

**KPMG Inc. Court Appointed Receiver of
Genfast Manufacturing Company
Summary of Inventory Sales
as at January 7, 2008**

	Proceeds from			Total Proceeds	
	GM Steel Coil Settlement (CDN \$)	Ford Settlement (U.S. \$)	Remaining Raw Materials (U.S. \$)	(CDN \$)	(U.S. \$)
Emerald	\$ -	\$ 138,256.14	\$ 46,557.10	\$ -	\$ 184,813.24
Ford	-	143,350.85	-	-	143,350.85
MNP	666,035.84	59,215.24	111,952.76	666,035.84	171,168.00
	<u>\$ 666,035.84</u>	<u>\$ 340,822.23</u>	<u>\$ 158,509.86</u>	<u>\$ 666,035.84</u>	<u>\$ 499,332.09</u>

Note: The proceeds from the scrapping of inventory of approximately \$180,000 are still to be received from Poscor.



KPMG Inc.
Suite 700
Commerce Place
21 King Street West
Hamilton ON
L8P 4W7

Telephone (905) 523-8200
Fax (905) 523-2222
www.kpmg.ca

Andy Krausz
Strathallen Capital Corp.
Suite 2000, 2 Bloor St. West
Toronto, ON M4W 3E2

December 5, 2007

Dear Mr. Krausz:

Rental of office space at 225 Henry Street, Brantford, ON

Further to our conversation of November 15, 2007, the Receiver would like to confirm the following terms between the Receiver and Strathallen Capital Corp. (the "Landlord") regarding the rental of one (1) office at the former Genfast Manufacturing Company ("Genfast") premises at 225 Henry Street, Brantford, Ontario (the "Premises") for the storage of the Genfast computer servers (the "Servers"):

- The rental space will be the office where the Servers are currently located on the Premises;
- The rental will be on a month to month basis commencing on the date that is the date on which the Receiver vacates the balance of the Premises;
- Either party may give 30 days notice to the other to cancel the rental;
- The Landlord will provide appropriate heating and power to the office space;
- The rental cost will be \$92.82 per month plus GST (based on the office space of 168 square feet at a rate of \$6.63 per square foot per annum);
- The Receiver agrees to pay, upon the Landlord's signing of this agreement, \$2,500.00 for the Landlord's legal fees associated with vetting this agreement;
- The office will be locked by the Receiver with a copy of the key provided to the Landlord. However, the Landlord may only access the room without written permission of the Receiver in cases of emergency or for building repairs, otherwise the Landlord will require written permission from the Receiver to access the room and the Landlord shall not in any way disturb the Servers; and,
- The Receiver will be granted access to attend the premises during normal business hours on 24 hours notice to the Landlord and access out of normal business hours with the consent of the Landlord.



*Strathallen Capital Corp.
Rental of office space at 225 Henry Street, Brantford,
ON
December 5, 2007*

Please acknowledge your agreement with the above by signing in the space provided below.

Yours truly
KPMG Inc.
Court Appointed Receiver of
Genfast Manufacturing Company

Brad Newton, CA, CBV, CIRP
Vice President

The above terms and conditions are accepted by Strathallen Capital Corp.

Per: 
Andy Krausz

I have the authority to bind the corporation

cc:
Nicholas Brearton, KPMG Inc.



Blake, Cassels & Graydon LLP
Barristers & Solicitors
Patent & Trade-mark Agents
199 Bay Street
Suite 2800, Commerce Court West
Toronto ON M5L 1A9 Canada
Tel: 416-863-2400 Fax: 416-863-2653

November 27, 2007

Michael McGraw
Dir: 416-863-4247
michael.mcgraw@blakes.com

Reference: 72396/2

VIA E-MAIL

Leanne M. Williams
Thornton Grout Finnigan LLP
Suite 3200, P. O. Box 329
Canadian Pacific Tower
Toronto-Dominion Centre

The Berman Family, LLC
44225 Utica Road
Utica, MI 48318
Attention: Craig Stormer

Massimo Starnino
Paliare Roland Rosenberg Rothstein LLP
Barristers
250 University Avenue, Suite 501
Toronto, Ontario M5H 3E5

Genfast Holding Corporation
44225 Utica Road
Utica, MI 48316
Attention: Craig Stormer

Frank Spizziri
Cassels Brock & Blackwell LLP
2100 Scotia Plaza
40 King Street West
Toronto, Ontario M5H 3C2

Genfast Manufacturing Inc.
44225 Utica Road
Utica, MI 48318
Attention: Craig Stormer

Logan Willis
Goodmans LLP
Suite 2400, Box 24
250 Yonge Street
Toronto, Ontario M5B 2M6

Dear Sirs/Madams:

Re: Genfast Manufacturing Company ("Genfast")
Re: Records stored at Iron Mountain

As described in the Receiver's Fifth Report to the Court dated October 29, 2007 (the "Fifth Report"), Genfast stored certain of its books and records at a third party storage location, Iron Mountain Canada Corporation ("Iron Mountain"), located in Brantford, Ontario. These records are in addition to those records located at Genfast's premises in Brantford, Ontario, also described in the Fifth Report. Please find enclosed: (i) a detailed listing of boxes at Iron Mountain provided by Iron Mountain; and (ii) a summary of the total number of boxes at Iron Mountain by year and subject matter. Substantially all of the boxes stored at Iron Mountain pre-date October 2001.

Given that there are approximately 2,565 boxes stored at Iron Mountain, the Receiver would like to limit storage costs. Accordingly, the Receiver intends to seek Court approval to destroy any records which pre-

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The logo for Blakes, written in a stylized, cursive script.

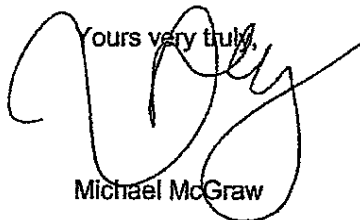
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date October 2001 and all shipping, inspection, sales, quality, purchasing, freight, time sheet and accounts receivable records.

Should you wish to discuss the destruction of these records and/or access any of these records prior to destruction, please contact the undersigned as soon as possible so that the appropriate arrangements can be made. Please note that the Records Request Protocol (as defined in the Fifth Report and as approved by the Order of the Honourable Mr. Justice Campbell dated November 5, 2007) applies to the records stored at Iron Mountain.

The Receiver will report to the Court regarding any responses to this letter and, pending court approval, will commence destruction of the above-outlined records as soon as practically possible.

Yours very truly,

A handwritten signature in black ink, appearing to read 'Michael McGraw', written over the typed name.

Michael McGraw

MQM:na
Enclosures

c: Nicholas Brearton, *KPMG Inc.*

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SCHEDULE "R"

Goodmans^{LLP}

Barristers & Solicitors

250 Yonge Street, Suite 2400
Toronto, Ontario Canada M5B 2M6Telephone: 416.979.2211
Facsimile: 416.979.1234
goodmans.caDirect Line: 416.597.5923
fmyers@goodmans.ca

January 2, 2008

Our File No.: 07-1747

VIA FACSIMILEBlake, Cassels & Graydon LLP
199 Bay Street
Suite 2800, Commerce Court West
Toronto ON M5L 1A9**Attention: Michael McGraw**

Dear Mike:

Re: Genfast Manufacturing Company ("Genfast") - Production and Review of Records and Documents

As you know, we act for PricewaterhouseCoopers Inc. (the "Pension Administrator"), which is the administrator of Genfast's Bargaining Unit Pension Plan for Members of the United Steelworkers of America and its Retirement Plan for Salaries Employees (collectively, the "Pension Plans").

I am writing to you in response to your email of December 3, 2007, which indicates that the receiver of Genfast (the "Receiver") is ready to make arrangements regarding our review of Genfast's records and documents in connection with the Pension Administrator's claim against the directors and officers of Genfast (the "Directors" and the "Officers") for the disputed pension amounts (the "D&O Claim").

Shortly before the holidays, we received a voicemail and email message from you and your colleague concerning a possible motion to consider our client's D&O Claim. We have been attempting to engage the Receiver's attention to this matter for several months. You have advised us throughout that the Receiver was engaged in other pressing matters and on that basis, we did not seek to pressure your client into dealing with our client's claims when the Receiver's efforts were required elsewhere. However, as we have advised throughout, this matter is one which has factual elements and we require information in order to properly present the case to the Court. To that end, we agreed to orders that dealt with documents with the assurance that our client's discovery rights were preserved. Accordingly, and further to your email dated December 3, 2007, referred to above, we seek the following documents as a starting point. We expect to be able to focus in quickly on the relevant individuals(s) for examination and any further document requests needed once we are advised of the identities of the key decision-makers at the relevant times.

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We request that you provide us with or make available to us the following records for our review (in using the term "records" below, we intend it to have the same meaning as the word "document" as set out in Rule 30(1)(a) of the Ontario *Rules of Civil Procedure* and, without limitation, expressly include within our request emails) :

1. All Genfast records concerning the management of the Pension Plans;
2. All records that indicate which Directors and/or Officers were involved in making funding decisions with respect to the Pension Plans (i) generally and (ii) from March 8, 2007 to April 5, 2007 (the "CCAA Period");
3. All records that indicate which Directors and/or Officers were involved in preparing the CCAA cash flow projections and budget;
4. All records concerning Genfast's decisions about the timing of the funding of the Pension Plans, including decisions as to whether the Pension Plans (or portions thereof) would be paid currently or in arrears;
5. All records of communications between or among any present or former Directors and/or Officers and the management of Genfast, concerning the funding of the Pension Plans or the timing of the funding of the Pension Plans;
6. All records of communications between or among the Directors, the Officers and management of Genfast, concerning preparations for the CCAA filing that relate to the Pension Plans;
7. All records of communications between or among Genfast or its counsel and the court-appointed monitor of Genfast (the "Monitor") or the Monitor's counsel, regarding the funding of the Pension Plans during the CCAA Period;
8. All records of communications of any date between or among Lasalle Business Credit, a Division of ABN Amro Bank NV, Canada Branch (the "Bank") or its counsel and the Monitor or the Monitor's counsel, regarding the funding of the Pension Plans during the CCAA Period;
9. All records of communications of any date between or among Genfast or its counsel and the Bank or its counsel regarding the funding of the Pension Plans during the CCAA Period;
10. All records of communications of any date between or among Genfast or its counsel and Receiver or the Receiver's counsel, regarding the funding of the Pension Plans during the CCAA Period;

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11. All records of communications of any date between or among the Bank or its counsel and the Receiver or the Receiver's counsel, regarding the funding of the Pension Plans during the CCAA Period;
12. All records of communications, of any date, between or among the Monitor, or its counsel and the Receiver or its counsel regarding the funding of the Pension Plans during the CCAA Period;
13. All records of communications, of any date, among the Monitor, Genfast, any past or present Officer, Director or employee of Genfast the Bank, the Receiver and their respective counsel concerning the Monitor's oversight and the exercise of its discretion under paragraph 8 of the Order of Campbell J. dated April 5, 2007;
14. All records of communications of any date between (i) Genfast, the Directors, the Officers, the Bank or the Monitor, and the Receiver (or any of their respective counsel) and (ii) the Financial Services Commission of Ontario, concerning the timing of the funding of the Pension Plans;
15. All records of communications of any date between any present or former employee, Director or Officer of Genfast, the Monitor, the Bank, the Receiver or any of their respective counsel and the trustee of the Pension Plans concerning the funding of the Pension Plans or the timing of the funding of the Pension Plans;
16. Any notes taken by any Directors or the Officers during preparations for the CCAA filing or during the CCAA Period concerning the funding of the Pension Plans or the timing of the funding of the Pension Plans;
17. All minutes of the Board of Directors of Genfast that relate to (i) the funding of the Pension Plans or the timing of the funding of the Pension Plans, (ii) the preparations for the CCAA filing; and (iii) the funding of the Pension Plans during the CCAA period;
18. All minutes of any committee of Directors, Officers and/or management of Genfast that is responsible for making decisions with respect to the funding of the Pension Plans that relate to (i) the funding of the Pension Plans or the timing of the funding of the Pension Plans, (ii) the preparations for the CCAA filing; and (iii) the funding of the Pension Plans during the CCAA period; and
19. Any other records or documents that you or the Receiver believes may be relevant to the Pension Administrator's D&O Claim.

Please contact us to discuss arrangements regarding our review of these documents. As I advised in my voicemail this morning, I am out of town on January 15, 2008 and therefore I am not available for a motion that day. In any event, the factual investigations will certainly take us beyond that date. Once you have had a chance to consider the document requests contained in this letter, we should

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discuss the timing of responses and next steps. We will also be making requests for information from the Monitor, to be followed-up with examination of the Monitor if required. We have taken the liberty of copying Mr. Bailey with this letter as his client has similar claims and we expect that there may be efficiencies available in dealing with at least portions of the respective matters contemporaneously.

Yours very truly,

GOODMANS LLP



Fred Myers

LW/lw

cc: PricewaterhouseCoopers Inc.
Milly Chow
Mark Bailey
Shayne Kukulowicz
John Varley
Susan Rowland
Logan Willis

GOODMANS\5530008.2

Goodmans^{LLP}

Barristers & Solicitors

250 Yonge Street, Suite 2400
Toronto, Ontario Canada M5B 2M6Telephone: 416.979.2211
Facsimile: 416.979.1234
goodmans.caDirect Line: 416.597.5923
fmyers@goodmans.ca

January 3, 2008

Our File No.: 071747

Delivered Via FacsimileMichael P. McGraw
Blake, Cassels & Graydon LLP
199 Bay Street, Suite 2800
Toronto, ON M5L 1A9

Dear Mr. McGraw:

Re: Genfast Manufacturing Company ("Genfast")

Further to our letter of December 2, 2007, we request the following additional documents from the Receiver:

1. Please provide a list of all members of the Board of Directors of Genfast Manufacturing Company from January 1, 2006 up to and including the present date;
2. Please provide documentation evidencing the establishment of a Pension Committee and the membership of the Committee from time to time in respect of each of the Genfast Manufacturing Company Bargaining Unit Pension Plan for members of United Steelworkers of America and the Genfast Manufacturing Company Retirement Plan for Salaried Employees (the "Pension Plans");
3. Please provide a list of all officers of Genfast Manufacturing Company who held any office during any period of 2006 or 2007 and documentation, likely Board Minutes, evidencing the appointment of each such individuals to his/her office;
4. Please advise of the positions and titles, including membership on any Boards of Directors or other offices held by Don Loeffler, Wayne Stemmler, Cesari Berti, and Marcel Petrella throughout 2006 and 2007;
5. Please provide a copy of the Pension Committee Governance Standards for the Pension Plans approved by the Board of Directors in November 2002 and any and all amendments to such Governance Standards that may have been approved by the Board of Directors at any time thereafter;

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6. Please provide a copy of all Minutes of the Pension Committee for 2006 and 2007. Please provide the dates of any meetings of the Pension Committee held in 2007 whether or not Minutes are available.

As with our letter dated December 2, 2007, we reserve the right to seek further documentation and ask follow-up questions as we may deem appropriate.

Yours very truly,

GOODMANS LLP



Fred Myers

FLM/krw

c: PricewaterhouseCoopers Inc.
Mark Bailey (Financial Services Commission of Ontario)
Susan Rowland (Goodmans LLP)
Logan Willis (Goodmans LLP)
Milly Chow (Blake Cassels & Graydon)
John Varley (Pallett Valo)

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GENFAST Manufacturing Co. – Listing of Related Parties

Directors

- Lawrence S. Berman
- Thomas R. Klein
- Craig L. Stormer
- Terrence J. Campbell
- David H. Grossman

Officers

- Thomas R. Klein, President
- Lawrence S. Berman, Chairman of the Board
- Craig L. Stormer, Vice President, Treasurer, Secretary
- Donald G. Loeffler, Vice President, Finance
- Cesare Berti, Vice President, Manufacturing

Shareholders

- Genfast Manufacturing, Inc.
- Genfast Holding Corporation
- The Berman Family, LLC
- Genfast Manufacturing, Inc.

Related Companies

- UTICA LEASCO, LLC
- MNP Corporation
- General Fastener's Corp.

SCHEDULE "T"

GENFAST MANUFACTURING COMPANY

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**Consolidated Receiver's Statement of Receipts and Disbursements
for the period April 5, 2007 to January 7, 2008**

	Genfast	
	CDN	USD
RECEIPTS		
i) Fixed asset proceeds and interest (1)		
Utica Lease 1 proceeds		\$1,250,000.00
Interest on Utica Lease 1 Proceeds (2)		13,278.59
Utica Lease 2 proceeds		650,000.00
Interest on Utica Lease 2 Proceeds (2)		6,904.86
Other Proceeds		12,621,259.05
Interest on Other Proceeds (2)		134,074.07
Total Auction proceeds and interest	-	14,675,516.57
ii) Working capital asset proceeds and interest		
Pre-receivership receivable collections	\$3,889,901.87	2,171,793.72
Sale of Inventory	1,033,560.72	961,905.23
Pre-receivership GST refunds	233,508.33	
Steel Surcharge Receivable		188,872.64
Sale of natural gas	132,668.66	
Refund of deposits and other misc refunds	121,534.90	6,261.72
Sale of Tooling Inventory	29,013.21	51,900.61
Interest on Working Capital Proceeds (3)	49,780.32	30,128.15
Post-receivership GST refunds	61,310.32	
Scrap metal sales	51,552.52	
GST collected	34,043.07	2,399.28
Sale of Equipment	9,500.00	1,500.00
Miscellaneous	2,203.88	4,956.17
PST collected	160.00	120.00
Total Working capital asset proceeds and interest	5,648,737.80	3,419,837.52
Total Receipts	\$5,648,737.80	\$18,095,354.09
DISBURSEMENTS		
i) CCAA related payments		
First and Second salaried gross vacation pay distribution (4)	\$187,038.93	
First and Second hourly gross vacation pay distribution (4)	564,458.09	
Final wage distribution (4)	255,703.59	
Director and Officer Charge Advertisement (5)	11,720.36	
Total CCAA related payments	1,018,920.97	-
ii) Occupancy costs		
Rent	1,603,566.09	
Utilities	166,334.04	10,237.15
Security	129,647.72	
Environmental clean up	30,826.55	
Insurance	30,409.56	
Repairs and maintenance	8,963.27	
Total Occupancy costs	1,969,747.23	10,237.15

GENFAST MANUFACTURING COMPANY

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Consolidated Receiver's Statement of Receipts and Disbursements
for the period April 5, 2007 to January 7, 2008

	Genfast	
	CDN	USD
iii) Other costs		
Receiver's payroll costs	292,524.12	
GST paid	113,225.76	
Office expense	17,855.82	2,561.04
Loading and banding of coils	20,000.00	
Payment of processing charges for inventory	9,967.00	4,564.31
Computer expenses	11,634.33	
Storage costs	11,205.42	
Equipment rentals	9,803.61	
Workplace Safety & Insurance Board	8,352.04	
Moving costs	2,475.00	
Miscellaneous costs	1,210.36	2,518.50
Transportation costs	888.41	
Preparation of ROE's	544.00	
Receiver's filing fee	70.00	
Service charges		15.00
Total Other costs	499,755.87	9,658.85
Total Disbursements	\$3,488,424.07	\$19,896.00
Excess of Receipts over Disbursements	\$2,160,313.73	\$18,075,458.09
<u>Transfers between Receiver's accounts</u>		
Transfer from USD account to CDN	1,223,200.00	(1,100,000.00)
Balance	\$3,383,513.73	\$16,975,458.09
<u>Represented By:</u>		
Balance in Receiver's Accounts	\$278,034.32	\$82,935.13
Term Deposits	3,105,479.41	16,892,522.97
	\$3,383,513.73	\$16,975,458.10

Notes:

- (1) See attached Schedule 1 - Summary of Auction Proceeds.
- (2) Interest to January 7, 2008 has been included in this figure.
- (3) Interest to December 20, 2007 has been included in this figure.
- (4) Payments made pursuant to the Orders of the Court dated April 24, 2007 and July 25, 2007.
- (5) Advertisement required pursuant to the April 24, 2007 order of the court.

Court File No: 07-CL-6926

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

BETWEEN:

**LASALLE BUSINESS CREDIT, A DIVISION OF
ABN AMRO BANK N.V., CANADA BRANCH**

Applicant

- and -

GENFAST MANUFACTURING COMPANY

Respondent

AFFIDAVIT OF NICHOLAS BREARTON

I, NICHOLAS BREARTON, of the City of Toronto, in the Province of Ontario,
MAKE OATH AND SAY:

1. I am a Partner at KPMG Inc., and as such have knowledge of the matters to which I hereinafter depose.
2. By Order of the Honourable Mr. Justice Campbell dated April 5, 2007 (the "Appointment Order"), KPMG Inc. was appointed as receiver (the "Receiver") of Genfast Manufacturing Company ("Genfast").
3. The Receiver's fees and disbursements for the period ending November 30, 2007 are summarized in the invoices rendered by the Receiver to Genfast (the "Invoices"). The Invoices are a fair and accurate description of the services provided, the disbursements incurred

and the amounts charged by the Receiver. The Invoices contain information and advice dealing with matters involving current or anticipated litigation and, as a result, have been redacted to remove such information. True copies of the Invoices, as redacted, are attached hereto and marked as **Exhibit "A"**.

4. The Invoices include a billing summary on the last page. The billing summary includes the names of the personnel providing the services reflected in the Invoices, their title or position and the number of hours spent by such personnel. The average hourly rate for the Receiver is \$411.79.

5. This affidavit is sworn in support of the Receiver's motion for, among other things, approval of its fees and disbursements and those of its legal representatives and for no other or improper purpose.

SWORN BEFORE ME at the)
City of Toronto, this 11th)
day of January, 2008)
)
)
)

A Commissioner for Taking Affidavits
Michael R. McGraw

N Brearton
NICHOLAS BREARTON



EXHIBIT "A"

Invoice No. : 42960818
Reference : 11573216
Client : 60276528

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January 3, 2008

KPMG Inc
Suite 3300 Commerce Court West
199 Bay Street
Toronto ON M5L 1B2

Genfast Manufacturing Company
225 Henry Street
Brantford, ON N3S 7R4

Telephone : (416) 777-8500
Telefax : (416) 777-3364

GST/HST Number 12236 3153 RT0001
QST Registration 1023774310 TQ0001

Contact : Nicholas Brearton
Telephone : (416) 777-3768

Re: Genfast Manufacturing Company ("Genfast")

TO: Professional services rendered for the period ending July 31, 2007 in connection with our role as Court Appointed Receiver of Genfast including, but not limited to, the following primary activities:

General Administration

- Numerous discussions with the Receiver's counsel (Blake Cassels & Graydon LLP ("Blakes")), LaSalle Business Credit ("LaSalle") and LaSalle's legal counsel, ThorntonGroutFinnigan LLP ("TGF"), regarding appointment issues including availability of financing, order of bankruptcy/receivership and implications for termination of Genfast employees, and the administrative charge;
- Review draft Initial Receivership Order (the "Initial Order") and related motion materials. Numerous discussions with Blakes and TGF regarding comments on same. Subsequent review of revised drafts of the Initial Order and related motion materials;
- Arrange for Blakes to provide a legal opinion on the validity and priority of LaSalle's security over Genfast's assets. Various discussions with Blakes regarding that opinion. Review of final opinion;
- Attend at Genfast's Brantford premises to meet with management to discuss impending receivership and plan for same;
- Conduct receivership planning, including the development of an action plan for the initial few days after appointment;

Payment is due upon receipt

Remittance Advice

Cheque Payments to:
KPMG LLP
Accounting Service Centre
Suite 1100 University Centre
393 University Avenue
Toronto ON M5G 2N9
Please return remittance
advice with cheque.

Canadian Dollar Wire Payments to:
KPMG LLP
Bank: TD Canada Trust
55 King St West
Toronto ON M5K 1A2
Branch 10252 Account 0680 0938281
Swift Code TDOMCATTOR
Email EFT payment details to kpmg-ar@kpmg.ca
Please indicate invoice number.

Invoice No. : 42960818
Reference : 11573216
Client : 60276528
Amount : \$901,543.74

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- Attendance at Court on April 5, 2007 regarding LaSalle's application for the appointment of a Receiver;
- Post notice of the Receiver's appointment at Genfast's Brantford location;
- Prepare and arrange to mail a notice, together with a copy of the Initial Order, to all former employees to advise of (i) the termination of their employment effective April 5, 2007, (ii) the status of their outstanding wages and vacation pay, (iii) the future availability of benefits, and (iv) the issuance of T4s and ROEs. Provide copy of notice to United Steelworkers' Union ("USW");
- Meet with unionized employees on site at the time of the Receiver's appointment to advise of the shut down of operations and termination of their employment pursuant to the Initial Order;
- Meet with salaried staff on site at the time of the Receiver's appointment to notify them of the shut down of operations and termination of their employment pursuant to the Initial Order;
- Prepare and arrange to mail a notice to all Genfast retirees advising them of (i) the receivership, and (ii) the status of their benefit and pension plans;
- Review of salaried employee list and develop staffing requirements for receivership;
- Preparation of term and task letters to be used by the Receiver when hiring former Genfast salaried employees to assist with the realization process;
- Meet individually with certain former Genfast salaried employees that the Receiver intended to hire to explain the Receiver's role, the term and task letter, estimated time-line of Receivership, treatment of outstanding wage claims, and other matters of employee interest;
- Notify LaSalle on April 5, 2007 to freeze all disbursements out of Genfast's bank accounts while maintaining the accounts for deposit only;
- Arrange for the opening of Receiver bank accounts, including obtaining cheques for the account;
- Send notice to landlord of Genfast's Brantford premises regarding the Receiver's appointment;
- Send notices of appointment to the various government agencies to advise of the receivership and to request new accounts in the Receiver's name;
- Obtain, through discussions with former Genfast information technology department employees, an understanding of information technology system in place. Disable remote access to the system. Complete a server back-up. Obtain and change access passwords;
- Meetings with USW representatives regarding payment of outstanding payroll and communications to employees;
- Preparation of creditor listing for notices pursuant to s.245 and s.246 of the Bankruptcy and Insolvency Act ("BIA");
- Prepare and distribute, to all known creditors, the s.245 and s.246(1) notice pursuant to the BIA;
- Respond to numerous creditor inquiries, both verbal and written, regarding pre-receivership outstanding balances, the receivership notices, claims process, etc.;

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- Notice to various lessors advising of Receiver's appointment and status of lease in a receivership;
- Accumulate lease copies and forward same to Blakes for their review. Examination of company books and records to assess delivery dates, location of assets, and verify serial numbers as compared to lease documentation;
- Preparation of leased asset listing;
- Review correspondence from Blakes regarding their opinion on the validity and priority of security registered by the various leasing companies;
- Co-ordinate site visits as requested by lessors and co-ordinate the release of leased assets as required;
- Arrange for the segregation of leased assets from assets available for auction;
- Coordinate termination of certain employees' mobile phones and gather same;
- Arrange for the gathering of employee uniforms and return to uniform company;
- Discussions and correspondence with various parties claiming ownership in equipment located at Genfast's Brantford premises, locate and confirm ownership, monitor removal of third party owned equipment;
- Discussions with payroll and accounting staff regarding filing of all outstanding statutory returns up to the date of receivership including WSIB, EHT, source deductions and GST;
- Discussions with various governmental departments regarding outstanding pre-receivership liabilities;
- Meet with Canada Revenue Agency ("CRA") GST auditor on site and monitor their audit of Genfast's pre-filing GST liability;
- Meet with CRA payroll auditor on-site and monitor their audit of Genfast's pre-filing employee withholdings liabilities;
- Numerous telephone discussions with former employees regarding termination letter and issuance of records of employment ("ROEs");
- Review manual salaried payroll payments made by Genfast prior to the Receiver's appointment; Coordinate input of same into ADP's records to enable the production of accurate payroll information, including T4s and ROEs. Review result;
- Review final outstanding payroll and determine cut-off for ROEs;
- Review the status of non-statutory employee deductions as at the date of receivership (i.e. garnishees, donations, credit union etc.) and determine outstanding remittances;
- Obtain Genfast's ADP payroll account information and contact ADP to coordinate issuance of ROEs;
- Coordinate completion and mailing of ROEs to Genfast employees;

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- Correspondence and discussions with PricewaterhouseCoopers LLP, the Pension Plan Administrator for Genfast's salaried and union pension plans (the "Administrator"), regarding information required by the Administrator to perform its duties. Provide information as requested;
- Review of grievance filed by USW for payment of unpaid severance pay, termination pay, pension contributions and benefits (the "Grievance"). Various discussions with Blakes regarding responding to the Grievance and review of draft response prepared by Blakes;
- Review of letter from USW advising they will be bringing a Court application to lift the stay of proceedings against Genfast so that they can pursue the Grievance (the "Lift Stay Motion");
- Various discussions with Blakes regarding the Lift Stay Motion and the Receiver consenting to an order for same. Review of various emails between Blakes and USW regarding same. Subsequent review of various versions of a draft order and discussions with Blakes regarding same;

Court Reports

- Preparation of the following Court Reports:
 - The First Report dated April 20, 2007, which outlined the Receiver's initial activities to secure Genfast's assets and sought Court approval for (i) an interim distribution against the D&O Charge, and (ii) a proposed marketing program for Genfast's raw materials inventory;
 - The Second Report dated May 15, 2007, which outlined the results of Blakes' security review of leases entered into by Genfast, including Utica Lease #1 and #2, and sought Court approval for a proposed marketing program for Genfast's business and machinery and equipment (the "Marketing Process");
 - The Third Report dated June 25, 2007, which briefly outlined the results of the Marketing Process and provided additional background on the Receiver's views as to the priority of the Utica Lease #1;
 - The Fourth Report dated July 18, 2007, which outlined the results of the Marketing Process and sought Court approval to (i) enter into an Auction Services Agreement, and (ii) make a second distribution against the D&O Charge;
- Discussions with Blakes regarding their comments on the initial draft of the above listed reports and subsequent revisions to the draft to reflect same;
- Review of Blakes' draft Court Orders and related motion materials for the Receiver's various Court applications associated with the above Court Reports. Discussions with Blakes regarding comments on same;
- Attend at Court on the following dates with respect to the Receiver's various Court applications:
 - April 24, 2007
 - May 22, 2007
 - July 4, 2007
 - July 25, 2007

Occupation and Possession

- Conduct conservatory and protective measures upon our appointment, including arranging for security guards, meeting with locksmith, touring facility and determining locks to be changed, confirming existence of a fire alarm system and obtaining codes;
- Take possession of petty cash and combination for safe;
- Correspondence and discussions with Genfast's insurance broker regarding existing Zurich policy and its scheduled renewal on May 1, 2007. Arrange to add Receiver as additional named insured;
- Send notice of appointment to all utility/service providers to arrange for cut-off and set up new accounts in the Receiver's name;
- Review insurance coverage and remove coverage no longer needed during Receivership;
- Discussions with various suppliers, including waste removal and janitorial services, regarding terms for ongoing service;
- Liaise with the landlord for Genfast's Brantford plant regarding occupancy rent, access to the facilities, property taxes, maintenance, etc.;
- Upon our appointment, film both the interior and exterior of the approximately 350,000 sq ft plant so that the condition and contents of the plant at the time of the receivership could be determined for either insurance or landlord purposes;
- Discussions with Brantford Power regarding usage rates, deposit requirements moving forward, and anticipated weekly billing;
- Various discussions and plant inspections with plant manager to reduce energy consumption at the facility;
- Conduct physical equipment inventory;
- Attend off-site warehouse rented by Genfast and conduct physical count of, and take pictures of, equipment;
- Correspondence and discussions with Brant Trade regarding problems with water main and sprinkler system and repair of same;
- Numerous correspondence and discussions with the landlord in response to his letter dated June 14, 2007 requesting certain renovation and/or restoration of the Brantford plant;
- Meeting and tour of premises with Doug Webster, a former Genfast employee hired by the Receiver, regarding environmental issues at the Genfast premises;
- Obtain and review environmental report issued to Genfast in 1998;
- Meeting and touring of premises with representative of Safety Kleen to provide a quote to clean up certain areas of Genfast's plant;

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- Meeting and touring of premises with DLF Chemical Management Services (“DLF”) to provide additional quote on cleanup of certain areas of the Genfast plant;
- Compare and review quotes for environmental clean-up; Engage DLF to remove waste oil from scrap basin and clean & vacuum problem areas;
- Correspondence and discussions with Doug Webster regarding waste oil in heat treat area of plant; Determination of estimated quantity of oil on hand and projected costs to remove;
- Obtain estimate of costs to remove certain machinery and equipment out of secondary storage location and into Genfast’s Brantford plant, Subsequently arrange for, and supervise, removal;

Marketing of Business/Fixed Assets

- Develop marketing plan for Genfast’s business/fixed assets (what became the “Marketing Process”). Prepare materials associated with Marketing Process including initial summary information (i.e. “teaser”) letter to be issued to prospective investors/purchasers, a confidentiality agreement for parties wishing to perform due diligence on the business, and an information package for auctioneers;
- Draft advertisement and coordinate placement of the Invitation for Proposals advertisement in the Globe and Mail and Brantford Expositor;
- Prepare summary listings, to be provided to prospective purchasers/investors/auctioneers, of tooling, finished goods inventory, machinery and equipment, office furniture and equipment, vehicles and all other saleable assets;
- Develop a listing of potential going concern purchasers;
- Prepare an information binder containing Genfast’s historical financial results for potential going concern investors/purchasers;
- Create a data room for potential investors/purchasers of the business containing, amongst other things, lease copies, historic financial information, tax returns, corporate structure details, employee listings and compensation details, collective agreement copy, and pension plan information;
- Prepare and issue teaser letters and confidentiality agreements to prospective going concern investors/purchasers. Maintain a listing of confidentiality agreements issued and completed;
- Respond to numerous enquiries from potential going concern investors/purchasers regarding the Marketing Process, including estimated timeline for process, the information contained in the data room, and the Court approval process;
- Facilitate attendance at the data room, and coordinate tours of the Genfast facility, for going concern investors/purchasers. Meet with prospective going concern investors/purchasers;
- Discussions and correspondence with the USW regarding the going concern sales process;
- Issue information packages to interested auctioneers and maintain a listing of same;

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- Respond to numerous enquiries from various auctioneers regarding the Marketing Process, including estimated timeline, deposit requirements and the Court approval process;
- Coordinate auctioneer's viewing of the fixed assets;
- Correspondence and discussions with Acument in Germany regarding potential purchase of certain machines;
- Correspondence and discussions with potential going concern purchasers/auctioneers regarding the addition of certain overhead cranes to the assets available for sale;
- Review and summarize all proposals submitted in response to the Marketing Process. Identify the top five bids and analyze in detail, including preparing a summary of costs associated with the auction period;
- Numerous correspondence and discussions with various bidders regarding clarification of the terms and conditions of their proposal;
- Correspondence and discussions with Blakes regarding proposals received;
- Draft the auction services agreement to be presented to the successful bidder. Various discussions with Blakes regarding their comments on the initial draft of the agreement and subsequent revisions to the draft to incorporate same;
- Discussions with LaSalle and TGF regarding the proposals received;
- Determine and notify the successful bidder; Notify unsuccessful bidders and return deposits;
- Prepare summary of the landlord requests as to the condition the Brantford premises are to be left in. Analysis of which party, as between the landlord, receiver and auctioneer, should be responsible for each request, and assess impact on auction services agreement;

Auction -- Maynards

-
- Extensive negotiations with Maynards regarding a new auction proposal, and various discussions with Blakes, LaSalle and TGF regarding same;
- Analysis of Maynards' new auction proposal and comparison to proposals received initially;
- Review draft Auction Services Agreements prepared by Blakes. Discussions with Blakes regarding comments on same and review of revised draft. Subsequent emails and discussions with Blakes and TGF regarding revisions requested by Maynards' counsel;
- Review of insurance policies in light of Maynards' auction proposal in order to ensure adequate insurance coverage. Discussion with Genfast's broker, Murray MacKenzie of Stevenson and Hunt, regarding same;

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- Discussion with Maynards regarding inclusion of Genfast's raw material, WIP and finished goods inventories in the auction, and terms associated with same;
- Correspondence and discussions with Maynards regarding banking instructions and funds to be received at auction;
- Correspondence and discussions with Maynards regarding their access to the plant and the Receiver's security arrangements;
- Prepare listing of potential purchasers of individual equipment who had previously contacted the Receiver and provide same to Maynards;
- Correspondence and discussions with the landlord and Maynards regarding coordination of a plant tour. Subsequent plan tour with the landlord and Maynards to identify (i) included and excluded furniture, fixtures and building equipment, and (ii) existing plant damage;

Accounts Receivable

- Coordinate updating of Genfast's accounts receivable records to reflect (i) unentered shipments made just prior to receivership and (ii) several hundred unentered credit notes.
- Obtain detailed printouts of all accounts and prepare summary collection sheets for US and Canadian accounts;
- Review accounts payable sub-ledger and quantify the amount of potential set-off that could be asserted by Genfast customers;
- Reconciliation of the General Fasteners' ("GF") accounts receivable balance, including summarizing all amounts owing to Genfast for shipments subsequent to February 2, 2007 and verification of any unapplied shipments or invoices;
- Maintain active log of collection efforts and follow-up calls to customers;
- Arrange for the segregation of original documentation (including invoices, shipping documents and contracts) for all outstanding invoices;
- Prepare and issue signification letters for all outstanding accounts which did not previously enter into accommodation agreements with Genfast during the CCAA period.
- Prepare and issue signification letters for all outstanding accounts with accommodation agreements taking into account the terms of each debtor's accommodation agreements;
- Contact, via telephone, all significant account debtors to arrange for payment of accounts;
- Reconcile all outstanding accounts with customers including, where necessary, discussions and correspondence with customers to resolve any discrepancies;
- Numerous discussions and emails with counsel for Chrysler regarding the possibility of Chrysler making payments directly to Genfast rather than MNP;

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- Extensive review and partial reconciliation of the Ford account with Ford personnel, including the verification of shipping quantities, confirmation of stages of completion of WIP, and correction of numerous pricing errors associated with the shipments of inventory during the last week of March, and the review of Ford's supporting documentation for deductions they took;
- Calculate steel surcharge owing by Ford for Q4 of 2006 and Q1 of 2007;
- Extensive review and partial reconciliation of the GM account with GM and BBK personnel including the supply of extensive documentation to support amounts outstanding, the review of GM's supporting documentation for deductions they took, and the verification of shipping quantities and stages of completion of WIP for shipments of inventory during the last week of March;
- Extensive review and reconciliation of the various Magna accounts, including discussions and correspondence with Magna personnel to resolve any discrepancies, and the provision of documentation to support amounts outstanding;

Finished Goods and WIP Inventory

- Review copies of shipping documents from the day prior to the Receiver's appointment; Prepare summary of same;
- Discussions with customer representatives for Toledo and Schaeffler, who were on-site at the time of the Receiver's appointment, regarding inventory and equipment sales in process. Review terms of sale outlined in their accommodation agreements, inspect the assets and prepare Bills of Sale;
- Discussions with Genfast employees regarding the valuation of WIP inventory based on its percentage of completion;
- Coordination of physical inventory count. Develop count procedures, including tags and count sheets to ensure completeness, and communicate same to counters; Monitor count teams; Provide assistance and advice when needed and perform random test counts;
- Coordinate entry of inventory count information into Genfast's inventory systems;
- Prepare inventory count memo to summarize the procedures and findings of the inventory count;
- Perform testing of raw material input values to verify WIP valuation;
- Perform tests on the GM and Ford traveler cards to ensure that the correct stage of completion had been recorded for each WIP item;
- Coordinate the preparation, for each Genfast customer, of inventory statements covering both work-in-process and finished goods, including customer part numbers;
- Review customer inventory statements and develop realization strategy for each customer;
- Review status of inventory at third party processors and contact processors to discuss status of inventory and outstanding fees related thereto;

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- Preparation of customer letters advising of the availability of inventory and issue same to approximately 60 customers, together with an inventory statement;
- Preparation of washer and obsolete inventory summary;
- Numerous discussions, emails and correspondence with all of Genfast's customers regarding their interest in purchasing Genfast's inventory;
- Various discussions with TGF regarding preparing a standard bill of sale for inventory, with different versions for customers depending on whether or not they had entered into an accommodation agreement with Genfast, including review of same;
- Numerous discussions, email and correspondence with approximately 40 customers to complete sales of inventory to them including negotiating prices, finalizing the bill of sale, coordinating shipping arrangements, in certain instances arranging the shipment of samples and following up with customers on the outcome of their review, observing release of inventory and preparation of shipping documents;
- Perform an analysis of Ford's, GM's and Magna's outstanding P.O.'s as at the date of the receivership to determine their outstanding and unfulfilled orders for Genfast's parts and compare that to Genfast's inventory on hand in order to determine the quantity of inventory each should purchase pursuant to their respective accommodation agreements. Various discussions and correspondence with each of them regarding the Receiver's request that they purchase certain WIP and finished goods inventory;

Raw Material Inventory

- Identify location of all Genfast raw material inventory (i.e. Genfast, Mittal, Sivaco or in transit in the US);
- Coordination of physical inventory count for raw material located at Genfast's premises. Develop count procedures, including tags and count sheets, and communicate same to counters. Monitor count teams. Provide assistance and advice when needed and perform random test counts;
- Prepare a detailed listing of material identified in the physical count;
- Reconciliation of results of physical count to Genfast's books and records, including resolution of any discrepancies;
- Correspondence and calls with Mittal and Sivaco regarding obtaining an inventory of Genfast raw material stored at their locations;
- Review listing of Genfast inventory at Mittal, as provided by Mittal. Reconcile to Genfast records;
- Calls with Mittal regarding missing heat numbers on raw material listing; Obtain final inventory list from Mittal and review;
- Attend Mittal premises in Hamilton to conduct a physical inventory of Genfast material. Meeting with Mittal staff regarding results of count and discrepancies identified between count and Mittal's previously provided inventory listing. Review discrepancies and adjust inventory schedule accordingly;

- Attend Sivaco premises in Ingersoll to conduct physical inventory of Genfast material. Meeting with Sivaco staff regarding results of count and discrepancies identified between count and Sivaco's previously provided inventory listing. Review discrepancies and adjust inventory schedule accordingly;
- Reconcile Sivaco inventory count results to Genfast's inventory records;
- Develop raw material inventory (excluding in-transit inventory) marketing package, including a letter requesting proposals and a detailed listing of raw material;
- Develop list of potential purchasers for raw material inventory;
- Correspondence and discussions with CBC Brokerage House ("CBC") regarding the status of the inventory that was in-transit in the US (the "Tycoon Inventory");
- Request from CBC copies of invoices and service agreement between CBC and Genfast. Subsequently review of information provided by CBC;
- Reconciliation of outstanding invoices claimed by CBC to Genfast's books and records;
- Discussions with M. Pleavin, C. Berti, and C. Hagoplan, all former employees of Genfast, to confirm the weight and grades of the Tycoon Inventory in CBC's possession;
- Prepare an information sales package on the Tycoon Inventory, which included the terms and conditions of sale, draft bill of sale and the detailed inventory listing;
- Develop a list of potential purchasers for the Tycoon Inventory;
- Discussions with LaSalle's US counsel, Dickenson Wright LLP, regarding the commencement of litigation against CBC for repossession of the Tycoon Inventory.
- Correspondence and discussions with Gorno Transport regarding missing container of steel. Identification of missing container's location. Determination of the value of the container's contents. Correspondence to MNP to request either the return of the container or payment for contents;
- Conduct the Invitation for Proposals for the purchase of both Genfast's raw material inventory and the Tycoon Inventory, including responding to calls and correspondence from potential purchasers and coordinating their physical review of the raw material inventory;
- Review purchase proposals submitted for the raw material inventory and the Tycoon Inventory and prepare summary of same. Discuss with LaSalle the proposals received;
- Perform a detailed analysis of raw material associated with the production of GM, Ford, Tenneco and Magna parts, including reviewing all outstanding purchase orders and/or contracts to determine which parts still had outstanding unfulfilled orders and the steel required to make those parts, calculating the total quantum of steel associated with outstanding purchase orders and comparing that to available raw material inventory;
- Prepare and issue correspondence to GM, Ford, Magna and Tenneco regarding their obligations to purchase Genfast's raw material inventory pursuant to their respective accommodation agreements, including a specific list of raw material they were asked to purchase;

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- Extensive negotiations with Ford regarding their potential purchase of raw material inventory, including discussion with Ford's replacement suppliers for Genfast: Shannon, Emerald and MNP, reviewing available raw material inventory with these replacement suppliers, negotiating purchase prices, and negotiating the terms of a settlement agreement with Ford;
- Extensive negotiations with GM regarding their potential purchase of raw material inventory including discussion with GM's replacement supplier: MNP, reviewing the available raw material inventory with MNP and negotiating the purchase price;

CCAA Receipts and Disbursements Accounting

- Review status of Genfast's recording of receipts and disbursements associated with the CCAA period. Coordinate the updating of Genfast's accounting records for same;
- Arrange for the assembly of supporting documentation for all outstanding supplier invoices associated with the CCAA period, and prepare a detailed schedule of same;
- Review correspondence between the Company and the Bank's counsel regarding funding available to the Company during the CCAA period;
- Field numerous calls from suppliers regarding their outstanding invoices associated with the CCAA period;
- Prepare detailed schedules of (i) Receipts and Disbursements during the CCAA period, and (ii) outstanding CCAA period liabilities as compared to funding potentially available to the Company. Schedules were split into two periods: (i) March 8 to 26, inclusive, and (ii) March 27 to April 5, inclusive (to reflect Genfast's different funding arrangements). Discussions with Blakes regarding same. Provide copies of schedules to LaSalle and the Monitor;
- Numerous correspondence and discussions with the Monitor and its counsel regarding the schedules prepared;

Director and Officer ("D&O") Claims Process

- Meet with Genfast payroll personnel to review schedules of outstanding pre-receivership wages and vacation pay for salaried and hourly employees;
- Discussions with LaSalle and TGF regarding the payment of wages and vacation pay outstanding as at the date of the Receivership;
- Develop D&O Charge claims process, including discussions with Blakes and TGF to help formulate same;
- Review TGF's draft documentation associated with claims process including Notice to Creditors, Notice of Disallowance of Claim, and Proof of Claim (the "Claims Documentation"), and provide comments to TGF on same;
- Calls to Human Resources Development Canada regarding potential payments to employees for outstanding vacation pay and wages and the need to re-issue ROEs;

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- Coordinate assembly of mailing list;
- Prepare a letter to employees, which letter included the Claims Documentation, outlining outstanding vacation pay and wages per Genfast's records and the process to follow if they disagreed. Subsequent mailing of letter to over 400 former Genfast employees;
- Prepare newspaper ad regarding the call for claims against the D&O Charge, and contact Globe & Mail and Brantford Expositor to arrange placement of same;
- Review of approximately 150 proofs of claims filed with respect to the D&O Charge. Subsequent preparation of a summary schedule of D&O claims to permit tracking of same;
- Review of claims filed by both the Administrator and the Superintendent of Financial Institutions for outstanding pension plan contributions. Discuss validity of claims with Blakes. Prepare and issue disallowance notices for both claims;
- Prepare and issue disallowance notices for 122 D&O claims;
- Prepare the D&O interim distribution of vacation pay and wages, including verification of amounts to be paid and payroll deductions, review and approval of the payment listing, and preparation of approximately 750 cheques. Subsequent mailing of cheques;

Corporate Tax Returns

- Meet with Genfast's former Controller and discuss the status of Genfast's tax returns;
- Numerous correspondence and discussions with CRA regarding the status of Genfast's corporate tax returns, including confirming taxes paid in prior years; Perform an analysis of the available refunds versus the cost to complete the return;
- Gather sufficient information to complete outstanding federal and Ontario tax returns for 2006;
- Complete and file the 2006 federal and Ontario corporate tax returns for purposes of obtaining an Ontario corporate tax refund;

Utica Leased Equipment

- Correspondence and discussions with former Genfast management regarding background on the Utica Leases. Subsequent discussions with Blakes to convey background;
- Review Utica lease agreement, including the manner of determining the purchase price received by Genfast for the equipment;
- Calculation of imputed interest on Utica Lease One;
- Discussions with Blakes regarding their review of the Utica lease #1 and #2 to determine their validity and priority, and respond to their information requests;

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- Numerous emails and discussions with Blakes regarding the form of Confidentiality Agreement to be signed by Utica, MNP and GF in order for them to obtain information involving the outcome of the Marketing Process, and issues raised by Utica, MNP and GF over same;

Miscellaneous Assets

- Prepare listings of carbide steel, tooling steel and thread die inventories (the "Miscellaneous Inventories");
- Prepare Request for Proposal packages for the sale of the Miscellaneous Inventories, including identifying potential purchasers;
- Issue the Request for Proposal package to prospective purchaser previously identified. Field telephone calls and emails generated from both the Receiver's mailing and the newspaper ads associated with the Marketing Process. Arrange for the potential purchasers to inspect same;
- Obtain and review the proposals submitted for the purchase of the Miscellaneous Inventories. Summarize the offers, and determine the highest ones. Discussions with LaSalle and TGF regarding proposals submitted;
- Discussions and correspondence with the successful bidders regarding accepting their offers;
- Complete the sale of the Miscellaneous Inventories to multiple parties including preparation of bills of sale, coordination of shipment of assets, and collection of proceeds;
- Correspondence and discussions with Poscor to attend Genfast premises and provide a quote to purchase scrap on hand (this was scrap arising from Genfast's production process). Negotiate term of sale. Coordinate removal of scrap and monitor same;
- Correspondence and discussions with the Bank of Nova Scotia ("BNS") regarding funds on deposit pertaining to Genfast's Visa accounts. Review refund proposed by BNS and reconcile to Genfast's records refund proposed by BNS. Dispute of certain charges asserted by BNS and negotiate settlement of same; Collect refund;

Other Matters

- Arrange with ADP payroll service to set up the Receiver's payroll account;
- Review preparation of bi-weekly payroll for Receiver's staff including calculation and review of hours and transmission of information to ADP, arrange wire of funds and submission of statutory payroll deductions to CRA;
- Maintenance of the Receiver's Statement of Receipts and Disbursements;
- Ongoing administrative functions including but not limited to; processing mail, receiving payments on account, preparing deposits, preparation of wires and transfers, ordering banking supplies and completing monthly reconciliations of bank accounts;

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- Correspondence and discussions regarding investment of funds held by the Receiver and ongoing monitoring and renewal of same; and
- Filing of monthly statutory remittances including GST, Source Deductions and WSIB.

TO OUR FEE, inclusive of disbursements and tax \$ 901,543.74

BILLING SUMMARY

<u>Personnel</u>	<u>Hours</u>
Nicholas Brearton, Partner	244.5
Tony Zaspalis, Associate Partner	83.0
Johnny E. Chow, Senior Manager	117.8
Brad Newton, Senior Manager	556.5
John Athanasiou, Manager	151.5
Greg Karpel, Associate	588.5
A. Leung, Associate	252.0
Technical and Administrative Staff	<u>126.7</u>
	<u>2,120.5</u>

TOTAL FEES	\$ 846,324.50
Out-of-pocket expenses (i.e. mileage allowance or car rental cost, meals and long distance telephone calls)	<u>12,288.59</u>
Subtotal	858,613.09
Goods and Services Tax @ 5%	<u>42,930.65</u>
TOTAL INVOICE	<u>\$ 901,543.74</u>



January 3, 2008

Genfast Manufacturing Company
225 Henry Street
Brantford, ON N3S 7R4

Invoice No. : 42960821
Reference : 11573216
Client : 60276528

320

KPMG Inc
Suite 3300 Commerce Court West
199 Bay Street
Toronto ON M5L 1B2

Telephone : (416) 777-8500
Telefax : (416) 777-3364

GST/HST Number 12236 3153 RT0001
QST Registration 1023774310 TQ0001

Contact : Nicholas Brearton
Telephone : (416) 777-3768

Re: Genfast Manufacturing Company ("Genfast")

TO: Professional services rendered for the period August 1 to November 30, 2007, inclusive, in connection with our role as Court Appointed Receiver of Genfast including, but not limited to, the following primary activities:

General Administration

- severance and termination pay balances for each unionized employee;
- Review of numerous emails between counsel for USW, the Receiver's counsel; Blake, Cassels & Graydon LLP ("Blakes"), and counsel for LaSalle Business Credit ("LaSalle") regarding the form of order being sought by USW to lift the stay against Genfast (the "Lift Stay Motion"). Various discussions with Blakes regarding same;
- Various discussions with Blakes regarding the implications of MNP Inc.'s ("MNP"), Utica's and General Fastener's ("GF") opposition to the Lift Stay Motion;
- Transfer of computerized records stored on several servers onto two servers to aid in access to records;
- Arrange for backup of Genfast email records from offsite servers;
- Various discussions with Maynards, the auctioneer retained by the Receiver to auction Genfast's machinery and equipment, and LaSalle to arrange for the removal of Genfast's main computer and related equipment from the auction;

Payment is due upon receipt

Remittance Advice

Cheque Payments to:
KPMG LLP
Accounting Service Centre
Suite 1100 University Centre
393 University Avenue
Toronto ON M5G 2N9
**Please return remittance
advice with cheque.**

Canadian Dollar Wire Payments to:
KPMG LLP
Bank: TD Canada Trust
55 King St West
Toronto ON M5K 1A2
Branch 10252 Account 0690 0938281
Swift Code TDOMCATTOR
Email EFT payment details to kpmg-ar@kpmg.ca
Please indicate invoice number.

Invoice No. : 42960821
Reference : 11573216
Client : 60276528
Amount : \$332,702.86

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- Correspondence to Genfast's Nova Scotia counsel regarding obtaining corporate minute book and other records from them;
- Review of correspondence from USW regarding their request to access Genfast's books and records. Discussions with USW to clarify same;
- Various discussions with Blakes regarding issues raised by the USW's request to access Genfast's records. Review of various emails involving Blakes, LaSalle's counsel; Thornton Grout Finnigan LLP ("TGF"), counsel to MNP, Utica and GF, Cassels Brock LLP ("Cassels Brock") and USW's counsel concerning the Receiver's proposed protocol to access records, and discussions with Blakes regarding same;
- Review of Genfast's records stored at the Brantford premises to determine whether the records should be retained or destroyed. Coordinate boxing of records to be retained;
- Identify Genfast books and records stored at a third party location. Correspondence and discussions with Iron Mountain regarding obtaining a list of the stored records. Sort and develop an aging of the Iron Mountain record listing;
- Discussions with a records storage and shredding provider to arrange for an estimate of the cost to remove and store certain records located at the Brantford facility, while shredding the remainder;
- Numerous calls and correspondence with unsecured creditors regarding the status of outstanding pre-receivership balances due from Genfast;
- Discussions and correspondence regarding Anti Friction's insurance of their receivable owing by Genfast and documentation required from the Receiver for the processing of their insurance claim. Reconciliation of Anti Friction payable accounts;
- Review of correspondence from Genfast's Nova Scotia counsel regarding Annual Filings necessary pursuant to the Corporations Registration Act (Nova Scotia). Discussion with TGF regarding need to comply;
- Review of correspondence from the Financial Services Commission of Ontario regarding the wind-up of Genfast's salaried and hourly employee pension plans. Discussions with Blakes regarding implications of same;
- Supervise relocation of certain Genfast records located at the Brantford premises to a third party storage location and the shredding of the balance;
- Determine the names and locations of the shareholders of Genfast for purposes of providing notice of the Court hearing to consider the Receiver's proposed protocol to access records;
- Respond to inquiries from PricewaterhouseCoopers in its capacity as pension plan administrator for both the salaried and hourly employee pension plans (the "Administrator") regarding employee files and pension obligations;
- Preparation and filing of the Receiver's first interim report pursuant to subsection 246(2) of the Bankruptcy and Insolvency Act;

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- Preparation of correspondence to stakeholders regarding the potential destruction of old Genfast records stored at Iron Mountain, and discussions with Blakes regarding their comments on same. Review of response from counsel to the Administrator objecting to same;
- Negotiate rental agreement with landlord for the continued rental of a small amount of office space for the computer servers (to take effect once Receiver vacates plant); prepare and issue rental agreement letter. Finalize terms with Landlord;

Court Reports

- Preparation of the following Court Reports:
 - The Fifth Report, dated October 29, 2007, which outlined the activities of the Receiver in realizing upon Genfast's accounts receivables and raw material, WIP and finished goods inventories, and sought court approval of (i) certain transactions involving the sale of Genfast's raw material, WIP and finished goods inventories, and (ii) a protocol to govern access to Genfast's books and records;
 - The Sixth Report, dated November 2, 2007, which outlined a proposed settlement agreement with Ford and sought Court approval for the Receiver to enter into same;
 - The Seventh Report, dated November 4, 2007, which outlined an agreement with General Motors ("GM") covering GM's purchase of certain raw materials inventory and sought Court approval for the Receiver to enter into same;
- Discussions with Blakes regarding their comments on the initial draft of the above referenced reports and subsequent revisions to the drafts to reflect same;
- Review of Blakes' draft Court Orders and related motion materials for the Receiver's various Court applications associated with the above Court reports. Discussions with Blakes regarding comments on same;
- Various discussions and correspondence regarding Sivaco's requested changes to the Receiver's proposed Court Order;
- Attend at Court on November 4, 2007 with respect to the Receiver's Court application;

Occupation and Possession

- Obtain and review Maynards' position on the Brantford landlord's demands regarding (i) the repair of certain premises damage, and (ii) the condition in which the premises were to be left (the "Landlord Requests");
- Prepare memo outlining results of building tour with landlord and Maynards regarding the Landlord Requests including the scrapping of certain equipment if not sold in auction, identification of leasehold improvements, and the cleanup of the building after the auction;
- Correspondence and discussions with five contractors regarding obtaining quotes for the scrapping of certain equipment not included in the auction and/or disposal of oils and lubricants at the Genfast premises. Subsequent analysis of quotes received;

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- Finalize contract with OSS Environmental Ltd. for removal of oils and lubricants from Genfast's Brantford plant;
- Review modular offices located within Genfast's Brantford plant and discuss with Blakes the Receiver's responsibility for removing same. Discuss salability of offices with Maynards;
- Various discussions and correspondence with the selected contractors regarding the removal and scrapping of equipment not included in the auction. Negotiate and conclude agreements regarding same;
- Negotiate and complete sale of oil coolers to WG Montgomery Ltd.;
- Analysis of the cost to the Receiver of resolving the Landlord Requests;
- Preparation of a detailed response to the Landlord Requests, including identifying responsibility for each issue amongst Maynards, the Receiver and the landlord. Various discussions with the landlord to obtain his reaction to the letter;
- Review invoices supplied by landlord for repairs to heating system and various discussions with Doug Webster regarding the reasonability of same;

Auction - Maynards

- Review of correspondence from Maynards requesting, pursuant to the Auction Services Agreement, the Receiver's approval of certain private treaty sales prior to the auction. Completion of due diligence prior to consenting to the sale, including determination of item being sold and comparing to valuation information in the possession of Genfast. Approval of ten separate private treaty sales;
- Attend at Genfast's Brantford plant to review status of auction set up, including ensuring security of Genfast's books and records, Mathread dies, and inventory for sale to GF, Magna, Ford and GM);
- Numerous discussions and emails with Maynards regarding their staffing requirements and the Receiver's responsibility for same under the Auction Services Agreement;
- Correspondence and discussions with Maynards regarding raw material, WIP and finished goods inventory at Genfast premises and the relocation of same to accommodate the auction;
- Set up and maintain joint Maynards/Receiver \$US and \$Cdn bank accounts, including investment of funds deposited into same;
- Attend auction on October 17 and 18 to (i) ensure security of computer servers and Mathread dies, and (ii) record auction proceeds on large machines;
- Numerous discussions and correspondence with Maynards regarding the results of the auction, including overall auction proceeds, the collection of proceeds, the timing of equipment removal, and equipment not sold at auction;
- Review of the auction sales proceeds schedules (i.e. the detailed list of auction proceeds by item number) to determine their accuracy and completeness including comparison of auction results recorded by Receiver during the auction to the amounts recorded in the schedule, and follow up with Maynards regarding questions thereto;

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- Attend at Genfast subsequent to auction to review equipment not sold at auction and status of plant after auction. Discussions with Maynards regarding same;
- Various discussions with Maynards regarding the level of insurance coverage needed by the Receiver as machinery is removed;
- Review of the preliminary auction accounting provided by Maynards. Comparison of the auction accounting to the results recorded by the Receiver, and discussions with Maynards regarding discrepancies;
- Various attendance at Genfast site to review the progress of equipment removal;
- Numerous discussions with Maynards regarding their progress in collecting all of the auction/sales proceeds;
- Numerous discussions and e-mails with Maynards regarding a partial distribution to the Receiver of (i) most of the auction proceeds held in the joint auction bank account, and (ii) the deposit initially provided by Maynards. Subsequent documentation of the partial distribution, and arrange for transfer of funds to the Receiver;
- Prepare calculation, at the request of Maynards, of potential cost savings associated with vacating the premises one week earlier than the deadline specified in the Auction Agreement;
- Various emails and discussions with Maynards and the landlord regarding their dispute over the type of gravel to be used to fill the pits created by the removal of machinery from the premises;

Accounts Receivable

- Draft and issue letter to customers regarding closure of the US lock box account;
- Review of draft Statement of Claim and related affidavit regarding Dana and discussions with Dickinson Wright LLP; US counsel to LaSalle, regarding comments on same. Prepare exhibits for Dana affidavit. Attend at Blakes' offices to execute affidavit;
- Complete reconciliation of the Ford account, including discussions with Ford personnel and the review of Ford purchase orders and outstanding invoices;
- Prepare summary of GM accounts receivable and set-offs claimed by GM;
- Complete reconciliation of GM account including discussions with GM personnel and the review of GM purchase orders and outstanding invoices;
- Correspondence and discussions with Blakes regarding background regarding various set-offs asserted by GM. Subsequent discussions with Blakes regarding legal issues associated with GM set-off assertions;
- Periodic discussions with Dickinson Wright regarding the status of the Dana claim;
- Various discussions with Dickinson Wright regarding settlement overtures by Dana. Investigation of Dana's alleged counterclaim. Finalize settlement and obtain funds;

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- Correspondence and discussions with Export Development Corporation in response to their inquiries regarding the cancellation of their receivable insurance;

Finished Goods and WIP Inventory

- Discussions with TGF and Blakes regarding commencement of legal proceedings against parties not honouring their accommodation agreements with Genfast;
- Review of draft Statement of Claim against General Fastener ("GF") and discussions with TGF regarding comments on same. Prepare exhibits for the Statement of Claim;
- Review of draft Statement of Claim against Magna and discussions with Blakes regarding comments on same. Prepare exhibits for the Statement of Claim;
- Review correspondence from Magna's counsel; Gowlings LLP ("Gowlings") demanding arbitration and discuss same with Blakes. Review of various correspondence between Blakes and Gowlings on the issue, and periodic discussions with Blakes on that correspondence;
- Meeting at Genfast's Brantford plant with GF to review inventory and negotiate a settlement of the litigation launched by the Receiver;
- Attendance at Genfast's Brantford plant and separate meetings and tours with three scrap metal dealers to obtain proposals for the scrapping of unsaleable WIP and finished goods inventory;
- Correspondence and discussions with Mittal regarding setting up meetings with Shannon Precision Fastener LLC ("Shannon") and Emerald Steel Processing LLC ("Emerald"), two related entities, to review Genfast inventory at the Mittal location;
- Attend at Mittal premises to meet with Shannon and Emerald, and review Genfast inventory;
- Obtain copies of GM purchase orders issued to Genfast, including standard terms and conditions associated with same, and provide to Blakes;
- Various discussions with Blakes regarding the legal issues associated with GM's refusal to buy certain of Genfast's raw material inventory;
- Attend at Blakes' offices to meet with Blakes, GM, BBK and GM's counsel to discuss (i) payment of outstanding accounts receivable and (ii) purchase of finished goods, WIP and raw material inventories by GM pursuant to its agreement with Genfast;
- Attendance on a conference call with Ford regarding settlement of all outstanding issues involving the Receiver;
- Meeting at LaSalle's offices with Blakes and LaSalle to discuss issues between GM and the Receiver;
- Reply to Ford information requests arising from previous conference call with them;
- Various emails to Ford regarding a possible settlement of all disputes between Ford and the Receiver and the terms of same;

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- Discussions with LaSalle regarding the Ford settlement;
- Review of Minutes of Settlement proposed by Ford and discussion with TGF regarding issues with same. Subsequent discussions involving the Receiver, TGF, Ford and Ford's counsel to finalize same; drafting of bills of sale in anticipation of closing, and various discussions with Ford regarding same;
- Review of draft settlement agreement with GF, and discussions with TGF regarding comments on same. Finalize settlement and execute same;
- Complete final settlement with GF, including coordinating the shipment of goods from Genfast's plant and collection of settlement funds;
- Attend at Alti Packaging to confirm shipment of product to GF per the GF settlement;
- Numerous discussions and correspondence regarding final selection of scrap metal dealer and the price to be paid for the WIP and finished goods inventory being scrapped;
- Document the sale of parts to be scrapped to Poscor, and subsequent discussions on the timing of removal;
- Prepare analysis of amounts owing by Magna in preparation for settlement meeting;
- Numerous discussions with Ford to obtain final payments for inventory and AR settlement and arranging for shipment of parts;
- Preparation for, and attend at, settlement meeting with Blakes, Magna and its counsel.
- As follow-up to the settlement meeting, review the Magna WIP inventory with Cesar Berti to verify stage of completion and resulting valuation of same. Prepare revised schedules to reflect same;
- As follow-up to the settlement meeting, review Magna's set-off claim for sorting costs associated with certain finished goods sold by Genfast, and analyze legitimacy of same;
- Provide to Magna various information they requested from the Receiver during the settlement meeting;
- Correspondence with GM regarding the scrapping of the finished goods and WIP inventories that they are refusing to purchase;

Raw Materials Inventory

- Discussions regarding the use of a broker to sell, over an extended period of time, certain raw materials inventory on which no offer had been received to date;
- Preparation of costs/benefit analysis of moving to Genfast the raw material inventory located at Mittal and Sivaco as compared to the incremental revenue associated with using a broker to sell over an extended timeframe;
- Correspondence to Ford regarding their soliciting an offer from Cold Headed to purchase raw material inventory associated with the Ford production. Subsequent analysis of Cold Headed's offer;

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- Correspondence with MNP regarding Genfast steel coil shipped to MNP prior to the Receiver's appointment;
- Numerous discussions with BBK and GM regarding the terms associated with GM purchasing a portion of Genfast's raw material inventory. Ongoing analysis of proceeds to the Receiver resulting from the prices and qualities being proposed by GM during the negotiations;
- Review of draft Purchase Agreement, prepared by GM's counsel, covering GM's purchase of a certain raw material inventory (the "GM Agreement"). Discussions with Blakes regarding issues with same. Review of innumerable emails between GM's counsel and Blakes regarding drafting issues with the GM Agreement. Review of numerous versions of the GM Agreement, and discussions with Blakes regarding same. Various discussions with BBK to resolve any business issues that arose during the drafting of the GM Agreement;
- Preparation of the various schedules attached to the GM Agreement;
- Periodic discussions with LaSalle regarding the status of the GM Agreement;
- Review of correspondence from Sivaco regarding their lien claim and discussions with Blakes regarding same. Numerous discussions and correspondence involving Blakes, Sivaco and Sivaco's counsel in an attempt to settle the claim;
- Review of Genfast records regarding inventory located at Sivaco's Ingersoll premises, and the physical inventory count conducted by the Receiver in late April. Prepare a summary of missing coils per Genfast's records for delivery to Sivaco's counsel. Discussions with Blakes regarding settlement options.
- Review Mittal's offer to purchase certain raw material inventory located at their location. Numerous discussions and correspondence with Mittal in an attempt to complete the sale;
- Preparation of a summary schedule of potential raw material sales for purposes of comparing offers received (as some offers overlapped);
- Numerous discussions, correspondence and negotiations with MNP regarding their purchase of certain raw material for their own account and provide MNP with a detailed listing of remaining raw material for sale. Review and analysis of MNP's various bids;
- Meeting with Shannon and Emerald at Genfast premises to review both raw material inventory and Mathread dies for sale;
- Review purchase orders issued by MNP and compare to offers to purchase previously received;
- Provide MNP with certs for both steel they purchased on their own account and through the Ford settlement;
- Review of new raw materials offer received from Shannon. Numerous discussions, correspondence and negotiations to finalize sales terms;
- Review of new raw materials offer received from Emerald. Numerous discussions, correspondence and negotiations to finalize sales terms;

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- Discussions with Dickenson Wright regarding settlement discussions with CBC and the form of a potential settlement;
- Review various versions of the CBC settlement agreement, and provide comments to Dickinson Wright on same;
- Obtain and review letter from CBC's counsel regarding their proposed revisions to the draft settlement agreement and discussions with Dickinson Wright re same;
- Prepare bill of sale to be used in the CBC settlement agreement; review Dickinson Wright's changes to same and finalize;
- Execute final CBC settlement agreement;
- Numerous meetings, discussions and correspondence with MNP regarding their physical inspection of the steel coils they were to purchase pursuant to the GM Agreement, the Ford Minutes of Settlement and MNP's own purchase orders;
- Numerous meetings, discussions and correspondence with Emerald regarding their physical inspection of the steel coils they were to purchase pursuant to the Ford Minutes of Settlement and Emerald's own purchase orders;
- Numerous discussions and correspondence regarding MNP's rejection of the Sivaco coils;
- Various discussions with GM regarding the collection of GST on Genfast sales made pursuant to the GM Agreement;
- Numerous discussions and correspondence regarding GM's request to assign the GM Agreement as it relates to the purchase of Genfast's raw materials to MNP;
- Coordinate the shipment of raw materials to MNP and Emerald, including discussions regarding the necessary paperwork for customs and the timing of shipments;
- Provide Emerald with steel certs for all the steel they purchased on their own account and pursuant to the Ford Minutes of Settlement;
- Provide MNP with the steel certs related to the purchase of steel pursuant to the GM Agreement;
- Review of offer received from CBC to purchase the raw materials at the "floor price" set out in the settlement agreement and subsequent emails and discussions regarding CBC's efforts to sell the raw materials;
- Attend at Brantford premises to ensure the MNP trucks were not loaded until the sale proceeds for the raw materials were received. Numerous discussions and correspondence with MNP on the status of payment, correct wire instructions, signing of agreements, and the turning away of a truck when the deal was incomplete;
- Prepare schedules to track the progress of the loading/sale of the MNP and GM steel coils and daily updating of same;

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- Numerous discussion and emails regarding Mittal's refusal to release the Genfast steel coils without payment of certain costs including attempting to negotiate a settlement and keeping Emerald and MNP informed of status;
- Various discussions with Sivaco and Sivaco's counsel regarding the charges from Sivaco for loading and banding the steel coils sold by the Receiver;

CCAA Receipts and Disbursements Accounting

- Conference call with the Monitor; Alvarez & Marsal LLP, regarding their questions on the Receiver's analysis of CCAA liabilities and funding potentially available for same;
- Revisions to CCAA liabilities analysis to adjust, at the request of the Monitor, the treatment of the pension payment;
- Attendance at the Monitor's offices for a meeting with the Monitor, its counsel; Fraser Milner Casgrain LLP ("FMC") and Blakes to discuss CCAA liabilities;

D&O Claims Process

- Calls and correspondence with a former Genfast employee regarding a wage garnishment;
- Review of vacation pay outstanding after initial distribution to determine amount to pay in second distribution;
- Prepare correspondence to former Genfast employees regarding second vacation pay distribution. Preparation of disbursement register relating to the second vacation pay distribution and check calculations of source deductions, garnishments, labour union dues and credit union deductions. Prepare and issue approximately 400 cheques to both salaried and hourly employees;
- Prepare and issue cheques associated with various amounts deducted from employees (i.e. source deductions, garnishments, etc.);
- Correspondence with the Administrator regarding payment of amounts deducted from employees for pension contributions;
- Review of correspondence from the Administrator's counsel regarding the quantum of the Pension Claim D&O Reserve. Subsequent discussions with the Administrator's counsel regarding calculation of same;

Utica Leased Equipment

- Discussions and correspondence with Blakes regarding basis for calculating Utica's equity in Lease #1. Subsequent preparation of equity schedules assuming various scenarios;
- Discussions and correspondence with Blakes regarding providing responses to Utica counsel's questions as to the outcome of the auction;

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- Discussions and correspondence with Blakes regarding responding to Utica's request for (i) the Receiver's cash balance, and (ii) the book value of remaining assets;
- Discussions with Blakes regarding outcome of Court hearing on the Utica/LaSalle priority dispute;
- Periodic discussions with LaSalle regarding the status of Utica Lease #1 and Lease #2;

Miscellaneous Assets

- Correspondence and discussions with Panther Packaging regarding their purchase of Genfast's cardboard inventory;
- Review of offer from Newalta regarding purchase of certain oil located at Genfast's premises. Acceptance of offer and subsequent completion of sale;
- Completion of sale of unused oil from storage tanks to Wolverine Oil & Supply Co. Inc.;
- Correspondence and discussions with D.A. Stuart Inc. regarding the refund of deposits paid by Genfast on totes located at the Genfast premises and obtaining refund of same;
- Discussions with Visa, Brampton Hydro and other parties regarding the refund of deposits held by them;
- Review of AME International Inc.'s claim that they owned tooling located at Genfast's plant, and subsequent rejection of same;
- Arrange for physical segregation of Mathread dies from other dies owned by Genfast;
- Calls and correspondence with Canada Revenue Agency regarding the status of an outstanding GST refund associated with the pre-receivership period;
- Complete sale of thread dies to MNP, including final inspection.

Other Matters

- Bi-weekly review of payment input information for Receiver's contract employees, including correspondence and discussions with external service provider;
- Maintenance of the Receiver's Statement of Receipts and Disbursements;
- Ongoing administrative functions including but not limited to; processing mail, receiving payments on account, preparing deposits, preparation of wires and transfers, ordering banking supplies and completing monthly reconciliations of bank accounts;
- Correspondence and discussions regarding investment of funds held by the Receiver and ongoing monitoring and approval of same;
- Filing of the Receiver's monthly statutory remittances including GST, Source Deductions and WSIB;
- Issue correspondence to certain Genfast IT providers to terminate their services;

- Coordinate the payment of the Receiver's contract employees without the use of an external service provider, to take effect subsequent to the auction. Bi-weekly review and issuance of cheques;
- Correspondence and discussions with Stevenson and Hunt Insurance Brokers regarding renewal and extension of insurance. Determination of insurable values for equipment and inventory;
- Weekly backup of computerized records on Genfast's servers;
- Discussions and correspondence with LaSalle and TGF regarding LaSalle bringing a Court motion seeking an interim distribution of funds held by the Receiver; and
- Calculation of funds potentially available for an interim distribution.

TO OUR FEE, inclusive of disbursements and tax

\$ 332,702.86

BILLING SUMMARY

<u>Personnel</u>	<u>Hours</u>
Nicholas Brearton, Partner	154.3
Michael Creber, Partner	6.3
Brad Newton, Senior Manager	298.1
John Athanasiou, Senior Manager*	56.0
Vince Raso, Associate	5.1
Greg Karpel, Associate	72.5
Technical and Administrative Staff	<u>106.9</u>
	<u>699.2</u>

TOTAL FEES	\$ 314,813.50
Out-of-pocket expenses (i.e. mileage allowance or car rental cost, meals and long distance telephone calls)	<u>2,046.37</u>
Subtotal	316,859.87
Goods and Services Tax @ 5%	<u>15,842.99</u>
TOTAL INVOICE	<u>\$ 332,702.86</u>

* promoted to Senior Manager effective October 1, 2007.

LASALLE BUSINESS CREDIT, A DIVISION OF
ABN AMRO BANK N.V., CANADA BRANCH

- and -

GENFAST MANUFACTURING COMPANY

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

Proceeding Commenced at Toronto

AFFIDAVIT OF NICHOLAS BREARTON
Sworn January 11, 2008

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