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## TO THE STAKEHOLDERS

May 14, 2009

Dear Sirs:

**RE: 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”)**

As you are aware, KPMG Inc. is the Court-appointed Receiver and Manager (the “Receiver”) of all of the property, assets and undertaking of New Life. We are writing to you as the records available to the Receiver indicate that you are either: (i) an investor in the capital stock of one or more of the Companies (an “Investor” or the “Investors”); or, (ii) you may be a creditor of the Companies. The purpose of this letter is to update you on certain developments with respect to the New Life receivership. Capitalized terms used herein and not otherwise defined are as defined in the Receiver’s First Report to the Court dated March 12, 2009 (the “First Report”), a copy of which is available on the Receiver’s website at [www.kpmg.ca/en/ms/cl/newlifecapital/](http://www.kpmg.ca/en/ms/cl/newlifecapital/).

The Receiver is developing a strategy for realizing on New Life’s portfolio of life insurance policies (the “Realization Plan”). Receiver has engaged Proverian Capital, LLC (“Proverian”) to assist the Receiver with assessing and valuing the life insurance policies and developing the Realization Plan.

The Receiver is of the view that it is appropriate and necessary to have representative counsel (“Representative Counsel”) appointed to represent the interests of the Investors for the purpose of advising the Investors in respect of the Realization Plan. In this regard, on May 29, 2009, the Receiver will be making a motion to the Ontario Superior Court of Justice for an Order, among other things, appointing Kevin McElcheran of the law firm of McCarthy Tétrault LLP as Representative Counsel. The Receiver is of the view that Mr. McElcheran is qualified to act as the Representative Counsel and Mr. McElcheran has consented to this role. The Receiver will recommend to the Court that the fees and disbursements of the Representative Counsel be paid from the funds of New Life that are under the Receiver’s control.

The Receiver’s Second Report to the Court (the “Second Report”) will address, in more detail, the appointment of Representative Counsel and the Receiver’s engagement of Proverian. A copy of the Second Report together with the Receiver’s motion record in respect of the May 29<sup>th</sup> motion will be posted on the Receiver’s website listed above by May 19<sup>th</sup>.

The Receiver expects to issue its Third Report to the Court (the “Third Report”) in late May 2009. The Third Report will provide a further update on the Receiver’s activities and certain administrative matters.



The Receiver will be seeking Court approval of the Realization Plan prior to implementation. The Receiver expects to report to the Court on the Realization Plan in June 2009.

Should you have any questions regarding the appointment of Representative Counsel, the retention of Proverian or any other matter with respect to the New Life receivership, please contact the Receiver by telephone at the inquiry line 1-866-930-4921 or by email at [newlifecap@kpmg.ca](mailto:newlifecap@kpmg.ca).

Yours very truly,

**KPMG INC.**

in its capacity as the Court-appointed  
Receiver and Manager of all the property,  
assets and undertaking of New Life

A handwritten signature in black ink, appearing to read 'J. Bradley Butcher'.

Per: J. Bradley Butcher  
*Vice President*