

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

**B E T W E E N:**

1261746 ONTARIO INC., WILNOR HOLDINGS LTD., LIGHTHOUSE  
EQUITIES LTD., WILLIAM H. BROWN and ROBERT HART

Applicants

- and -

PETER SABOURIN, SABOURIN AND SUN CANADA INC., SABOURIN AND SUN INC.,  
SABOURIN AND SUN (BVI) INC., SABOURIN AND SUN GROUP OF COMPANIES INC., GROUP  
NORTH PROPERTIES LTD., WHISPERING PINES GOLF COURSE LIMITED, 166815 ONTARIO  
INC., 1684164 ONTARIO LTD., 1692373 ONTARIO LTD., 1692374 ONTARIO LTD., ALMAGUIN  
PARKLANDS INC., 1670342 ONTARIO INC., carrying on business as PICKEREL LAKE LODGE  
LIMITED, 1681114 ONTARIO LTD., carrying on business as GROUP WEST LTD., 1673227  
ONTARIO INC., carrying on business as BIRCHWOOD CAMP, 1689542 ONTARIO LTD., carrying on  
business as PINES COTTAGE RESORT, 1695083 ONTARIO LTD., carrying on business as  
PRIVILEGE RESORTS INTERNATIONAL INC., CAMDETON TRADING LTD., VECTOR  
FINANCIAL SERVICES LIMITED, HANNA MINSKY, RISA SHARE, HOWIE SHARE, TAMARA  
WEISZ, SHERRI WEISZ, ROBERT WEISZ, FLORENE SHUBER, CIBC TRUST CORPORATION as  
TRUSTEE for SDRRSP NO. 19499 and CITIZENS BANK OF CANADA

Respondents

**FOURTH REPORT TO COURT OF MINTZ & PARTNERS LIMITED, IN ITS CAPACITY AS  
RECEIVER OF**

PETER SABOURIN, SABOURIN AND SUN CANADA INC., SABOURIN AND SUN INC.,  
SABOURIN AND SUN (BVI) INC., SABOURIN AND SUN GROUP OF COMPANIES INC., GROUP  
NORTH PROPERTIES LTD., WHISPERING PINES GOLF COURSE LIMITED, 166815 ONTARIO  
INC., 1684164 ONTARIO LTD., 1692373 ONTARIO LTD., 1692374 ONTARIO LTD., ALMAGUIN  
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ONTARIO INC., carrying on business as BIRCHWOOD CAMP, 1689542 ONTARIO LTD., carrying on  
business as PINES COTTAGE RESORT, 1695083 ONTARIO LTD., carrying on business as  
PRIVILEGE RESORTS INTERNATIONAL INC., and CAMDETON TRADING LTD. (the  
"Receivership Entities")

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## BACKGROUND AND PROCEEDINGS

1. Pursuant to an Order of The Honourable Justice Cumming of the Ontario Superior Court of Justice (Commercial List) (the "Court") dated October 5, 2007 (the "Appointment Order"), Mintz & Partners Limited ("MPL") was appointed as Receiver (the "Receiver"), without security, of all the current and future assets, undertakings and properties (the "Property") of the Receivership Entities. The Appointment Order directed the Receiver to file a report with the Court on or before November 8, 2007. A copy of the Appointment Order is attached as **Exhibit No. "1"**.
2. As part of the Appointment Order, The Honorable Justice Cumming directed that the mortgagees have the right to sell the properties under Power of Sale, while under the Appointment of MPL as Receiver.
3. The Receiver's First Report to the Court dated November 5, 2007 included: (a) report on each property referencing its description and condition; (b) real estate valuation for each property; (c) request to review each mortgage registered against each property; (d) adequate insurance and maintenance coverage per property; and (e) review of the purchase of Pickerel Lake Lodge ("Lodge") through an Agreement of Purchase and Sale ("Agreement") of 1670342 Ontario Limited to Joe Martins In Trust ("Martins"). Martins had been operating the lodge since the spring of 2007 and the Receiver at this point in time allowed him to continue operating the Lodge, pending a review of the Agreement.
4. The Receiver was initially tasked upon its Appointment to undertake the following duties:
  - attempted to obtain financial records and to meet with Mr. Peter Sabourin ("Sabourin") to obtain details of all of the assets and to discuss the financial affairs of the Receivership Entities;
  - retained Danson and Zucker as the Receiver's Counsel (the "Receiver's Counsel");
  - instructed the Receiver's Counsel to register the Appointment Order on title to the real properties owned by the Receivership Entities;
  - instructed the Receiver's Counsel to commence an immediate application for an Order under the Securities Act to obtain disclosure from the OSC with respect to its investigation into the trading practices of Mr. Peter Sabourin;

- prepared the Notice and Statement of the Receiver under subsections 245(1) and 246(1) of the Bankruptcy and Insolvency Act (the "BIA") and filed same with the Office of the Superintendent of Bankruptcy. A copy of this report is attached as Appendix "B";
  - attended at the various real properties owned by the Receivership Entities to determine the current status thereof;
  - corresponded with the various financial institutions in an attempt to locate bank accounts in the name of the Receivership Entities;
  - corresponded to and held discussions with the various mortgagors or their counsel of the real properties owned by the Receivership Entities to obtain copies of their mortgages, loan documentation and other relevant documentation for review by the Receiver's Counsel;
  - arranged to obtain current title searches for the various real properties owned by the Receivership Entities;
  - corresponded with the Receivership Entities accountants, BDO Dunwoody ("BDO"), in an attempt to obtain current financial statements, tax returns, etc., for the Receivership Entities; and
  - conducted real property searches under the Receivership Entities names (through use of GEO Warehouse Search Service) in an attempt to ensure that the Receiver was aware of all real property owned by the Receivership Entities.
5. As a result of the Receiver's duties, it can report that all administrative matters have been applied and adhered to. Issues other than administrative matters will be addressed separately in this report.
6. The Receiver received financial information on each of the Receivership Entities from both accounting firm BDO and Group North Properties Limited General Manager, William Corrigan. In all cases, the financial information from both sources only disclosed the financial particulars of each entity. In most cases, the complete business entities were running in a deficit position since Sabourin stopped putting money into the entities as of early 2007. The information received was of no benefit to the investigation other than to confirm ownership of the entities back to Sabourin

and to indicate an asset value of each property. It also did not disclose the existence of additional properties held by Sabourin.

7. Title searches were done on all properties identified as the Receivership Entities. In addition, corporate searches of all the Receivership Entities were also completed. In the case of both searches, the properties all tied back directly or indirectly to Sabourin.
8. The Receiver has been unable to meet with the Respondent Mr. Peter Sabourin. Sabourin is currently under investigation by the Ontario Securities Commission and the Ontario Provincial Police. It has been made known that Sabourin left his residence and place of employment in Huntsville in April, 2007 and has not been seen in the area since.
9. The Receiver has contacted various banks to the Receivership Entities. As a result, between the receivership date of October 5, 2007 and September 30, 2008, the Receiver has received a total of \$82,826.14 from the TD Canada Trust, Scotia Bank, Kawartha Credit Union and Korean Bank of Canada.
10. As part of the first motion before Mr. Justice Cumming, he directed the mortgagees take responsibility to sell the Receivership Entities, except for Pickerel Lake Lodge, which had an Offer to Purchase and Sale and a Lease Agreement to operate.
11. The following Receivership Entities were sold:

Entity	Sale Price (gross)
689 Evergreen Trait, Huntsville	\$797,000
Whispering Pines Golf Course, Huntsville	\$1,050,000
Almaguin Parklands Campground, Armour	\$650,000
20 Scotia Road, Elmsdale	\$85,000
Ontario Street, Burk's Falls	\$45,000
422 Lakeview Drive, Burk's Falls	\$385,000
4575 Highway 60, Dwight	\$425,000
1032 Oxtongue Lake Road, Dwight	\$725,000
<b>TOTAL</b>	<b><u>\$4,162,000</u></b>

12. The only property left to sell is Pickerel Lake Lodge.

## PURPOSE OF FOURTH REPORT

13. The Receiver is filing the Fourth Report (the "Fourth Report") with particular emphasis being the first year end of the Appointment and describing to the Court the activities undertaken by the Receiver and its results.
14. Among other things, the Fourth Report will address the following matters:
  - a) Review status of the Agreement of Purchase and Sale of Pickerel Lake Lodge to Joe Martins, in Trust.
  - b) Request the Court to order Martins' lawyers to turn over funds in their trust account to the Receiver that were identified as "Lease Payment" in the Agreement of Purchase and Sale of Pickerel Lake Lodge.
  - c) Description of the Receiver's activities in the disclosure of monies being moved by Sabourin through lawyers' trust accounts.
  - d) Request for review of identified lawyers trust accounts to take control of any funds in these accounts under Sabourin's direction and control, and have these lawyers subject to deposition.
  - e) Request for depositions of individuals that were the principals of Sabourin's business entities.
  - f) Vesting Order to convey property identified as 20 Scotia Road, Emsdale, Ontario from 1692374 Ontario Limited to 1281515 Ontario Inc.
  - g) Request the Court to order the Bank of Montreal to release funds in the Investor Line to applicant Judith Laiken.
  - h) Advise the Court of Receiver's Receipts and Disbursements for the year ending October 5, 2008.

## A. PICKEREL LAKE LODGE

15. This property is owned by 1670342 Ontario Inc. ("1670342"), one of the Receivership Entity companies and is located on the southern shore of Pickerel Lake between the Towns of Sundridge and Burk's Falls. The property is municipally addressed as 2156 Pickerel and Jack Lake Road. The property consists primarily of a main lodge building, various cottages, a 12-suite building and a conference centre. The lodge is generally open eleven (11) months a year for use by cottagers, fishermen and snowmobilers.
16. Subsequent to our appointment, the Receiver was advised that 1670342 had entered into an Agreement of Purchase and Sale (the "Agreement") with Joe Martins In Trust ("Martins") to purchase the property. In addition, we were advised that Martins has been operating the lodge since spring 2007 pursuant to the Agreement pending closing thereof. As a result of this Agreement, the Receiver did not take possession of this property. A copy of the Agreement is attached as **Exhibit No. "2"**.
17. The proposed transaction was discussed with Martins and copies of the Agreement, two amending agreements and various related documentation were received from his counsel. Martins counsel advised that his client was considering instructing him to determine whether it was necessary to bring a motion to compel the Receiver to complete the sale.
18. The Receiver and its counsel met with Martins and his counsel on October 30, 2007 to discuss the proposed transaction and to review documentation and understand the history of the transaction.
19. Based upon these discussions and a review of the various documentation provided, the Receiver's understanding of the chronology of this transaction is as follows:
  - This property was listed for sale with Century 21 during September, 2006 for \$3,490,000.
  - On November 4, 2006 Martins submitted a Letter of Intent ("LOI") to Century 21 to purchase the property for \$3,020,000. The LOI which is attached as **Exhibit No. "3"** indicated that the lot size was 200+ acres.
  - On November 20, 2006 Martins entered into the Agreement to purchase the property for \$3,020,000 from 1670342 (the "Vendor"). He advised us that the Vendor indicated that the property was approximately 240 acres although the Agreement reflected approximately 210

acres. The Vendor agreed to complete construction of the conference centre, complete the installation of a water system and complete various other items.

- During November, 2006 Martins paid Century 21 \$50,000 in deposit and during January, 2007, Martins paid Century 21 a further \$50,000 in deposit for a total deposit of \$100,000.
- During February, 2007, Martins retained John Vinklers Surveying Ltd. ("Vinklers") to attend at the property to conduct an initial inspection in preparation for a formal survey. At this time, Vinklers advised Martins that the property was less than 200 acres.
- Martins discussed the Vinklers acreage assessment with representatives of the Vendor and Century 21. As a result of these discussions, the Vendor agreed by an undated amending agreement (apparently executed on March 1, 2007) to reduce the purchase price from \$3,020,000 to \$2,800,000 which would be further reduced to \$2,675,000 provided the transaction closed prior to October 1, 2007. This amending agreement also provided that Martins could lease the property from March 1, 2007 to September 1, 2008 upon payment of \$28,500 per month to the Vendor of which \$10,000 per month would be credited towards Martins purchase price for the property and \$18,500, plus G.S.T., would be paid to service the monthly mortgage payments. The amending agreement also authorized Century 21 to release the \$100,000 deposit to the Vendor even though the transaction had not closed.
- On March 2, 2007, the Vendor's counsel instructed Century 21 to release \$92,000 of the \$100,000 deposit to the Vendor and to retain \$8,000 to be applied against its commission on the transaction.
- One week later, on March 8, 2007, the Vendor agreed by a further amending agreement to reduce the purchase price from \$2,800,000 to \$2,550,000 which would be further reduced to \$2,425,000 provided the transaction closed prior to October 1, 2007. This amending agreement also provided that Martins accept all further abnormalities arising from investigations re: property and deed.
- On March 8, 2007, Martins took over the lodge operations pursuant to a Lease Agreement. It is the Receiver's understanding that Martins commenced paying the \$28,500 monthly lease payments. The payment for March, 2007 was apparently prorated, as Martins did not commence the operations until March 8, 2007. Martins and his counsel advised us that all monthly lease payments were made from March 2007 to September 2007, although they



indicated that some payments were made to 1720460 Ontario Ltd., which is not the Vendor in the transaction. They also stated that the \$10,000 purchase price portion of one payment was offset on account of deposits previously received by the Vendor for functions scheduled after March 8, 2007, which deposits would have to be honored by Martins.

- Martins told us that after he took over the lodge operations, he requested the Vendor to complete construction of the conference centre, water system, etc., pursuant to the Agreement. He further said that the Vendor advised him it was not in a position to do so and it would give Martins a further \$80,000 purchase price reduction, if he completed the repairs. Martins accepted this offer and completed the repairs.
  - Vinklers attended at the property on four occasions during March, April and May, 2007 to conduct the formal survey of the property. Vinklers formally certified the survey on August 31, 2007, verifying that the property was 156.6 acres.
  - On August 17, 2007, Martins real estate counsel advised the Vendor's counsel that Martins was prepared to close the transaction on September 18, 2007.
  - On August 22, 2007, the Vendor's counsel advised Martins real estate counsel that it was not in a position to close the transaction due to the Applicants Lis Pendens registered on title.
20. Martins provided the Receiver with an appraisal of the property obtained for his financing purposes from Morland Appraisals Ltd. during August 2007, indicating a value of \$3,200,000. The appraisal claimed that the property was 146.96 acres according to the Assessment Office. Martins noted that, pending closing of the transaction, he made substantial improvements to the property, which increased the appraised value.
21. Martins also provided the Receiver with an insurance policy he obtained from The Standard Resort Insurance Program listing the insured as Pickerel Lake Lodge, Group North Properties Ltd. and Muskoka North Properties Ltd. per lease agreement. The policy period is June 20, 2007 to March 27, 2008 and provides for building and contents coverage of \$2,700,900.
22. Martins counsel reported that a formal statement of adjustments was never prepared, however, they were prepared to close the transaction immediately on the following basis:

Reduced Purchase Price	\$ 2,425,000
Less: Down payment	(100,000)
Construction work completed by Martins	(80,000)
Monthly \$10,000 purchase price payments	<u>(80,000)</u>
Net Purchase Price	\$ <u>2,165,000</u>

23. The Receiver contacted the Vendor's accountants, BDO, and they confirmed that the Vendor acquired this property for \$1,675,000 during December, 2005. Subsequently, the Vendor spent substantial funds on the property constructing a conference centre, water system, etc. A copy of the Vendor's balance sheet was obtained from BDO as at December 31, 2006. This balance sheet, which is attached as **Exhibit No. "4"**, reflects a book value for this property of approximately \$2,870,000 at December 31, 2006.
24. Martins and his counsel were told that the Receiver was not prepared to recommend to the Court that it close this transaction. There appeared to be no rational reason for the Vendor to substantially reduce the purchase price twice in one week. Martins was advised that the Receiver was prepared to recommend the transaction to Court if the purchase price was increased; Martin and his counsel declined this offer.
25. The Receiver is of the view that it requires additional information prior to it concluding on the validity of the various price decreases given to Martins in this transaction. In addition, the Receiver required confirmation that the monthly \$28,500 lease payments were being made.
26. The Receiver was also contacted by counsel for the Township of Armour (the "Township") in relation to an Order to Comply (the "Compliance Order") issued against 1670342 on September 20, 2007. According to the Township, a wood chalet building was being constructed by Martins on the real property without a building permit. The Agreement authorized Martins to erect chalets on the property in accordance with applicable government regulations. However, Martins brought a Notice of Application (the "Notice") against the Township in the name of 1670342, without the Receiver's consent, to appeal the Compliance Order. The Receiver advised Martins that he had no authority to bring the Notice. Martins told the Township that his company Muskoka North Properties Limited had a lease with 1670342 to operate the lodge and to develop the property. The Township intends to proceed to the Court seeking an Order for the removal or demolition of the structure. The Receiver's counsel has consented to the Township proceeding in this regard on the basis that the Receiver is not liable for costs, etc. This matter is still pending.

27. On December 3, 2002, Martin's lawyer brought forward a Motion seeking the Court's authority to compel the Receiver to complete the Agreements of Purchase and Sale between 1670342 Ontario Limited and Joe Martins in Trust. At his insistence, Martins was offering to pay the total amounts of the outstanding principal, interest and costs for the first and second mortgages registered against the property, plus arrears of property taxes and utility accounts.
28. Although the Motion was filed December 3, 2007, it was not heard until April 15, 2008 before Mr. Justice Morawetz.
29. In citing his Judgment, which is attached as **Exhibit No. "5"**, Mr. Justice Morawetz stated the "Receiver has reviewed the Agreement and believes that it is fair value" and he submits "that the sale should be approved as it clears up residual issues surrounding the outstanding agreement and it does provide for the satisfaction of the first and second mortgage".
30. As a result of Mr. Justice Morawetz's Order, Martins was given the opportunity to close the sale on Pickerel Lake Lodge by April 30, 2008.
31. Martins failed to close the purchase on April 30, 2008 and on May 2, 2008 the mortgagees served a Writ of Possession on the premises.
32. Pickerel Lake Lodge is currently listed at a sale price of \$2,950,000.

#### **B. RECEIVER'S ACTIVITIES**

33. Subsequent to the issuance of the Appointment Order on October 5, 2007 appointing Mintz & Partners Limited as Receiver, it has now had an opportunity to review the books and records of the Receivership Entities. As a result, we have noted several transactions in which Sabourin personally or through other individuals under his direction ("personnel") have moved substantial funds through lawyers trust accounts.
34. A Mareva Injunction dated May 4, 2006 and attached as **Exhibit No. "6"** restricted Sabourin from moving funds and assets.

35. The Applicant Robert Hart ("Hart") has provided the Receiver with a copy of a letter dated April 12, 2007 addressed to him from Sabourin. In it, Sabourin discloses that he has an opportunity to close Pickerel Lake Lodge by way of taking back a mortgage of \$800,000. Sabourin questions Hart as to whether "there is a way we can assign the mortgage to someone else other than ourselves for asset protection?" Sabourin also states "the same party may consider purchasing some of the other resorts if we also take back the mortgage on them." Further noted on the letter is Sabourin requesting Hart to call or fax Bill Corrigan with any ideas.
36. Hart responds to Corrigan by fax dated April 17, 2007 (**Exhibit No. "7"**), in which Hart comments "Peter does not realize the seriousness of violating the judge's order. It is jail time if he (the judge) sees fit."
37. A review of the corporate records indicated that prior to the letter to Hart identified in **Exhibit "7"**, Sabourin had already mortgaged all the Receivership Entities. Sabourin personally does not appear on any of the corporate registrations, naming his business associate Patrick Keaveney ("Keaveney") as President in all cases. Sabourin utilized Keaveney as a front for the corporations thereby utilizing this method in an attempt to hide his assets which were subject to the earlier ordered Mareva Injunction dated May 4, 2006. Sabourin had mortgaged the Receivership Entities while his Court Hearing in the matter of Judith Laiken was ongoing. All the Receivership Entities were mortgaged prior to the May 4, 2006 Mareva Injunction date, with the exception of Whispering Pines Golf Course which was mortgaged on August 31, 2006.
38. Our review of the Sabourin records indicate that mortgages were registered against the Receivership Entities and these funds have been deposited into lawyer's trust accounts for future disbursements.
39. In addition, there were several instructions by Sabourin to his personnel to move funds to lawyers trust accounts held in his name from the bank accounts of Receivership Entities.
40. The Receiver has communicated with the individual lawyer's who represented Sabourin in closing the purchases and mortgages of the Receivership Entities requesting a full accounting of the funds received from Sabourin and the Receivership Entities and record of disbursements. Each has responded by indicating they are holding funds, in trust, but any disclosure through the review by the Receiver of their Sabourin identified trust accounts would be in violation of the solicitor-client privilege.

41. The lawyers identified are:

- a. Stephen P. Ponesse ("Ponesse")  
390 Bay Street, Suite 3000  
Toronto, Ontario M5H 2Y2
- b. Peter W.G. Carey ("Carey")  
390 Bay Street, Suite 3000  
Toronto, Ontario M5H 2Y2

### C. FURTHER INVESTIGATION REQUIRED

42. By letter dated September 5, 2006 (**Exhibit No. "8"**), Sabourin appointed William (Bill) Corrigan ("Corrigan") general manager of Group North Properties Ltd. ("Group North"). Group North was the overall management company created by Sabourin to oversee all management of the Receivership Entities.
43. Traditionally, the Receivership Entities had maintained its banking at TD Canada Trust ("TD account") in Huntsville. Group North was running into financial problems brought about as a result of the investigation by the Ontario Securities Commission placing a freeze on the TD account. As a result, this prompted Corrigan to register a new corporation for the purposes of keeping Group North financially stable. As a result 1720460 Ontario Inc. ("1720460"), with Corrigan as the sole director, was created. A copy of a Corporation Profile Report is attached as **Exhibit No. "9"**.
44. Corrigan opened a new bank account under 1720460 with the CIBC in Huntsville. The account number is 19-02512.
45. Reviewing the statements for this account (**Exhibit No. "10"**), we note the following disbursements:
- i) January 19, 2007 - \$80,000 to Peter Carey in Trust - #208
  - ii) January 22, 2007 - \$20,000 to Stephen Ponesse - #245
46. Investigation of the bank account of Camdeton Trading Ltd., account number 43202007340, held at Korea Exchange Bank of Canada, 4950 Yonge Street, Toronto, Ontario, (**Exhibit No. "11"**)

revealed the following information regarding disbursements of funds to lawyer Stephen Ponesse in Trust. They include:

a) April 3, 2006	\$ 105,000.00
b) January 26, 2006	131,781.62
c) August 29, 2005	250,000.00
d) August 12, 2005	325,000.00
e) August 4, 2005	41,764.88
f) July 14, 2005	21,778.30

47. Investigation of the bank account of Group North Properties Ltd. ("Group"), account number 2664-10636 held at TD Canada Trust, 28 Main Street East, Huntsville, Ontario, (**Exhibit No. "12"**) revealed the following information of disbursements and receipt of funds to/from lawyer Stephen Ponesse in Trust.

a) Disbursement from Stephen Ponesse to Group, \$609,936.56, dated December 5, 2005.

b) Disbursement from Group to Stephen Ponesse in Trust, \$280,841.50, dated February 24, 2006.

48. In correspondence from Ponesse to Corrigan dated March 5, 2007 (**Exhibit No. "13"**) noted in the body is reference to Ponesse receiving two deposits directly from Sabourin. They are \$105,000 and \$150,000 US equating to receiving \$271,613.72 (Cdn.).

49. In an e-mail correspondence between Sabourin and Corrigan, dated January 17, 2007 at 2:01PM (**Exhibit No. "14"**) Sabourin is advising Corrigan that Ponesse will have funds in his account tomorrow and will courier a draft to Corrigan overnight. Sabourin advises Corrigan to "use \$342,000 and the balance of \$200,000 to be earmarked elsewhere for a total of \$542,000"

50. In an e-mail correspondence **Exhibit "14"** between Sabourin and Corrigan dated January 17, 2007 at 2:22PM, Sabourin also instructs Corrigan to have a certified cheque for \$80,000 couriered to Carey.

51. Also included in the statement is an e-mail to Corrigan from Sabourin employee Greg Irwin, dated January 18, 2007 (**Exhibit No. "15"**) directing Corrigan to forward a cheque in the amount of \$80,000 (see **Exhibit "14"** above) to Carey's trust account under Sabourin's instructions.

52. Further investigation has disclosed that Gregory (Greg) Irwin ("Irwin") played a crucial role in the management of the Sabourin et al companies. As such, Irwin gave directions for the disbursement of funds to Carey (**Exhibit No. 15**) and was influential in the day to day operations of the companies. Irwin is also subject to a matter before the Ontario Securities Commission in the Matter of the Securities Act and Sabourin et al. The Receiver is asking the Court for an Order compelling Irwin be available to attend for deposition by the Receiver's counsel.
53. On October 31, 2007, a letter from the Receiver (**Exhibit No. "16"**) was addressed to Ponesse asking for a full accounting of his trust account held for the benefit of Sabourin and whether the account still has trust funds for Sabourin in it.
54. On November 12, 2007, Ponesse advised the Receiver that he has no funds in Sabourin's trust account. He stated that in the last 12-36 months he has received monies to acquire property, "in and out the same day". Any funds to Sabourin personally were for acquisitions. He closed by evoking solicitor-client privilege relative to our request to review his trust account.
55. On November 9, 2007, a letter from the Receiver was addressed to Carey (**Exhibit No. "17"**) asking for a full accounting of his account held for the benefit of Sabourin and whether the account was still holding trust funds.
56. On November 1, 2007, Carey responded by invoking privilege over his trust account held for Sabourin, as well as any information disclosed verbally or otherwise to him. He did indicate he was holding \$6,055.02 in the trust account. In addition, Carey did disclose that on September 21, 2006, he received a cheque for \$500,000 from Sabourin that was later disbursed on October 25, 2006 in the form of four bank drafts totaling \$400,000 and a further cheque dated November 30, 2006 to Sabourin for \$40,000. The balance was used to pay legal fees.
57. Investigation of the bank account of Camdeton Trading Ltd., account number 43202007340 held by the Korea Exchange Bank of Canada (**Exhibit No. "18"**) revealed the following information regarding disbursements of funds to Carey. They include:

- |                 |              |
|-----------------|--------------|
| a) May 19, 2005 | \$ 75,000.00 |
| b) June 1, 2006 | 25,000.00    |

58. Further investigation has disclosed that between the date of April, 2005 and May, 2006, six personal cheques payable to Camdeton Trading Ltd. totaling \$635,000 were deposited into the Trust Account of Paul Anderson ("Anderson"), of the Toronto law firm of Anderson Bourdon Burgess. Cheques identified (**Exhibit No. "19"**) were in the names of:

- a. Lekhram Goorachum - \$100,000
- b. Ivan Matousek - \$150,000
- c. Charles Wilcox - \$100,000
- d. Peter Gunther - \$85,000
  
- e. Derek Louie - \$100,000
- f. Corel Fisk - \$100,000

Further investigation is required to determine the circumstances surrounding the purpose of the deposits of these monies to the Anderson Trust Account.

59. It is apparent to the Receiver that Sabourin took it upon himself to utilize the benefits of his personnel and retained counsels to move monies around to his benefit in order to avoid detection and violate the Mareva Injunction (**Exhibit No. "6"**) placed on his assets on May 4, 2006. The Mareva Injunction issued by Mr. Justice Colin Campbell of the Ontario Superior Court of Justice stipulated:

"THIS COURT ORDERS that any person, partnership, corporation or depository with knowledge of this Order shall take immediate steps to prevent the sale, disposition, withdrawal, dissipation, sale, assignment, dealing with, transfer, conveyance, conversion, encumbrance or diminishment of any the enjoined property, as contemplated in paragraph 2 above, including, without limitation, the 1997 model 280 "Sea Ray" boat with the registration number 59E21627 which may be registered in the name of Peter Sabourin or Privilege Club Resorts International Inc., or any other entity, or any monies or accounts, including trust accounts, in such persons, partnerships, corporations or depository power, possession or control."

60. It is on this basis that the Receiver seeks an Order from the Court authorizing the Receiver to have access to the Sabourin trust account records held by lawyers Ponesse, Carey and Anderson, and further an Order compelling Ponesse, Carey and Anderson to attend examinations to



determine the whereabouts of funds held by them together with all ancillary matters leading upon the Sabourin assets.

61. The Receiver also requests that copies of these specific trust accounts be made along with copies of disbursement cheques utilized for asset acquisition and sale and also disbursements made personally to Sabourin.
62. The Receiver also requests that Court approve the Receiver taking control of trust funds being held for Sabourin by Ponesse, Carey and Anderson mentioned above.

#### **D. REQUEST FOR AN ORDER TO HOLD DEPOSITIONS**

63. On further review of the business records of Sabourin et. al., the Receiver feels that other individuals have played a major role in the business affairs of Sabourin. Because of the extensive amounts of monies still unaccounted for through the Sabourin business entities and the lack of information in those records that would disclose the monies current status and location, the Receiver is asking the Court for an Order compelling the individuals noted below be ordered to attend upon depositions by the Receiver's counsel.

- Patrick Keaveney, (Toronto, Ontario) identified as Director of all the Sabourin et al Respondent Entities;
- Eduardo Bensusan (Mississauga, Ontario) Sabourin's personal accountant and business partner;
- William (Bill) Corrigan (Huntsville, Ontario) former bookkeeper for the Respondents and general manager of Group North Properties.
- Gregory (Greg) Irwin (Pickering, Ontario) business associate of Sabourin and the Receivership Entities.

#### **E. REQUEST FOR AN ORDER RETURNING LEASE FUNDS HELD IN TRUST**

64. On June 5, 2008 the Receiver directed letters to both of Martins' lawyers Maria Jose Skultety and David Preger directing them to forward funds they are holding in their trust account to the Receiver on behalf of their client Joe Martins and Muskoka North Properties Ltd. This request

comes as a result of Martins reaching an agreement with 1670342 Ontario Inc. (the owners of Pickerel Lake Lodge), ("1670342") to lease the lodge commencing March 1, 2007 for a monthly amount to 1670642 of \$28,500.00. These payments continued to 1670342 until late in the summer of 2007 when Martin began making the payment in trust to Maria Jose Skultety and later David Preger. Both Skultety and Preger have not complied with the Receiver's requests and are hereby asking the Court for an Order to have the trust funds turned over to the Receiver. Copies of letters are attached as **Exhibit No. "20"**.

65. Pickerel Lake Lodge is owned by 1670342 Ontario Inc. ("1670342"), one of the Receivership Entity companies and is located on the southern shore of Pickerel Lake between the Towns of Sundridge and Burk's Falls. The property is municipally addressed as 2156 Pickerel and Jack Lake Road. The property consists primarily of a main lodge building, various cottages, a 12-suite building and a conference centre. The lodge is generally open eleven (11) months a year for use by cottagers, fishermen and snowmobilers.
66. Subsequent to our appointment, the Receiver was advised that 1670342 had entered into an Agreement of Purchase and Sale (the "Agreement") with Joe Martins in Trust ("Martins") to sell the property. In addition, we were advised that Martins has been operating the lodge since spring, 2007 pursuant to the Agreement pending closing thereof. As a result of the Agreement, the Receiver has not take possession this property.
67. On March 8, 2007, Martins took over the lodge operations pursuant to a lease agreement. We understand that Martins commenced paying the \$28,500 monthly lease payments. The payment for March, 2007 was apparently prorated, as Martins did not commence the operations until March 8, 2007. Martins and his counsel advised us that all monthly lease payments were made from March 2007 to September 2007 although they indicated that some payments were made to 1720460 Ontario Ltd., which is not the Vendor in the transaction. They were offset on deposits scheduled after March 8, 2007.

**F. SALE OF 1692374 ONTARIO LTD., KNOWN AS MUNICIPAL ADDRESS 20 SCOTIA ROAD, EMSDALE, ONTARIO TO 1281515 ONTARIO INC., DESCRIBED AS PART 4, 42R8574, TOWNSHIP OF PERRY, DISTRICT OF PARRY SOUND**

68. The Receiver has reviewed the Agreement of Purchase and Sale (Agreement) dated March 24, 2008 (**Exhibit No. "21"**). As a result, the Receiver believes that the agreement is fair market and

takes no issue with the purchase by 1281515 Ontario Inc. The Receiver is seeking a Vesting Order conveying the property to 1281515 Ontario Inc.

**G. APPLICANT JUDITH LAIKEN AND BMO INVESTMENT ACCOUNT 210-46365**

69. Judith Laiken ("Laiken") has brought to the Receivers' attention the circumstances surrounding an investment through Sabourin that resulted in Sabourin establishing a BMO Investor Line account ("BMO") with Laiken's money with the Bank of Montreal (**Exhibit No. "22"**). The balance in the accounts as at September 30, 2008 totaled \$13,143.71.
70. The BMO account number is 210-46365 and was first brought to the attention of the Court before Justice Matlow when he issued an Order, dated December 7, 2000. Laiken brought forward a Court claim against Sabourin asking that the funds in account number 210-46365 be identified as belonging to her and the Court to return the funds to her. Mr. Justice Matlow instead instructed that the funds be liquidated and the proceeds paid into court pending the outcome of the proceedings before him (**Exhibit No. "23"**).
71. The account was not liquidated as per Mr. Justice Matlow's Order, resulting in another Order being issued on July 15, 2007 by Mr. Justice Lowe in which he varied Mr. Justice Matlow's Order to stipulate that BMO hold the securities currently in the account until such time as the Court orders otherwise (**Exhibit No. "24"**).
72. The circumstances surrounding this account has been discussed with the Receiver's counsel, Mr. Zucker, and both he and the Receiver are satisfied that, although the account is in the name of Sabourin and Sun (BVI) Trust c/o Peter Sabourin, the funds are the residue of Laiken's investment through Sabourin and should be returned directly to her.
73. The Receiver is asking the Court that an Order be issued with respect to the account, directing that the account be liquidated and that BMO pay the proceeds directly to Laiken.

**H. RECEIVERS INTERIM STATEMENT OF RECEIPTS AND DISBURSEMENTS FOR THE PERIOD FROM NOVEMBER 2, 2007 TO NOVEMBER 25, 2008**

74. Attached as **Exhibit No. "25"** is the Receiver's Interim Statement of Receipts and Disbursements as at November 25, 2008.
75. As a result of these sales, the Receiver received from the mortgagees' Court authorized fee of \$4,000 per property. The total received to date is \$ 36,000. In addition, the Receiver received an additional \$20,250 on the sale of 689 Evergreen Trail and Scotia Road.
76. The cost of insurance and maintenance for the care of each property was paid out to the Receiver upon each sale. This amounted to a pass through to the vendors of \$ 133,192.41.
77. As a result of the sale of Scotia Road, Elmsdale, the Receiver received its first surplus payment from the mortgagees of \$57,125.97.
78. The receiver received \$ 25,758.55 from a lawyer's trust account in which Sabourin had been a client.
79. Including interest paid (\$773.69) on the receipts, the total receipts to the Receiver as of November 25, 2008 is \$ 355,926.76.
80. The receiver has disbursed from the proceeds \$ 100,044.81 for insurance and \$ 18,236.51 for maintenance and caretaking. Other disbursements include storage and maintenance fees for various property equipment, appraisal fees, travel, public search fees and appraisals and registration fees. These disbursements total \$ 19,155.58. Disbursement for GST is \$11,776.66.
81. Receivership fees paid up to November 25, 2008 total \$ 138,327.50.
82. Disbursements to paid Receiver's counsel to November 25, 2008 total \$25,000.00, plus GST of \$1,500.00

#### **I. RECEIVER'S & RECEIVER'S COUNSEL FEES AND EXPENSES**

83. The Receiver requests that the Court approve the third interim account of the Receiver for the period December 1, 2007 to March 31, 2008 in the amount of \$113,615.78 plus G.S.T. This interim account was part of the Receiver's Third Report which was not dealt with during the Court Hearing of April 15, 2008. A summary of accounts is attached. (**Exhibit No. "26"**).

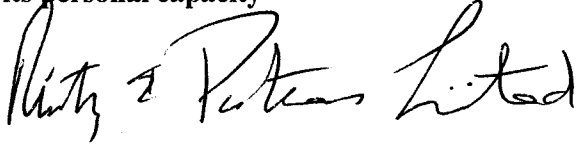
84. The Receiver requests that the Court approve the fourth interim account of the Receiver from April 1, 2008 to November 15, 2008 in the amount of \$80,424.31, plus GST. The Receiver will have additional accounts subsequent to November 15, 2008 relating primarily to finalizing this Report, monitoring the sale of Pickerel Lake Lodge, attendance in Court. A summary of accounts is attached. (Exhibit No. "27").
85. Disbursements to Receiver's Counsel from \_\_\_\_\_ to \_\_\_\_\_ are \$\_\_\_\_\_. A summary of accounts is attached. (Exhibit No. "28").

#### J. RECOMMENDATIONS

86. As a result of our investigation, the Receiver recommends to the Court the approval of our request for further investigations. This would include reviewing the identified lawyer's trust account, taking control of any monies held in trust for the benefit of Sabourin and the Court ordering them to make themselves available for depositions. The Receiver feels this is necessary due to the amount of monies flowing to and from these lawyers and the interaction between them and Sabourin.
87. In the Judith Laiken matter, the Receiver has no doubt that funds held in the Bank of Montreal Investor Line account is the property of Judith Laiken. The Receiver is recommending that proceeds in that account should be returned to her under the Court's direction.
88. The Receiver feels it is necessary to depose individuals close to Sabourin and the management of his entities and recommends the Court to approve this request. Hopefully, information provided by these individuals will further direct the Receiver in the recovery of monies to the benefit of the Applicants.
89. The Receiver recommends that a Vesting Order be approved for the sale and disposal of the property identified as 20 Scotia Road, Emsdale, Ontario. Initially, the property consisted of two distinct parcels and the mortgagee only had a charge on the larger piece. This piece was sold on July 15, 2008. The purchaser has indicated his interest in purchasing this additional piece and the Receiver is recommending that the Court approve this sale.

All of which is respectfully submitted this 12<sup>th</sup> day of December, 2008.

**Mintz & Partners Limited, solely in its capacity as Receiver of Sabourin et al and not  
in its personal capacity**

A handwritten signature in cursive script that reads "Mintz & Partners Limited". The signature is written in dark ink and is positioned above the typed name of the signatory.

Bryan A. Tannenbaum, FCA, CA•CIRP, FCIRP  
President

Paul McGrath, CFE  
Senior Manager

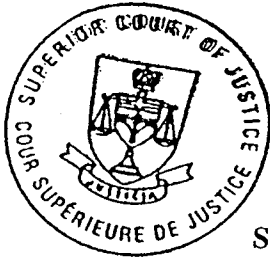
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Court File No. 07-CL-7077

ONTARIO

SUPERIOR COURT OF JUSTICE

COMMERCIAL LIST

THE HONOURABLE \_\_\_\_\_ )

FRIDAY, THE 5th DAY

JUSTICE Peter A. Cummings)

OF OCTOBER, 2007

1261746 ONTARIO INC., WILNOR HOLDINGS LTD., LIGHTHOUSE EQUITIES LTD., WILLIAM H. BROWN and ROBERT HART

Applicants

- and -

PETER SABOURIN, SABOURIN AND SUN CANADA INC., SABOURIN AND SUN INC., SABOURIN AND SUN (BVI) INC., SABOURIN AND SUN GROUP OF COMPANIES INC., GROUP NORTH PROPERTIES LTD., WHISPERING PINES GOLF COURSE LIMITED, 166815 ONTARIO INC., 1684164 ONTARIO LTD., 1692373 ONTARIO LTD., 1692374 ONTARIO LTD., ALMAGUIN PARKLANDS INC., 1670342 ONTARIO LTD., carrying on business as PICKERAL LAKE LODGE LIMITED, 1681114 ONTARIO LTD., carrying on business as GROUP WEST LTD., 1673227 ONTARIO INC., carrying on business as BIRCHWOOD CAMP, 1689542 ONTARIO LTD., carrying on business as PINES COTTAGE RESORT, 1695083 ONTARIO LTD., carrying on business as PRIVILEGE RESORTS INTERNATIONAL INC., VECTOR FINANCIAL SERVICES LIMITED, HANNA MINSKY, RISA SHARE, HOWIS SHARE, TAMARA WEISZ SHERRI WEISZ, ROBERT WEISZ, FLORENE SHUBER, CIBC TRUST CORPORATION as TRUSTEE for SDRRSP NO. 19499 and CITIZENS BANK OF CANADA

*pac*

*Gunderson Trading Ltd. 'pac'*

Respondents

ORDER

THIS MOTION, made by the Plaintiff for an Order pursuant to Section 101 of the *Courts of Justice Act*, R.S.O 1990 c. C.43, as amended (the "CJA") appointing Mintz & Partners

Limited as receiver and manager (in such capacities, the "Receiver") without security, of all of the assets, undertakings and properties of the Respondents (collectively, the "Debtor") was heard this day at 393 University Avenue, Toronto, Ontario. *see L attached as schedule A' - JDC*

ON READING the Affidavits of William H. Brown sworn 20 June 2007 and Paul McGrath sworn 1 October 2007 and the Exhibits thereto, Notice of Application, Certificate of Pending Litigation and Consent of Mintz & Partners Limited to act as the Receiver and on hearing the submissions of counsel for the parties.

#### SERVICE

1. THIS COURT ORDERS that the time for service of the Notice of Motion returnable October 4<sup>th</sup>, 2007, Supplementary Notice of Motion and the Motion Record is hereby abridged so that this motion is properly returnable today and hereby dispenses with further service thereof.

#### APPOINTMENT

2. THIS COURT ORDERS that pursuant to section 101 of the CJA, Mintz & Partners is hereby appointed Receiver, without security, of all of the Debtor's current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the "Property"). *Mintz & Partners Limited JDC*

#### RECEIVER'S POWERS

3. THIS COURT ORDERS that the Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:

- (a) to take possession and control of the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
- (b) to receive, preserve, protect and maintain control of the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging

of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;

- (c) to manage, operate and carry on the business of the Debtor, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the Debtor;
- (d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the powers and duties conferred by this Order;
- (e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtor or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtor and to exercise all remedies of the Debtor in collecting such monies, including, without limitation, to enforce any security held by the Debtor;
- (g) to settle, extend or compromise any indebtedness owing to the Debtor;
- (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtor, for any purpose pursuant to this Order;
- (i) to undertake environmental or workers' health and safety assessments of the Property and operations of the Debtor;
- (j) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Debtor, the Property or the Receiver, and to

settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;

*BAC*

(k) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate; <sup>*OK*</sup> other than 1670342 Ontario Inc c/o B as Pickeral Lake Lodge *BAC*

(l) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business, <sup>*OK*</sup> with the approval of this Court ~~in respect of any transaction~~ *BAC*

(i) ~~without the approval of this Court in respect of any transaction not exceeding \$ \_\_\_\_\_, provided that the aggregate consideration for all such transactions does not exceed \$ \_\_\_\_\_; and~~

*BAC* (ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause,

and in each such case notice under subsection 63(4) of the Ontario Personal Property Security Act, [or section 31 of the Ontario Mortgages Act, as the case may be,] shall not be required, and in each case the Ontario Bulk Sales Act shall not apply. *BAC*

(m) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;

(n) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;

- (o) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (p) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtor;
- (q) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtor, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtor;
- (r) to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have; <sup>gov</sup> and provided however that the Receiver will seek the prior approval of the Court *JAC*
- (s) to take any steps reasonably incidental to the exercise of these powers,

and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined below), including the Debtor, and without interference from any other Person.

#### DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

4. THIS COURT ORDERS that (i) the Debtor, (ii) all of its current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being "Persons" and each being a "Person") shall forthwith advise the Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property to the Receiver upon the Receiver's request.

5. THIS COURT ORDERS that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting

records, and any other papers, records and information of any kind related to the business or affairs of the Debtor, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "Records") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 5 or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

6. THIS COURT ORDERS that if any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

#### **NO PROCEEDINGS AGAINST THE RECEIVER**

7. THIS COURT ORDERS that no proceeding or enforcement process in any court or tribunal (each, a "Proceeding"), shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Court.

**NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY**

8. THIS COURT ORDERS that no Proceeding against or in respect of the Debtor or the Property shall be commenced <sup>not</sup> or ~~continue~~ <sup>not</sup> except with the written consent of the Receiver or with leave of this Court, ~~and any and all Proceedings currently under way against or in respect of the Debtor or the Property are hereby stayed and suspended pending further Order of this Court.~~ <sup>not</sup>

**NO EXERCISE OF RIGHTS OR REMEDIES**

9. THIS COURT ORDERS that all rights and remedies against the Debtor, the Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that nothing in this paragraph shall (i) empower the Receiver or the Debtor to carry on any business which the Debtor is not lawfully entitled to carry on, (ii) exempt the Receiver or the Debtor 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.~~ <sup>not</sup>

**NO INTERFERENCE WITH THE RECEIVER**

10. THIS COURT ORDERS that no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Debtor, without written consent of the Receiver or leave of this Court.

**CONTINUATION OF SERVICES**

11. THIS COURT ORDERS that all Persons having oral or written agreements with the Debtor or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized <sup>not</sup> banking services, payroll services, insurance, transportation services, utility or other services <sup>other than legal services</sup> to the Debtor are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Receiver, and that the Receiver shall be entitled to the continued use of the Debtor's current telephone numbers, facsimile numbers, internet addresses and domain names, provided in each



case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Receiver in accordance with normal payment practices of the Debtor or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

#### RECEIVER TO HOLD FUNDS

12. THIS COURT ORDERS that all funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including without limitation the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "Post Receivership Accounts") and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further Order of this Court.

#### EMPLOYEES

13. THIS COURT ORDERS that all employees of the Debtor shall remain the employees of the Debtor until such time as the Receiver, on the Debtor's behalf, may terminate the employment of such employees. The Receiver shall not be liable for any employee-related liabilities, including wages, severance pay, termination pay, vacation pay, and pension or benefit amounts, other than such amounts as the Receiver may specifically agree in writing to pay, or such amounts as may be determined in a Proceeding before a court or tribunal of competent jurisdiction.

14. THIS COURT ORDERS that, pursuant to clause 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act*, the Receiver shall disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a "Sale"). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not

complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Debtor, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

#### **LIMITATION ON ENVIRONMENTAL LIABILITIES**

15. THIS COURT ORDERS that nothing herein contained shall require the Receiver to occupy or to take control, care, charge, possession or management (separately and/or collectively, "Possession") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, or the *Ontario Occupational Health and Safety Act* and regulations thereunder (the "Environmental Legislation"), provided however that nothing herein shall exempt the Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Receiver shall not, as a result of this Order or anything done in pursuance of the Receiver's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

#### **LIMITATION ON THE RECEIVER'S LIABILITY**

16. THIS COURT ORDERS that the Receiver shall incur no liability or obligation as a result of its appointment or the carrying out 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 protections afforded the Receiver by section 14.06 of the BIA or by any other applicable legislation.

## RECEIVER'S ACCOUNTS

17. THIS COURT ORDERS that any expenditure or liability which shall properly be made or incurred by the Receiver, including the fees of the Receiver and the fees and disbursements of its legal counsel, incurred at the standard rates and charges of the Receiver and its counsel, shall be allowed to it in passing its accounts and shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person (the "Receiver's Charge"). <sup>see</sup> provided however that there is a limit of \$150,000 as a first charge without further approval of the Court - see

18. THIS COURT ORDERS the Receiver and its legal counsel shall pass its accounts from time to time, and for this purpose the accounts of the Receiver and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

19. THIS COURT ORDERS that prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including legal fees and disbursements, incurred at the normal rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

## FUNDING OF THE RECEIVERSHIP

20. THIS COURT ORDERS that the Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$ \_\_\_\_\_ (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "Receiver's Borrowings Charge") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge. *see*

*pac*

21. THIS COURT ORDERS that neither the Receiver's Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.

22. THIS COURT ORDERS that the Receiver is at liberty and authorized to issue certificates substantially in the form annexed as Schedule "A" hereto (the "Receiver's Certificates") for any amount borrowed by it pursuant to this Order.

23. THIS COURT ORDERS that the monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver's Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates. *pac*

**GENERAL**

24. THIS COURT ORDERS that the Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

25. THIS COURT ORDERS that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtor.

26. 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 Receiver 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 Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

27. THIS COURT ORDERS that the Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order.

28. THIS COURT ORDERS that the Plaintiff shall have its costs of this motion, up to and including entry and service of this Order, provided for by the terms of the Plaintiff's security or,

*pac* The issue of costs in respect of this motion is referred for consideration at a later date *pac*

OCT 10 2007

if not so provided by the Plaintiff's security, then on a substantial indemnity basis to be paid by the Receiver from the Debtor's estate with such priority and at such time as this Court may determine. *PAC*

PER/PAR: *Mh*

29. THIS COURT ORDERS that any interested party may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to the Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

30. THIS COURT ORDERS that Group North Properties Ltd., Whispering Pines Golf Course Limited, 166815 Ontario Inc., 1684164 Ontario Ltd., 1692373 Ontario Ltd., 1692374 Ontario Ltd., Almaguin Parklands Inc., 1670342 Ontario Ltd., carrying on business as Pickeral Lake Lodge Limited, 1681114 Ontario Ltd., carrying on business As Group West Ltd., 1673227 Ontario Inc., carrying on business as Birchwood Camp, 1689542 Ontario Ltd., carrying on business as Pines Cottage Resort, 1695083 Ontario Ltd., carrying on business as Privilege Resorts International Inc., *PAC / Camleton Trading Ltd. - PAC* Vector Financial Services Limited, Hanna Minsky, Risa Share, Howis Share, Tamara Weisz Sherri Weisz, Robert Weisz, Florene Shuber, CIBC Trust Corporation as Trustee for SDRRSP No. 19499 and Citizens Bank of Canada *file / to these proceedings - PAC* are added as Respondents, and shall be included in the term Debtor as defined in the first paragraph of this Order. The added Respondents (~~Debtor~~) each claim an interest in the properties listed under the Certificate of Pending Litigation annexed hereto as Schedule "B".

31. THIS COURT ORDERS that all parties be served with a copy of this Order within seven (7) days.

32. This COURT ORDERS that the Receiver shall provide an interim report to this Court on or before Nov 8th 2007 & there shall be a further hearing before this Court on that date. *PAC* *pac' to seek court approval*

33. This Court further Orders that the Respondent Peter Sabourin shall be entitled to expend funds which would otherwise be subject to this Order, to retain legal counsel & to defray reasonable living expenses pending the return date of Nov 14th, 2007, in amounts to be approved by this Court & subject to further order of this Court. *PAC*

*(D) Talbot 2000 P.O. B.C. : T.*

## Schedule A

Peter Sabourin  
Sabourin and Son Canada Inc,  
Sabourin and Son Inc, Sabourin and Son (BVI) Inc.,  
Sabourin and Son Group of Companies Inc.,  
Group North Properties Ltd.,  
Whispering Pines Golf Course Limited,  
166815 Ontario Inc.,  
1684164 Ontario Ltd.,  
1692373 Ontario Ltd.,  
1692374 Ontario Ltd.,  
Almaguin Parklands Inc.,  
1670342 Ontario Inc., COB Pickeral Lake Lodge Limited,  
1681114 Ontario Ltd., COB Group West Ltd.,  
1673227 Ontario Inc., COB Birchwood Camp,  
1689542 Ontario Ltd., COB Pines Cottage Resort,  
1695083 Ontario Ltd COB Privilege Resorts  
International Inc.,  
Camdeton Trading Ltd.



# Agreement of Purchase and Sale

This Agreement of Purchase and Sale dated this 17th day of November, 2006.

**BUYER:** Joe Martins In Trust agrees to purchase from  
(Full legal names of all Buyers)

**SELLER:** 1670342 ONTARIO INC. (Pickere Lake Lodge Limited) the following  
(Full legal names of all Sellers)

**REAL PROPERTY:**  
Address: 2159 Pickere Lake Road fronting on the East side of Pickere Lake Road  
in the Township of Amour

and having a frontage of irregular more or less by a depth of irregular more or less and legally  
described as Con. 10, PT Lot 30 PCL11669 S/S (73.00AC), Con. 10, PT Lot 29 Pickere Lake Inreg (65.18 AC), Pickere Lake other  
(72.76AC), Con. 10, PT Lot 29, RP 42R14173 Parts 4-6 and 8 Pickere Lake Inreg (7.58AC+1.20AC, Dist. of Parry Sound (the "property").  
(Legal description of land including easements not described elsewhere)

**PURCHASE PRICE:** Three million twenty thousand Dollars (CDNS) 3,020,000.00

**DEPOSIT:** Buyer submits Upon acceptance  
(Here-with/Upon acceptance/as otherwise described in the Agreement)

Fifty thousand Dollars (CDNS) 50,000.00

by negotiable cheque payable to Century 21 Cottage Country Realty Inc. Brokerage In Trust "Deposit Holder"  
to be held in trust without interest pending completion or other termination of this Agreement and to be credited toward the Purchase Price on completion.  
For the purposes of this Agreement, "Upon Acceptance" shall mean that the Buyer is required to deliver the deposit to the Deposit Holder within 24 hours  
of the acceptance of this Agreement.

Buyer agrees to pay the balance as more particularly set out in Schedule A attached.

**SCHEDULE(S) A:** B,C,D attached hereto form(s) part of this Agreement.

1. **CHATELS INCLUDED:** See Schedule "C"

2. **FIXTURES EXCLUDED:**

3. **RENTAL ITEMS:** The following equipment is rented and not included in the Purchase Price. The Buyer agrees to assume the rental contract(s), if assumable:

4. **IRREVOCABILITY:** This Offer shall be irrevocable by Buyer until 6:00 P.M. on the 23rd day of November  
(Seller/Buyer)

20 06, after which time, if not accepted, this Offer shall be null and void and the deposit shall be returned to the Buyer in full without interest.

5. **COMPLETION DATE:** This Agreement shall be completed by no later than 6:00 p.m. on the 2nd day of April, 2007.  
Upon completion, vacant possession of the property shall be given to the Buyer unless otherwise provided for in this Agreement.

6. **NOTICES:** Seller hereby appoints the Listing Brokerage as Agent for the purpose of giving and receiving notices pursuant to this Agreement. Only if the  
Co-operating Brokerage represents the interests of the Buyer in this transaction, the Buyer hereby appoints the Co-operating Brokerage  
as Agent for the purpose of giving and receiving notices pursuant to this Agreement. Any notice relating hereto or provided for herein shall be in writing.  
This offer, any counter offer, notice of acceptance thereof, or any notice shall be deemed given and received, when hand delivered to the address for  
service provided in the Acknowledgement below, or where a facsimile number is provided herein, when transmitted electronically to that facsimile number.

FAX No. (For delivery of notices to Seller) FAX No. 705-789-8776 (For delivery of notices to Buyer)

7. **GST:** If this transaction is subject to Goods and Services Tax (G.S.T.), then such tax shall be See Schedule "A" the Purchase Price.  
(included in/nr addition to)  
If this transaction is not subject to G.S.T., Seller agrees to certify on or before closing, that the transaction is not subject to G.S.T.

8. **TITLE SEARCH:** Buyer shall be allowed until 8:00 p.m. on the 1st day of March, 2007, (Requisition Date)  
to examine the title to the property at his own expense and until the earlier of: (i) thirty days from the later of the Requisition Date or the date on which  
the conditions in this Agreement are fulfilled or otherwise waived or; (ii) five days prior to completion, to satisfy himself that there are no outstanding

work orders or deficiency notices affecting the property, that its present use (Tourist Commercial, Restaurant, Residential)  
may be lawfully continued and that the principal building may be

INITIALS OF BUYER(S): [Signature]

INITIALS OF SELLER(S): [Signature]



insured against risk of fire. Seller hereby consents to the municipality or other governmental agencies releasing to Buyer details of all outstanding work orders affecting the property, and Seller agrees to execute and deliver such further authorizations in this regard as Buyer may reasonably require.

9. **FUTURE USE:** Seller and Buyer agree that there is no representation or warranty of any kind that the future intended use of the property by Buyer is or will be lawful except as may be specifically provided for in this Agreement.
10. **TITLE:** Provided that the title to the property is good and free from all registered restrictions, charges, liens, and encumbrances except as otherwise specifically provided in this Agreement and save and except for (a) any registered restrictions or covenants that run with the land providing that such are complied with; (b) any registered municipal agreements and registered agreements with publicly regulated utilities providing such have been complied with, or security has been posted to ensure compliance and completion, as evidenced by a letter from the relevant municipality or regulated utility; (c) any minor easements for the supply of domestic utility or telephone services to the property or adjacent properties; and (d) any easements for drainage, storm or sanitary sewers, public utility lines, telephone lines, cable television lines or other services which do not materially affect the present use of the property. If within the specified times referred to in paragraph 8 any valid objection to title or to any outstanding work order or deficiency notice, or to the fact the said present use may not lawfully be continued, or that the principal building may not be insured against risk of fire is made in writing to Seller and which Seller is unable or unwilling to remove, remedy or satisfy or obtain insurance save and except against risk of fire in favour of the Buyer and any mortgagee, (with all related costs at the expense of the Seller), and which Buyer will not waive, this Agreement not withstanding any intermediate acts or negotiations in respect of such objections, shall be at an end and all monies paid shall be returned without interest or deduction and Seller, Listing Brokerage and Co-operating Brokerage shall not be liable for any costs or damages. Save as to any valid objection so made by such day and except for any objection going to the root of the title, Buyer shall be conclusively deemed to have accepted Seller's title to the property.
11. **CLOSING ARRANGEMENTS:** Where each of the Seller and Buyer retain a lawyer to complete the Agreement of Purchase and Sale of the Property, and where the transaction will be completed by electronic registration pursuant to Part III of the Land Registration Reform Act, R.S.O. 1990, Chapter L4 and the Electronic Registration Act, S.O. 1991, Chapter 44, and any amendments thereto, the Seller and Buyer acknowledge and agree that the exchange of closing funds, non-registered documents and other items (the "Requisite Deliveries") and the release thereof to the Seller and Buyer will (a) not occur at the same time as the registration of the transfer/deed (and any other documents intended to be registered in connection with the completion of this transaction) and (b) be subject to conditions whereby the lawyer(s) receiving any of the Requisite Deliveries will be required to hold same in trust and not release same except in accordance with the terms of a document registration agreement between the said lawyers. The Seller and Buyer irrevocably instruct the said lawyers to be bound by the document registration agreement which is recommended from time to time by the Law Society of Upper Canada. Unless otherwise agreed to by the lawyers, such exchange of the Requisite Deliveries will occur in the applicable Land Titles Office or such other location agreeable to both lawyers.
12. **DOCUMENTS AND DISCHARGE:** Buyer shall not call for the production of any title deed, abstract, survey or other evidence of title to the property except such as are in the possession or control of Seller. If requested by Buyer, Seller will deliver any sketch or survey of the property within Seller's control to Buyer as soon as possible and prior to the Requisition Date. If a discharge of any Charge/Mortgage held by a corporation incorporated pursuant to the Trust And Loan Companies Act (Canada), Chartered Bank, Trust Company, Credit Union, Caisse Populaire or Insurance Company and which is not to be assumed by Buyer on completion, is not available in registrable form on completion, Buyer agrees to accept Seller's lawyer's personal undertaking to obtain, out of the closing funds, a discharge in registrable form and to register same, or cause same to be registered, on title within a reasonable period of time after completion, provided that on or before completion Seller shall provide to Buyer a mortgage statement prepared by the mortgagee setting out the balance required to obtain the discharge, and, where a real-time electronic cleared funds transfer system is not being used, a direction executed by Seller directing payment to the mortgagee of the amount required to obtain the discharge out of the balance due on completion.
13. **INSPECTION:** Buyer acknowledges having had the opportunity to inspect the property and understands that upon acceptance of this Offer there shall be a binding agreement of purchase and sale between Buyer and Seller. The Buyer acknowledges having the opportunity to include a requirement for a property inspection report in this Agreement and agrees that except as may be specifically provided for in this Agreement, the Buyer will not be obtaining a property inspection or property inspection report regarding the property.
14. **INSURANCE:** All buildings on the property and all other things being purchased shall be and remain until completion at the risk of Seller. Pending completion, Seller shall hold all insurance policies, if any, and the proceeds thereof in trust for the parties as their interests may appear and in the event of substantial damage, Buyer may either terminate this Agreement and have all monies paid returned without interest or deduction or else take the proceeds of any insurance and complete the purchase. No insurance shall be transferred on completion. If Seller is taking back a Charge/Mortgage, or Buyer is assuming a Charge/Mortgage, Buyer shall supply Seller with reasonable evidence of adequate insurance to protect Seller's or other mortgagee's interest on completion.
15. **PLANNING ACT:** This Agreement shall be effective to create an interest in the property only if Seller complies with the subdivision control provisions of the Planning Act by completion and Seller covenants to proceed diligently at his expense to obtain any necessary consent by completion.
16. **DOCUMENT PREPARATION:** The Transfer/Deed shall, save for the Land Transfer Tax Affidavit, be prepared in registrable form at the expense of Seller, and any Charge/Mortgage to be given back by the Buyer to Seller at the expense of the Buyer. If requested by Buyer, Seller covenants that the Transfer/Deed to be delivered on completion shall contain the statements contemplated by Section 50(22) of the Planning Act, R.S.O. 1990.
17. **RESIDENCY:** Buyer shall be credited towards the Purchase Price with the amount, if any, necessary for Buyer to pay to the Minister of National Revenue to satisfy Buyer's liability in respect of tax payable by Seller under the non-residency provisions of the Income Tax Act by reason of this sale. Buyer shall not claim such credit if Seller delivers on completion the prescribed certificate or a statutory declaration that Seller is not then a non-resident of Canada.
18. **ADJUSTMENTS:** Any rents, mortgage interest, realty taxes including local improvement rates and unmetered public or private utility charges and unmetered cost of fuel, as applicable, shall be apportioned and allowed to the day of completion, the day of completion itself to be apportioned to Buyer.
19. **TIME LIMITS:** Time shall in all respects be of the essence hereof provided that the time for doing or completing of any matter provided for herein may be extended or abridged by an agreement in writing signed by Seller and Buyer or by their respective lawyers who may be specifically authorized in that regard.
20. **TENDER:** Any tender of documents or money hereunder may be made upon Seller or Buyer or their respective lawyers on the day set for completion. Money may be tendered by bank draft or cheque certified by a Chartered Bank, Trust Company, Province of Ontario Savings Office, Credit Union or Caisse Populaire.
21. **FAMILY LAW ACT:** Seller warrants that spousal consent is not necessary to this transaction under the provisions of the Family Law Act, R.S.O. 1990 unless Seller's spouse has executed the consent hereinafter provided.
22. **MIFI:** Seller represents and warrants to Buyer that during the time Seller has owned the property, Seller has not caused any building on the property to be insulated with insulation containing ureaformaldehyde, and that to the best of Seller's knowledge no building on the property contains or has ever contained insulation that contains ureaformaldehyde. This warranty shall survive and not merge on the completion of this transaction, and if the building is part of a multiple unit building, this warranty shall only apply to that part of the building which is the subject of this transaction.
23. **CONSUMER REPORTS:** The Buyer is hereby notified that a consumer report containing credit and/or personal information may be referred to in connection with this transaction.
24. **AGREEMENT IN WRITING:** If there is conflict or discrepancy between any provision added to this Agreement (including any Schedule attached hereto) and any provision in the standard pre-set portion hereof, the added provision shall supersede the standard pre-set provision to the extent of such conflict or discrepancy. This Agreement including any Schedule attached hereto, shall constitute the entire Agreement between Buyer and Seller. There is no representation, warranty, collateral agreement or condition, which affects this Agreement other than as expressed herein. For the purposes of this Agreement, Seller means vendor and Buyer means purchaser. This Agreement shall be read with all changes of gender or number required by the context.

INITIALS OF BUYER(S):

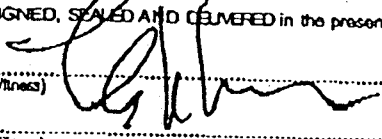
INITIALS OF SELLER(S):

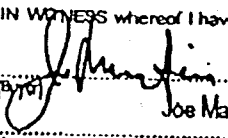


25. SUCCESSORS AND ASSIGNS: The heirs, executors, administrators, successors and assigns of the undersigned are bound by the terms herein.

SIGNED, SEALED AND DELIVERED in the presence of:

IN WITNESS whereof I have hereunto set my hand and seal:

(Witness)   
 (Witness) \_\_\_\_\_

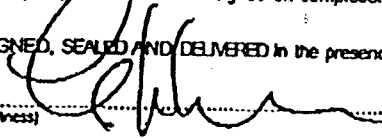
(Buyer)   
 Joe Martins In Trust  
 (Buyer) \_\_\_\_\_

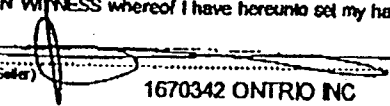
DATE Nov/17/06  
 (Seal)  
 DATE \_\_\_\_\_  
 (Seal)

I, the Undersigned Seller, agree to the above Offer. I hereby irrevocably instruct my lawyer to pay directly to the Listing Brokerage the unpaid balance of the commission together with applicable Goods and Services Tax (and any other taxes as may hereafter be applicable), from the proceeds of the sale prior to any payment to the undersigned on completion, as advised by the Listing Brokerage to my lawyer.

SIGNED, SEALED AND DELIVERED in the presence of:

IN WITNESS whereof I have hereunto set my hand and seal:

(Witness)   
 (Witness) \_\_\_\_\_

(Seller)   
 1670342 ONTRIO INC  
 (Seller) \_\_\_\_\_

DATE 20 Nov 06  
 (Seal)  
 DATE \_\_\_\_\_  
 (Seal)

SPOUSAL CONSENT: The Undersigned Spouse of the Seller hereby consents to the disposition evidenced herein pursuant to the provisions of the Family Law Act, R.S.O.1890, and hereby agrees with the Buyer that he/she will execute all necessary or incidental documents to give full force and effect to the sale evidenced herein.

(Witness) \_\_\_\_\_ (Spouse) \_\_\_\_\_ DATE \_\_\_\_\_ (Seal)

CONFIRMATION OF ACCEPTANCE: Notwithstanding anything contained herein to the contrary, I confirm this Agreement with all changes both typed and written was finally accepted by all parties at Northwell this 20 day of Nov 20 06  
 (Signature of Seller or Buyer)

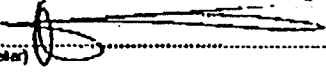
INFORMATION ON BROKERAGE(S)

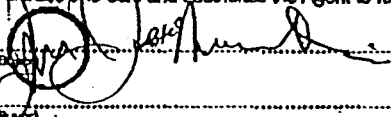
Listing Brokerage.....	Century 21 Cottage Country Realty Inc. Brokerage	Tel.No. (..... 705 .....) ..	789-6568
Co-op/Buyer Brokerage.....	Century 21 Cottage Country Realty Inc. Brokerage	Tel.No. (..... 705 .....) ..	789-6568

ACKNOWLEDGEMENT

I acknowledge receipt of my signed copy of this accepted Agreement of Purchase and Sale and I authorize the Agent to forward a copy to my lawyer.

I acknowledge receipt of my signed copy of this accepted Agreement of Purchase and Sale and I authorize the Agent to forward a copy to my lawyer.

(Seller)  DATE 20 Nov 06  
 (Seller) \_\_\_\_\_ DATE \_\_\_\_\_

(Buyer)  DATE Nov/29/06  
 (Buyer) \_\_\_\_\_ DATE \_\_\_\_\_

Address for Service 17 Main St E Unit 1A  
Whitby ON R1H 2C6 Tel.No. (..... 705 .....) .. 789-2914  
 Seller's Lawyer STEPHEN PODRESSE  
 Address 300 BAY ST TORONTO ON M5H 2Y2  
 (416)..... 361-3582 (416)..... 362-7217  
 TEL.No. FAX No.

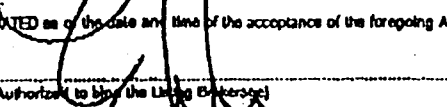
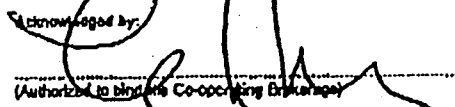
Address for Service 500 EURNIS AVE TORONTO  
M6W 2T7 Tel.No. (..... 416 .....) .. 259-0841  
 Buyer's Lawyer YVONNE F. KNOWLES  
 Address 505-10 KING'S BRIDGE GARDENS #1012  
 (905)..... 890-1800 (905)..... 890-8700 15R-  
 TEL.No. FAX No.

FOR OFFICE USE ONLY

COMMISSION TRUST AGREEMENT

To: Co-operating Brokerage shown on the foregoing Agreement of Purchase and Sale:  
 In consideration for the Co-operating Brokerage procuring the foregoing Agreement of Purchase and Sale, I hereby declare that all moneys received or receivable by me in connection with the Transaction as contemplated in the MLS Rules and Regulations of my Real Estate Board shall be receivable and held in trust. This agreement shall constitute a Commission Trust Agreement as defined in the MLS Rules and shall be subject to and governed by the MLS Rules pertaining to Commission Trust.

DATED as of the date and time of the acceptance of the foregoing Agreement of Purchase and Sale.

(Authorized to bind the Listing Brokerage)  (Authorized to bind the Co-operating Brokerage) 



# JOHNSON MARSH GROUP

500 Evans Avenue  
Etobicoke, Ontario  
M8W 2T7  
Tel: (416) 259-0841 Fax: (416) 259-1754  
Email: [mds121250@hotmail.com](mailto:mds121250@hotmail.com)

November 4, 2006

## Letter of Intent to Purchase Pickerel Lake Lodge

Purchase and Sale Agreement to follow within 10 banking days.

Re: Offer to Purchase property known as Pickerel Lake Lodge

### Legal Description (As per MLS listing)

Con. 10, PT Lot 30, PCL 11669S/S, Con.10  
PT Lct 29, RP42R14173, Parts 4-6-9

Address: 2159 Pickerel/Jack Lake Road  
Burks Falls, POA 1C0  
Side of Road: South

Lot size: 200+ Acres  
Zoning: Res/Com

*J.M. [Signature]*  
Purchase Price: ~~\$2,850,000.00~~ *3,020,000.00* Three and twenty *J.M. [Signature]* ~~Five~~ Million, Eight Hundred & Fifty Thousand Canadian Dollars) by certified cheque on closing, less deposit.

*[Signature]* Nov 7/06

Deposit to follow.

**Conditions:** (Are for the sole benefit of the Purchaser.)

- 1) All work in progress to be completed. (List to follow)
- 2) Up to date financial statements. *and 2004 financial statements*
- 3) Up to date survey.
- 4) Environmental clearance (Certificate) Vendor warrants there are no Environmental issues with the said property.
- 5) All work orders if any must be cleared.
- 6) Proof of legal construction permits and clearance fro all authorities.
- 7) Septic, pool, furnaces, heaters, building equipment etc. is all to be in good working order on closing date, acceptable to the purchaser.
- 8) Vendor agrees to stay on site or designate a person or persons knowledgeable with the said business and maintenance for a period of not more than three (3) months and be available by way of phone or on call for a further (3) months.
- 9) Vendors to allow the purchaser or his agent to enter the premises and become knowledgeable with the said business at least 90 days prior to closing date.
- 10) Vendor agrees to work with the purchaser in all capacities of the business, or the Vendor's agent.
- 11) Purchase agrees not to interfere with the Vendors staff or the business prior to closing.
- 12) Vendor to supply the Purchaser with any appraisals in his possession and contracts he has entered into in regards to Pickerel Lake Lodge.

Closing: April 2<sup>nd</sup>, 2007

Sincerely,

*Joe Martins*  
 Joe Martins  
 Joe Martins Group



**1670342 Ontario Inc.**  
**(o/a Pickerel Lake Lodge)**  
**Financial Statements**  
**For the year ended December 31, 2006**  
**(Unaudited - see Notice To Reader)**

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<b>Financial Statements</b>	
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Statement of Operations and Deficit	4
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## Notice To Reader

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We have compiled the balance sheet of 1670342 Ontario Inc. (o/a Pickerel Lake Lodge) as at December 31, 2006 and the statement of operations and deficit for the year then ended from information provided by management. We have not audited, reviewed or otherwise attempted to verify the accuracy or completeness of such information. Readers are cautioned that these statements may not be appropriate for their purposes.

Chartered Accountants

Huntsville, Ontario  
January 30, 2007



**1670342 Ontario Inc. (o/a Pickerel Lake Lodge)**  
**Balance Sheet**  
(Unaudited - see Notice To Reader)

December 31	2006	2005
<b>Assets</b>		
<b>Current</b>		
Cash	\$ 11,954	\$ 14,541
Accounts receivable	52,618	8,178
Prepaid expenses	-	18,692
	64,572	41,411
<b>Capital assets (Note 1)</b>	2,785,942	1,894,504
	\$ 2,850,514	\$ 1,935,915
<b>Liabilities and Shareholder's Deficiency</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	\$ 155,643	\$ 49,480
Deferred revenue	7,483	-
	163,126	49,480
<b>Long-term debt (Note 2)</b>	3,360,485	2,052,629
	3,523,611	2,102,109
<b>Shareholder's deficiency</b>		
Share capital	1	1
Deficit	(673,098)	(166,195)
	(673,097)	(166,194)
	\$ 2,850,514	\$ 1,935,915

On behalf of the Board:

\_\_\_\_\_ Director

**1670342 Ontario Inc. (o/a Pickerel Lake Lodge)**  
**Statement of Operations and Deficit**  
**(Unaudited - see Notice To Reader)**

<u>For the year ended December 31</u>	<u>2006</u>	<u>2005</u>
Sales	\$ 612,233	\$ 124,928
Cost of goods sold	<u>216,265</u>	<u>57,845</u>
Gross profit	<u>395,968</u>	<u>67,083</u>
Expenses		
Advertising	57,252	35,854
Amortization of capital assets	75,558	9,136
Automotive	16,803	5,637
Bank charges and interest	14,019	1,191
General and office	12,878	6,045
Incorporation costs	-	529
Lodge supplies	10,753	7,220
Management fees	57,537	7,053
Professional fees	3,150	3,000
Property taxes	21,348	7,332
Repairs and maintenance	69,327	55,349
Salaries, wages and employee benefits	460,935	74,907
Telephone	4,805	5,428
Utilities	98,506	14,597
	<u>902,871</u>	<u>233,278</u>
Net loss for the year	(506,903)	(166,195)
Deficit, beginning of year	<u>(166,195)</u>	-
Deficit, end of year	<u>\$ (673,098)</u>	<u>\$ (166,195)</u>

**1670342 Ontario Inc. (o/a Pickerel Lake Lodge)**  
**Notes to Financial Statements**  
(Unaudited - see Notice To Reader)

December 31, 2006

1. Capital Assets

	2006		2005	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Land	\$ 1,029,212	\$ -	\$ 1,029,212	\$ -
Buildings	1,556,639	36,812	759,956	5,066
Equipment	266,339	42,292	99,212	3,307
Automotive equipment	18,446	5,590	15,260	763
	<u>\$ 2,870,636</u>	<u>\$ 84,694</u>	<u>\$ 1,903,640</u>	<u>\$ 9,136</u>
Net book value		<u>\$ 2,785,942</u>		<u>\$ 1,894,504</u>

2. Long-term Debt

	2006	2005
Due to related company	<u>\$ 3,360,485</u>	<u>\$ 2,052,629</u>

5

April 15/08

Mr. S. Zucker vs Minty + Partners  
Receivers.

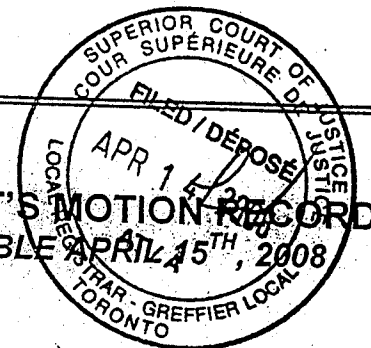
Mr. D. Bowling for 136574 Ontario Ltd  
+ Vector Financed  
- Mortgagees.

Mr. D. Prager for Joe Prager - trust  
Purchasers.

The only issue that came before me today was (e) as set out in the Notice of Motion. The balance of the relief is adjourned to a date to be set.

With respect to the proposed sale of Picheal Lake Lodge, counsel to the Receiver acknowledges that

ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL COURT  
Proceeding commenced at TORONTO



DANSON & ZUCKER  
Barristers and Solicitors  
70 Bond Street, Ste. 500  
TORONTO, Ontario M5B 1X3

SYMON ZUCKER (LSUC NO.: 15832C)  
Tel. (416) 863-9955  
Fax. (416) 863-4896

Solicitors for the Applicants

There is no economic state available to  
the Recruit. There is an antebond Agreement  
of Purchase + Sale dated Nov 17/06. The proposed  
Agreement is for an increased purchase price but there is still no surplus <sup>after paying</sup>  
The Recruit has reviewed this Agreement <sup>out</sup> <sup>of</sup> <sup>the</sup> <sup>proposed</sup> <sup>price</sup> <sup>of</sup> <sup>the</sup> <sup>property</sup>  
and believe that it is for fair value.

Again - I emphasize that there is no  
economic state available to the Recruit, although  
it ~~is~~ is conceivable that this ~~may~~ may result in equity becoming available  
It is, however, submitted that the sale <sup>in other</sup> <sup>properties</sup>  
should be approved as it ~~clears~~ <sup>clears</sup> up  
residual issues surrounding the antebond  
agreement and it does provide for the  
satisfaction of the 1st + 2nd mortgages.

In addition - it should simplify the  
administration of the receivership.

<sup>Purchase</sup>  
The ~~Purchase~~ is already in execution  
and therefore the usual adjustment  
clauses are not required.

A n issue did arise with regard  
to the ability, if any, of the purchaser,  
by way of assignment, to assess the  
costs of the mortgages. ~~The Recruit~~  
~~is not~~ ~~entitled~~ ~~to~~ ~~represent~~ ~~the~~ ~~Recruit~~  
premises to ~~represent~~ ~~the~~ ~~Recruit~~

The rights <sup>if any</sup> of the mortgagee to attach  
any efforts of the assignee of  
the Vendor's, right to assess  
expensive costs as well as  
the rights ~~of~~ ~~the~~ ~~mortgagee~~ if any.



This is Exhibit 12 referred to in the  
affidavit of Albert Curma  
sworn before me, this 7<sup>th</sup>  
day of December 2006

*[Signature]*  
J. CAMPBELL, JUDGE

Court File No. 00-CV-187637CMM

ONTARIO  
SUPERIOR COURT OF JUSTICE

THE HONOURABLE MR JUSTICE  
COLIN CAMPBELL

THURSDAY THE 4TH  
DAY OF MAY 2008

BETWEEN:

BABOURIN AND SUN GROUP OF COMPANIES

Plaintiff / Defendant by Counterclaim

- and -

JUDITH LAIKEN

Defendant / Plaintiff by Counterclaim

AND BETWEEN:

JUDITH LAIKEN

Plaintiff by Counterclaim

- and -

BABOURIN AND SUN GROUP OF COMPANIES, PETER BABOURIN,  
BABOURIN AND SUN CANADA INC., BABOURIN AND SUN INC., a  
BAHAMAS CORPORATION, BABOURIN AND SUN BVI TRUST, and  
INTERVEST DIRECT INC., 1077472 ONTARIO LIMITED, GREG IRWIN,  
BABOURIN AND SUN INC. and 1081871 ONTARIO LIMITED

Defendants to Counterclaim

ORDER

THIS MOTION, made, without notice, by the Defendant/Plaintiff by Counterclaim, for an  
Order granting a Certificate of Pending Litigation in respect of the lands more particularly  
described as Part of Lot 52, Concessions 9 & 10, Township of Stephenson (now Town of  
Huntsville), District Municipality of Muskoka, Designated as Part 12, Plan 55R-10294, and for  
other interim interlocutory relief, and for an order permitting the amendment of the Frosh et

\*



Amended Statement of Defence and Counterclaim, and an Order dispensing with service of the moving party's Motion Record was heard this day at 381 University Avenue, Toronto, Ontario.

ON READING the Notice of Motion, the Affidavit of Judith Laiken, sworn May 3, 2006 and the exhibits attached thereto, the pleadings herein, as well as the proposed amendments to the Fresh as Amended Statement of Defence and Counterclaim, and upon hearing the submissions of counsel:

any  
Asset  
Asset

1. THIS COURT ORDERS that a Certificate of Pending Litigation be issued and registered in respect of the lands more particularly described as Part of Lot 32, Concessions 9 & 10, Township of Stephenson (now Town of Huntsville), District Municipality of Muskoka, Designated as Part 12, Plan 35R-10294;

2. THIS COURT ORDERS that the Defendants by Counterclaim or any person with knowledge of this Order be enjoined from disposing of, or otherwise dealing with, any of their assets, including without limitation the 1997 model 280 "Sea Ray" boat with the registration number 68E21627 which may be registered in the name of Peter Sabourin or Privilege Club Resorts International Inc., or any other entity, until the final disposition of this action or further Order of this Court;

3. THIS COURT ORDERS that any person, partnership, corporation or depository with knowledge of this Order shall take immediate steps to prevent the sale, disposition, withdrawal, depletion, sale, assignment, dealing with, transfer, conveyance, conversion, encumbrance or diminishment of any the enjoined property, as contemplated in paragraph 2 above, including, without limitation, the 1997 model 280 "Sea Ray" boat with the registration number 68E21627 which may be registered in the name of Peter Sabourin or Privilege Club Resorts International Inc., or any other entity, or any monies or accounts, including trust accounts, in such person's, partnerships, corporation's or depository's power, possession or control;

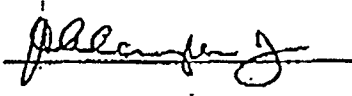
4. THIS COURT ORDERS that this Order will be returnable for further extension, on notice, on Monday, May 8, 2006;

5. THIS COURT ORDERS that the requirement of an undertaking as to damages on behalf of the Plaintiff by Counterclaim is waived, pending further Order of this Court.

ENTERED AT / ENREGISTRE A TORONTO  
ON / BOOK NO:  
LE / DANS LE REGISTRE NO.:

MAY - 4 2006

AS DOCUMENT NO. /  
A TITRE DE DOCUMENT NO. /  
PFA / PAP:





April 12, 2007

Attention: Robert Hart

Private and Confidential

Robert,

I have an opportunity to close Pickerel Lake Lodge by means of taking back a mortgage in the amount of approximately 800,000. My question is this. If we do a VTB is there a way we can assign the mortgage to someone else other then ourselves for asset protection reasons? The same party may consider purchasing some of the other resorts if we also take back the mortgage on them.

Please call or fax Bill Corrigan with any ideas (I will confer with Bill). His phone number is 705-641-0060.

Hope all is well, safeguard that paperwork you have – really should be in Canada.

Truly,

Peter



FACSIMILE TRANSMITTAL SHEET

TO: Bill Corrigan FROM: Robert Hart  
 COMPANY: \_\_\_\_\_ DATE: 8/17/07  
 FAX NUMBER: 703-788-0928 TOTAL NO. OF PAGES INCLUDING COVER: 9  
 PHONE NUMBER: \_\_\_\_\_ SENDER'S REFERENCE NUMBER: \_\_\_\_\_  
 RE: \_\_\_\_\_ YOUR REFERENCE NUMBER: \_\_\_\_\_

- URGENT  FOR REVIEW  PLEASE COMMENT  PLEASE REPLY  PLEASE RECYCLE

NOTES/COMMENTS:

Bill

Per our conversation please find the attached.

Peter does not realize the seriousness of violating the judge's order it is "goil time" if he (the judge) sees fit. Feel free to call if you see otherwise.

Thf  
Robert

"this signature was sealed on the register of deeds."



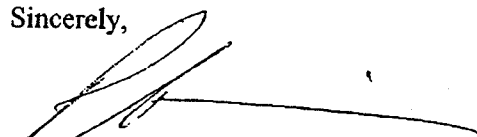
To: All Staff of GNP, Resorts, and GND  
Re: Management  
From: Peter Sabourin

September 5, 2006

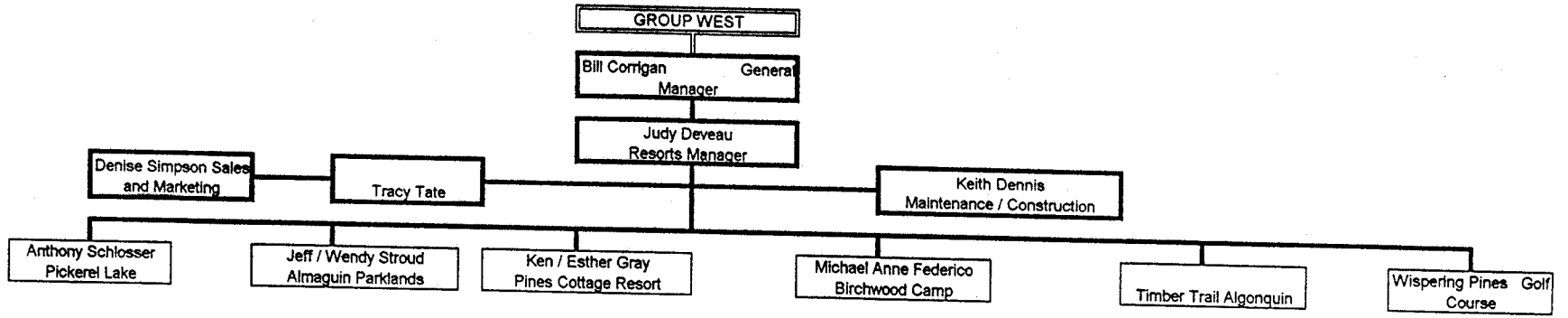
Please be advised effective immediately, (William) Bill Corrigan is the new General Manager of Group North Properties Ltd., and he will also assume the role of General Manger of Group North Development Ltd. later in the year. Bill will assume all day-to-day general managerial responsibilities as well as retaining his current duties as Financial Officer. I have absolute confidence in Bill's capabilities and I ask that you afford him the respect he deserves, and heed his guidance and direction.

Bill will work closely with the owner's representatives in Toronto and will also be tasked with creating / molding an effective resort management team in the Burk's Falls office. All inquiries regarding policy, financing, or any other pertinent matters should be directed to Bill or his designate.

Sincerely,



Peter Sabourin  
Consultant for Group West Ltd., Owner







Request ID: 009640015  
Transaction ID: 33630266  
Category ID: UN/E

Province of Ontario  
Ministry of Consumer and Business Services  
Companies and Personal Property Security Branch

Date Report Produced: 2007/10/17  
Time Report Produced: 13:32:52  
Page: 1

## CORPORATION PROFILE REPORT

<b>Ontario Corp Number</b>	<b>Corporation Name</b>	<b>Incorporation Date</b>
1720460	1720460 ONTARIO INC.	2006/12/21
		<b>Jurisdiction</b>
		ONTARIO
<b>Corporation Type</b>	<b>Corporation Status</b>	<b>Former Jurisdiction</b>
ONTARIO BUSINESS CORP.	ACTIVE	NOT APPLICABLE
<b>Registered Office Address</b>	<b>Date Amalgamated</b>	<b>Amalgamation Ind.</b>
31 IRENE STREET	NOT APPLICABLE	NOT APPLICABLE
HUNTSVILLE ONTARIO CANADA P1H 1W3	<b>New Amal. Number</b>	<b>Notice Date</b>
	NOT APPLICABLE	NOT APPLICABLE
<b>Mailing Address</b>		<b>Letter Date</b>
31 IRENE STREET		NOT APPLICABLE
HUNTSVILLE ONTARIO CANADA P1H 1W3	<b>Revival Date</b>	<b>Continuation Date</b>
	NOT APPLICABLE	NOT APPLICABLE
	<b>Transferred Out Date</b>	<b>Cancel/Inactive Date</b>
	NOT APPLICABLE	NOT APPLICABLE
	<b>EP Licence Eff.Date</b>	<b>EP Licence Term.Date</b>
	NOT APPLICABLE	NOT APPLICABLE
	<b>Number of Directors</b>	<b>Date Commenced</b>
	<b>Minimum      Maximum</b>	<b>in Ontario</b>
	00001      00015	NOT APPLICABLE
<b>Activity Classification</b>		<b>Date Ceased</b>
NOT AVAILABLE		<b>in Ontario</b>
		NOT APPLICABLE

Request ID: 009640015  
Transaction ID: 33630266  
Category ID: UN/E

Province of Ontario  
Ministry of Consumer and Business Services  
Companies and Personal Property Security Branch

Date Report Produced: 2007/10/17  
Time Report Produced: 13:32:52  
Page: 2

## CORPORATION PROFILE REPORT

Ontario Corp Number

1720460

Corporation Name

1720460 ONTARIO INC.

Corporate Name History

1720460 ONTARIO INC.

Effective Date

2006/12/21

Current Business Name(s) Exist:

NO

Expired Business Name(s) Exist:

NO

Administrator:  
Name (Individual / Corporation)

WILLIAM  
CORRIGAN

Address

31 IRENE STREET  
  
HUNTSVILLE  
ONTARIO  
CANADA P1H 1W3

Date Began

006/12/21

First Director

NOT APPLICABLE

Designation

DIRECTOR

Officer Type

Resident Canadian

Y

Request ID: 009640015  
Transaction ID: 33630266  
Category ID: UN/E

Province of Ontario  
Ministry of Consumer and Business Services  
Companies and Personal Property Security Branch

Date Report Produced: 2007/10/17  
Time Report Produced: 13:32:52  
Page: 3

## CORPORATION PROFILE REPORT

Ontario Corp Number

Corporation Name

1720460

1720460 ONTARIO INC.

### Last Document Recorded

Act/Code	Description	Form	Date
CIA	ANNUAL RETURN 2006	1C	2007/06/16

THIS REPORT SETS OUT THE MOST RECENT INFORMATION FILED BY THE CORPORATION ON OR AFTER JUNE 27, 1992, AND RECORDED IN THE ONTARIO BUSINESS INFORMATION SYSTEM AS AT THE DATE AND TIME OF PRINTING. ALL PERSONS WHO ARE RECORDED AS CURRENT DIRECTORS OR OFFICERS ARE INCLUDED IN THE LIST OF ADMINISTRATORS.

ADDITIONAL HISTORICAL INFORMATION MAY EXIST ON THE COMPANIES AND PERSONAL PROPERTY SECURITY BRANCH MICROFICHE.

The issuance of this report in electronic form is authorized by the Director of Companies and Personal Property Security Branch.



# Reconciliation Detail

1010 - CIBC Chequing, Period Ending 01/31/2007

Type	Date	Num	Name	Cir	Amount	Balance
Beginning Balance						2,668.33
Cleared Transactions						
Cheques and Payments - 93 items						
Cheque	12/31/2006	8	Village of Burk's Falls	X	-9.87	-9.87
Cheque	1/1/2007	aw	GMAC	X	-607.62	-617.49
Cheque	1/1/2007	aw	GMAC	X	-708.03	-1,325.52
Cheque	1/2/2007	5	Pickerel Lake Lodge	X	-12,200.00	-13,525.52
Cheque	1/2/2007	20	Township of Armour	X	-3.22	-13,528.74
Cheque	1/2/2007	7	Almaguin Parklands	X	-900.00	-14,428.74
Cheque	1/2/2007	6	The Pines Cottage ...	X	-1,200.00	-15,628.74
Cheque	1/3/2007	aw	cibc	X	-10.00	-15,638.74
Cheque	1/3/2007	aw	cibc	X	-10.00	-15,648.74
Cheque	1/3/2007	45	Creative Mortgage ...	X	-6,000.00	-21,648.74
Cheque	1/3/2007	46	Creative Mortgage ...	X	-2,250.00	-23,898.74
Cheque	1/4/2007	aw	group west	X	-168.92	-24,067.66
Cheque	1/5/2007	aw	GMAC	X	-440.21	-24,507.87
Cheque	1/5/2007	2	Judy Deveau	X	-1,169.23	-25,677.10
Cheque	1/5/2007	3	William Corrigan	X	-1,753.51	-27,430.61
Cheque	1/5/2007	4	Keith Dennis	X	-1,282.10	-28,712.71
Cheque	1/5/2007	69	Timber Trail Algonq...	X	-1,000.00	-29,712.71
Cheque	1/5/2007	1	Denise Simpson	X	-1,047.76	-30,760.47
Cheque	1/9/2007	82	Timber Trail Algonq...	X	-800.00	-31,560.47
Cheque	1/10/2007	44	Lakeland Power	X	-1,579.31	-33,139.78
Cheque	1/12/2007	186	VIANET	X	-158.98	-33,298.76
Cheque	1/12/2007	187	Edmonds	X	-44.99	-33,343.75
Cheque	1/12/2007	188	Bell Canada	X	-306.95	-33,650.70
Cheque	1/12/2007	189	Bell Canada	X	-3.45	-33,654.15
Cheque	1/15/2007	aw	Muskoka Office Plus	X	-164.57	-33,818.72
Cheque	1/15/2007	194	Receiver General	X	-6,057.23	-39,875.95
Cheque	1/18/2007	204	Timber Trail Algonq...	X	-2,500.00	-42,375.95
Cheque	1/18/2007	205	The Pines Cottage ...	X	-3,000.00	-45,375.95
Cheque	1/18/2007	206	Almaguin Parklands	X	-2,000.00	-47,375.95
Cheque	1/19/2007	190	Denise Simpson	X	-1,047.76	-48,423.71
Cheque	1/19/2007	191	Judy Deveau	X	-1,169.23	-49,592.94
Cheque	1/19/2007	193	William Corrigan	X	-1,753.51	-51,346.45
Cheque	1/19/2007	207	Geoff Tate	X	-7,500.00	-58,846.45
Cheque	1/19/2007	208	Peter Carey in Trust	X	-80,000.00	-138,846.45
Cheque	1/19/2007	210	Pickerel Lake Lodge	X	-19,000.00	-157,846.45
Cheque	1/19/2007	212	Metacosta Inc.	X	-70,000.00	-227,846.45
Cheque	1/19/2007	213	birchwood	X	-3,100.00	-230,946.45
Cheque	1/19/2007	214	Timber Trail Algonq...	X	-39,775.75	-270,722.20
Cheque	1/19/2007	215	Pickerel Lake Lodge	X	-136,000.00	-406,722.20
Cheque	1/19/2007	216	The Pines Cottage ...	X	-3,500.00	-410,222.20
Cheque	1/19/2007	217	Almaguin Parklands	X	-4,400.00	-414,622.20
Cheque	1/19/2007	aw	cibc	X	-3,000.00	-417,622.20
Cheque	1/19/2007	aw	cibc	X	-20.00	-417,642.20
Cheque	1/19/2007	243	Paul Wittig	X	-1,820.10	-419,462.30
Cheque	1/19/2007	218	Whispering Pines	X	-11,000.00	-430,462.30

1010 · CIBC Chequing, Period Ending 01/31/2007

Type	Date	Num	Name	Clr	Amount	Balance
Cheque	1/19/2007	192	Keith Dennis	X	-1,282.10	-431,744.40
Cheque	1/22/2007	247	Pickere Lake Lodge	X	-23,600.00	-455,344.40
Cheque	1/22/2007	246	Timber Trail Algonq...	X	-8,100.00	-463,444.40
Cheque	1/22/2007	245	Stephen Ponesse	X	-20,000.00	-483,444.40
Cheque	1/22/2007	244	Paul Wittig	X	-1,677.30	-485,121.70
Cheque	1/22/2007	241	Yellow Pages Group	X	-6.78	-485,128.48
Cheque	1/22/2007	240	Wills Customs	X	-136.00	-485,264.48
Cheque	1/22/2007	239	William Corrigan	X	-164.95	-485,429.43
Cheque	1/22/2007	238	The Huntsville Fore...	X	-169.60	-485,599.03
Cheque	1/22/2007	237	Telizon Inc	X	-308.53	-485,907.56
Cheque	1/22/2007	236	Telcom Enterprises	X	-2,447.14	-488,354.70
Cheque	1/22/2007	235	TD Visa	X	-15,083.40	-503,438.10
Cheque	1/22/2007	234	Safeguard Busines...	X	-554.22	-503,992.32
Cheque	1/22/2007	233	Purolator Courier Ltd	X	-31.00	-504,023.32
Cheque	1/22/2007	232	Manulife Financial	X	-5,306.02	-509,329.34
Cheque	1/22/2007	231	Ihost Technologies	X	-295.42	-509,624.76
Cheque	1/22/2007	230	Huntsville's Copy S...	X	-9.10	-509,633.86
Cheque	1/22/2007	229	Huntsville Quick Print	X	-336.30	-509,970.16
Cheque	1/22/2007	228	Huntsville Lake of B...	X	-212.00	-510,182.16
Cheque	1/22/2007	248	Almaguin Parklands	X	-3,600.00	-513,782.16
Cheque	1/22/2007	226	Dreams Becoming ...	X	-649.20	-514,431.36
Cheque	1/22/2007	225	Colour Crazy	X	-22.35	-514,453.71
Cheque	1/22/2007	224	CITI Commerce Sol...	X	-229.95	-514,683.66
Cheque	1/22/2007	223	Brendish Computers	X	-798.56	-515,482.22
Cheque	1/22/2007	222	Bell Canada	X	-134.75	-515,616.97
Cheque	1/22/2007	221	BDO Dunwoody	X	-7,420.00	-523,036.97
Cheque	1/22/2007	220	407 ETR	X	-6.93	-523,043.90
Cheque	1/22/2007	219	407 ETR	X	-11.10	-523,055.00
Cheque	1/22/2007	249	Whispering Pines	X	-1,300.00	-524,355.00
Cheque	1/22/2007	250	Workplace Safety I...	X	-1,529.16	-525,884.16
Cheque	1/22/2007	242	The Pines Cottage ...	X	-1,600.00	-527,484.16
Cheque	1/23/2007	251	Pickere Lake Lodge	X	-3,000.00	-530,484.16
Cheque	1/23/2007	252	Almaguin Parklands	X	-2,000.00	-532,484.16
Cheque	1/23/2007	253	Whispering Pines	X	-350.00	-532,834.16
Cheque	1/23/2007	254	The Pines Cottage ...	X	-300.00	-533,134.16
Cheque	1/25/2007	185	Muskoka Communi...	X	-1,250.04	-534,384.20
Cheque	1/29/2007	266	Almaguin Parklands	X	-150.00	-534,534.20
Cheque	1/31/2007	aw	cibc	X	-9.50	-534,543.70
Cheque	1/31/2007	aw	cibc	X	-47.50	-534,591.20
Cheque	1/31/2007	aw	cibc	X	-2.00	-534,593.20
Cheque	1/31/2007	aw	cibc	X	-0.13	-534,593.33
Cheque	1/31/2007	149	Robert Weisz	X	-1,620.00	-536,213.33
Cheque	1/31/2007	161	Maple Trust in Trust...	X	-400.00	-536,613.33
Cheque	1/31/2007	173	Maple Trust in Trust...	X	-480.00	-537,093.33
Cheque	1/31/2007	aw	cibc	X	-38.00	-537,131.33
Cheque	2/1/2007	aw	GMAC	X	-607.62	-537,738.95
Cheque	2/1/2007	9	Garry & Dorothy Ha...	X	-2,976.77	-540,715.72
Cheque	2/1/2007	aw	GMAC	X	-708.03	-541,423.75





Apr. 03, 2006

(180)

S. PONESSE IN TRUST

**KEBOC\*C\$\*105,000 0 0 CTS**

105,000.00



**KOREA EXCHANGE BANK OF CANADA**

MAIN BRANCH  
 Madison Centre Suite 103, 4950 Yonge Street Toronto M2N6K1  
 Tel: (416)-2226500 Fax: (416)-2225855

CAMDETON TRADING LTD.

75 BROADWAY AVE.  
 SUITE 807  
 TORONTO, ON M4P1V1

BUSINESS CHECKING (CAD)

Statement Number :  
 Statement Date : 08/29/2006  
 Account Number : 43202007340  
 Joint Account : N  
 Account Status : Active  
 Next Statement Date :

Date	Description	Value/Eff Date	Check Number	Debit	Credit	Balance
03/31/2006	Monthly service charge	03/31/2006		24.00	.00	215,985.76
04/03/2006	B/D031316 031317	04/03/2006	449	107,403.15	.00	108,582.61
04/03/2006	Cash (CAD)	04/03/2006	450	2,000.00	.00	106,582.61
04/03/2006	Banker's Check	04/03/2006	451	10,000.00	.00	96,582.61
04/03/2006	Checking Withdrawal	04/03/2006	451	10.00	.00	96,572.61
04/05/2006	CASH	04/05/2006	452	7,000.00	.00	89,572.61
04/05/2006	CAD Check	04/05/2006		.00	100,000.00	189,572.61
04/05/2006	Banker's Check	04/05/2006	453	5,000.00	.00	184,572.61
04/05/2006	Tran (Service Charge)	04/05/2006	453	5.00	.00	184,567.61
04/06/2006	Incoming Check Withdrawal	04/06/2006	448	1,725.97	.00	182,841.64
04/06/2006	Cash (CAD)	04/06/2006	454	1,100.00	.00	181,741.64
04/07/2006	Cash (CAD)	04/07/2006	455	600.00	.00	181,141.64
04/07/2006	Banker's Check	04/07/2006	456	10,000.00	.00	171,141.64
04/07/2006	Tran (Service Charge)	04/07/2006	458	10.00	.00	171,131.64
04/11/2006	Banker's Check	04/11/2006	457	15,000.00	.00	156,131.64
04/11/2006	Tran (Service Charge)	04/11/2006	457	10.00	.00	156,121.64
04/11/2006	Cash (CAD)	04/11/2006	458	2,000.00	.00	154,121.64
04/11/2006	CASH	04/11/2006	459	3,480.00	.00	150,641.64
04/13/2006	Banker's Check	04/13/2006	460	20,000.00	.00	130,641.64
04/13/2006	Checking Withdrawal	04/13/2006	460	10.00	.00	130,631.64
04/13/2006	CASH	04/13/2006	461	1,000.00	.00	129,631.64
04/13/2006	Banker's Check	04/13/2006	462	5,000.00	.00	124,631.64
04/13/2006	Tran (Service Charge)	04/13/2006	462	10.00	.00	124,621.64
04/13/2006	Banker's Check	04/13/2006	4620	100,000.00	.00	24,621.64
04/13/2006	Tran (Service Charge)	04/13/2006	4620	10.00	.00	24,611.64
04/13/2006	Checking Deposit	04/13/2006		.00	5.00	24,616.64
04/13/2006	Non hold Check (CAD)	04/13/2006		.00	150,000.00	174,616.64
04/13/2006	Banker's Check	04/13/2006	463	10,000.00	.00	164,616.64
04/13/2006	Checking Withdrawal	04/13/2006	463	10.00	.00	164,606.64
04/17/2006	Banker's Check	04/17/2006		2,137.79	.00	162,468.85
04/17/2006	Checking Withdrawal	04/17/2006		5.00	.00	162,463.85
04/17/2006	CASH	04/17/2006	2006417	2,500.00	.00	159,963.85
04/18/2006	JOHN DEERE	04/18/2006		930.77	.00	159,033.08
04/18/2006	BD031432/031433	04/18/2006	464	40,020.00	.00	119,013.08
04/19/2006	Cash (CAD)	04/19/2006	465	5,000.00	.00	114,013.08
04/20/2006	B/D031456-031458	04/20/2006	467	22,740.00	.00	91,273.08
04/21/2006	Incoming Check Withdrawal	04/21/2006	410	2,125.00	.00	89,148.08

To be Continued - 23 / 33 -

[ OSC : 3232-18 : Front : 0005517 ]

Jan. 26, 2006

161

STEPHEN PONESSE IN TRUST

**KEBOC\*C\$\*131,781 6 2 CTS**

131,781.62

# KOREA EXCHANGE BANK OF CANADA

MAIN BRANCH  
 Madison Centre Suite 103, 4950 Yonge Street Toronto M2N6K1  
 Tel : (416)-2226500 Fax : (416)-2225855

## BUSINESS CHECKING (CAD)

CAMDETON TRADING LTD.

75 BROADWAY AVE.  
 SUITE 807  
 TORONTO ,ON M4P1V1

Statement Number :  
 Statement Date : 08/29/2006  
 Account Number : 43202007340  
 Joint Account : N  
 Account Status : Active  
 Next Statement Date :

Date	Description	Value/Eff Date	Check Number	Debit	Credit	Balance
01/06/2006	Tran (Service Charge)	01/06/2006	376	10.00	.00	132,089.81
01/06/2006	Cash (CAD)	01/06/2006	377	5,600.00	.00	126,489.81
01/11/2006	Incoming Check Withdrawal	01/11/2006	366	1,769.45	.00	124,720.36
01/12/2006	CAD Check	01/12/2006		.00	150,000.00	274,720.36
01/16/2006	Incoming Check Withdrawal	01/16/2006	378	9,200.00	.00	265,520.36
01/16/2006	Banker's Check	01/16/2006	380	80,710.85	.00	184,809.51
01/16/2006	Banker's Check	01/16/2006	379	15,000.00	.00	169,809.51
01/19/2006	CAD Check	01/19/2006		.00	25,000.00	194,809.51
01/23/2006	Incoming Check Withdrawal	01/23/2006	223	2,125.00	.00	192,684.51
01/23/2006	Banker's Check	01/23/2006	381	40,000.00	.00	152,684.51
01/23/2006	Tran (Service Charge)	01/23/2006	381	10.00	.00	152,674.51
01/24/2006	Citizens Bank	01/24/2006		3,281.82	.00	149,392.69
01/24/2006	CAD Check	01/24/2006		.00	100,000.00	249,392.69
01/24/2006	CAD Check	01/24/2006		.00	25,000.00	274,392.69
01/24/2006	Cash (CAD)	01/24/2006	12406	7,700.00	.00	266,692.69
01/25/2006	Cash (CAD)	01/25/2006		7,100.00	.00	259,592.69
01/26/2006	Banker's Check	01/26/2006		131,781.62	.00	127,811.07
01/26/2006	Checking Withdrawal	01/26/2006		10.00	.00	127,801.07
01/30/2006	CAD Check	01/30/2006		.00	90,000.00	217,801.07
01/30/2006	MULKEWYTH YARKO	01/30/2006		.00	226,088.70	443,889.77
01/31/2006	TD DRAFT	01/31/2006		.00	50,000.00	493,889.77
01/31/2006	@1.1280 US 330K	01/31/2006		.00	372,240.00	866,129.77
01/31/2006	@1.1280 US CK530K	01/31/2006		.00	597,840.00	1,463,969.77
01/31/2006	Cash (CAD)	01/31/2006	389	5,000.00	.00	1,458,969.77
01/31/2006	Cash (CAD)	01/31/2006	391	1,880.00	.00	1,457,089.77
01/31/2006	Banker's Check	01/31/2006	388	2,092.41	.00	1,454,997.36
01/31/2006	Tran (Service Charge)	01/31/2006	388	5.00	.00	1,454,992.36
01/31/2006	Banker's Check	01/31/2006	390	25,000.00	.00	1,429,992.36
01/31/2006	Tran (Service Charge)	01/31/2006	390	10.00	.00	1,429,982.36
01/31/2006	BD	01/31/2006	387	15,000.00	.00	1,414,982.36
01/31/2006	BD	01/31/2006	386	65,000.00	.00	1,349,982.36
01/31/2006	O.D. INT WITHDRAWAL	01/31/2006		191.48	.00	1,349,790.88
01/31/2006	Monthly service charge	01/31/2006		6.00	.00	1,349,784.88
02/01/2006	Incoming Check Withdrawal	02/01/2006	385	15,000.00	.00	1,334,784.88
02/01/2006	Cash (CAD)	02/01/2006	394	800.00	.00	1,333,984.88
02/01/2006	Banker's Check	02/01/2006	393	2,422.77	.00	1,331,562.11
02/01/2006	Tran (Service Charge)	02/01/2006	393	5.00	.00	1,331,557.11

To be Continued - 18 / 33 -

Aug. 12, 2005

(8)

STEPHEN PONESSEE IN TRUST

**KEBOC\*C\$\*325,000 0 0 CTS**

325,000.00

Aug. 29, 2005

92

STEPHEN PONESSE IN TRUST

**KEBOC\*C\$\*250,000 0 0 CTS**

250,000.00

**KOREA EXCHANGE BANK OF CANADA**

MAIN BRANCH  
 Madison Centre Suite 103, 4950 Yonge Street Toronto M2N6K1  
 Tel: (416)-2226500 Fax: (416)-2225855

CAMDETON TRADING LTD.

75 BROADWAY AVE.  
 SUITE 807  
 TORONTO, ON M4P1V1

**BUSINESS CHECKING (CAD)**

Statement Number :  
 Statement Date : 08/29/2006  
 Account Number : 43202007340  
 Joint Account : N  
 Account Status : Active  
 Next Statement Date :

Date	Description	Value/Eff Date	Check Number	Debit	Credit	Balance
08/10/2005	CAD Check	08/10/2005		.00	10,000.00	338,583.35
08/12/2005	Banker's Check	08/12/2005	164	325,000.00	.00	13,583.35
08/12/2005	Tran (Service Charge)	08/12/2005	164	10.00	.00	13,573.35
08/12/2005	Cash (CAD)	08/12/2005	165	5,000.00	.00	8,573.35
08/15/2005	Banker's Check	08/15/2005	167	2,125.00	.00	6,448.35
08/15/2005	Tran (Service Charge)	08/15/2005	167	5.00	.00	6,443.35
08/16/2005	Incoming Check Withdrawal	08/16/2005	166	2,080.00	.00	4,363.35
08/19/2005	CAD Check	08/19/2005		.00	250,000.00	254,363.35
08/19/2005	Banker's Check	08/19/2005	1680	5,000.00	.00	249,363.35
08/19/2005	Banker's Check	08/19/2005	169	2,300.00	.00	247,063.35
08/19/2005	CAD Check	08/19/2005		.00	215,000.00	462,063.35
08/19/2005	Cancellation Transaction	08/19/2005		250,000.00	.00	212,063.35
08/22/2005	CAD Check	08/22/2005		.00	150,000.00	362,063.35
08/22/2005	Banker's Check	08/22/2005	170	2,300.00	.00	359,763.35
08/23/2005	Banker's Check	08/23/2005	171	10,595.46	.00	349,167.89
08/23/2005	Tran (Service Charge)	08/23/2005	171	10.00	.00	349,157.89
08/23/2005	Cash (CAD)	08/23/2005	172	9,000.00	.00	340,157.89
08/23/2005	PATRICK KEAVENLY	08/23/2005	173	1,864.15	.00	338,293.74
08/23/2005	Banker's Check	08/23/2005	174	100,000.00	.00	238,293.74
08/23/2005	Tran (Service Charge)	08/23/2005	174	10.00	.00	238,283.74
08/23/2005	SC FOR BC029263	08/23/2005		5.00	.00	238,278.74
08/24/2005	Cash (CAD)	08/24/2005	176	9,500.00	.00	228,778.74
08/24/2005	CAD Check	08/24/2005		.00	240,000.00	468,778.74
08/24/2005	3 ITEMS	08/24/2005		30.00	.00	468,748.74
08/24/2005	Checking Withdrawal	08/24/2005	178	30,000.00	.00	438,748.74
08/24/2005	BD 4ITEMS,SC	08/24/2005	179	132,790.49	.00	305,958.25
08/25/2005	Incoming Check Withdrawal	08/25/2005	177	3,000.00	.00	302,958.25
08/29/2005	CHQ0180	08/29/2005		7,577.06	.00	295,381.19
08/29/2005	Banker's Check	08/29/2005		16,000.00	.00	279,381.19
08/29/2005	Checking Withdrawal	08/29/2005		10.00	.00	279,371.19
08/29/2005	Banker's Check	08/29/2005	182	250,000.00	.00	29,371.19
08/29/2005	Tran (Service Charge)	08/29/2005	182	10.00	.00	29,361.19
08/31/2005	CAD Check	08/31/2005		.00	100,000.00	129,361.19
08/31/2005	O.D. INT WITHDRAWAL	08/31/2005		49.54	.00	129,311.65
08/31/2005	Monthly service charge	08/31/2005		73.60	.00	129,238.05
09/02/2005	Checking Deposit	09/02/2005		.00	2,500.00	131,738.05
09/02/2005	Banker's Check	09/02/2005	184	5,000.00	.00	126,738.05

To be Continued - 10 / 33 -

Aug. 04, 2005

84

STEPHEN PONESSE IN TRUST

**KEBOC\*C\$\*41,764 8 8 CTS**

41,764.88

# KOREA EXCHANGE BANK OF CANADA

MAIN BRANCH  
 Madison Centre Suite 103, 4950 Yonge Street Toronto M2N6K1  
 Tel: (416)-2226500 Fax: (416)-2225855

CAMDETON TRADING LTD.

75 BROADWAY AVE.  
 SUITE 807  
 TORONTO, ON M4P1V1

**BUSINESS CHECKING (CAD)**

Statement Number :  
 Statement Date : 08/29/2006  
 Account Number : 43202007340  
 Joint Account : N  
 Account Status : Active  
 Next Statement Date :

Date	Description	Value/Eff Date	Check Number	Debit	Credit	Balance
08/02/2005	Checking Withdrawal	08/02/2005	146	3,005.00	.00	370,669.85
08/02/2005	Checking Withdrawal	08/02/2005	147	8,510.00	.00	362,159.85
08/02/2005	CK 127 N 128	08/02/2005		20.00	.00	362,139.85
08/02/2005	EC	08/02/2005		.00	20.00	362,159.85
08/02/2005	CK 127 N 128	08/02/2005		20.00	.00	362,139.85
08/02/2005	BD	08/02/2005	125	2,405.00	.00	359,734.85
08/02/2005	BD	08/02/2005	126	9,910.00	.00	349,824.85
08/02/2005	B/D over C\$5000	08/02/2005		.00	20.00	349,844.85
08/02/2005	CK 127 N 128	08/02/2005		15.00	.00	349,829.85
08/02/2005	CK 145	08/02/2005		10.00	.00	349,819.85
08/03/2005	Checking Deposit	08/03/2005		.00	27,500.00	377,319.85
08/03/2005	Banker's Check	08/03/2005	151	3,000.00	.00	374,319.85
08/03/2005	Tran (Service Charge)	08/03/2005	151	10.00	.00	374,309.85
08/03/2005	Banker's Check	08/03/2005	152	3,000.00	.00	371,309.85
08/03/2005	Tran (Service Charge)	08/03/2005	152	5.00	.00	371,304.85
08/03/2005	Banker's Check	08/03/2005	153	3,000.00	.00	368,304.85
08/03/2005	Tran (Service Charge)	08/03/2005	153	5.00	.00	368,299.85
08/03/2005	Banker's Check	08/03/2005	154	1,500.00	.00	366,799.85
08/03/2005	Tran (Service Charge)	08/03/2005	154	5.00	.00	366,794.85
08/03/2005	B/D029079	08/03/2005	156	4,000.00	.00	362,794.85
08/03/2005	B/D029079	08/03/2005	156	5.00	.00	362,789.85
08/03/2005	B/D USD	08/03/2005		11,067.15	.00	351,722.70
08/03/2005	Remittance	08/03/2005		15,079.18	.00	336,643.52
08/03/2005	Cash (CAD)	08/03/2005	157	250.00	.00	336,393.52
08/03/2005	Checking Deposit	08/03/2005		.00	5.00	336,398.52
08/04/2005	Cash (CAD)	08/04/2005	148	1,800.00	.00	334,598.52
08/04/2005	Banker's Check	08/04/2005	158	41,764.88	.00	292,833.64
08/04/2005	Tran (Service Charge)	08/04/2005	158	10.00	.00	292,823.64
08/08/2005	Incoming Check Withdrawal	08/08/2005	100	1,735.29	.00	291,088.35
08/08/2005	Cash (CAD)	08/08/2005	159	5,000.00	.00	286,088.35
08/08/2005	CAD Check	08/08/2005		.00	55,000.00	341,088.35
08/08/2005	Cash (CAD)	08/08/2005	160	1,600.00	.00	339,488.35
08/09/2005	Cash (CAD)	08/09/2005	161	4,400.00	.00	335,088.35
08/09/2005	Banker's Check	08/09/2005	162	5,000.00	.00	330,088.35
08/09/2005	Tran (Service Charge)	08/09/2005	162	5.00	.00	330,083.35
08/10/2005	BD029003	08/10/2005		.00	4,500.00	334,583.35
08/10/2005	Cash (CAD)	08/10/2005	163	6,000.00	.00	328,583.35

To be Continued - 9 / 33 -



Jul. 14, 2005

(51)

STEPHENPONESSE IN TRUST

**KEBOC\*C\$\*21,778 3 0 CTS**

21,778.30

# KOREA ₩ EXCHANGE BANK OF CANADA

MAIN BRANCH

Madison Centre Suite 103, 4950 Yonge Street Toronto M2N6K1

Tel: (416)-2226500 Fax: (416)-2225855

BUSINESS CHECKING (CAD)

CAMDETON TRADING LTD.

75 BROADWAY AVE.  
SUITE 807  
TORONTO, ON M4P1V1

Statement Number :  
Statement Date : 08/29/2006  
Account Number : 43202007340  
Joint Account : N  
Account Status : Active  
Next Statement Date :

Date	Description	Value/Eff Date	Check Number	Debit	Credit	Balance
07/11/2005	Cash (CAD)	07/11/2005	69	8,500.00	.00	1,036,804.96
(4b) 07/11/2005	Banker's Check	07/11/2005	67	150,000.00	.00	886,804.96
07/11/2005	Tran (Service Charge)	07/11/2005	67	10.00	.00	886,794.96
07/11/2005	Banker's Check	07/11/2005	70	1,950.00	.00	884,844.96
07/11/2005	Checking Withdrawal	07/11/2005	70	5.00	.00	884,839.96
07/11/2005	BD 2ITEMS	07/11/2005		.00	290,000.00	1,174,839.96
07/12/2005	Cash (CAD)	07/12/2005	71	5,000.00	.00	1,169,839.96
(4n) 07/12/2005	BD028766.028777	07/12/2005	73	250,000.00	.00	919,839.96
(4p) 07/12/2005	BD028766.028777	07/12/2005	72	7,025.00	.00	912,814.96
(4q) 07/12/2005	BD028766.028777	07/12/2005		20.00	.00	912,794.96
(4r) 07/13/2005	Banker's Check	07/13/2005	28794	20,994.00	.00	891,800.96
07/13/2005	Tran (Service Charge)	07/13/2005	28794	10.00	.00	891,790.96
(4s) 07/13/2005	Banker's Check	07/13/2005	28795	11,203.00	.00	880,587.96
07/13/2005	Tran (Service Charge)	07/13/2005	28795	10.00	.00	880,577.96
07/14/2005	Cash (CAD)	07/14/2005	80	5,900.00	.00	874,677.96
07/14/2005	028806	07/14/2005		2,388.23	.00	872,289.73
07/14/2005	028806	07/14/2005		10.00	.00	872,279.73
(4t) 07/14/2005	Checking Withdrawal	07/14/2005	78	21,778.30	.00	850,501.43
07/14/2005	Tran (Service Charge)	07/14/2005	78	10.00	.00	850,491.43
07/14/2005	Checking Withdrawal	07/14/2005	77	182.45	.00	850,308.98
07/14/2005	Tran (Service Charge)	07/14/2005	77	5.00	.00	850,303.98
07/14/2005	Checking Withdrawal	07/14/2005	79	2,588.00	.00	847,715.98
07/14/2005	Tran (Service Charge)	07/14/2005	79	10.00	.00	847,705.98
07/14/2005	Cancellation Transaction	07/14/2005	79	.00	2,588.00	850,293.98
07/14/2005	Checking Withdrawal	07/14/2005	79	2,588.11	.00	847,705.87
07/14/2005	Cash (CAD)	07/14/2005		.00	600.00	848,305.87
07/14/2005	Cash (CAD)	07/14/2005	81	2,200.00	.00	846,105.87
07/15/2005	Cash (CAD)	07/15/2005	84	1,760.00	.00	844,345.87
(4u) 07/15/2005	Banker's Check	07/15/2005	28835	42,537.94	.00	801,807.93
07/15/2005	Tran (Service Charge)	07/15/2005	28835	10.00	.00	801,797.93
(4v) 07/15/2005	Banker's Check	07/15/2005	28836	100,000.00	.00	701,797.93
07/15/2005	Tran (Service Charge)	07/15/2005	28836	10.00	.00	701,787.93
07/15/2005	CAD Check	07/15/2005		.00	150,000.00	851,787.93
07/15/2005	Banker's Check	07/15/2005	85	2,000.00	.00	849,787.93
07/15/2005	Tran (Service Charge)	07/15/2005	85	5.00	.00	849,782.93
07/18/2005	Banker's Check	07/18/2005	28844	1,560.92	.00	848,222.01
07/18/2005	Tran (Service Charge)	07/18/2005	28844	5.00	.00	848,217.01

To be Continued - 6 / 33 -

[ OSC : 3232-18 : Front : 0006500 ]



DIANE 1820239

STEPHEN P. PONESSE  
BARRISTERS & SOLICITORS  
390 BAY ST. SUITE 3000  
TORONTO ON M5H 1Y2

BANK OF MONTREAL  
QUEEN & YONGE  
100 KING STREET EAST  
TORONTO ON M5X 1C5

Bank of Montreal  
2 QUAI DE LA SEIGNE  
QUEBEC QY 1R1 2R1  
Canada

902 000902

DEC 05 2005  
Certified

55x Hundred Nine Thousand Nine Hundred Thirty Six

Group North Properties Ltd

Dec 5/2005 \$509,936.56

AMOUNT

STEPHEN P. PONESSE  
TRUST ACCOUNT

PER *[Signature]*

PAY TO THE ORDER OF

BANK OF MONTREAL 609.93656

Settlement: Funds

000902 02487200 1025503 00060993656

M21198RM

DEC - 1 2005

RECEIVED IN FULL  
IN THE OFFICE OF  
THE CLERK OF THE COURT  
100 KING STREET EAST  
TORONTO ON M5X 1C5

211462

TRCT 20051206  
TORONTO ONTARIO  
0200113880

TKP 10/17/06 WS 9 TDCT2900001 R BEST COPY

Cheque Item Image

User: Rina Samanta

Request #: 1088712  
Transit - FI #: 26642-004  
Sequence #: 600365760  
Date: 03/01/2006

Request Desc:  
Account #: 0000000  
Amount: \$280,841.50 CAD

26642-004

Canada Trust

1150

CERTIFIED UP NORTH PROPERTIES LTD.  
15 MAIN STREET EAST  
MUNTSVILLE, ONTARIO P1H 2C8

TO CANADA TRUST  
28 MAIN STREET EAST  
MUNTSVILLE, ONTARIO P1H 2C8

DATE 02242006  
MMDDYYYY

PAY TWO HUNDRED EIGHTY THOUSAND EIGHT HUNDRED FORTY-ONE AND 50/100  
TO CANADA TRUST 280,841.50 \$ -280,841.50

TO THE ORDER OF Stephen Ponesse in Trust

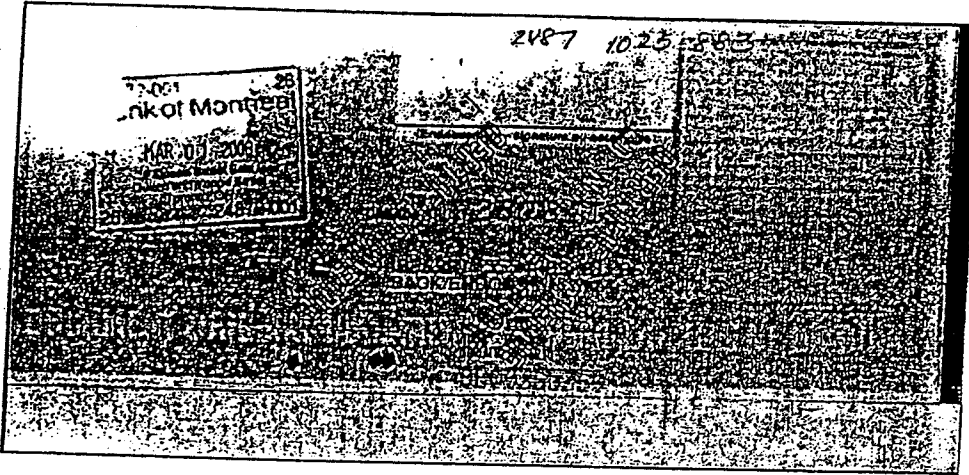
**CERTIFIED CHEQUE**  
**DO NOT RESTR**

GROUP NORTH PROPERTIES LTD.

FOR Paul Gattis

\*001150\* \*26642\*004\* 0352\* 1088712\*

\*001150\* \*26642\*004\* \*0028084150\*





057 007 1007 11752 4105004111  
**STEPHEN P. PONESSE, B.A., LL.B.**

Barristers & Solicitors

CYRIL J. ABBASS, Counsel

Suite 3000, 30<sup>th</sup> Floor,  
390 Bay Street  
Toronto, Ontario  
M5H 2Y2

Telephone: (416) 361-3582  
Facsimile: (416) 368-7217  
e-mail: stephenponesse@on.aibo.com

**TELECOPIER COVER SHEET**

From: Stephen P. Ponesse  
Date: March 5, 2007

\* \* \* \* \*

SENT TO:

FAX NUMBER: 705-789-4909

FIRM: Group North

ATTENTION: Bill Corrigan

RE: Your Email March 2, 2007 - \$339,486.10.

Fax Information:

Number of copies — 1 — including this cover sheet.

If all pages are not received, telephone us as soon as possible and ask for Valerie.

MESSAGE, if any:

This correspondence is in response to your email, dated March 2, 2007, enquiring where the sum of \$339,486.10 came from.

We received the amount of \$105,000.00 from Peter Sabourin on April 3, 2006 (out of which we paid \$100,000.00 to the Vendor's solicitor). We received a direct deposit of \$171,286.00 (\$150,000.00 U.S.) via/from Peter Sabourin. We received \$173,613.72, being the net advance from the Mortgage to Maple Trust on the cottage property located on Evergreen Trail (out of which we paid legal fees and disbursements of \$10,413.62), resulting in net trust funds of \$339,486.10.

*This telecopy is directed in confidence solely to the person named above, and may not otherwise be distributed, copied or disclosed. The contents of this telecopy may also be subject to solicitor-client privilege and all rights to that privilege are expressly claimed and not waived. If you have received this telecopy in error, please notify us immediately by telephone, collect if necessary, then destroy same, without making a copy.*





**Bill Corrigan**

**From:** peter x [peter12345ps@hotmail.com]  
**Sent:** Wednesday, January 17, 2007 2:22 PM  
**To:** billc@groupnorthproperties.com  
**Subject:** RE: Ponesse

out of the 200K, on friday cut a chq payable to **geoff tate** for \$7500, certified chq for **peter carey trust account** for \$80,000 < courier to him on friday, call greg for details, and a cert. chq to **eduardo bensusan** for \$60,000 > give this to geoff. the remaining \$42,000 is for you - spend wisely, pray for snow dollars at PLL. I will be up next week for sure, probably wed/thurs/fri/sat

**PLEASE BE ADVISED THAT I WILL ONLY BE CHECKING MY EMAIL A COUPLE OF TIMES PER WEEK.**

**From:** "Bill Corrigan" <billc@groupnorthproperties.com>  
**To:** "peter x" <peter12345ps@hotmail.com>  
**Subject:** RE: Ponesse  
**Date:** Wed, 17 Jan 2007 14:05:40 -0500

Thanks. How long is that to last? I need over 300,000 to get us out of the soup including the 20,000 to Ponesse for retainer.

Bill

**From:** peter x [mailto:peter12345ps@hotmail.com]  
**Sent:** Wednesday, January 17, 2007 2:01 PM  
**To:** billc@groupnorthproperties.com  
**Subject:** RE: Ponesse

just finished with ponesse, funds will be in his trust tomorrow, he will courier draft to you overnight for friday morning. use 342,000, balance, approx 200K will be earmarked elsewhere.

**PLEASE BE ADVISED THAT I WILL ONLY BE CHECKING MY EMAIL A COUPLE OF TIMES PER WEEK.**

**From:** "Bill Corrigan" <billc@groupnorthproperties.com>  
**To:** "peter x" <peter12345ps@hotmail.com>  
**Subject:** RE: Ponesse  
**Date:** Mon, 15 Jan 2007 09:22:34 -0500

Yes Jacob has the second 50K. No business at PLL this past weekend. Have a good day.  
 Bill

**From:** peter x [mailto:peter12345ps@hotmail.com]

1/18/2007

Sent: Monday, January 15, 2007 9:18 AM  
To: billc@groupnorthproperties.com  
Subject: RE: Ponesse

hi bill, i will arrange meeting today.....keep the snow coming. did we do any biz at pll this past weekend? did buyer give us 2nd 50K?

PLEASE BE ADVISED THAT I WILL ONLY BE CHECKING MY EMAIL A COUPLE OF TIMES PER WEEK.

From: "Bill Corrigan" <billc@groupnorthproperties.com>  
To: "peter x" <peter12345ps@hotmail.com>  
Subject: Ponesse  
Date: Mon, 15 Jan 2007 08:46:27 -0500

Hi Peter,  
Stephen Ponesse called Friday evening. He needs to get together with you and Pat as soon as possible to sign paperwork for the 2<sup>nd</sup> mortgage on Pickerel this week.  
Please acknowledge receipt of this email. Thanks.  
Supposed to get 10 cm. of snow today. Snowing pretty good right now.  
Bill

---

Buy what you want when you want it on Sympatico / MSN Shopping

---

Buy what you want when you want it on Sympatico / MSN Shopping

Cheque to Geoff Tate 7500<sup>00</sup>

Certified Cheque to Peter Carey in Trust 80,000<sup>00</sup>  
- CALL GREEN

Certified Cheque to EDUARDO BENSUSAN 60,000<sup>00</sup>

---

147 500<sup>00</sup>

42 000<sup>00</sup>

---

189 500<sup>00</sup>



**Bill Corrigan**

**From:** Greg Irwin [gregirwin@rogers.com]  
**Sent:** Thursday, January 18, 2007 9:19 AM  
**To:** Bill Corrigan  
**Subject:** Re: Peter Carey

Hi Bill,

Please pay it to Peter Carey In Trust.

Send it overnight to:

Peter Carey  
390 Bay St., Suite 3000  
Toronto, ON, M5H 2Y2  
416 603 3181

Thanks  
Greg

*Bill Corrigan <billc@groupnorthproperties.com> wrote:*

Hi Greg,  
Pter tells me he needs a certified cheque sent to Peter Carey's trust account. Can you please give me details on who to make cheque payable to and what address to courier it to.  
Thanks  
Bill

1720460 ONTARIO INC.  
Peter Carey in Trust

1/19/2007

208

loan repayment

80,000.00

CIBC Chequing

80,000.00

1720460 ONTARIO INC.  
Peter Carey in Trust

1/19/2007

208

loan repayment

80,000.00

CIBC Chequing

80,000.00

SF5001E-1

SG9209E

TO REORDER, CALL YOUR LOCAL SAFEGUARD DISTRIBUTOR AT 705-385-0161

HL71T10010000 S06SF006



Paul McGrath/Mintz &  
Partners

10/31/2007 04:51 PM

To stephenponesse@on.aibn.com

cc SZ@bondlaw.net, Jack Richards/Mintz & Partners@Mintz &  
Partners

bcc

Subject



## Mintz & Partners Financial Services

This office is an independently owned  
and operated member of the Collins Barrow  
National Cooperative Incorporated.  
The Collins Barrow trademarks are  
used under license.



**October 31, 2007**

**Stephen P. Ponesse  
Suite 3000  
390 Bay Street  
Toronto, ON M5H 2Y2**

**Dear Mr. Ponesse:**

**RE: PETER SABOURIN**

**As you are aware, Mintz & Partners Limited was appointed by Justice Cumming on October 5, 2007 as Receivers/Manager over the business affairs of Peter Sabourin and all the assets, undertakings and properties under his control.**

**Our investigation has determined that you were in receipt of monies from Sabourin at various times that were identified as Stephen Ponesse In Trust".**

**We request a full accounting of the trust account you hold for Sabourin. Please include a record of all funds received with source documents, disbursements with invoices to support expenditures and time billed.**

**In addition, kindly advise if your trust still has funds available for Sabourin and if that is the case, those funds are to be held until the court advises accordingly.**

**Your attention to this matter is greatly appreciated. Your anticipated response can be directed to me personally.**

**Yours truly,**





Paul McGrath/Mintz &  
Partners


10/31/2007 04:58 PM

To pcarey@carey-barristers.com

cc SZ@Bondlaw.net, Jack Richards/Mintz & Partners@Mintz &  
Partners

bcc

Subject Sabourin



Mintz & Partners Financial Services

Mintz & Partners is an independently owned  
and operated member of the Collins Barrow  
Legal Group, a group of companies  
owned and operated by Collins Barrow  
Investment Group.



Praxity

October 31, 2007

Peter W.G. Carey  
Suite 3000  
390 Bay Street  
Toronto, ON M5H 2Y2

Dear Mr. Carey:

**RE: PETER SABOURIN**

As you are aware, Mintz & Partners Limited was appointed by Justice Cumming on October 5, 2007 as Receivers/Manager over the business affairs of Peter Sabourin and all the assets, undertakings and properties under his control.

Our investigation has determined that you were in receipt of monies from Sabourin at various times that were identified as Peter Carey In Trust.

We request a full accounting of the trust account you hold for Sabourin. Please include a record of all funds received with source documents, disbursements with invoices to support expenditures and time billed.

In addition, kindly advise if your trust still has funds available for Sabourin and if that is the case, those funds are to be held until the court advises accordingly.

Your attention to this matter is greatly appreciated. Your anticipated response can be directed to me personally.

Yours truly,

**Paul McGrath**  
**Senior Manager**

c.c. **Symon Zucker,**  
**Danson, Zucker, Connelly**

*Paul McGrath, CFE*  
Senior Manager, Litigation & Valuation Services  
Mintz & Partners LLP  
1 Concorde Gate, Suite 200  
North York, Ontario M3C 4G4  
Direct Line: 416-644-4451  
Fax Line: 416-391-2748  
Email: [paul\\_mcgrath@mintzca.com](mailto:paul_mcgrath@mintzca.com)

<http://www.mintzca.com>

## PETER CAREY, BARRISTERS

390 Bay Street, Suite 3000  
Toronto, Ontario M5H 2Y2  
Tel: 416-603-3100 Fax: 416-603-2344

---

Writer's direct line: 416-603-8161  
E-mail: pcarey@carey-barristers.c

November 1, 2007

By Fax 416-644-4451

**Mr. Paul McGrath, CFE**  
Senior Manager, Litigation & Valuation Services  
Mintz & Partners LLP  
1 Concorde Gate, Suite 200  
North York, Ontario M3C 4G4

Dear Mr. McGrath:

**Re: Peter Sabourin**

This is in response to your correspondence to me of October 31, 2007.

In the past, our firm has acted for Peter Sabourin and for a variety of corporations in which we were involved, on a number of matters.

We were not aware of the appointment of Mintz & Partners as a Receiver until we were informed by conversations between counsel at an appearance on October 29, 2007 before Madam Justice Pepell.

Please provide me with a copy of the Order appointing Mintz & Partners Financial Services as Receiver.

My concern is that information imparted by Peter Sabourin or others involved in the litigation in which we acted is privileged.

It may well be that our Client Trust Ledger may contain information that would be considered privileged. Certainly, copies of accounts would contain privileged information.

As a result, without a court order specifically dealing with the issue of privilege, I am unable to provide those documents to you.

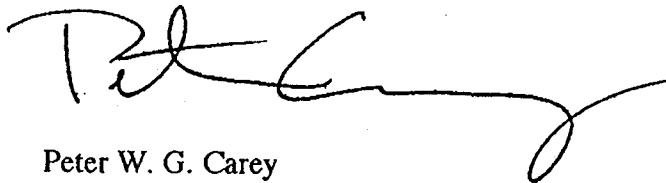
However, I don't believe it would violate any client/solicitor privilege to inform you that at the time we have \$6,055.02 in our trust account to the credit of Sabourin and Sun Inc. However, against that, there is currently \$815.00 in WIP. I believe that we have priority over others for this money by virtue of the lien we have on the funds in our trust account.

In addition, I believe I can provide you with the following information without danger of violating any privilege: on September 21, 2006 our firm was provided with a cheque for \$500,000.00 from Peter Sabourin. Subsequently, on October 25, 2006, at the request of Mr. Sabourin, we returned \$400,000.00, by way of four (4) Bank Drafts, payable to Peter Sabourin. On November 30, 2006 we returned another \$40,000.00 to Peter Sabourin. The balance of the monies were kept in the Trust account and used to pay legal fees resulting in the balance that is currently in our account.

If you have any particular questions, concerning any particular transactions, and providing that the doesn't involve client/solicitor privilege, I would be pleased to respond to them.

Yours truly,

**Peter Carey, Barristers**

A handwritten signature in black ink, appearing to read 'Peter W. G. Carey', with a long, sweeping horizontal stroke extending to the right.

Peter W. G. Carey

PWCG/jw

200 - 1 Concorde Gate  
North York, ON M3C 4G4

T. 416.391.2900  
F. 416.391.2748

Web site: [www.mintzca.com](http://www.mintzca.com)

November 9, 2007

Mr. Peter Carey  
Barristers  
390 Bay Street, Suite 3000  
Toronto, ON  
M3C 2Y2

Dear Mr. Carey:

**SABOURIN ET AL**

This is to acknowledge your letter addressed to us dated November 1, 2007.

In that letter, you requested a copy of Justice Cumming's Order which we have enclosed under separate e-mail.

In addition, your letter indicated that you have \$6,055.02 in your trust account for Peter Sabourin. We are requesting that those funds be forwarded to us, for my attention.

Trust this meets with your approval.

Yours very truly,

**MINTZ & PARTNERS FINANCIAL SERVICES**

Per:

Paul McGrath, CFE  
Senior Manager, Litigation & Valuation Services

Direct Line: 416-644-4451

Direct Fax: 416-391-2748

E-Mail: [paul\\_mcgrath@mintzca.com](mailto:paul_mcgrath@mintzca.com)

ODMA\PCDOCS\MINTZ\371836\1





May. 19, 2005

(26)

PETER CAREY

**KEBOC\*C\$\*75,000 0 0 CTS**

75,000.00



# KOREA EXCHANGE BANK OF CANADA

MAIN BRANCH  
 Madison Centre Suite 103, 4950 Yonge Street Toronto M2N6K1  
 Tel: (416)-2226500 Fax: (416)-2225855

CAMDETON TRADING LTD.

75 BROADWAY AVE.  
 SUITE 807  
 TORONTO, ON M4P1V1

BUSINESS CHECKING (CAD)

Statement Number :  
 Statement Date : 08/29/2006  
 Account Number : 43202007340  
 Joint Account : N  
 Account Status : Active  
 Next Statement Date :

Date	Description	Value/Eff Date	Check Number	Debit	Credit	Balance
05/04/2005	Tran (Service Charge)	05/04/2005	28041	10.00		539,809.83
05/04/2005	Remittance	05/04/2005		7,531.61	.00	532,278.22
05/04/2005	US2475.00 OTT1443 CHQ0017	05/04/2005		3,129.64	.00	529,148.58
19 05/06/2005	CAD Check	05/06/2005		.00	200,000.00	729,148.58
05/06/2005	Checking Withdrawal	05/06/2005	18	210,020.00	.00	519,128.58
05/10/2005	BD OF RBC	05/10/2005		.00	125,000.00	644,128.58
05/10/2005	Cash (CAD)	05/10/2005		1,500.00	.00	642,628.58
20 05/10/2005	Banker's Check	05/10/2005		60,000.00	.00	582,628.58
05/10/2005	Tran (Service Charge)	05/10/2005		10.00	.00	582,618.58
21 05/10/2005	Banker's Check	05/10/2005	15	30,000.00	.00	552,618.58
05/10/2005	Checking Withdrawal	05/10/2005	15	10.00	.00	552,608.58
05/13/2005	Incoming Check Withdrawal	05/13/2005	7	1,686.99	.00	550,921.59
05/13/2005	B/D OF TD BANK	05/13/2005		.00	61,000.00	611,921.59
22 05/13/2005	Banker's Check	05/13/2005		61,957.13	.00	549,964.46
05/13/2005	Tran (Service Charge)	05/13/2005		10.00	.00	549,954.46
23 05/13/2005	Banker's Check	05/13/2005	25	60,000.00	.00	489,954.46
05/13/2005	Tran (Service Charge)	05/13/2005	25	10.00	.00	489,944.46
05/13/2005	Cash (CAD)	05/13/2005	23	1,682.00	.00	488,262.46
05/13/2005	Cash (CAD)	05/13/2005	24	2,000.00	.00	486,262.46
05/16/2005	TD C.C.	05/16/2005		.00	50,000.00	536,262.46
24 05/16/2005	BD028133-BD028137 & SC	05/16/2005	27	54,245.00	.00	482,017.46
05/16/2005	Cash (CAD)	05/16/2005	26	1,500.00	.00	480,517.46
05/18/2005	Incoming Check Withdrawal	05/18/2005	16	13,500.00	.00	467,017.46
05/19/2005	B/D OF TD & CIBC	05/19/2005		.00	300,000.00	767,017.46
05/19/2005	Cash (CAD)	05/19/2005	28	1,000.00	.00	766,017.46
05/19/2005	Banker's Check	05/19/2005		300,000.00	.00	466,017.46
05/19/2005	Tran (Service Charge)	05/19/2005		10.00	.00	466,007.46
25 05/19/2005	Banker's Check	05/19/2005		75,000.00	.00	391,007.46
05/19/2005	Tran (Service Charge)	05/19/2005		10.00	.00	390,997.46
05/20/2005	Cash (CAD)	05/20/2005	30	3,000.00	.00	387,997.46
05/20/2005	BANK DRAFT	05/20/2005		.00	415,000.00	802,997.46
05/20/2005	CHQ0032	05/20/2005		250,135.00	.00	552,862.46
05/20/2005	Remittance	05/20/2005		100,135.00	.00	452,727.46
05/25/2005	OTT051001677 RETURN	05/25/2005		.00	100,000.00	552,727.46
05/25/2005	OTT051001676 RETURN	05/25/2005		.00	250,000.00	802,727.46
27 05/27/2005	BD028264,028265,028266&SC	05/27/2005	33	163,025.00	.00	639,702.46
05/27/2005	Cash (CAD)	05/27/2005	34	5,380.00	.00	634,322.46

To be Continued - 3 / 33 -

Jun. 01, 2006

200 #

P.CARY

**KEBOC\*C\$\*25,000 0 0 CTS**

25,000.00



*KISKOPS*

Royal Bank of Canada  
Banque Royale du Canada  
100 KING ST W  
STRATFORD ONT

90322626 4-316

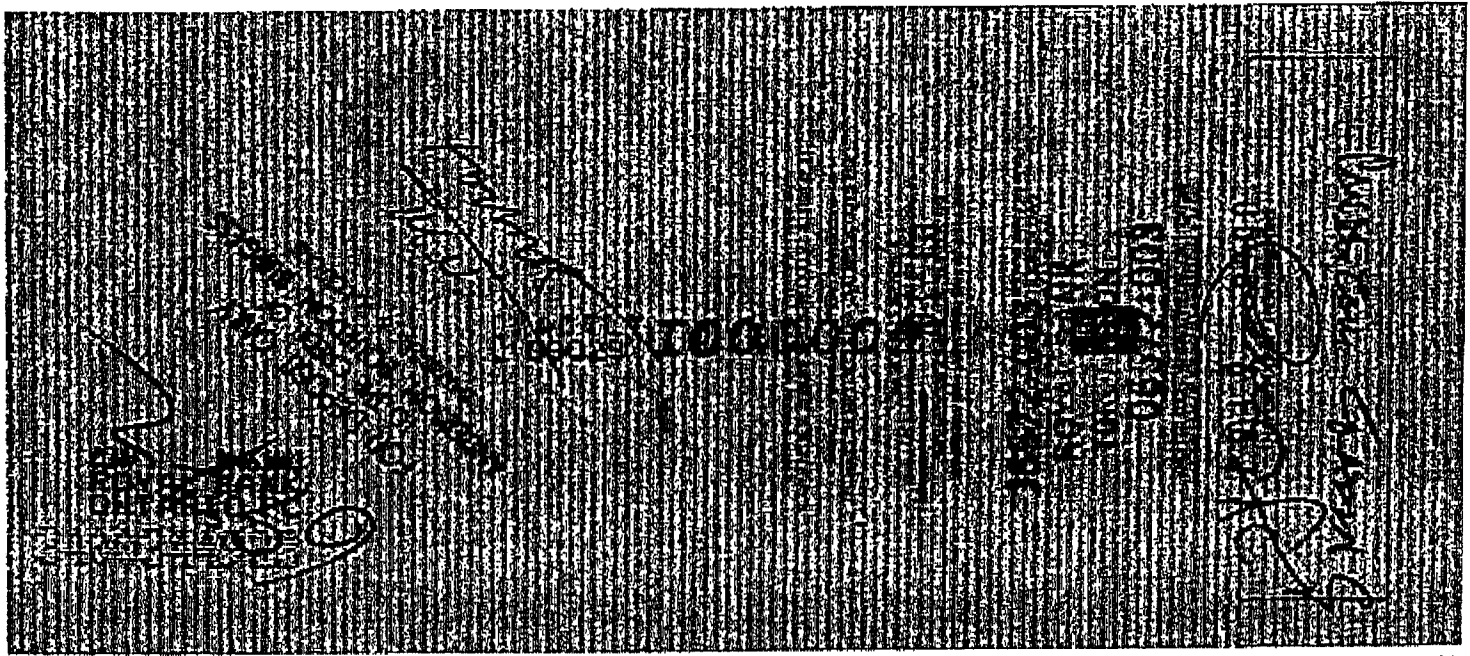
03 Sep 2006

Can Deton Trucking LTD. \$100,000.00

100,000.00

Royal Bank of Canada  
Banque Royale du Canada

Routing Transit/Acct.: 09029003 -0990135 Proc Date: 2006/10/03 \$100,000.00 ISN#: 3400344923



Routing Transit/Acct.: 09029003 -0990135 Proc Date: 2006/10/03 \$100,000.00 ISN#: 3400344923

**CERTIFIED TRUE COPY OF ORIGINAL**  
 RBC Financial Group  
 Corporate Investigation Services  
 Toronto, ON

*Maxime Siwinski*  
 \_\_\_\_\_  
 Maxime Siwinski

TDBFG Image Retrieval Services: Requests

MATOUSEK

Cheque Item Image

User: Cecilia Camayang

Request #:	2241010	Request Desc:	
Transit - FI #:	09612-004	Account #:	3808
Sequence #:	0100737278	Amount:	\$150,000.00 CAD
Date:	07/17/2008		

THE BACK OF THIS DOCUMENT CONTAINS A TD LOGO WATERMARK - DOCUMENT VOID IF MISSING

**The Toronto-Dominion Bank** 31065028

1204 Bloor Street  
 Vancouver, BC V6Z 2C7

Branch-Solnt No. 0944 31065028  
 July 08, 2008

Pay to the Order of **CANBETON TRADING LTD.** **CAD \$ 150,000.00**  
**CANADA TRUST**

Amount in figures required for amount over CAD \$5,000.00  
 Canadian Dollars

*[Signature]*  
 Number

The Toronto-Dominion Bank  
 Toronto, Ontario  
 Canada M5K 1A3

OUTSIDE CANADA NEGOTIABLE BY CORRESPONDENTS AT THEIR BUYING RATE FOR DEMAND CASH ON CANADA

# 3 1065028 # 09612-004 -3808 # 001500000 #



**CERTIFIED TRUE COPY**  
 TD Corporate Security & Investigations  
 Toronto, Ontario  
*[Signature]*

JUL-31-2008 14:25 From:TD RECON DEPT  
TDBFG Image Retrieval Services: Requests

1169445856

To: 4169825600

P.6/6

*GOORACHAN*

Cheque Item Image

User: Cecilia Camayang

Request #:	2241010	Request Desc:	
Transit - FI#:	09612-004	Account #:	3808
Sequence #:	0500261520	Amount:	\$100,000.00 CAD
Date:	05/09/2006		

THE BANK OF THE PROVINCE OF ONTARIO AND THE BANK OF MONTREAL ARE RESPONSIBLE FOR THE PAYMENT OF THIS CHECK.

**The Toronto-Dominion Bank** 22561374

Victoria Chr Centre  
1000 Douglas Street  
Victoria BC V8W 2C3

Transit Serial No. 00800-22561374

April 22, 2005

Pay to the Order of SANOUKEN & SUN INC., IN TRUST CAD \$ 100,000.00

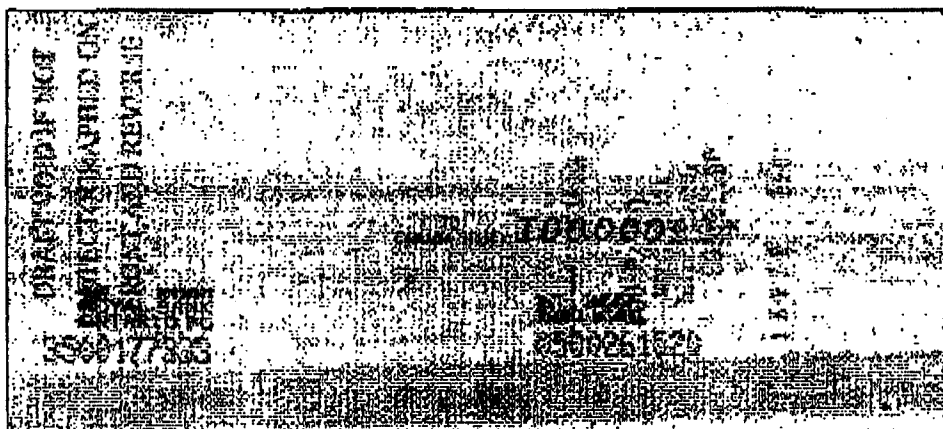
Authorized signatory required for amounts over CAD 10,000.00

By [Signature] *TD* 1000000000 Canadian Dollars

The Toronto-Dominion Bank  
Toronto, Ontario  
Canada M5K 1A2

OUTSIDE CANADA NEGOTIABLE BY CORRESPONDENTS AT THE APPLICABLE RATE FOR DEMAND DRAFTS ON CANADA

# 22561374 # 09612-004 # 3808 # 1000000000 #



FAX No. 4169332384  
*Gustafson*

(Page 1 of 2)

199674

Scotiabank  
BANK HAVEN CENTRE  
3701 STRANDHERD DR NEPEAN ON

DATE: May 24 2008

DANADIAN DOLLARS

*585 000.00*

*585 000.00*

SCOTIABANK \$5000.00

AUTH NO. N3877	THE BANK OF NOVA SCOTIA
AUTH NO. P194	S.O. P... AUTHORIZED OFFICER

TO ANY BRANCH OF THE BANK OF NOVA SCOTIA

10199571M 03855240021:0000043 5132600 #0008500000

*h.c. 22/09*

ROYAL BANK  
ONTARIO FC

21 21 21

ROYAL BANK  
TORONTO ONTARIO  
08572-0033

7600326231

9 2 1 6 8 3

DO NOT WRITE IN THESE SPACES

(Page 2 of 2)

CERTIFIED TRUE COPY  
*A*





June 5, 2008

David Preger  
Solomon, Grossberg LLP  
55 University Avenue  
Suite 1704  
Toronto ON M5J 2H7

Dear Mr. Preger:

**Subject: Re: Pickerel Lake Lodge and Joe Martins In Trust**

In the Amendment to Agreement of Purchase and Sale ("Agreement") for purchase of Pickerel Lake Lodge ("Lodge") signed by both Joe Martins ("Martins") and Bill Corrigan for 1670342 Ontario Inc., ("1670342") with approximate date February 28, 2007, it stipulates that Martins and 1670342 have entered into a lease agreement for the purpose of Martins operating the lodge.

The amendment stipulates that Martins is to pay \$28,500 per month to 1670342, commencing March 1, 2007. It is our understanding that payments have been made by Martins which you are holding in trust. As you are aware, Mintz & Partners Limited is the Receiver of 1670342.

Martins was unable to close on the purchase of the lodge and it is now our position that funds you are holding in trust from Martins in accordance with the agreement must now be paid to the Receiver.

This letter serves as a demand for those funds.

Yours truly,

Paul McGrath, C.F.E.  
Senior Manager, Financial Advisory Services  
Deloitte & Touche LLP

c: Symon Zucker, Danson & Zucker

June 5, 2008

Maria Jose Skultety  
Barrister, Solicitor and Notary  
884 College Street  
Toronto ON M6H 1A3

Dear Ms Skultety:

**Subject: Re: Pickerel Lake Lodge and Joe Martins In Trust**

In the Amendment to Agreement of Purchase and Sale ("Agreement") for purchase of Pickerel Lake Lodge ("Lodge") signed by both Joe Martins ("Martins") and Bill Corrigan for 1670342 Ontario Inc., ("1670342") with approximate date February 28, 2007, it stipulates that Martins and 1670342 have entered into a lease agreement for the purpose of Martins operating the lodge.

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Martins was unable to close on the purchase of the lodge and it is now our position that funds you are holding in trust from Martins in accordance with the agreement must now be paid to the Receiver.

This letter serves as a demand for those funds.

Yours truly

Paul McGrath, C.F.E.  
Senior Manager, Financial Advisory Services  
Deloitte & Touche LLP

c: Symon Zucker, Danson & Zucker



AGREEMENT OF PURCHASE AND SALE - COMMERCIAL (FOR USE IN THE PROVINCE OF ONTARIO)



PURCHASER: 1281515 Ontario Inc. in Trust for a Company to be Created or Assigned, agree to purchase from

VENDOR: Robert Weisz in Trust Under Power of Sale, the following

REAL PROPERTY: 20 Scotia Road, Emsdale, Ontario, Township of Perry, Scotia Road, approx 50 acres more or less by a depth of...

PURCHASE PRICE: Seventy Thousand Dollars (CDN\$ 70,000.00) DEPOSIT: Upon acceptance Two Thousand Dollars (CDN\$ 2,000.00)

Century 21 Cottage Country Realty to be held in trust pending completion or other termination of this Agreement and to be credited toward the Purchase Price on completion.

CLARITY COPY

SCHEDULE(S): "A", "B", "C" attached hereto form(s) part of this Agreement.

CHATELS INCLUDED: FIXTURES EXCLUDED:

RENTAL ITEMS: The following equipment is rented and not included in the Purchase Price.

IRREVOCABILITY: This Offer shall be irrevocable by until 5:00 p.m. on the 27 day of March 2008.

COMPLETION DATE: This Agreement shall be completed by no later than 6:00 p.m. on the 30 day of March 2008.

NOTICES: Vendor hereby appoints the Listing Broker as Agent for the purpose of giving and receiving notices pursuant to this Agreement.

FAX No. (705) For delivery of notices to Vendor FAX No. (705) 789-4909 For delivery of notices to Purchaser

GST: If this transaction is subject to Goods and Services Tax (GST), then such tax shall be in addition to the Purchase Price.

TITLE SEARCH: Purchaser shall be allowed until 6:00 p.m. on the 28 day of April 2008 to examine the title to the property at his own expense.

FUTURE USE: Vendor and Purchaser agree that there is no representation or warranty of any kind that the future intended use of the property by Purchaser or will be lawful except as may be specifically provided for in this Agreement.

TITLE: Provided that the title to the property is good and free from all registered restrictions, charges, liens, and encumbrances except as otherwise specifically provided in this Agreement...

Standard Forms Do not alter when printing or reproducing the standard pre-set portion.

we are in the possession or control of Vendor. If requested by Purchaser, Vendor will deliver any sketch or survey of the property within Vendor's control to Purchaser as soon as possible and prior to the Registration Date. If a discharge of any Charge/Mortgage held by a corporation incorporated pursuant to the Trust And Loan Companies Act (Canada), Chartered Bank, Trust Company, Credit Union, Calles Papulaires or Insurance Company and which is not to be assumed by Purchaser on completion, is not available in registrable form on completion, Purchaser agrees to accept Vendor's lawyer's personal undertaking to obtain out of the closing Vendor shall provide to Purchaser a mortgage statement prepared by the mortgagee setting out the balance required to obtain the discharge, together with a direction issued by Vendor directing payment to the mortgagee of the amount required to obtain the discharge out of the balance due on completion.

12. **INSPECTIONS:** Purchaser acknowledges having had the opportunity to inspect the property and understands that upon acceptance of this Offer there shall be a binding agreement of purchase and sale between Purchaser and Vendor.

13. **INSURANCE:** All buildings on the property and all other things being purchased shall be and remain until completion at the risk of Vendor. Pending completion, Vendor shall hold all insurance policies, if any, and the proceeds thereof in trust for the parties as their interests may appear and in the event of substantial damage, Purchaser may either terminate this Agreement and have all monies paid returned without interest or deduction or else take the proceeds of any insurance and complete the purchase. No insurance shall be transferred on completion. If Vendor is taking back a Charge/Mortgage, or Purchaser is assuming a Charge/Mortgage, Purchaser shall supply Vendor with reasonable evidence of adequate insurance to protect Vendor's or other mortgagee's interest on completion.

14. **PLANNING ACT:** This Agreement shall be effective to create an interest in the property only if Vendor complies with the subdivision control provisions of the Planning Act by completion and Vendor covenants to proceed diligently at his expense to obtain any necessary consent by completion.

15. **DOCUMENT PREPARATION:** The Transfer/Deed shall, save for the Land Transfer Tax Affidavit, be prepared in registrable form at the expense of Vendor, and any Charge/Mortgage to be given back by the Purchaser to Vendor at the expense of the Purchaser. If requested by Purchaser, Vendor covenants that the Transfer/Deed to be delivered on completion shall contain the statements contemplated by Section 50 (22) of the Planning Act, R.S.O. 1990.

16. **RESIDENCY:** Purchaser shall be credited towards the Purchase Price with the amount, if any, necessary for Purchaser to pay to the Minister of National Revenue to claim such credit if Vendor delivers on completion the prescribed certificate or a statutory declaration that Vendor is not a non-resident of Canada.

17. **ADJUSTMENTS:** Any rents, mortgage interest, realty taxes including local improvement rates and unmet public or private utility charges and unmet road cost of fuel, as applicable, shall be apportioned and allowed to the day of completion, the day of completion itself to be apportioned to Purchaser.

18. **TIME LIMITS:** Time shall in all respects be of the essence hereof provided that the time for doing or completing of any matter provided for herein may be extended or abridged by an agreement in writing signed by Vendor and Purchaser or by their respective lawyers who may be specifically authorized in that regard.

19. **TENDER:** Any tender of documents or money hereunder may be made upon Vendor or Purchaser or their respective lawyers on the day set for completion. Money may be tendered by bank draft or cheque certified by a Chartered Bank, Trust Company, Province of Ontario Savings Office, Credit Union or Calles Papulaires.

20. **FAMILY LAW ACT:** Vendor warrants that spousal consent is not necessary to this transaction under the provisions of the Family Law Act, R.S.O. 1990 unless Vendor's spouse has executed the consent hereinafter provided.

21. **UFFTs:** Vendor represents and warrants to Purchaser that during the time Vendor has owned the property, Vendor has not caused any building on the property to be insulated with insulation containing ureaformaldehyde, and that to the best of Vendor's knowledge no building on the property contains or has ever contained unit building, this warranty shall only apply to that part of the building which is the subject of this transaction, and if the building is part of a multiple unit building, this warranty shall only apply to that part of the building which is the subject of this transaction.

22. **LEGAL, ACCOUNTING AND ENVIRONMENTAL ADVICE:** The parties acknowledge that any information provided by the broker is not legal, tax or environmental advice, and that it has been recommended that the parties obtain independent professional advice prior to signing this document.

23. **CONSUMER REPORTS:** The Purchaser is hereby notified that a consumer report containing credit and/or personal information may be referred to in connection with this transaction.

24. **AGENCY:** It is understood that the broker involved in the transaction represent the parties as set out in the Confirmation of Representation below.

25. **AGREEMENT IN WRITING:** If there is any conflict or discrepancy between any provision added to this Agreement (including any Schedule attached hereto) and any provision in the standard pre-set portion hereof, the added provision shall supersede the standard pre-set provision to the extent of such conflict or discrepancy. This Agreement including any Schedule attached hereto, shall constitute the entire Agreement between Purchaser and Vendor. There shall be no representation, warranty, collateral agreement or condition, which affects this Agreement other than as expressed herein. This Agreement shall be read with all changes of gender or number required by the context.

26. **SUCCESSORS AND ASSIGNS:** The heirs, executors, administrators, successors and assigns of the undersigned are bound by the terms herein.

DATED at King City this 24 day of March, 2008

SIGNED, SEALED AND DELIVERED in the presence of: IN WITNESS whereof I have hereunto set my hand and seal:

Mel Dancy for 1201616 Ontario Inc (Purchaser) DATE

The Undersigned Vendor, agree to the above Offer. I hereby irrevocably instruct my lawyer to pay directly to the Listing Broker the unpaid balance of the commission after with applicable Goods and Services Tax (and any other taxes that may hereafter be applicable), from the proceeds of the sale prior to any payment to the Undersigned on completion, as advised by the Listing Broker to my lawyer.

DATED at King City this 24 day of March, 2008

SIGNED, SEALED AND DELIVERED in the presence of: IN WITNESS whereof I have hereunto set my hand and seal:

Robert Walz in trust Under Power of Sale (Vendor) DATE

Robert Walz in trust Under Power of Sale (Vendor) DATE

Robert Walz in trust Under Power of Sale (Vendor) DATE

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Robert Walz in trust Under Power of Sale (Vendor) DATE

Robert Walz in trust Under Power of Sale (Vendor) DATE

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INSTANT FORMS

SCHEDULE "A"

1. It is understood that the Vendor is selling as mortgagee under the Power of Sale provisions contained in its mortgage. The Purchaser agrees to accept title to the property pursuant to The Mortgages Act.
2. It is further understood that on the date of acceptance of this offer there is default under the terms of the mortgage which entitles the Vendor to exercise the power of sale. The only evidence of default which the Purchaser may require, shall be a statutory declaration made by the Vendor setting forth the facts entitling the Vendor to sell under power of sale, including the particulars of the notice of exercising the power of sale, the names of the persons upon whom service of the notice has been effected, and declaring that default under the mortgage entitling the Vendor to exercise the power of sale has continued up to and including the date of acceptance of this offer.
3. If the Vendor has agreed to take back a mortgage, the Purchaser shall complete the Vendor's application form and the mortgage back shall contain such standard charge terms as selected by the Vendor and such other additional provisions as are normally utilized by the Vendor or its solicitor in mortgages/charges for like properties. The Purchaser also agrees to provide the Vendor with an Acknowledgment confirming that there are no holdbacks, set-offs and/or undisclosed equities existing between the parties. On all properties other than an owner occupied single family residential home, the Purchaser shall provide the Vendor as additional security with an Assignment of Rents and Leases, a General Security Agreement and such other documentation as is customarily obtained by the Vendor on transactions of this nature.
4. The Purchaser agrees to accept title and the property subject to: any subdivision agreements, site plan agreements or agreements of a like nature; restrictions; easements for the supply of utilities, services or otherwise; rights-of-way; encroachments on the subject property or encroachments by the subject property onto adjoining properties; notices of conditional sales contracts; leases or licences including but not limited to laundromat leases; a designation as a designated property or Council of the municipality issuing Notice of Intention to Designate pursuant to the Ontario Heritage Act, as amended; (and if the property is a condominium, the Declaration and by-laws, any special assessments and any outstanding lawsuits by or against the condominium corporation and if the property is a co-ownership or co-op, subject to the co-ownership agreement, any exclusive use agreements, lease agreements and like agreements and subject to any special assessments and any outstanding lawsuits which the Purchaser agrees to assume).
5. The Purchaser acknowledges that he/she/it has relied entirely upon his/her/its own inspection and investigation with respect to quantity, quality and value of the property.
6. The Purchaser agrees that it is purchasing and accepts the property on an "as is" basis, as of the date of acceptance and as of the closing date including without limiting the generality of the foregoing, the Purchaser assumes the obligation and liability of all outstanding work orders, deficiency notices, orders to comply, directions, retrofit requirements of the applicable fire department, infractions or any other non-compliance of municipal zoning by-laws, provincial or federal laws, outstanding levies, impost charges, sewer charges and any other development charges, any outstanding Ontario Rental Housing Tribunal rent review orders, notices or rental rebates due to tenants. The Vendor makes no representations or warranty with respect to any workmanship or any defects therein, state of repair, location of structures, walls, retaining walls or fences, soil conditions, urea formaldehyde, mould, asbestos, hazardous substances, termites or any other environmental matter or any like condition. If any representations and/or warranties with respect to any matter are contained in the Agreement of Purchase and Sale, the Purchaser hereby agrees that the same shall be deemed to be deleted from the Agreement of Purchase and Sale.
7. The Vendor has the right in its sole, subjective and arbitrary discretion to terminate this Agreement by notice in writing delivered to the Purchaser or his/her/its solicitor at any time prior to closing if an injunction application restraining the sale, an improvident sale action, or any other application or action which may adversely affect the Vendor's ability to collect the amounts due to it, has been brought or is threatened to be commenced by any party having an

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interest in the lands. Upon such termination, the Vendor's obligations hereunder shall be at an end and the Vendor shall not be liable to the Purchaser for any costs, damages, losses or expenses incurred by the Purchaser and the Purchaser's deposit shall be returned in full.

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- 8. The Purchaser acknowledges that the Vendor is selling this property pursuant to the Power of Sale provisions contained in its mortgage and in the event that the mortgagor, or any party having an interest in the land, redeems same or enters into an Agreement of Purchase and Sale to sell the property, prior to closing, then the Vendor shall at its sole, subjective and arbitrary discretion have the right to terminate this Agreement by notice in writing delivered to the Purchaser or his/her/its solicitor and upon such termination, all of the Vendor's obligations hereunder shall be at an end and the Vendor shall not be liable to the Purchaser for any costs, damages, losses or expenses incurred by the Purchaser and the Purchaser's deposit shall be returned in full.
- 9. If there is any conflict between any of the terms and provisions contained in this Schedule and any terms and provisions contained in the Agreement of Purchase and Sale herein, and any other schedules attached hereto, the terms and conditions of this Schedule shall prevail.
- 10. This Agreement, any amendments thereto, and any notices given pursuant to this Agreement of Purchase and Sale may be transmitted by telecopier and shall be binding upon the parties hereto as if executed and delivered in the original.
- 11. The Purchaser covenants and agrees not to register Notices of this Agreement, any assignment thereof, Caution, Certificate of Pending Litigation, or any other instrument or reference to this Agreement of his/her/its interest in this property. If any such registration occurs, the Vendor may, at its option, terminate this Agreement and all deposit monies shall be forfeited by the Vendor as liquidated damages and not as a penalty. The Purchaser hereby irrevocably consents to a court order removing any such registrations and agrees to bear all costs incurred in obtaining such order.
- 12. The Purchaser agrees to assume any existing tenancies in accordance with the terms of any existing tenancy agreements or leases and the Vendor will only have to provide such information in respect of the tenancies as is in its possession. The Vendor shall not be required to obtain any confirmation from the tenants as to the terms of the tenancies nor shall there be an adjustment on closing for prepaid rents, security deposits, interest due on prepaid rents, any tenant inducements outstanding, rental arrears, lease defaults or any other like amounts. The Purchaser agrees to close the transaction notwithstanding that the tenant who has been served with a notice of termination to vacate the property by reason of Purchaser's intended personal use fails to vacate as at closing. The Vendor makes no representations or warranties in respect of the tenancies including without limitation, the legality of any rents being charged and/or collected and the Purchaser agrees to accept the tenants on an "as is" basis without any recourse to the Vendor for any rebates which may be due at law to the tenants. The Vendor shall not be liable to the Purchaser for any damages, losses, claims or costs incurred in respect of any matter arising out of the tenancies assumed by the Purchaser including the failure of a tenant to vacate pursuant to any notices of termination served upon them.
- 13. Notwithstanding anything contained to the contrary in this Agreement of Purchase and Sale, the Purchaser acknowledges that the Vendor has no proprietary interest in, nor title to the chattels or fixtures presently located on, upon, around or forming part of the property or used in connection therewith and if same are left at the property, it shall be on an "as is" basis with no warranty or representation that the Vendor has any proprietary rights to same. The Vendor shall not provide a bill of sale on closing in respect of the chattels or fixtures nor be liable to the Purchaser if same have been removed from the property prior to closing. The Vendor shall not be obligated to remove any chattels or moveables which may have been left on the property.
- 14. In the event any issue is raised with respect to the Vendor's title, the Agreement of Purchase and Sale or possession, the Vendor may at its sole option and subjective arbitrary discretion extend the closing date, from time to time, for a period or periods of time not exceeding 90



days in total. The Purchaser agrees that if a title insurance company is willing to insure over any such issue raised, the Purchaser agrees to purchase a title insurance policy at the Purchaser's sole expense and close the transaction. If the Vendor is unable to resolve any such issue by the expiry of the extension period or periods and title insurance coverage cannot be obtained, then the Vendor at its sole, arbitrary and subjective discretion may terminate this agreement by notice in writing to the Purchaser and without having to provide any reason for such termination. Upon such termination, the Vendor's obligations hereunder shall be at an end and the Vendor shall not be responsible to the Purchaser for any costs, damages, losses or expenses incurred by the Purchaser and the Purchaser's deposit shall be returned in full. The Purchaser acknowledges that its sole remedy with respect to any of the matters raised by it shall be rescission of the Agreement of Purchase and Sale and the right to the return of its deposit. The Purchaser agrees that it shall have no right to bring an action for specific performance with or without an abatement of the purchase price and/or for damages.

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- 15. The Purchaser shall be obliged to pay on closing, in addition to the purchase price, any Goods and Services Tax ("GST") applicable to this transaction and will indemnify the Vendor with respect thereto. No GST shall be collected by Vendor if the Purchaser satisfies the Vendor, acting reasonably, that the Vendor is not required to collect the same pursuant to the provisions of the Excise Tax Act (Canada) and provides an indemnity on closing in this regard in Vendor's solicitor's form.
- 16. The Vendor shall not supply any Warranty, Statutory Declaration or Certificate with respect to the subject property's status as a used residential property or as to whether this transaction is an exempt supply in accordance with the provisions of the Excise Tax Act (Part VII) (GST).
- 17. The Purchaser agrees to accept Vendor's solicitor's personal Undertaking to discharge any and all outstanding liens and encumbrances except those extinguished by the power of sale proceedings or agreed to be assumed by the Purchaser.
- 18. The Purchaser acknowledges that it is relying on its own inspections and investigations of the property, rents, expenses and all other matters incidental thereto and that the Vendor has not made any representations or warranties in this regard or otherwise. The Purchaser acknowledges and agrees that subsequent to closing, it shall have no claims with respect to any matter against the Vendor.





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**Schedule "B"**

**LEGAL DESCRIPTION**

Part of Lot 16, Concession 9, Township of Perry, District of Parry Sound, Designated as Part 1, Plan 42R-15544 together with right of way over Part of Lot 16, Concession 9, Township of Perry, District of Parry Sound designated as part 3, Plan 42R-6022 and Concession 10, Part Lot 16, Part Lot 4, Plan 42R-8574, Township of Perry, District of Parry Sound



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Schedule "C"

The Buyer will pay the balance of the Purchase Price by cash or certified cheque to the Seller on the date of closing, subject to the usual adjustments.

The Buyer acknowledges he is purchasing the property under Power of Sale without warrantee or representation on an "as is, where is" basis.

~~The Seller agrees to take back a new first mortgage for not less than 65% of the purchase price for a 12-month period to commence the first day after closing. This mortgage shall be fully open and bear interest at the rate of 8% per annum with interest only payments to be paid monthly. This mortgage shall be payable in full or in part without notice, bonus or penalty at any time during the term.~~

This Offer to Purchase is conditional for 10 business days following acceptance upon the Buyer completing his satisfactory due diligence of the property. If the Buyer is satisfied with the results of his due diligence, then he will inform the Seller or Seller's agent in writing of his intention to continue with this transaction, failing which, this offer is deemed null and void and all deposit monies will be returned forthwith without deduction.

Traders Realty Ltd. and Century 21 Cottage Country Realty recommend that all parties to this transaction receive Independent Legal Advice before executing this document.



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# Confirmation of Co-operation and Representation

Form 320  
for use in the Province of Ontario

BUYER: ..... 1281515 Ontario Inc., In Trust for a company to be Created or Assigned .....

SELLER: ..... Robert Weisz In Trust .....

For the transaction on the property known as: ..... 20 Scotia Road, Emsdale, On. ....

For the purposes of this Confirmation of Co-operation and Representation, a "Seller" includes a vendor, a landlord, or a prospective, seller, vendor or landlord and a "Buyer" includes a purchaser, a tenant, or a prospective, buyer, purchaser or tenant and a "sale" includes a lease.

The following information is confirmed by the undersigned salesperson/broker representatives of the Brokerage(s). If a Co-operating Brokerage is involved in the transaction, the brokerages agree to co-operate, in consideration of, and on the terms and conditions as set out below.

**DECLARATION OF INSURANCE:** The undersigned salesperson/broker representative(s) of the Brokerage(s) hereby declare that he/she is insured as required by the Real Estate and Business Brokers Act (REBBA) and Regulations.

## 1. LISTING BROKERAGE

a)  The Listing Brokerage represents the interests of the Seller in this transaction. The Buyer may be buying the property directly through the Listing Brokerage or the Buyer may be working with a Co-operating Brokerage (if applicable, Section 3 will be completed by Co-operating Brokerage).

b)  **MULTIPLE REPRESENTATION:** The Listing Brokerage has entered into a Buyer Representation Agreement with the Buyer and represents the interests of the Seller and the Buyer, with their consent, for this transaction. The Listing Brokerage must be impartial and equally protect the interests of the Seller and the Buyer in this transaction. The Listing Brokerage has a duty of full disclosure to both the Seller and the Buyer, including a requirement to disclose all factual information about the property known to the Listing Brokerage.

However, the Listing Brokerage shall not disclose:

- That the Seller may or will accept less than the listed price, unless otherwise instructed in writing by the Seller;
- That the Buyer may or will pay more than the offered price, unless otherwise instructed in writing by the Buyer;
- The motivation of or personal information about the Seller or Buyer, unless otherwise instructed in writing by the party to which the information applies, or unless failure to disclose would constitute fraudulent, unlawful or unethical practice;
- The price the Buyer should offer or the price the Seller should accept;
- And; the Listing Brokerage shall not disclose to the Buyer the terms of any other offer

However, it is understood that factual market information about comparable properties and information known to the Listing Brokerage concerning potential uses for the property will be disclosed to both Seller and Buyer to assist them to come to their own conclusions.

Additional comments and/or disclosures by Listing Brokerage: (e.g. The Listing Brokerage has also entered into a Customer Service Agreement with the Buyer.)

## 2. PROPERTY SOLD BY BUYER BROKERAGE - PROPERTY NOT LISTED

The Brokerage represents the Buyer and the property is not listed with any real estate brokerage. The Brokerage will be paid

by the Seller in accordance with a Seller Customer Service Agreement

or:  by the Buyer directly

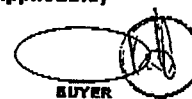
Additional comments and/or disclosures by Buyer Brokerage: (e.g. The Buyer Brokerage represents more than one Buyer offering on this property.)

INITIALS OF BUYER(S)/SELLER(S)/BROKERAGES REPRESENTATIVE(S) (Where applicable)

  
LISTING BROKERAGE

  
CO-OPERATING/BUYER-BROKERAGE

  
SELLER

  
BUYER



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3. CO-OPERATING BROKERAGE (If applicable, Co-operating Brokerage completes Section 3 and Listing Brokerage Indicates 1. a) In Section 1.)

- a) The Co-operating Brokerage represents the interests of the Buyer in this transaction. It is further understood and agreed that the Listing Brokerage will pay the Co-operating Brokerage
  - the commission as indicated in the MLS® information for the property
  - or, if not an MLS® listing:  a commission of.....
 plus applicable Goods and Services Tax, from the amount paid by the Seller to the Listing Brokerage, on any trade wherein the Co-operating Brokerage has obtained an accepted Agreement of Purchase and Sale, option to Purchase or Agreement to Exchange and/or Lease. Said payment of commission will not make the Co-operating Brokerage either the agent or sub-agent of the Seller or the Listing Brokerage.
- b) The Co-operating Brokerage represents the interests of the Buyer in this transaction. It is further understood and agreed that the Co-operating Brokerage will not receive any payment from the Listing Broker and/or Seller and will be receiving payment directly from the Buyer in this transaction.
- c) The Co-operating Brokerage accepts the offer of sub-agency from the Seller and/or Listing Brokerage and represents the interests of the Seller in this transaction while offering the Buyer customer service. It is further understood and agreed that the Listing Brokerage will pay the Co-operating Brokerage
  - the commission as indicated in the MLS® information for the property
  - or, if not an MLS® listing:  a commission of.....
 plus applicable Goods and Services Tax, from the amount paid by the Seller to the Listing Brokerage, on any trade wherein the Co-operating Brokerage has obtained an accepted Agreement of Purchase and Sale, option to Purchase or Agreement to Exchange and/or Lease.
- d) The Co-operating Brokerage is NOT representing either the Buyer or the Seller. It is further understood and agreed that the Listing Brokerage will pay the Co-operating Brokerage
  - the commission as indicated in the MLS® information for the property
  - or, if not an MLS® listing:  a commission of.....
 plus applicable Goods and Services Tax, from the amount paid by the Seller to the Listing Brokerage, on any trade wherein the Co-operating Brokerage has obtained an accepted Agreement of Purchase and Sale, option to Purchase or Agreement to Exchange and/or Lease. Said payment of commission will not make the Co-operating Brokerage either the agent or sub-agent of the Seller or the Listing Brokerage.



Additional comments and/or disclosures by Co-operating Brokerage: (e.g. The Co-operating Brokerage represents more than one Buyer offering on this property.)

COMMISSION TRUST AGREEMENT: If the above Co-operating Brokerage is receiving payment of commission from the Listing Brokerage, then the agreement between Listing Brokerage and Co-operating Brokerage further includes a Commission Trust Agreement, the consideration for which is the Co-operating Brokerage procuring an offer for a trade of the property, acceptable to the Seller. This Commission Trust Agreement shall be subject to and governed by the MLS® rules and regulations pertaining to commission trusts of the Listing Brokerage's local real estate board, if the local board's MLS® rules and regulations so provide. Otherwise, the provisions of the OREA recommended MLS® rules and regulations shall apply to this Commission Trust Agreement. For the purpose of this Commission Trust Agreement, the Commission Trust Amount shall be the amount noted in Section 3 above. The Listing Brokerage hereby declares that all monies received in connection with the trade shall constitute a Commission Trust and shall be held, in trust, for the Co-operating Brokerage under the terms of the applicable MLS® rules and regulations.

SIGNED BY THE BROKER/SALESPERSON REPRESENTATIVE(S) OF THE BROKERAGE(S) (Where applicable)

Century 21 Cottage Country Realty Inc. Brokerage  
 (Name of Listing Brokerage)  
 29 King William Street, Huntsville, On. P1H 1G4  
 Tel: 705-789-6588 Fax: 705-789-8775  
 Date: MAR 25/08  
 (Authorized to bind the Listing Brokerage)  
 J. M. O. B. KHATER  
 (Print Name of Broker/Salesperson Representative of the Brokerage)

Traders Realty LTD.  
 (Name of Co-operating/Buyer Brokerage)  
 451 Golfcourse Road, Huntsville, On. P1H 1N8  
 Tel: 705-788-3683 Fax: 705-789-4907  
 Date: MAR 25/08  
 (Authorized to bind the Co-operating/Buyer Brokerage)  
 KEVIN W. E. BROKER & REALTOR  
 (Print Name of Broker/Salesperson Representative of the Brokerage)

CONSENT FOR MULTIPLE REPRESENTATION (To be completed only if the Brokerage represents more than one client for the transaction.)  
 The Seller/Buyer consent with their initials to their Brokerage representing more than one client for this transaction.  
 SELLER'S INITIALS:   
 BUYER'S INITIALS: 

ACKNOWLEDGEMENT

I have received, read, and understand the above information.  
 (Signature of Seller) Date: .....  
 (Signature of Buyer) Date: 03-25-08  
 (Signature of Seller) Date: .....  
 (Signature of Buyer) Date: .....



**Statement:** September 30, 2008  
**Previous Statement:** June 30, 2008  
**BMO InvestorLine Account:** 210-46365

**Order Execution Only Account**

**AccountLink Service**  
**Canadian Dollar Bank of Montreal Account:**  
 3677 8419560  
**US. Dollar Bank of Montreal Account:**  
 3677 4573219

First Canadian Place Level B1, Toronto, ON M5X 1H3  
 TOLL FREE: (888) 776-6886 INTERNATL (416) 281-5400

SABOURIN AND SUN (BVI) TRUST  
 C/O PETER SABOURIN  
 ADDRESS UNKNOWN  
 205-2221 YONGE STREET  
 TORONTO ON M4S 2B4

**Tax-Free Savings Account**

The Government of Canada recently introduced a new Tax-Free Savings Account (TFSA), where Canadians can contribute up to \$5,000 per year and watch their money grow tax free. BMO InvestorLine will be offering TFSA's starting January 2009. Stay tuned for more details.

**Your Portfolio Summary**

**Summary of Assets**

	Market Value	% of Portfolio		Market Value	% of Portfolio
<b>Canadian Dollars</b>			<b>U.S. Dollars</b>		
Cash	181.66	2%	Cash	482.35	11%
Equities	8,629.40	98%	Equities	3,850.30	89%
Value this Month	8,811.06	100%	Value this Month	4,332.65	100%
Value Previous Statement	14,850.75		Value Previous Statement	3,983.95	
Change in Investment Value	6,039.69		Change in Investment Value	348.70	

**Account Summary**

	Opening Cash Balance	Closing Cash Balance	Trades Settling After Month-end	Cash Balance After All Trades	Commission This Month	Commission Year-to-date
<b>Canadian Dollars</b>						
Cash Account	181.66	181.66	0.00	181.66	0.00	0.00
<b>U.S. Dollars</b>						
Cash Account	482.35	482.35	0.00	482.35	0.00	0.00

Each year, investment dealers are required to disclose to Canada Revenue Agency the securities transactions made by clients. You must report the income or capital gain from these transactions on your annual income tax return. Please keep this statement for income tax purposes.

## Your Investment Holdings

Quantity	Symbol	Security Description	Price	Market Value	Notes	Asset Location
<b>Canadian Dollars</b>						
<b>Equities : Cash Account</b>						
500	BZA	AMERICAN BONANZA GOLD CORP NEW	0.050	25.00		Fully Segregated
4,200	ASMSF	ASSET MANAGEMENT SOFTWARE SYSTEMS CORP	0.000	0.00		Fully Segregated
7,000	BXMN	BRE-X MINERALS LTD	0.000	0.00		Fully Segregated
120,000	OX	EXPLORATION OREX INC	0.070	8,400.00		Fully Segregated
8	PALM	PALM INC	6.355	50.84	[*]	Fully Segregated
133	SRE	SAVILLE RESOURCES INC	0.000	0.00		Fully Segregated
62	COMS	3COM CORP	2.477	153.56	[*]	Fully Segregated
<b>Total Canadian Dollars Equities Value</b>				<b>8,629.40</b>		

## U.S. Dollars

Equities : Cash Account

750	CXXX	CENTRAXX INC	0.000	0.00		Fully Segregated
40	PALM	PALM INC	5.970	238.80		Fully Segregated
1,550	COMS	3COM CORP	2.330	3,611.50		Fully Segregated
<b>Total U.S. Dollars Equities Value</b>				<b>3,850.30</b>		

## FYI: Investor Bulletin

Coming soon, corporate action notifications will be delivered right to your MyLink inbox. Log in to [bmoinvestorline.com](http://bmoinvestorline.com) regularly for updates on this exciting new service. For more information on corporate actions visit [bmoinvestorline.com/FAQs](http://bmoinvestorline.com/FAQs).

Effective October 1, 2008, there will be changes to Personal Banking fees that may impact your account with AccountLink service. View the changes in the Commission and Fee schedule found in the Rates section of [bmoinvestorline.com](http://bmoinvestorline.com).

Stay informed with the InSite eNewsletter. Receive investing information, special reports and notice of new products, services and seminars. Update your email address in your Account Profile online today.

[\*] The exchange rate used for US to Canadian dollar conversion was 1.0630





ONTARIO  
SUPERIOR COURT OF JUSTICE

THE HONOURABLE ) THURSDAY, THE SEVENTH DAY  
 )  
MR. JUSTICE MATLOW ) OF DECEMBER, 2000

BETWEEN:

SABOURIN AND SUN GROUP OF COMPANIES

Plaintiff

-and-

JUDITH LAIKEN

Defendant

AND BETWEEN:

JUDITH LAIKEN

Plaintiff  
by Counterclaim

- and -

SABOURIN AND SUN GROUP OF COMPANIES,  
PETER SABOURIN, SABOURIN AND SUN CANADA INC.,  
SABOURIN AND SUN INC., a BAHAMAS CORPORATION,  
SABOURIN AND SUN BVI TRUST, and  
INTERVEST DIRECT INC.

Defendants  
by Counterclaim

ORDER

THIS MOTION, made by BMQ Investorline Inc. for an interpleader order, was heard on  
Friday, December 1, 2000.

ON READING the Affidavit of David Abramson, sworn November 16, 2000, and the Affidavit of Peter Sabourin sworn November 28, 2000, and on being advised that a fresh Affidavit of David Abramson in compliance with rule 39.01(5) has been filed, and on hearing the submissions of counsel for BMO Investorline Inc., Sabourin and Sun Group of Companies, and Judith Laiken, appearing personally,

1. THIS COURT ORDERS THAT BMO Investorline Inc. sell the securities currently held in Investorline Account No. 210-46365-15 and pay the proceeds of such sale into court pending the outcome of this proceeding or further order of this Court.

2. THIS COURT ORDERS THAT once BMO Investorline Inc. has paid the funds referred to in paragraph 1 into Court, its liability in respect of the securities in question and the proceeds paid into court be and is hereby extinguished.

3. THIS COURT ORDERS THAT the costs as between the parties to this proceeding are reserved to the judge who ultimately disposes of the funds paid into court.

TORONTO:

FILE NO.:

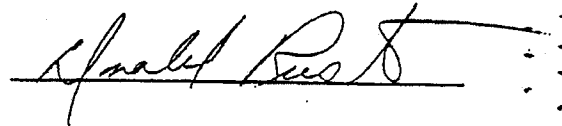
MAR 21 2001

DOCUMENT NO.:

PRECEDENCE DOCUMENT NO.:

PREPARED BY:

*R. Vaiculis*



D. RUST  
LOCAL REGISTRAR

**BQRIN AND SUN GROUP OF COMPANIES** and  
Plaintiff/Defendant by Counterclaim

**JUDITH LAIKEN**  
Defendant/Plaintiff by Counterclaim

Court file no. 00-CV-187887

*curative*  
**SUPERIOR COURT OF JUSTICE**  
Proceeding commenced at Toronto

**ORDER**

**CAREY & SCHIECK**  
Barristers and Solicitors  
390 Bay Street  
Suite 3000  
Toronto, Ontario  
M5H 2Y2

**Ted R. Schleck**  
L. S. U. C. No. 30108C



Court File No: 00-CV-187887

**ONTARIO  
SUPERIOR COURT OF ONTARIO**

THE HONOURABLE  
JUSTICE *LOWE*

)  
)

MONDAY, THE 15<sup>TH</sup> DAY  
OF JULY, 2002

**BETWEEN:**

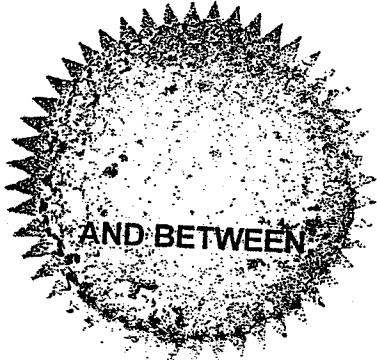
**SABOURIN AND SUN GROUP OF COMPANIES**

Plaintiffs

-and-

**JUDITH LAIKEN**

Defendant



**JUDITH LAIKEN**

Plaintiff  
by Counterclaim

-and-

**SABOURIN AND SUN GROUP OF COMPANIES,  
PETER SABOURIN, SABOURIN AND SUN CANADA INC.,  
SABOURIN AND SUN INC., A BAHAMAS CORPORATION,  
SABOURIN AND SUN BVI TRUST, and  
INTERVEST DIRECT INC.**

Defendants by  
Counterclaim (Except  
Interinvest Direct Inc.)

-and-

**BMO INVESTORLINE INC.**

Interpleader

**ORDER**

THIS MOTION to vary the Order of Mr. Justice Matlow, dated December 7, 2000, was heard this day at *130 Queen St. West* Toronto, Ontario.

UPON READING the Motion Record filed by Judith Laiken, the Defendant/Plaintiff by Counterclaim, and upon hearing submissions of counsel:

1. THIS COURT ORDERS that Mr. Justice Matlow's Order, dated December 7, 2000, be varied by:

- (i) modifying paragraph 1 of Mr. Justice Matlow's Order to provide that BMO Investorline ("BMO Investorline") shall continue to hold the securities currently held in Investorline Account No. 210-46365-15 ("the Account"), until such time as the Court orders otherwise; and
- (ii) varying paragraph 2 of Mr. Justice Matlow's Order to provide that BMO Investorline shall be relieved of its liability in respect of the securities in question upon compliance with paragraph 1 of Mr. Justice Matlow's Order, varied as described in paragraph (i) above.

*Laiken*

---

ENTRÉ EN VIGNEUR À TITRE DE DOCUMENT NO. 1  
LE 23 JUIN 2002

JUL 23 2002

AS DOCUMENT NO. 1  
À TITRE DE DOCUMENT NO. 1  
PER/PAR: *my*

SABOURIN AND SUN GROUP et al.  
-Plaintiffs/-  
Defendants by Counterclaim

- and -

JUDITH LAIKEN  
-Defendant/-  
Plaintiff by Counterclaim

Court file no. 00-CV-187887

ONTARIO SUPERIOR COURT OF JUSTICE

Proceeding commenced at

Toronto

**ORDER**

**LERNER & ASSOCIATES LLP**  
Barristers & Solicitors  
130 Adelaide Street West  
Suite 2400  
Toronto, ON M5H 3P5

Tel: 416 867-3076  
Fax: 416 867-9192

**Peter R. Jervis**

Law Society Registration #A-383530  
Solicitor for the Defendant/  
Plaintiff by Counterclaim

BMO INVESTORLINE ACCOUNT #201-463-6515 on NOVEMBER 27<sup>TH</sup>, 2007

Securities held in the account in May 2000, which no longer existed on November 27, 2007

BLUE EMERALD 2000

BRE-X 7000

SIKAMAN GOLD RES 80,000

ASSET MANAGEMENT 4,200

Securities which existed on November 27, 2007. There may be more. Ask for a printout of the account.

AMERICAN BONANZA 2,000 @ .19.....380.00

BZA @ 46¢ = 860

3COM CORP 1,612 @ 4.64.....7479.68

2.27

EXPLORATION OREX 120,000 @ .12.....14,400.00

.10

PALM 498 @ 6.96.....3,466.08

\_\_\_\_\_  
\$ 25,725.76  
\_\_\_\_\_

DAVID ROBILLARD was the Manager of Investorline in May 2000. After I told him my story, he pulled account #210-463-6515 out of circulation and froze it. He told me he put it into his locked desk drawer. He also told me that Peter Sabourin was the sole signing authority and the sole trustee on the *Sabourin and Sun (BVI) Trust* Investor Line Account #210-463-6515. He said that a person can name an account anything they want to. *BVI Trust* could have been called *Red Popsicle*, in which case Sabourin would have been the sole owner.





**ONTARIO**  
**SUPERIOR COURT OF JUSTICE**  
**IN THE MATTER OF THE RECEIVERSHIP**  
**SABOURIN ET AL**

**Receivers Statement of Receipts and Disbursements**  
**For the period November 2, 2007 to November 25, 2008**

**Receipts**

1. Cash in the bank		
a. TD Canada Trust	\$81,400.02	
b. Scotia Bank	200.55	
c. Kawartha C.U.	25.00	
d. Korean Bank of Canada	<u>1,200.57</u>	\$82,826.14
2. Other Receivables – Sales by Mortgagees		
a. Court directed (1)	36,000.00	
b. Insurance (1)	101,764.08	
c. Maintenance (1)	31,428.33	
d. Premium to Receiver (1)(2)	<u>20,250.00</u>	189,442.41
3. Net proceeds from Sale (Scotia Road) Due Receiver		57,125.97
4. Lawyers Trust Account – Bryan Greenspan		25,758.55
5. Interest		773.69
6. <b>Total Receipts</b>		<b><u>\$355,926.76</u></b>

**Disbursements**

7. Registration Fee		\$70.00	
8. Insurance (Firstbrook, Cassie & Anderson)			100,044.81
9. Maintenance			
a. AGC Incorporated	\$18,236.25		
b. Mary Lake Marina - Storage	280.00		
c. Whispering Pine G.C.	200.00		
d. Almaguin Parklands - Winterize	<u>377.36</u>		19,093.61
10. Miscellaneous			
a. Search fees - Dye & Durham	\$51.00		
b. Appraisal Fees - G.R. Carruthers	16,769.00		
c. Travel	1,110.23		
d. Courier	35.00		
e. Change Locks (WPGC) (Peerless Lock)	262.99		18,228.22
11. Receivership fees			
a. Invoice 1	82,324.00		
b. Invoice 2	32,626.00		
c. Invoice 3	<u>23,377.50</u>		138,327.50
12. Legal fees			25,000.00
13. GST paid			
a. Receivership fees	4,939.44		
b. Disbursements	5,297.47		
c. Legal fees	<u>1,500.00</u>		11,776.66
14. <b>Total Disbursements</b>			<b><u>\$312,540.80</u></b>
15. <b>Balance</b>			<b><u>\$43,385.96</u></b>



Mintz & Partners Limited  
5140 Yonge St., Suite 1700  
Toronto ON M2N 6L7  
Canada

Tel: (416) 391-2900  
Fax: (416) 644-4303  
www.deloitte.ca

**Private and Confidential**

Mintz & Partners Limited  
Court-Appointed Receiver of  
Sabourin et al  
1 Concorde Gate, Suite 200  
North York, Ontario  
M3C 4G4

Date: April 11, 2008  
Invoice No: 2142990  
Client/Mandate No: 891303/1000000  
Billing Partner: Bryan A. Tannenbaum  
GST Registration No: R133245290

# Invoice - #4

**RE: Sabourin et al ("Sabourin" or the "Companies") – Court-Appointed Receivership**

To professional services rendered for acting as Court-Appointed Receiver ("Receiver") for the period December 1, 2007 to March 31, 2008, including:

- Review on December 3, 2007 of the revised court report and discussions re: same;
- Review on December 3, 2007 of the insurance documents for approval and payment, including subsequent telephone discussion with Ms. Yvette Shirley of Firstbrook Cassie & Anderson LLP ("FCA") on same;
- Review on December 5, 2007 of time analysis in preparation for the Report to Court;
- Review on December 6, 2007 of the second report to court and comments re: revisions required on same;
- Review on December 6, 2007 of the FCA invoices and preparation of a summary re: same;
- Discussions on December 6, 2007 with respect to the status of the receivership and outstanding matters;
- Review on December 6, 2007 of the status of the report to court, updates and the status of the mortgage funding;
- Prepare on December 7, 2007 the AGC invoices for the report to court and an analysis of costs;

- Telephone discussion on December 10, 2007 with Mr. Albert Ashley with respect to a certain property of the Companies;
- Attendance on December 11, 2007 at the court with respect to obtaining an Order re: Sale of Assets;
- Preparation on December 12, 2007 for the Receiver's attendance at court on the Pickerel Lake matter, including mortgage analysis on same;
- Attendance at court on December 17, 2007 with respect to the Pickerel Lake matter;
- Discussions on December 18, 2007 with respect to Mr. Banach's emails and the sale of various properties;
- Correspondence of December 18, 2007 to Mr. Banach with respect to the offers received on a property;
- Review on December 18, 2007 of offers received to date, including discussions with realtors on same;
- Telephone discussion on December 20, 2007 with Mr. Zucker with respect to the correspondence sent to Mr. Banach;
- Correspondence of December 20, 2007 to Meyer, Wassenaar & Banach, LLP with respect to the sale of certain properties;
- Preparation on December 20, 2007 of insurance and maintenance documents;
- Review on December 21, 2007 of the status of the insurance;
- Discussions on December 21, 2007 with various appraisers and the hiring of same;
- Review on December 27, 2007 of correspondence received from Yellin Associates with respect to the claim of Mr. Grant and respond to same;
- Review on January 7, 2008 of the chattels and the status of insurance, including discussions with Mr. Banach re: same;
- Review on January 8, 2008 of the sale adjustments and maintenance;
- Review on January 9, 2008 of the insurance maintenance;
- Attendance on January 11, 2008 at Whispering Pines with respect to the status of the receivership;
- Prepare on January 14, 2008 and assisting counsel at depositions relating to mortgages and sale of Pickerel Lake Lodge;
- Review on January 15, 2008 of the Pickerel Lake offer received, mortgages and the legal description to assist counsel in determining validity of Pickerel Lake mortgages;

- Review on January 16, 2008 of the status of the sale of properties to date and funds outstanding in determining values of property inventory going forward;
- Telephone discussion on January 16, 2008 with Mr. Jim Grout of Thornton Grout Finnigan LLP ("TGF"), counsel to the Ontario Securities Commission ("OSC") with respect to the status of the receivership, including correspondence to TGF enclosing Court Reports to date;
- Prepare for depositions and attendance at court on January 17, 2008;
- Review on January 17, 2008 of the DaSilva investigation and Pickerel Lake offer regarding issues with Armour Township building inspector and funding and closing issues with purchaser Martin;
- Meeting of January 18, 2008 with Mr. Zucker with respect to the status of Pickerel Lodge location;
- Prepare on January 18, 2008 a mortgage analysis and meeting with Mr. Zucker to discuss same;
- Prepare on January 21, 22 and 23, 2008 of Draft Third Report to Court including appending of relevant exhibits;
- Review on January 24 and 25, 2008 of OSC file including affidavits, complaint and financial records;
- Prepare on January 29, 2008 of invoices for services for property sale closing including insurance and maintenance costs;
- Meeting on January 29, 2008 with foreign bank with respect to tracing funds;
- Meeting on January 30, 2008 with foreign bank with respect to the tracing of certain funds;
- Review on February 1, 2008 and amend Third Report to Court and append exhibits;
- Analysis on February 6, 2008 of the offer on Pines Resort Report;
- Review on February 11, 2008 of payout for Pickerel Lake;
- Discussion on February 11, 2008 with respect to the tree damage at Almaguin Parklands including notification to owner and insurance issues on damage;
- Prepare on February 13, 2008 for meeting with Martin and his counsel on closing issues;
- Meeting on February 13, 2008 at the offices of Mr. Symon Zucker with respect to their meeting with Preger on Pickerel Lake sale and various other matters including closing issues and methodology to transfer of ownership of Pickerel Lake Lodge;

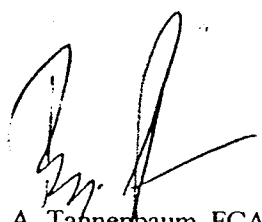
- Review on February 14, 2008 of financial report on status of Sabourin accounts receivable and payables regarding properties sold and remaining inventory;
- Telephone discussion on February 14, 2008 with Mr. Zucker with respect to Pickerel Lodge;
- Attendance on February 19, 2008 at Almaguin Parklands, Burks Falls, Ontario to view damage where tree hit trailer and survey the property for other damage;
- Preparation on February 20, 2008 of a schedule of sale disbursements for the Ontario Street, Burks Falls closing and discussions with insurance carrier on Almaguin Parklands tree damage;
- Meeting on February 21, 2008 with Mr. Zucker with respect to Pickerel Lake closing to discuss payout costs and closing issues;
- Meeting on February 22, 2008 with Mr. Bill Brown (Applicant) with respect to Sabourin properties and inventory of assets;
- Review on February 23, 2008 of the Receipts and Disbursements statement for revenue received and disbursements made;
- Review on March 4 and 5, 2008 of the financial analysis for the pending sale of The Pines and also review disbursements and receipts including insurance and maintenance costs on the property;
- Review on March 13, 2008 of receivables and payables for sale of The Pines to ensure all costs identified and invoice mortgagee;
- Review on March 14, 2008 of Offer to Purchase and discussions with Mr. Zucker re same regarding closing issues and preparation of report required;
- Discussions on March 17, 2008 with Mr. Zucker with respect to the Pickerel Lake offer and discussions on the Almaguin Parklands offer with realtor handling sale;
- Review on March 18, 2008 of Pickerel Lake disbursements and closing issues to review pending cross collateral of mortgages and release;
- Discussion on March 18, 2008 with Mr. Zucker with respect to Pickerel Lake offer and dealing with mortgagee's counsel on take back possession of sale doesn't close and Writ of Possession;
- Review on March 20, 2008 of Mr. Garbig's letter to Mr. Preger and discussions with respect to status of sale of Pickerel Lodge;;
- Review on March 25, 2008 of Pickerel Lake Writ of Possession and insurance issues if mortgagee exercises Writ of Possession and responsibility of care and maintenance of property;



- Attendance on March 26, 2008 at Court with respect to Pickerel Lake and Writ of Possession and discussions to hold Writ until end of April;
- Discussion on March 27, 2008 with building inspector for Armour Township on building located on Pickerel Lake site and issues to bring into compliance with building code;
- Review on March 31, 2008 of Almaguin Parkland issues with respect to the offer; and issues with insurance on Pickerel Lake regarding application and cost and subrogation of existing policy to cover Receiver;
- Generally all meetings/discussions/conferences to effect the foregoing.

Staff	Hours	Hourly Rates	Total Fees
Bryan A. Tannenbaum, FCA, CA•CIRP, FCIRP, President	16.9	\$ 550.00	\$ 9,295.00
Jack Richards, CIRP, Senior Manager	2.4	425.00	1,020.00
Paul McGrath, CFE, Senior Manager	278.5	325.00	90,512.50
Peter Aziz, Vice President, Real Estate Operations	15.5	275.00	4,262.50
Anna Koroneos, Insolvency Specialist	7.7	170.00	1,309.00
Edith Sehrbrock, Staff Technician	<u>9.7</u>	140.00	<u>1,358.00</u>
Total hours and fees	<u>330.7</u>		\$ 107,757.00
		Disbursement: PPSA Searches *	216.00
		Parking & Travel	211.50
		Courier	21.00
		Subtotal	\$ 108,205.50
		GST @ 5%	5,410.28
		<b>Amount Payable</b>	<b><u>\$ 113,615.78</u></b>

Payable upon receipt to Mintz & Partners Limited



Bryan A. Tannenbaum, FCA, CA•CIRP, FCIRP  
 Mintz & Partners Limited - President



## Private and Confidential

Deloitte & Touche Inc.  
c/o Mintz & Partners Limited  
1 Concorde Gate, Suite 200  
North York, Ontario, M3C 4G4

Date: December 1, 2008  
Invoice No:  
Client/Mandate No: 891303.1000000  
Billing Partner: Bryan A. Tannenbaum  
GST Registration No: 133245290

## Invoice - #5

**RE: Sabourin et. Al. ("Sabourin" or the "Companies") – Court-appointed Receivership**

**To professional services rendered by Mintz & Partners Limited ("MPL") Court-appointed Receiver ("Receiver") for the period April 1, 2008 to November 15, 2008 including:**

- Review on April 1, 2008 of the Sabourin asset searches, the Korean Bank records, and the OSC reports;
- Attendance on April 2, 2008 at a meeting with representatives of the Korean Bank to review the accounts;
- Preparation on April 2, 2008 of the draft Receiver's Third Report to the Court ("Third Report").
- Handle on April 3, 2008 the tracing of bank accounts for assets from seized records;
- Receipt and review on April 3, 2008 of e-mail correspondence relating to the sale of the Pickeral Lake Lodge property;
- Attendance on April 3, 2008 in Court regarding the approval of the Pickeral Lake Lodge sale;
- Review on April 4, 2008 of financing for Pickeral Lake;

- Attendance on April 7, 2008 at the OSC Hearing;
- Preparation on April 8, 2008 of the Third Report;
- Preparation on April 9, 2008 of the Vesting Order and the Writ of Possession for Pickeral Lake Lodge;
- Further preparation on April 10, 2008 of the Third Report and the Receiver's invoice;
- Finalization on April 11, 2008 of the Third Report;
- Preparation for April 14, 2008 for attendance in Court regarding the Motion and the Vesting Order;
- Attendance on April 15, 2008 in Court with respect to the Motion, the Third Report, the Vesting Order, and the sale of the Pickeral Lake Lodge property;
- Review on April 19, 2008 of e-mail correspondence regarding the lender for the Pickeral Lake Lodge requesting confirmation;
- E-mail correspondence on April 19, 2008 to Mr. S. Zucker and PMC regarding Pickeral Lake Lodge;
- Attendance on April 21, 2008 at a meeting with representatives of the Royal Bank of Canada ("RBC") to review bank records;
- Preparation on April 22, 2008 of matters in connection with insurance and maintenance costs for the pending sale of the Companies;
- Attendance on May 2, 2008 at Pickeral Lake Lodge for services of the Writ of Possession;
- Review on June 4, 2008 of Mr. Patrick Keaveney's RBC bank account, including discussions with representatives of RBC regarding documents required for review;
- Preparation on June 6, 2008 of correspondence to counsel for Martins regarding funds held in trust accounts for Martins.
- Review on June 16, 2008 of an offer received for Pickeral Lake Lodge, and research the background of the offer, including discussions with the Receiver's counsel with respect to same;

- Commence on July 9, 2008 preparation of a draft Receiver's Fourth Report to the Court ("Fourth Report");
- Review on July 9, 2008 of Motions and Depositions, including a discussion with the Receiver's counsel regarding same;
- Preparation on July 10, 2008 of the Fourth Report;
- Review on July 10, 2008 of the Laiken Order, and the schedule of mortgage dates;
- Further preparation on July 11, 2008 Fourth Report;
- Review on July 11, 2008 of an analysis of the bank accounts with respect to payments to various counsel for inclusion in the Fourth Report;
- Review and revise on July 14, 2008 the Fourth Report;
- Review on July 15, 2008 of exhibits to trace funds;
- Review on July 16, 2008 of financial records to trace payments;
- Review and revise on July 16, 2008 the Fourth Report;
- 
- Review on July 17, 2008 of bank accounts tracing payments;
- Tend on July 18, 2008 to the tracing of records/exhibits for additional information to be included in the Fourth Report;
- Review on July 21, 2008 of documents relating to the tracing of funds to counsel's accounts;
- Review on July 23, 2008 of banking information and documentation to determine funds that were transferred to and from Sabourin;
- Review on July 22, 2008 of chattels for Pickeral Lake Lodge;
- Tend on July 22, 2008 to matters in connection with closing of the Scotia Road property in respect of a proper description to proceed with closing;
- Attendance on July 22, 2008 on a conference call with Mr. Banack and Mr. Zucker regarding the Scotia Road property;

- Review on July 24, 2008 of the Pickeral Lake Lodge chattel list, including discussions with a representative of John Deere Finance with respect to the tractor/backhoe located offsite of Pickeral Lake Lodge and providing a description of the equipment located on site;
- Preparation on July 25, 2008 of a cost statement for closing costs with respect to the Birchwood Camp property;
- Review on July 25, 2008 of the Fourth Report, including providing additional information to same;
- Handle on July 29, 2008 matters in connection with the closing of the Scotia Road property and preparation of correspondence to the solicitor for the seller;
- Tend on July 30, 2008 to matters in connection to the closing of Scotia Road property and the Birchwood Camp property;
- Telephone discussion on August 5, 2008 with Mr. S. Potter, solicitor for a prospective purchaser for Pickeral Lake Lodge;
- Discussions on August 7, 2008 with the vendor's counsel regarding an prospective Offer to Purchase, chattels, and other matters;
- Review on August 7, 2008 of Sabourin matters in connection with Bensaussen;
- Discussions on August 8, 2008 with the vendor's solicitor, including a review of an Offer to Purchase, the letter to the Township of Armour, and further including discussions with their solicitor regarding the chalet on the Pickeral Lake Lodge property;
- Telephone discussion on August 18, 2008 with Mr. Potter regarding the status of Pickeral Lake Lodge;
- Attendance on August 28, 2008 to the Pickeral Lake Lodge property to review the site, the chalet list and the Timber Trail, and to secure the assets;
- Preparation September 10, 11, 16 and 19, 2008 of the Fourth Report;
- Review on September 25, 2008 of exhibits attached to the Fourth Report;
- Further preparation on September 26, 2008 of the Fourth Report and organization of exhibits for same;

- Continue on October 1, 2008 of preparation of the Fourth Report and correlation of exhibits for same;
- Attendance on October 3, 2008 at a meeting with the Receiver's counsel to review Fourth Report;
- Discussions on October 7, 2008 with the Ontario Provincial Police ("OPP") regarding additional assets of Sabourin, Ms. Judith Laiken, and matters in connection with the Bank of Montreal ("BMO");
- Further preparation on October 14, 2008 of the Fourth rafting Fifth Report;
- Attendance on October 15, 2008 at a meeting with a law firm handling the recovery of assets from Sabourin;
- Tend on October 15, 2008 to handling the Laiken matter with BMO;
- Further preparation on October 16 and 17, 2008 of the Fourth Report;
- Discussions on October 20, 2008 with the OPP;
- Tend on October 20, 2008 to the tracing of funds through Anderson Law firm;
- Further preparation on October 21 and 22, 2008 of the Fourth Report, including sorting exhibits for same;
- Discussion on October 22, 2008 with counsel for the mortgagee with respect to the status of Pickeral Lake Lodge;
- Review and revise on October 22, 23 and 24, 2008 the Fourth Report;
- Tend on October 30, 2008 to handling the Motion for Laiken with respect to the Fourth Report;
- Continue on November 12, 13 and 14, 2008 preparation of the Fourth Report; and
- To all other administrative matters with respect to acting as Court-appointed Receiver of the Companies, including all meetings/discussions, telephone attendances, written correspondence, verbal and written reporting to facilitate the foregoing.



**A summary of hours and rates is as follows:**

<b>Staff</b>	<b>Hours</b>	<b>Hourly Rates</b>	<b>Total Fees</b>
Bryan A. Tannenbaum, FCA, CA•CIRP, CIRP, Senior Vice President	3.7	\$550	\$ 2,035.00
Paul McGrath, CFE, Senior Manager	221.0	325	71,825.00
Anna Koroneos, Insolvency Specialist	4.5	170	765.00
Edith Sehrbrock, Senior Analyst	11.8	140	<u>1,652.00</u>
<b>Total Hours</b>	<b><u>241.0</u></b>		
		Our Fee	\$ 76,277.00
		Disbursements: Mileage, Parking	<u>317.58</u>
		Subtotal	\$ 76,594.58
		GST @ 5%	<u>3,829.73</u>
		<b>Amount Payable</b>	<b><u>\$ 80,424.31</u></b>

**Payable upon receipt to Mintz & Partners Limited**

Bryan A. Tannenbaum, FCA, CA•CIRP, CIRP  
 President