

**ONTARIO
SUPERIOR COURT OF JUSTICE
IN BANKRUPTCY**

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

NOTICE

To: Creditors of the estate of Factorcorp Financial Inc.

Notice is hereby given of an Order of Mr. Justice Morawetz dated June 27, 2008 pursuant to which Fred Tayar & Associates, a creditor of Factorcorp Financial Inc. ("FFI"), was authorized to continue and prosecute certain proceedings in its own name and its own expense and risk, to recover monies paid by FFI to Capmor Financial Services Inc. or any related entity, and subsequently misappropriated by the bankrupt Lisa Dawn Robbins.

Attached hereto is a copy of the Order.

You are entitled pursuant to paragraph 4 of the Order, within the time period prescribed therein, to serve written notice of your agreement in writing to contribute pro rata according to the amount of your claim to the expense and risk

of such proceedings.

At the expiry of the 21 day period, those creditors who have signified in writing their desire to participate by contributing pro rata to the expense and risk of such proceedings, will be advised of the amount of the cheque to be paid now as a retainer to this law firm with respect to costs.

Yours very truly,
FRED TAYAR & ASSOCIATES

Per:

Fred Tayar
/sr

Encl.

A large, stylized handwritten signature in black ink, appearing to read 'Fred Tayar', is written over the typed name and extends upwards into the 'Per:' line.

ONTARIO
SUPERIOR COURT OF JUSTICE
IN BANKRUPTCY

THE HONOURABLE MR. JUSTICE)
MORAWETZ)
FRIDAY, THE 27th DAY)
OF JUNE, 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

BETWEEN:

FRED TAYAR & ASSOCIATES

Applicant

and

KPMG INC. IN ITS CAPACITY AS TRUSTEE IN BANKRUPTCY
OF THE ESTATE OF FACTORCORP INC.
AND FACTORCORP FINANCIAL INC.

Respondent

ORDER

UPON the application of Fred Tayar & Associates, a creditor of the above named bankrupt, upon reading the affidavit of Fred Tayar, filed, and upon hearing counsel for the applicant, for KPMG Inc. (the "FFI Trustee") in its capacity as Trustee of the consolidated estate of FactorCorp Financial Inc ("FFI") and FactorCorp Inc., bankrupts (collectively, the "FFI Estate"), and for Wasserman & Associates (the "Robbins Trustee") in its capacity as Trustee of the estate of Lisa Dawn Robbins, a bankrupt (the "Robbins

Estate”), and it appearing that the said creditor has requested that the FFI Trustee continue proceedings to recover monies paid by FFI to Capmor Financial Services Inc. (“Capmor”) and misappropriated by an employee of Capmor, Lisa Dawn Robbins, a bankrupt (“Robbins”), and the FFI Trustee, under the direction of the inspectors of the FFI Estate, has refused to take such proceedings,

1. **IT IS ORDERED** that the Applicant may and it is hereby authorized to commence or continue and prosecute proceedings in its own name and at its own expense and risk, to recover monies paid by FFI to Capmor or any related entity, and subsequently misappropriated by Robbins.

2. **AND IT IS FURTHER ORDERED** that notice of the granting of this order upon the other creditors of the FFI Estate shall be deemed to be sufficiently served by the FFI Trustee including a notice and covering letter in the next mailing to be sent by the FFI Trustee to each of the said creditors who have proved claims against the FFI Estate at the addresses shown on the claims register.

3. **AND IT IS FURTHER ORDERED** that service of notice granting this order shall be deemed to be made on the day following the date on which the same is mailed as aforesaid.

4. **AND IT IS FURTHER ORDERED** that all benefits to be derived from the proceedings authorized by this order together with the costs of same, shall belong exclusively to the Applicant, and to such other creditors of the FFI Estate who may within twenty-one (21) days of the service upon them of the notice of the granting of this

order as hereinafter provided, agree in writing to contribute *pro rata* according to the amount of their respective claims to the expense and risk of such proceedings.

5. **AND IT IS FURTHER ORDERED** that the costs of the Applicant and of such others as may join with it in the said proceedings including the costs of this motion shall be paid, and after paying the said costs, the balance, if any, shall be divided between the said Applicant and any creditors who may contribute under paragraph 4 hereof *pro rata* according to the respective amounts of their claims in addition to any dividends that they may be entitled to out of the other assets of the FFI Estate, but only to the extent of their said claims.

6. **AND IT IS FURTHER ORDERED** that in case there is a surplus after paying the Applicant its said claim and costs and the costs of the bankruptcy proceedings herein and the claims of such other parties, if any, entitled to participate, according to the priority of the same respectively as determined by paragraph 5 hereof, such surplus shall be paid to the FFI Trustee in augmentation of the FFI Estate.

7. **AND IT IS FURTHER ORDERED** that if any creditor or creditors shall fail to join in the said agreement provided for in paragraph 4 within the time hereby limited, or later fail to pay their *pro rata* share of any legal costs incurred in the proceedings, including any reasonable retainer, they shall be thereafter excluded from participating in the benefits to be derived from the said proceedings.

8. **AND IT IS FURTHER ORDERED** that the FFI Trustee shall execute an assignment in the form attached hereto as Schedule "A", (the "Assignment") of all of the FFI Trustee's rights, title and interest, if any, to recover monies paid by FFI to Capmor

or any related entity and subsequently misappropriated by Robbins including, without limiting the generality of the foregoing, all of the FFI Trustee's rights, if any, to pursue the outstanding appeal by FFI of the disallowance of its claim in the bankruptcy of Robbins, to file amended or replacement proofs of claim in the Robbins Estate or to take any other steps which FFI would be entitled to take including filing amended or further proofs of claim, taking any proceedings against the Robbins Trustee or any third party in relation to the bankruptcy of Robbins or taking any action which FFI would be entitled to take against any party as a result of the misappropriation of the funds by Robbins, including any claims which FFI may have against Capmor or any related entity with respect to the said misappropriation, and shall transfer and make available to the Applicant all books and documents in support thereof or relevant thereto, and that such assignment shall vest in the Applicant and such other creditors as may join in these proceedings all the right, title and interest which the FFI Trustee has, had or shall have in the subject matter of the proceedings by virtue of its office as FFI Trustee, all of which is subject to paragraph 9 below.

9. **AND IT IS FURTHER ORDERED** that the Assignment is strictly limited to claims with respect to the monies misappropriated by Robbins pursuant to the fraudulent leases that have been identified in the first report to the Court of the Trustee of the estate of Robbins. Nothing in the Assignment shall affect any other rights that the FFI Trustee has as against Capmor including, without limiting the generality of the foregoing, with respect to bona fide leases managed by Capmor for FFI, FactorCorp Inc. or any related entities. In particular, the Applicant shall not have, as a result of the

Assignment, the right to assert any claim against Capmor other than a trust claim to any portion of the monies stolen by Robbins which may be recovered by Capmor.



A handwritten signature in black ink, appearing to read "D. Robbins", is written over a horizontal line.

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

JUN 30 2008

PER/PAR: 

SCHEDULE "A"

THIS ASSIGNMENT made the day of June, 2008.

BETWEEN:

KPMG INC., in its capacity as Trustee of the Consolidated Estate of FactorCorp Financial Inc. and FactorCorp Inc., bankrupts, and not in its personal or corporate capacity
(hereinafter referred to as the "Assignor")

- and -

FRED TAYAR & ASSOCIATES
(hereinafter referred to as the "Assignee")

PURSUANT TO an Order of the Superior Court of Justice in Bankruptcy dated June 20, 2008, made pursuant to Section 38 of the *Bankruptcy and Insolvency Act*, the Assignor hereby absolutely assigns, without recourse to the Assignor, all of its right, title and interest, if any, to recover monies paid by FactorCorp Financial Inc. ("FactorCorp") to Capmor Financial Services ("Capmor") or any related entity which were subsequently misappropriated by Lisa Dawn Robbins, a bankrupt ("Robbins") including, without limiting the generality of the foregoing, all rights to pursue the outstanding appeal by FactorCorp of the disallowance of its property claim filed in the bankruptcy of Robbins and dated June 5, 2006, to file amended or replacement proofs

of claim in the said bankruptcy or to take any other steps which FactorCorp would be entitled to take including filing amended or further proofs of claim, taking any proceedings against the trustee of the estate of Robbins (the "Robbins Trustee") or any third party in relation to the bankruptcy of Robbins or taking any action which FactorCorp would be entitled to take against any party as a result of the misappropriation of the funds by Robbins including, and without limiting the generality of the foregoing, any claims which FactorCorp might have against Capmor or any related entity, subject to the paragraph below.

This assignment is strictly limited to claims with respect to the monies misappropriated by Robbins pursuant to the fraudulent leases that have been identified in the first report to the Court of the Robbins Trustee. Nothing in this assignment affects any rights that the Assignor has as against Capmor including, without limiting the generality of the foregoing, with respect to bona fide leases managed by Capmor for FactorCorp Inc. and FactorCorp and any related entities. In particular, the Assignee shall not have the right to assert any claim against Capmor other than a trust claim to any portion of the monies misappropriated by Robbins which may be recovered by Capmor.

DATED at Toronto, this day of June, 2008.

KPMG INC., in its capacity as Trustee of the
Consolidated Estate of FactorCorp Financial

Inc. and FactorCorp Inc., bankrupts, and not in
its personal or corporate capacity

Per: _____ A.S.O.
Name:
Title:

I HAVE AUTHORITY TO BIND THE CORPORATION

FRED TAYAR & ASSOCIATES

Per: _____
Name:

IN THE MATTER OF THE BANKRUPTCY OF Lisa Dawn Bonneville, aka Lisa Dawn Tilson, Lisa Dawn Robbins c.o.b.
Power Master Equipment Sales

Court File No. ~~52-OR-149154~~

31-OR-207506-7-a

**ONTARIO
SUPERIOR COURT OF JUSTICE
IN BANKRUPTCY**

Proceeding commenced
at Toronto

ORDER

FRED TAYAR & ASSOCIATES
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M5H 3R3

Fred Tayar (23909N)
Tel. (416) 363-1800
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Solicitors for FactorCorp Financial Inc.