAL CORPORATION**

Respondents

APPLICATION UNDER Sections 207 and 248 of the *Business Corporations Act*, R.S.O. 1990, c. B.16.

ORDER

**(Re: Authorization to sell assets without Court Approval, Amendment to Winding Up Order
Approval of Liquidator’s First Report and Activities and Granting of Sealing Order)**

THIS MOTION, made by KPMG Inc., in its capacity as court appointed liquidator (the “**Liquidator**”) pursuant to sections 207 of the Ontario *Business Corporations Act* of the effects and estate of Tarn Financial Corporation (“**Tarn**”) and appointed pursuant to the Winding Up Order of Justice Lederman dated September 15, 2017 (the “**Winding Up Order**”) effective on September 25, 2017, for an order: (a) authorizing the Liquidator to sell, convey, transfer, lease or assign the assets, property and undertaking of Tarn (the “**Property**”) or any part or parts thereof out of the ordinary course of business, without the approval of this

Court in respect of any transaction not exceeding \$250,000 provided that the aggregate consideration for all such transactions does not exceed \$1,000,000; (b) amending the Winding Up Order to include a paragraph confirming the stay of proceedings as against Tarn, the Property, which included Tarn Construction Corporation, and the Liquidator; (c) approving the First Report of the Liquidator dated November 13, 2017 (the “**First Report**”) and the activities and conduct of the Liquidator from the date of the Winding Up Order to the date of the First Report as set out therein; and (d) sealing and treating as confidential, Confidential Appendix “1” to the First Report was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the First Report, and on hearing the submissions of counsel for the Liquidator, the Applicants, certain of the Respondents, Meridian Credit Union Limited, Kingsett Mortgage Corporation, Global Hospitality Licensing S.a.r.l. and such other counsel as were present as indicated on the Counsel Slip, no one appearing for any other person on the Service List, although properly served as appears from the Affidavit of Service of Alina Stoica sworn November 14, 2017, filed:

SERVICE

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and Motion Record is abridged and validated such that this Motion is properly returnable today, and further service of the Notice of Motion and the Motion Record is hereby dispensed with.

AUTHORITY TO SELL PROPERTY WITHOUT COURT APPROVAL

2. **THIS COURT ORDERS** that KPMG is hereby empowered and authorized, but not obligated, to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business, without the approval of this Court in respect of any transaction not exceeding \$250,000 provided that the aggregate consideration for all such transactions does not exceed \$1,000,000.

AMENDMENT TO WINDING UP ORDER

3. **THIS COURT ORDERS** that the Winding Up Order be and is hereby amended, *nunc pro tunc*, to include the following heading and paragraph to be inserted after paragraph 8 as paragraph 8(a):

NO EXERCISE OF RIGHTS OR REMEDIES

8(a). **THIS COURT ORDERS** that all rights and remedies against Tarn including against its wholly owned subsidiary, Tarn Construction Corporation, the Liquidator, or affecting the Property, existing as at the date of the Winding Up Order are hereby stayed and suspended except with the written consent of the Liquidator or leave of this Court, provided however that this stay and suspension does not apply in respect of any “eligible financial contract” as defined in the *Bankruptcy and Insolvency Act*, and further provided that nothing in this paragraph shall (i) empower the Liquidator in the name of Tarn to carry on any business which Tarn is not lawfully entitled to carry on, (ii) exempt the Liquidator or Tarn from compliance with statutory or regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

APPROVAL OF LIQUIDATOR’S FIRST REPORT AND ACTIVITIES

4. **THIS COURT ORDERS** that the First Report and the activities and conduct of the Liquidator described therein are hereby approved.

SEALING ORDER

5. **THIS COURT ORDERS** that, subject to further Order of the Court, Confidential Appendices “1” and “2” shall be sealed and kept confidential and shall not form part of the public record but rather shall be placed, separate and apart from all other contents of the file, in a sealed envelope that identifies the title of these proceedings and notes that the contents thereof are subject to a sealing order that may only be opened upon further Order of the Court.



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PER / PAR:



**ONTARIO
SUPERIOR COURT OF JUSTICE**

Proceeding commenced at Toronto

ORDER DATED NOVEMBER 24, 2017

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Liquidator of Tarn Financial Corporation