



Court File No. 08-CL-7832

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE MR.)
JUSTICE NEWBOULD)
TUESDAY, THE 8TH DAY
OF SEPTEMBER, 2009

B E T W E E N:

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

**ORDER
(Claims Procedure)**

THIS MOTION made by KPMG Inc., in its capacity as the Receiver and Manager (the “**Receiver**”), without security, over all of the property, assets and undertaking of 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. (collectively, “**New Life**” or the “**Companies**”), for the relief set out in its Notice of Motion dated September 1, 2009 (the “**Notice of Motion**”) was heard this day at 330 University Avenue, Toronto, Ontario.

UPON READING the Fourth Report to the Court of the Receiver dated September 2, 2009, the Receiver's Supplemental Fourth Report to the Court and upon hearing the submissions of counsel for the Receiver, counsel for the Applicant and of Kevin McElcheran as representative counsel for the interests of persons who purchased preferred or common shares in the capital stock of one or more of the Companies excluding Jeffrey Pogachar and Paola Lombardi (the "Investors") for the sole purpose of advising the Investors in respect of the realization plan being developed by the Receiver in respect of the Companies' portfolio of 22 life insurance policies or life settlements, no one else appearing, *the order is being opposed*

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Motion Record herein is hereby abridged so that this Motion is properly returnable today and hereby dispenses with further service thereof.

2. **THIS COURT ORDERS** that the Investors, any creditors of or any claimants against the Companies must prove their claims with the Receiver in accordance with the provisions of this Order on or before Friday, October 30, 2009 (the "**Claims Bar Date**") failing which their claim or claims shall be forever barred and extinguished. For the purposes of this Order, "**Investors**" includes those individuals that completed applications and remitted funds to New Life for the purchase of common and/or preferred shares of New Life but that did not receive corresponding share certificates.

3. **THIS COURT ORDERS** that the Receiver shall publish a notice to the Investors, the creditors of or claimants against the Companies substantially in the form attached hereto as Schedule "A" on the Receiver's website and on one occasion in the following publications within 20 days from the date of this Order: The Globe and Mail – Report on Business and the Vancouver Sun.

4. **THIS COURT ORDERS** that the Receiver may notify, by mail, all known investment advisors that sold investments in New Life of the claims procedure in order that they may take steps to ensure that their clients are aware of the claims procedure and respond to the Receiver in a timely fashion.

5. **THIS COURT ORDERS** that the Receiver shall send to the creditors of or claimants against the Companies a proof of claim form and instruction letter substantially in the form of the proof of claim and instruction letter attached hereto as Schedule “B” within 20 days from the date of this Order.
6. **THIS COURT ORDERS** that the Receiver shall send to the Investors a proof of claim form and instruction letter substantially in the form of the proof of claim and instruction letter attached hereto as Schedule “C” within 20 days from the date of this Order.
7. **THIS COURT ORDERS** that, subject to any further Order of this Court, the claims of the Investors shall be calculated on the basis of (i) the amounts paid by the Investor to acquire common and/or preferred shares of New Life; less (ii) any amounts received by the Investor from New Life (an “**Investor Claim**”).
8. **THIS COURT ORDERS** that the Receiver shall send to each Investor, in addition to the foregoing proof of claim form and instruction letter, a statement setting out the Receiver’s calculation, based on the Companies’ books and records, of that Investor’s Investor Claim against the Companies (the “**Investment Statement**”). The Investment Statement will include a summary of the number of common and/or preferred shares issued, all amounts invested by the Investor and the value of any Class A shares of New Life Capital Investments Inc. issued to the Investor pursuant to the Dividend Reinvestment Plan (the “**DRIP**”). In the event that the Receiver receives any new information regarding an Investor’s Investor Claim, the Receiver shall send a revised Investment Statement to that Investor.
9. **THIS COURT ORDERS** that any Investor that agrees with the amount of its claim set out by the Receiver in the Investment Statement may complete the proof of claim by attaching the Investment Statement to the proof of claim, executing the proof of claim and delivering it to the Receiver by the Claims Bar Date.
10. **THIS COURT ORDERS** that any person who has an Investor Claim against the Company but who did not receive an Investment Statement from the Receiver is required to provide the Receiver with a proof of claim and documentation supporting its Investor Claim


against New Life, including, without limitation, a copy of the related Subscription Agreement and proof of payment of the subscription amount.

11. **THIS COURT ORDERS** that the Receiver be and it is hereby authorized to accept each proof of claim received by it from an Investor confirming the Investment Statement without further inquiry.

12. **THIS COURT ORDERS** that the Receiver shall disallow any proof of claim in whole or in part by delivering a Notice of Disallowance substantially in the form attached hereto as Schedule "D".

13. **THIS COURT ORDERS** that any Investor, creditor or claimant who wishes to appeal the disallowance of its proof of claim shall do so by the delivery of a Notice of Appeal substantially in the form attached hereto as Schedule "E" within 30 days from the date of receipt of the Notice of Disallowance failing which its claim or claims shall be forever barred and extinguished.

14. **THIS COURT ORDERS** that the Receiver shall be the respondent to any appeal from the disallowance of a proof of claim.



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ON / BOOK NO:
LE / DANS LE REGISTRE NO.:

SEP 08 2009

PER / PAR: 

Joanne Nicoara
Registrar, Superior Court of Justice

SCHEDULE "A"

NOTICE TO INVESTORS, CREDITORS AND ANY OTHER CLAIMANTS OF THE
FOLLOWING COMPANIES:

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.
2173817 ONTARIO INC.

On December 17, 2008, the Ontario Superior Court of Justice appointed KPMG Inc. as the Receiver and Manager (the "**Receiver**") over all of the property, assets and undertaking of the above-listed Companies (the "**Receivership Proceedings**").

On September 8, 2009, the Receiver obtained an Order (the "**Claims Procedure Order**") authorizing a process for investors, creditors of and any other claimants of the Companies to prove a claim against the Companies. You may obtain a copy of the Claims Procedure Order on the Receiver's website at www.kpmg.ca/en/ms/cl/newlifecapital/.

If you are an investor, creditor of or otherwise have a claim against one or more of the Companies, then you should file a proof of claim with the Receiver. Proofs of claim as well as information regarding the claims process and the Receivership Proceedings is available on the Receiver's website at www.kpmg.ca/en/ms/cl/newlifecapital/.

Proofs of claim **must be received by the Receiver at the address below by no later than 4:00 p.m. (Eastern Standard Time) on Friday, October 30, 2009 (the "Claims Bar Date")**. If you fail to submit your claim to the Receiver by the Claims Bar Date, then your claim will be forever barred and extinguished.

If you have any questions or are unable to download a proof of claim form from the Receiver's website listed above, you should contact the Receiver at the address below:

KPMG Inc., Court-appointed Receiver of New Life Capital Corp. et. al.
Suite 3300 Commerce Court West
Toronto, ON M5L 1B2
Attention: Mr. J. Bradley Butcher
Telephone: 1-866-930-4921
Fax: 416-777-3364
Email: newlifecap@kpmg.ca

SCHEDULE "B"

**PROOF OF CLAIM FORM AND INSTRUCTION LETTER FOR CREDITORS AND
OTHER CLAIMANTS**

**Proof of Claim
(creditors)**

All notices or correspondence regarding this claim must be forwarded to the following address:

KPMG Inc., Court-appointed Receiver of New Life Capital Corp. et al.
Suite 3300, Commerce Court West
Toronto, ON M5L 1B2
Attention: Mr. J. Bradley Butcher
Telephone: 1-866-930-4921
Fax: 416-777-3364
Email: newlifecap@kpmg.ca

In the matter of the Ontario Securities Commission v. 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., of the City of Toronto in the Province of Ontario and the claim of _____ a creditor.

I, _____ (name of creditor or representative of the creditor), of _____ (city and province), do hereby certify:

1. (This section to be completed by corporate creditors only) That I am _____ (state position or title) of _____ (name of corporate creditor).
 2. That I am a creditor _____ (name of New Life debtor entity).
 3. That I have knowledge of all of the circumstances connected with the claim referred to below.
 4. That the debtor was, at the date of receivership, namely the **17th** day of **December, 2008**, and still is, indebted to the creditor in the sum of \$_____, as specified in the statement of account (or affidavit or solemn declaration) attached and marked Schedule "A", after deducting any counterclaims to which the debtor is entitled. (The attached statement of account or affidavit must specify the vouchers or other evidence in support of the claim.)
 5. That the above-referenced debt is () contingent or () non-contingent.
 6. (Check and complete appropriate category)
() A. UNSECURED CLAIM OF \$_____
- That in respect of this debt, I do not hold any assets of the debtor as security.
- () B. SECURED CLAIM OF \$_____
- That in respect of this debt, I hold assets of the debtor valued at \$_____ as security, particulars of which are as follows:
- (Give full particulars of the security, including the date on which the security was given and the value at which you assess the security, and attach a copy of the security documents.)
7. That, to the best of my knowledge, I (or the above-named creditor) am/is or am not/is not (circle one) related to the debtor within the meaning of section 4 of the Bankruptcy and Insolvency Act (Canada).

Dated at _____ this _____ day of _____, 2009.

Witness

(Signature of individual completing this certificate)

Address: _____

Phone Number: _____

Fax Number: _____

E-mail address: _____

YOU MAY SUBMIT YOUR PROOF OF CLAIM TO THE RECEIVER AT THE ABOVE-REFERENCED ADDRESS BY MAIL, COURIER, FACSIMILE OR EMAIL. IF THE RECEIVER FAILS TO RECEIVE YOUR PROOF OF CLAIM BY 4:00 P.M. (EASTERN STANDARD TIME) ON FRIDAY, OCTOBER 30, 2009, THEN YOUR CLAIM WILL BE FOREVER BARRED AND EXTINGUISHED.

General Proxy and Instruction Letter

In the matter of the Ontario Securities Commission v. 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., of the City of Toronto in the Province of Ontario.

I (or We), _____ (name of creditor), of _____ (name of municipality), a creditor in the above-referenced matter, hereby appoint _____ of _____, to be my (or our) general proxy in the above-referenced matter except as to the receipt of distributions with or without (circle one) power to appoint another proxy in his or her place.

Dated at _____ this _____ day of _____, 2009.

Witness

Individual Creditor

Name of Corporate Creditor

Per:

Witness

Name:

Title:

I have authority to bind the corporation.

Instruction Letter

Please read this carefully before you prepare your proof of claim.

1. General
 - The signature of a witness is required.
 - This document must be signed personally by the individual completing this declaration.
 - If you are signing this form on behalf of a corporation or other person, you must state the title or capacity in which you are acting, such as "president" or "authorized agent" (*section 1*).
 - Ensure you include your complete address, telephone number, fax number and email address (if applicable).
 - If an affidavit or solemn declaration is attached, it must have been sworn to before a person qualified to take affidavits or solemn declarations.
2. You must indicate which New Life company your claim is against (*section 2*).
3. You must have knowledge of the circumstances connected with the claim (*section 3*).
4. The proof of claim is incomplete unless you include a statement of account (marked Schedule A). The balance on this statement must be complete and agree with the balance claimed by you as of the date of the receivership. "Schedule A" should be a detailed statement of account of the last three months of financial activity with the debtor. It must show the date, number and amount of all invoices or charges, together with the date, number and amount of all credits or payments. A "balance forward" or one line figure is insufficient. You must provide the full details of all payments and credits received from or allowed to the debtor (*section 4*).
5. You must check (x) whether your claim is contingent or non-contingent (*section 5*).
6. Check (x) the type of claim which applies to you. DO NOT LEAVE THIS SECTION BLANK. If you have a secured claim, then you must insert the value of your security and prove that you are secured by attaching a copy of your security document (chattel mortgage, mortgage over real property, general security agreement etc.) (*section 6*).
7. If you are related to the debtor, please circle "am/is". If you are not related to the debtor, please circle "am not/is not" (*section 7*).

SCHEDULE "C"

PROOF OF CLAIM FORM AND INSTRUCTION LETTER FOR INVESTORS

**Proof of Claim
(investors)**

All notices or correspondence regarding this claim must be forwarded to the following address:

KPMG Inc., Court-appointed Receiver of New Life Capital Corp. et al.
Suite 3300, Commerce Court West
Toronto, ON M5L 1B2
Attention: Mr. J. Bradley Butcher
Telephone: 1-866-930-4921
Fax: 416-777-3364
Email: newlifecap@kpmg.ca

In the matter of the Ontario Securities Commission v. 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., of the City of Toronto in the Province of Ontario and the claim of _____ an investor.

I, _____ (name of investor or representative of the investor), of _____ (city and province), do hereby certify:

1. (This section to be completed by corporate investors only) That I am _____ (state position or title) of _____ (name of corporate investor).

2. That I am an investor of _____ (name of New Life entity).

3. That I have knowledge of all of the circumstances connected with the claim referred to below.

4. That my investment in the investee is: (Check and complete appropriate category)

() held by me directly

() held in a registered plan and the trustee for the registered plan is:

_____ (name of trustee)

_____ (registered plan number)

_____ (address of trustee)

_____ (telephone number of trustee)

Attention: _____ (representative of trustee)

5. That, as at the date of receivership, namely the **17th** day of **December, 2008**, I invested the sum of \$_____ in the investee.

6. That I received (or expected to receive) _____ number of common shares and/or _____ number of preferred shares of the investee.

7. That I received _____ number of Class A shares of New Life Capital Investments Inc. pursuant to New Life's Dividend Reinvestment Plan ("DRIP").

8. That I received cash dividends in the total sum of \$_____ from the investee.

9. That, to the best of my knowledge, I (or the above-named investor) am/is or am not/is not (circle one) related to the debtor within the meaning of section 4 of the Bankruptcy and Insolvency Act (Canada).

Note: If you have received an Investment Statement and agree with the amounts set out therein, then you must attach the Investment Statement as Schedule "A" to this proof of claim. If you have not received an Investment Statement or have received an Investment Statement but do not agree with the amounts set out therein, then you must attach documentation supporting your claim including, without limitation, a copy of the relevant Subscription Agreement and proof of payment of the subscription amount.

Dated at _____ this _____ day of _____, 2009.

Witness

(Signature of individual completing this certificate)

Address: _____

Phone Number: _____

Fax Number: _____

E-mail address: _____

YOU MAY SUBMIT YOUR PROOF OF CLAIM TO THE RECEIVER AT THE ABOVE-REFERENCED ADDRESS BY MAIL, COURIER, FACSIMILE OR EMAIL. IF THE RECEIVER FAILS TO RECEIVE YOUR PROOF OF CLAIM BY 4:00 P.M. (EASTERN STANDARD TIME) ON FRIDAY, OCTOBER 30, 2009, THEN YOUR CLAIM WILL BE FOREVER BARRED AND EXTINGUISHED.

General Proxy and Instruction Letter

In the matter of the Ontario Securities Commission v. 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., of the City of Toronto in the Province of Ontario.

I (or We), _____ (name of investor), of _____ (name of municipality), an investor in the above-referenced matter, hereby appoint _____ of _____, to be my (or our) general proxy in the above-referenced matter except as to the receipt of distributions with or without (circle one) power to appoint another proxy in his or her place.

Dated at _____ this _____ day of _____, 2009.

Witness

Individual Investor

Name of Corporate Investor

Per: _____

Witness

Name:

Title:

I have authority to bind the corporation.

Instruction Letter

Please read this carefully before you prepare your proof of claim.

1. General

- The signature of a witness is required.
- This document must be signed personally by the individual completing this declaration.
- If you are signing this form on behalf of a corporation or other person, you must state the title or capacity in which you are acting, such as "president" or "authorized agent" (*section 1*).
- Ensure you include your complete address, telephone number, fax number and email address (if applicable).
- If an affidavit or solemn declaration is attached, it must have been sworn to before a person qualified to take affidavits or solemn declarations.

2. You must indicate which New Life company your claim is against (*section 2*).

3. You must have knowledge of the circumstances connected with the claim (*section 3*).

4. Check (x) for the appropriate statement. Where your investment is held in a registered plan, you must provide complete details regarding the trustee of that registered plan (*section 4*).

5. You must complete the amounts in sections 5, 6, 7 and 8 (*sections 5, 6, 7 and 8*).

If you have received an Investor Statement with this proof of claim and if you agree with the amounts set out therein, then you must attach the Investor Statement to your proof of claim. If you have not received an Investment Statement or you have received an Investment Statement but do not agree with the amounts set out therein, then you must attach documentation supporting your claim including, without limitation, a copy of the relevant Subscription Agreement and proof of payment of the subscription amount.

6. If you are related to the debtor, please circle "am/is". If you are not related to the debtor, please circle "am not/is not" (*section 9*).

SCHEDULE "D"

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

B E T W E E N:

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 DISALLOWANCE OF CLAIM

Via Courier

To: [insert name and address of recipient]

RE: Your Claim Against the above-listed Companies

Take notice that KPMG Inc., in its capacity as the Court-appointed Receiver and Manager of all of the property, assets and undertaking of the above-listed Companies (the "Receiver") has disallowed your claim in whole or in part for the following reasons:

And further take notice that if you are dissatisfied with the Receiver's decision in disallowing your claim in whole or in part, you may appeal the Receiver's decision to the Court by no later than 30 days from the date of receipt of this Notice of Disallowance in accordance with the Order of the Court dated September 8, 2009. A copy of the Claims Procedure Order may be obtained on the Receiver's website at www.kpmg.ca/en/ms/cl/newlifecapital/ or by contacting the Receiver at the address listed below.

Dated at Toronto this _____ day of _____, 2009.

KPMG INC. in its capacity as the Court-
appointed Receiver and Manager of New
Life Capital Corp. et. al.

Suite 3300, Commerce Court West
Toronto, Ontario
M5L 1B2
Telephone: 1-866-930-4921
Fax: 416-777-3364
Email: newlifecap@kpmg.ca

SCHEDULE "E"

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

B E T W E E N:

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 APPEAL OF DISALLOWANCE OF CLAIM

TO: KPMG Inc., in its capacity as the Court-appointed Receiver and Manager of all of the property, assets and undertaking of the above-listed Companies (the "**Receiver**")

FROM: [insert name] (the "**Claimant**")

RE: **Claim numbered** _____

The Claimant disputes the Receiver's Notice of Disallowance of Claim dated on the _____ day of _____, 2009.

The Claimant disputes the Receiver's Notice of Disallowance of Claim for the reasons set out in the attached Appendix "A".

[You must attach an Appendix "A" setting out your reasons for dispute]

In support of this appeal, the Claimant submits the evidence and documentation attached hereto as Appendix "B".

[You must attach evidence/documentation to support your claim as Appendix "B"]

Dated at _____ this _____ day of _____, 2009.

Claimant:

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 in Toronto

ORDER
(Claims Procedure)

ThorntonGrouxFinnigan LLP
Suite 3200, P.O. Box 329
Canadian Pacific Tower
Toronto-Dominion Centre
Toronto, Ontario
M5K 1K7

James H. Groat (LSUC No. 22741H 1B)
Seema Aggarwal (LSUC No. 50674J)

Tel: (416) 304-1616
Fax: (416) 304-1313

Solicitors for KPMG Inc., in its capacity as the
Receiver and Manager of New Life Capital
Corp., et al