



Court File No. 07-CL-7124

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

**IN THE MATTER OF THE *SECURITIES ACT*
R.S.O. 1990, C.S.5, AS AMENDED**

THE HONOURABLE MR.
JUSTICE CAMPBELL_

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)

TUESDAY, THE 27th DAY
OF NOVEMBER, 2007

B E T W E E N:

ONTARIO SECURITIES COMMISSION

Applicant

- and -

FACTORCORP INC. and FACTORCORP FINANCIAL INC.

Respondents

ORDER

THIS MOTION made by KPMG Inc., in its capacity as the Receiver and Manager (the "Receiver") of all of the property, assets and undertaking of FactorCorp Inc. and FactorCorp Financial Inc. (collectively, "the Companies"), for an Order, authorizing the Receiver to, among other things, issue and proceed with an Application for a Bankruptcy Order against the Companies on a consolidated basis, directing the release of certain funds to the Receiver and approving the BMO Reimbursement Agreement (as defined herein), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Second Report of the Receiver dated November 21, 2007 and the Schedules attached thereto (the "Second Report"), the Supplemental Report to the Second Report

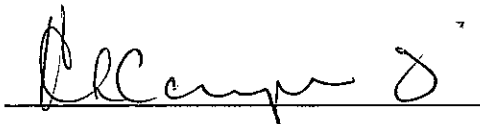
of the Receiver dated November 26, 2007 (the "Supplemental Report") and on hearing the submissions of counsel for the Receiver and counsel for the Respondents:

1. **THIS COURT ORDERS AND DECLARES** that the time for the service of the Notice of Motion, the Motion Record, the Second Report and the Supplemental Report be and it is hereby abridged to the date of actual service, this Motion is properly returnable today and service upon any other party other than those served with the Notice of Motion be and it is hereby dispensed with.
2. **THIS COURT ORDERS** that the Second Report, the Supplemental Report and the activities and conduct of the Receiver described therein be and they are hereby approved.
3. **THIS COURT ORDERS** that the Receiver is authorized to issue and proceed with an Application for a Bankruptcy Order against the Companies on a consolidated basis.
4. **THIS COURT ORDERS** that, in the event the Receiver obtains a Bankruptcy Order against the Companies on a consolidated basis, the Official Receiver shall open one estate file bearing the style of cause in the form attached hereto as Schedule "A" and the Official Receiver shall assign one estate file number to the consolidated estate.
5. **THIS COURT ORDERS AND DIRECTS** Stockwoods LLP Barristers to pay the amount of \$16,583.74 to the Receiver.
6. **THIS COURT ORDERS** that the BMO Reimbursement Agreement, as described in the Second Report, be and it is hereby approved.

ENTERED AT / INSCRIT À TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO.:

NOV 27 2007

PER/PAR: 



SCHEDULE "A"

**ONTARIO
SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY AND INSOLVENCY)**

IN THE MATTER OF THE BANKRUPTCY OF
FACTORCORP INC. AND FACTORCORP
FINANCIAL INC., each of which is a corporation
incorporated pursuant to the *Business Corporations Act*
(Ontario) with its principal place of business in the City
of Toronto, in the Province of Ontario.

ONTARIO SECURITIES COMMISSION
Applicant

and

FACTORCORP INC. and FACTORCORP FINANCIAL INC.
Respondents

Court File No.: 07-CL-7124

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
Proceeding commenced in Toronto

ORDER

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Solicitors for KPMG Inc., in its capacity
as Receiver and Manager