

FORM 87
Notice and Statement of the Receiver
(Subsections 245(1) and 246(1))

IN THE MATTER OF the receivership of the property of FactorCorp Financial Inc. (the "Company")

The Receiver gives notice and declares that:

1. On the 17th day of October, 2007, KPMG Inc., became the Receiver and Manager (the "Receiver") in respect of the assets, property and undertaking of the Company (the "Assets"), insolvent person, that is described below:

| | Net Book Values as at March 31, 2007 (unaudited) (\$000's) |
|-----------------------|---------------------------------------------------------------------|
| Bank | \$499 |
| Prepaid | 3 |
| Long-term receivables | 51,185 |
| Capital assets | 3 |

The above is the most current complete financial information available to the Receiver.

2. The undersigned became the Receiver in respect of the property described above pursuant to an Order made in the Ontario Superior Court of Justice (Commercial List) on October 17, 2007 and entered on October 18, 2007.

3. The undersigned took possession and control of the property, including certain records, of the Company located in Mississauga on October 18 and 19, 2007.

4. The following information relates to the receivership:

- (a) Address of the Company's head office: 8th Floor 2425 Matheson Blvd E
Mississauga, Ontario L4W 5K4
- (b) Principal line of business: Providing funding to factoring, leasing and asset backed commercial lending institutions.
- (b) Location of business: 8th Floor 2425 Matheson Blvd E
Mississauga, Ontario L4W 5K4
- (d) Based on information available to the Receiver, the Company has no secured creditors.
- (e) A listing of the Company's outstanding amounts owed to each creditor named on the Company's records is attached.

(f) The Receiver's intended plan of action going forward is to:

- Undertake a review of the Company's assets and financial position; and
- Formulate a realization strategy for approval by the Court.

(g) Contact person for Receiver:

Brad Butcher

Email: factorcorp@kpmg.ca

Tel: (416) 777-8408

Fax: (416) 777-3364

Dated at Toronto, this 29th day of October, 2007.

KPMG Inc.

Suite 3300, Commerce Court West

P.O. Box 31, Stn. Commerce Court

Toronto, Ontario M5L 1B2

Per:



J. Bradley Butcher

Vice-President

FACTORCORP FINANCIAL INC.

CREDITOR LISTING AS OF OCTOBER 29, 2007

| Creditor Name | Estimated Amount |
|-------------------------------------------------------------------|------------------|
| Debenture holders (see attached listing of 628 debenture holders) | \$49,688,347 |
| Canada Customs and Revenue Agency | unknown |
| Ontario Ministry of Finance | unknown |
| Revenue Operations & Credit Services Branch | |
| Distribution Services | |
| Bank of Montreal | unknown |
| Bank of Montreal - Mastercard | unknown |
| W. Grant Buchan-Terrell | unknown |
| Borden Ladner Gervais | unknown |
| Noik & Associates | unknown |
| Regus Mississauga Corporate Center | unknown |
| | \$49,688,347 |
