

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

**ONTARIO SECURITIES COMMISSION**

**Applicant**

**- and -**

**NEW LIFE CAPITAL CORP., NEW LIFE CAPITAL INVESTMENTS INC., NEW LIFE CAPITAL ADVANTAGE INC., NEW LIFE CAPITAL STRATEGIES INC., 1660690 ONTARIO LTD., 2126375 ONTARIO INC., 2108375 ONTARIO INC., 2126533 ONTARIO INC., 2152042 ONTARIO INC., 2100228 ONTARIO INC. AND 2173817 ONTARIO INC.**

**Respondents**

**NOTICE OF MOTION**

**THE MOVING PARTY**, the Representative Counsel (defined below) will make a motion to a judge presiding over the Commercial List on Tuesday, September 8, 2009 at 10:00 a.m. or a date and time to be assigned by the presiding judge, at 330 University Avenue, Toronto, Ontario.

**PROPOSED METHOD OF HEARING:** The motion is to be heard orally.

**THE MOTION IS FOR AN ORDER:**

1. declaring that the Representative Counsel may appoint a panel of up to five (5) volunteer Investors (the "Investor Panel") to assist the Representative Counsel in assessing the realization plan and the results of any marketing plans in relation to the Policies (capitalized terms defined below);
2. declaring that the Investor Panel shall:

- (a) be entitled to provide input to the Representative Counsel in relation to the realization plan described in the Fourth Report of the Receiver (the “Realization Plan”) and the results of any marketing plan of the Policies;
  - (b) be entitled to receive and review, on the same confidentiality terms to which Representative Counsel is subject, the Confidential Information that is provided to Representative Counsel, for the purpose of performing his or her role as a member of the Investor Panel; and,
  - (c) meet to review the Confidential Information either via teleconference or in person, as determined by Representative Counsel; and,
3. providing such further and other relief as to this court may seem just.

**THE GROUNDS FOR THE MOTION ARE:**

1. By Orders dated December 17, 2008 and March 18, 2009, KPMG Inc. (the “Receiver”) was appointed receiver over all of the undertaking, property and assets of the Respondents (collectively “New Life”) on the application of the Ontario Securities Commission (“OSC”).
2. The OSC Staff had identified a series of concerns regarding the practices of New Life. The allegations against New Life set out in the OSC Statement of Allegations include an allegation that New Life perpetrated a fraud on its investors.
3. By Order dated June 4, 2009, Kevin McElcheran of McCarthy Tétrault LLP was appointed representative counsel (the “Representative Counsel”) to represent the interests of the investors of New Life (the “Investors”) for the sole purpose of advising the Investors in respect of the Realization Plan.
4. The Receiver has indicated it has attempted to strike a balance between disclosing as much information as possible to the New Life stakeholders to enable the stakeholders, such as

the Investors, to assess the Realization Plan, and protecting against the risk that disclosing certain confidential information may prejudice realization values for the Respondents' portfolio of 22 life insurance policies or life settlements (the "Policies").

5. As part of that balancing, the Receiver and Representative Counsel entered into a confidentiality agreement dated as of July 10, 2009 (the "Confidentiality Agreement").

6. One of the terms of the Confidentiality Agreement is that the Representative Counsel is not permitted to disclose to the Investors any information that is not otherwise disclosed to the stakeholders by the Receiver (the "Confidential Information").

7. However, it would assist the Representative Counsel if at least some Investors were permitted to review the Confidential Information in order to assist Representative Counsel in his efforts to represent the interests of the Investors in these proceedings.

8. Representative Counsel proposes that a small group of up to five (5) Investors should be permitted to review the Confidential Information and consult with each other and Representative Counsel as an Investor Panel. The Representative Counsel would select the Investor Panel and would aim to make them as representative as possible of the Investors.

9. An Investor Panel that is permitted to review the Confidential Information would assist Representative Counsel in assessing the Realization Plan and the results of any marketing plans. Providing Representative Counsel with the opportunity to consult with an informed Investor Panel will allow Representative Counsel to be of greater assistance to the Court.

10. To preserve confidentiality of the Confidential Information, the Investor Panel would be required to comply with the same confidentiality terms contained in the Confidentiality

Agreement. In particular, the Investor Panel members would not be permitted to disclose to any other Investor the information they receive that is not otherwise disclosed by the Receiver to the stakeholders, and would receive the Confidential Information only for the purpose of performing their roles as members of the Investor Panel.

11. Rules 1.05 of the *Rules of Civil Procedure (Ontario)*.
12. Section 129 of the *Securities Act (Ontario)*.
13. Such other grounds as counsel may advise.

**THE FOLLOWING DOCUMENTARY EVIDENCE** will be used at the hearing of the motion:

14. The Fourth Report to the Court Submitted by KPMG Inc. as Receiver and Manager;
15. Such further and other material as counsel may advise and this Honourable Court permit.

September 2, 2009

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Representative Counsel  
Solicitors for the Moving Party

ONTARIO SECURITIES COMMISSION  
Applicant

and

NEW LIFE CAPITAL CORP. et al.  
Respondents

Court File No: 08-CL-7832

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

Proceeding commenced at Toronto

**NOTICE OF MOTION**

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