

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

THE HONOURABLE MR.)
)
JUSTICE FRANK J.C. NEWBOULD) FRIDAY, THE 22ND DAY
)
) OF AUGUST, 2008

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 Mississauga, in the Province of Ontario



ORDER

THIS MOTION made by KPMG Inc., in its capacity as the trustee (the "Trustee") of the Consolidated Estate of FactorCorp Inc. and FactorCorp Financial Inc. (collectively, the "Companies"), bankrupts, for the relief set out in its Notice of Motion dated August 20, 2008 (the "Notice of Motion") was heard this day at 330 University Avenue, in the City of Toronto.

ON READING the Affidavit of Elizabeth J. Murphy sworn on August 20, 2008 (the "Affidavit") and on hearing the submissions of counsel for the Trustee and counsel for Capmor Financial Services Corporation ("Capmor"):

Romco Capital Partners Corporation and

collectively, [handwritten initials] on consent [handwritten initials]

1. THIS COURT ORDERS AND DECLARES that the time for the service of the Notice of Motion, the Affidavit and the herein Motion Record 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 Trustee shall be permitted to attend at Capmor's premises on or before August 29, 2008 to review the books and records of Capmor as they relate to the business and affairs of the Companies (the "Books and Records").

3. **THIS COURT ORDERS** that in respect of paragraph 2 above, the Trustee shall compensate Capmor (i) for the cost and expense of one staff employee of Capmor to review the Books and Records at a rate of \$35.00/hour (with such time estimated by Capmor as between 15 and 20 hours), and (ii) in the event that Mr. Robert McAllister's assistance is required, the Trustee shall compensate Capmor at a rate of \$70.00/hour, provided that Mr. McAllister's time is kept to a reasonable minimum.

4. **THIS COURT ORDERS** that in producing the Books and Records, Capmor is compelled to produce all relevant documentation and information relating to the business and affairs of the Companies and the Companies' dealings with Capmor including, but not limited to, books of account and copies of all of the Leases (as defined in the Notice of Motion) and all security related thereto.

5. **THIS COURT ORDERS** that, in the event that the Trustee, having reviewed the Books and Records, determines it is necessary to conduct a Section 163(1) examination of Mr. McAllister, Mr. McAllister shall attend such an examination on September 17, 2008, *the issue of the costs of such an attendance, if any, to be determined at a later date.* ✓
W J

6. **THIS COURT ORDERS** that the Trustee is authorized to share any and all information and documents received from Capmor with KPMG Inc., in its capacity as the Receiver and Manager of the Companies.

7. **THIS COURT ORDERS** that Capmor shall remit to the Trustee, immediately, all outstanding lease payments that it has collected on account of all Leases up to and including the period ended July 31, 2008 and the lease payments with respect to August, 2008 and the months following thereafter shall resume in accordance with the agreements between the parties as referenced in the Notice of Motion and the Affidavit.

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

Joanne Nicoara

AUG 22 2008

PER/PAR: *JN* Joanne Nicoara
Registrar, Superior Court of Justice

**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 Mississauga, in the Province of Ontario

Court File No.: 31-OR-207506 T

ONTARIO
**SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY AND INSOVLENCY)**
Proceeding commenced in Toronto

ORDER

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Trustee of the Consolidated Estate of FactorCorp
Inc. and FactorCorp Financial Inc., bankrupts