

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

THE HONOURABLE) MONDAY, THE 13TH DAY
MR. JUSTICE MCEWEN) OF MARCH, 2020

BETWEEN:

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

**FIFTH DISTRIBUTION ORDER
(RE: DISTRIBUTION TO NON ARMS-LENGTH CLAIMANTS AND APPROVAL OF
LIQUIDATOR’S AND RECEIVER’S ACTIVITIES AND CONDUCT)**

THIS MOTION, made by KPMG Inc. (“**KPMG**”), in its capacity as Court-appointed Liquidator (in such capacity, the “**Liquidator**”) pursuant to section 207 of the Ontario *Business Corporations Act* of the effects and estate of Tarn Financial Corporation (“**Tarn Financial**”), and appointed pursuant to the Winding Up Order of Justice Lederman dated September 15, 2017 (the “**Winding Up Order**”) which appointment was effective on September 25, 2017, for an order: (a) authorizing and directing the Liquidator to make distributions to unsecured Claimants up to the full amount of their Proven Claims as determined by the Liquidator in the Tarn Financial Claims Process established and approved by the Court pursuant to the Claims Procedure Order of Justice

McEwen dated April 13, 2018 (the “**Claims Procedure Order**”); (b) authorizing and directing the Liquidator to make an additional 5% distribution to the Non Arms-Length Claimants in respect of their Eligible Shareholder Loan Claims (as defined in the Eighth Report); (c) an order approving the Eighth Report of the Liquidator and the Sixth Report of the Receiver dated on March 9, 2020 (the “**Eighth Report**”) and approving the activities and conduct of the Liquidator and the Receiver described in the Eighth Report, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Eighth Report of the Liquidator and on hearing the submissions of counsel for the Liquidator, the Applicants and the Respondents 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, sworn March 10, 2020, filed:

SERVICE AND GENERAL

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.
2. **THIS COURT ORDERS** that capitalized terms used and not otherwise defined herein shall have the meanings ascribed to them in the Claims Procedure Order.

INTERIM DISTRIBUTION TO NON ARMS-LENGTH CLAIMANTS

3. **THIS COURT ORDERS** that the Liquidator is hereby authorized and directed to make a further 5% interim distribution to the Non Arms-Length Claimants as follows:
 - (a) \$300,000 to BA&B Capital Inc., representing 5% of its Eligible Shareholder Loan Claim (as defined in the Eighth Report) in the amount of \$6,000,000;
 - (b) \$150,000 to KAAAN Holdings Inc., representing 5% of its Eligible Shareholder Loan Claim in the amount of \$3,000,000; and
 - (c) \$128,500 to SAMM Holdings Inc., representing 5% of its Eligible Shareholder Loan Claim in the amount of \$2,570,000.

APPROVAL OF THE EIGHTH REPORT AND THE LIQUIDATOR'S AND THE RECEIVER'S ACTIVITIES

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


GENERAL PROVISION

5. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Liquidator and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Liquidator, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Liquidator and its agents in carrying out the terms of this Order.



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ON / BOOK NO:
LE / DANS LE REGISTRE NO:

MAR 13 2020

PER / PAR: 

**ONTARIO
SUPERIOR COURT OF JUSTICE**

Proceeding commenced at Toronto

**FIFTH DISTRIBUTION ORDER
DATED MARCH 13, 2020**

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