

**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. and 2100228 ONTARIO INC.**

Respondents

**THIRD REPORT TO THE COURT
SUBMITTED BY KPMG INC.
AS RECEIVER AND MANAGER**

May 28, 2009

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1. Introduction

1.1 Appointment of Receiver

- 1.1.1 Pursuant to the Order of the Honourable Mr. Justice Campbell of the Ontario Superior Court of Justice (Commercial List) (the "Court") dated December 17, 2008 (the "Appointment Order"), KPMG Inc. was appointed Receiver and Manager ("Receiver") of all of the undertaking, property and assets (the "Property") of New Life Capital Corp. ("Capital Corp."), New Life Capital Investments Inc. ("Investments Inc."), New Life Capital Advantage Inc. ("Advantage Inc."), New Life Capital Strategies Inc. ("Strategies Inc."), 1660690 Ontario Ltd., 2126375 Ontario Inc. ("2126375"), 2108375 Ontario Inc. ("2108375"), 2126533 Ontario Inc. ("2126533"), 2152042 Ontario Inc. ("2152042") and 2100228 Ontario Inc. ("2100228") (collectively, the "Initial Companies"). A copy of the Appointment Order, which sets out the powers of the Receiver, is attached hereto as **Appendix A**. The Ontario Securities Commission ("OSC") made the application for the appointment of the Receiver pursuant to Section 129 of the *Securities Act* (Ontario) (the "Act"). New Life did not oppose the application.
- 1.1.2 Pursuant to the Order of the Honourable Mr. Justice Campbell dated March 18, 2009 (the "March 18 Order"), the Appointment Order was amended to add 2173817 Ontario Inc. ("2173817") as a Respondent to this proceeding and to include all of its undertaking, property and assets in the receivership. A copy of the March 18 Order is attached hereto as **Appendix B**. The Initial Companies and 2173817 are collectively referred to as the "Companies" or "New Life". 2126375, 2108375, 2126533, 2152042, 2100228 and 2173817 are collectively referred to as the "Advantage Companies".
- 1.1.3 Since August 6, 2008, the Companies, except for the Advantage Companies, have been subject to certain restrictions imposed by Orders issued by the OSC. Those restrictions include:
- (a) a prohibition on the sale of further shares, as varied pursuant to an Order dated August 15, 2008 at the request of the principals of the Companies allowing them to trade securities in their own personal accounts (the "Temporary Cease Trade Order"); and
 - (b) a freeze of the Companies' bank accounts, as varied pursuant to certain Orders at the request of the Companies allowing the release of specific funds to pay certain administrative and legal expenses (the "Freeze Order").
- The OSC has continued the Temporary Cease Trade Order and this Honourable Court has continued the Freeze Order.
- 1.1.4 The Receiver has relied upon information and records available from the Companies and from third parties. The Receiver's review of this information does not constitute an audit of the Property or the financial position or operating

results of the Companies. In addition, any financial information presented by the Receiver is preliminary and the Receiver is not yet in a position to project the outcome of the administration of the receivership.

- 1.1.5 This Report does not address the extent to which New Life did or did not comply with regulatory requirements, including Canadian securities regulatory requirements, when offering its financial products and services to investors.
- 1.1.6 All references are to Canadian dollars unless otherwise noted. Certain information set out in earlier reports is reported herein for ease of reference.

1.2 Background to Receivership

- 1.2.1 New Life is in the life settlement business. It raised funds from investors to invest in life insurance policies through two alternative programs -- the New Life Capital Investments program (the "Investments Program") and the Capital Advantage program (the "Advantage Program"), both of which were discussed in more detail in the First Report (as hereinafter defined). Through various subsidiaries, New Life promoted itself as offering investment and wealth preservation opportunities.
- 1.2.2 Each of the Companies is an Ontario private corporation and, except for the Advantage Companies, was incorporated in 2005 and 2006. The corporate structure of the Companies was presented in the First Report.
- 1.2.3 The principals of New Life are Jeffery Pogachar ("Pogachar") and Paola Lombardi ("Lombardi"). Pogachar and Lombardi are spouses. Pogachar is the President and/or CEO of each of the Companies.
- 1.2.4 Capital Corp. is registered under Ontario securities law as a Limited Market Dealer ("LMD"). Pogachar and Lombardi own all of the shares of Capital Corp.
- 1.2.5 Investments Inc. administered the Investments Program and raised funds by the sale of its Class A common shares (the "Class A Shares") to the public. Based on information currently available to the Receiver, it appears that Investments Inc. raised approximately \$22 million through the sale of Class A Shares to approximately 600 investors in Canada (the "Class A Investors"). Investments Inc. sold the Class A Shares pursuant to an Offering Memorandum ("OM") commencing in 2006 and continuing until August 2008. Investments Inc. is not a reporting issuer and is not registered with the OSC. According to the OM, Investments Inc. sold the Class A Shares pursuant to the accredited investor exemption from the prospectus requirements of Section 53 of the Act. Investments Inc. pooled the funds raised from the sale of Class A Shares to purchase life insurance policies.
- 1.2.6 The Advantage Companies were used exclusively in connection with the Advantage Program. The Receiver understands that New Life raised approximately \$437,500 from the sale of preferred shares of the Advantage Companies (except for 2100228, in which case it sold common shares) to

investors (the “Advantage Investors” and collectively with the Class A Investors, the “Investors”). New Life raised a further \$200,000 from the sale of preferred shares of 2173817, which, as explained in the First Report, the Receiver believes was intended to be an Advantage Program transaction. Pursuant to the Advantage Program, the Advantage Companies were designated as beneficiaries of certain insurance policies.

1.2.7 The primary entities in the New Life group are summarized below:

Entity	Owned by	Business Purpose
Capital Corp.	• Lombardi and Pogachar	• Holding company • LMD
Investments Inc.	• Class A Shares held by the Class A Investors • Class B common shares held by Capital Corp.	• Raising capital through the sale of Class A Shares • Acquiring the insurance policies
Advantage Inc.	• Capital Corp.	• Promoting and administrating the Advantage Program
Strategies Inc.	• Capital Corp.	• Sourcing life settlements
1660690 Ontario Ltd.	• Investments Inc.	• Designated as owner and/or beneficiary of certain life insurance policies
Advantage Companies	• Common shares held by Advantage Inc. and preferred shares held by Advantage Investors (except for 2100228)	• Investment vehicles for the Advantage Program • Designated beneficiaries of certain life insurance policies

1.2.8 The principal assets of the Companies are (i) cash on deposit in the aggregate amount of approximately \$2,223,000 as at May 27, 2009; and (ii) a portfolio of 22 life insurance policies or life settlements with a total face value of approximately U.S. \$83 million (the “Policies” or “Portfolio”).

1.3 Previous Reports to the Court

1.3.1 The Receiver issued its First Report to the Court on March 12, 2009 (the “First Report”). The First Report provided the evidentiary basis upon which this Honourable Court, on March 18, 2009, made an Order:

- approving the activities of the Receiver from the date of its appointment to the date of its First Report;

- authorizing the Receiver to return two uncashed cheques and one uncashed bank draft in the possession of the Receiver to parties who purported to subscribe for shares in one or more of the Respondents;
 - authorizing the Receiver to add the additional investors who completed applications and remitted funds to the Respondents for the purchase of units but who did not receive share certificates and were not included on the Respondents' shareholder register (the "Unprocessed Investors") to the Receiver's mailing list of investors in one or more to the Respondents for the purposes of dissemination of information;
 - amending the Appointment Order to add 2173817 as a Respondent and to include all of its undertaking, property and assets in the receivership;
 - authorizing the Receiver, in its discretion, to issue and proceed with one or more Applications for a Bankruptcy Order against one or more of the Respondents on a consolidated basis or otherwise;
 - authorizing the Receiver to consent to, on behalf of the Respondents, the making of one or more Bankruptcy Orders against some or all of the Respondents on a consolidated basis or otherwise, once the Applications for a Bankruptcy Order have been issued; and
 - directing the Official Receiver, in the event that the Receiver obtains one or more Bankruptcy Orders against some or all of the Respondents on a consolidated basis, to open one estate file and assign one estate file number for each consolidated bankruptcy.
- 1.3.2 In the First Report, the Receiver, amongst other things, advised that it had retained the law firm of ThorntonGroutFinnigan LLP ("TGF") as its Canadian counsel.
- 1.3.3 The Receiver issued its Second Report to the Court on May 20, 2009 (the "Second Report"). The purpose of the Second Report was to provide an evidentiary basis to support a motion to this Honourable Court to be heard on May 29, 2009, for an Order:
- approving the Consulting Agreement dated April 22, 2009 (the "Consulting Agreement") entered into by the Receiver with Proverian Capital, LLC ("Proverian") and authorizing and directing the Receiver to carry out the terms of the Consulting Agreement;
 - appointing Kevin McElcheran of the law firm McCarthy Tetrault LLP as representative counsel (the "Representative Counsel") to represent the interests of the Investors for the purpose of advising the Investors in respect of the Realization Plan (as hereinafter defined); and
 - approving the Receiver's activities as described in the Second Report.

1.4 Purpose of This Report to the Court

1.4.1 The purpose of this Third Report to the Court (the “Third Report”) is to:

- update the Court on the Receiver’s activities, primarily with respect to administrative matters, since the date of the First Report; and
- present the Receiver’s Statements of Receipts and Disbursements for the period December 17, 2008 to May 27, 2009.

1.4.2 As discussed in the Second Report, the Receiver is developing a strategy for realizing on the Policies (the “Realization Plan”). Given the various complexities associated with the life settlement industry and the Policies, and the different realization alternatives that may be available, the Receiver retained Proverian to assist with the short term management of the Policies, analysis of the Policies and related documents and development of the Realization Plan. In this Third Report, the Receiver has not addressed the management of the Portfolio or any of the issues identified by the Receiver or Proverian in connection therewith. The Receiver intends to report to the Court on the Portfolio in June 2009 including with respect to the findings and recommendations of Proverian and the Receiver’s Realization Plan. However, the Receiver has discussed certain considerations regarding potential realizations in Section 4.2 of this Third Report.

2. Receiver's Recent Activities

2.1 Premises and Contents

- 2.1.1 As noted in the First Report, New Life's head office was located at leased premises at 655 Bay Street, Suite 1110, Toronto, Ontario (the "Premises"). As advised in the First Report, shortly after its appointment, the Receiver took possession of the Premises and inventoried the contents. The Receiver paid the rent due for January 2009. The lease for the Premises provided that the months of February, March and April 2009 were rent-free. The Receiver vacated the Premises as of April 30, 2009.
- 2.1.2 Prior to vacating the Premises, the Receiver entered into an agreement with a liquidator to remove the contents (office equipment, computer equipment and furniture) from the Premises and to sell same on the Receiver's behalf on a consignment basis. Based on the appraisal obtained, the Receiver expects that the net recovery from the contents will be little more than nominal.

2.2 Privilege Issues

- 2.2.1 As advised in the First Report, the Receiver was engaged in discussions with Groia & Company ("Groia"), Pogachar and Lombardi's legal counsel, and Aird & Berlis LLP, the Companies' corporate counsel, regarding either (i) a waiver from Pogachar and Lombardi of the Companies' claim to solicitor-client privilege; or (ii) a privilege protocol to govern the review, identification and segregation of privileged communications contained in the Companies' records. This issue remains unresolved.

2.3 Efforts to Obtain Assistance from Principals

- 2.3.1 In the First Report, the Receiver advised that it understood that Pogachar and Lombardi left Canada prior to the receivership and the date of their return was uncertain. Further, the Receiver advised that the Receiver requires additional information regarding New Life's assets and operations and the Receiver believes that Pogachar and Lombardi would have vital information that may be beneficial to the Receiver.
- 2.3.2 In the First Report, the Receiver advised that TGF had been in contact with Groia regarding arrangements to conduct, via video conference, examinations under oath of Pogachar and Lombardi pursuant to the powers afforded the Receiver under paragraph 3(t) of the Appointment Order. Subsequent to the First Report, Groia advised TGF that Pogachar and Lombardi are not willing to participate in examinations by video conference. As far as the Receiver is aware, Pogachar and Lombardi are still residing outside of Canada. Groia has not provided any information on their whereabouts.

2.3.3 On or about April 8, 2009, Groia advised TGF that Pogachar and Lombardi would consider any specific written inquiries from the Receiver explaining the areas of New Life's business with which it was seeking Pogachar and Lombardi's assistance. Without waiving any of its rights pursuant to the aforementioned paragraph 3(t), the Receiver submitted an initial series of questions but no response has been received. TGF has followed up with Groia but has still received no reply.

2.4 Books and Records

2.4.1 In the First Report, the Receiver detailed its extensive efforts to obtain the Companies' books and records.

2.4.2 As noted in the First Report, the staff at the OSC (the "OSC Staff") holds certain of the Companies' records, including documents the OSC Staff believes could be subject to a claim of solicitor-client privilege by the Companies.

2.4.3 Also as noted in the First Report, the Receiver has been working with the OSC Staff to ensure that the Receiver obtains copies of all relevant records in its possession. In this regard, and as stated in the First Report, the OSC Staff advised the Receiver that it was in the process of seeking an Order pursuant to Section 17 of the Act authorizing the release to the Receiver of documents which were obtained by the OSC Staff pursuant to Part VI of the Act. This process is ongoing.

2.5 Communication with Creditors and Shareholders

2.5.1 In the First Report, the Receiver advised that it had:

- established a dedicated telephone line and a dedicated email address to receive inquiries from creditors and investors; and
- established a website, which the Receiver intends to update with copies of further correspondence to the Investors, the Receiver's Reports, motion records, further Orders of this Honourable Court as well as any other documents the Receiver considers relevant.

2.5.2 Since the First Report, the Receiver has updated the website from time to time as new documents became available. Further, the Receiver continues to receive, and respond to, queries from Investors and other stakeholders received through the above-referenced dedicated telephone line and email address.

2.6 Unprocessed Investors

2.6.1 In the First Report, the Receiver outlined the information then available regarding the holders of Class A Shares, as follows:

- the latest shareholder register of Investments Inc. dated June 5, 2008 (the “June Shareholder List”) reflected that a total of 3,876,378 Class A Shares were outstanding as of the date of the register; and
 - based on a box of unprocessed Subscription Agreements provided to the Receiver by Aird & Berlis LLP on February 13, 2009, the Receiver compiled a list of an additional 73 investors who had intended to acquire 337,317 Class A Shares (the “February 2009 List”).
- 2.6.2 Also in the First Report, the Receiver advised that based on inquiries it had received, it believed that there were additional investors who were not reflected in the June Shareholder List or the February 2009 List.
- 2.6.3 In order to determine if there are any additional parties who may be Investors, the Receiver continues its investigation of this issue. The Receiver wrote to all known investment advisors associated with New Life’s investment programs on April 3, 2009. A copy of the Receiver’s letter is included as **Appendix C** herein. In the letter, the Receiver asked the investment advisors to provide to the Receiver a list of their clients who completed a Subscription Agreement and remitted funds to New Life and to provide the following information for each client:
- name;
 - amount of investment; and
 - date of investment.
- 2.6.4 As responses have been received from investment advisors, the Receiver has compared the information to the June Shareholder List and the February 2009 List and has compiled a list of parties who do not appear on either. This process is ongoing. The Receiver anticipates providing to the Court a detailed update on the status of this matter in its next Report.
- 2.6.5 Since the First Report, the Receiver has contacted Canadian Western Trust (“CWT”). CWT appears to be the trustee of most of the registered investments in Class A Shares. The June Shareholder List indicates that approximately 36% of the Class A Shares on that register are held in CWT RRSP accounts. Similar to the procedure with the investment advisors explained above, CWT has provided to the Receiver a list of its clients so that the Receiver may identify all parties who advanced funds to New Life for the acquisition of Class A Shares.

3. Receiver's Financial Position

3.1 Statements of Receipts and Disbursements

- 3.1.1 As noted in the First Report, the Receiver transferred all of the funds in New Life's accounts at TD to operating bank accounts established by the Receiver at Royal Bank of Canada ("RBC") in Toronto, Ontario. Those new accounts mirror the previous New Life accounts in terms of the name of the New Life entity holding the account and the denomination of funds (New Life had established both Canadian dollar and U.S. dollar accounts).
- 3.1.2 In the First Report, the Receiver advised that the Companies had purchased a term deposit from TD in the amount of \$100,000 and that, as of the date of the First Report, the Receiver had been unable to obtain the release of the term deposit or to ascertain if there was any recoverable unencumbered value in the term deposit. Subsequent investigation by the Receiver determined that, while the term deposit had been pledged by the Companies to secure credit with a service provider, such security was no longer required and the service provider had no need to draw on any portion of the term deposit security. Accordingly, the term deposit was liquidated upon its maturity on May 14, 2009 and the funds, including accrued interest, were released by TD to the Receiver.
- 3.1.3 The Receiver's Combined Statements of Receipts and Disbursements for the period December 17, 2008 to May 27, 2009 are attached hereto as **Appendix D** (Canadian dollar accounts) and **Appendix E** (U.S. dollar accounts). These statements indicate total funds on hand of Cdn \$816,174 and U.S. \$1,264,686. Based on an exchange rate of 1 USD = 1.112 CDN, the Receiver estimates the combined total of cash to be Cdn \$2,223,000 as at May 27, 2009.
- 3.1.4 In summary, the funds under the Receiver's control at RBC as at May 27, 2009, are:

New Life Entity	Canadian Dollar	U.S. Dollar
Reference	Appendix D	Appendix E
Capital Corp.	79,222.30	-
1660690 Ontario Ltd.	2,545.18	230.47
Investments Inc.	75,198.11	71,505.53
Advantage Inc.	321,945.31	-
Advantage Inc. – in trust	8,547.03	-
Strategies Inc.	328,715.92	1,192,950.11
Total	816,173.85	1,264,686.11

- 3.1.5 The premium payments due on the insurance policies are in U.S. dollars and accordingly, the Receiver believes it is reasonable for it to continue to hold funds in U.S. dollars.

- 3.1.6 The Receiver is not aware of the any legal or business purposes for the manner in which the Companies allocated funds between their various accounts. In particular, the Receiver is not aware of why there is in excess of approximately \$1.8 million CDN, on a combined basis, in the accounts of Strategies Inc.
- 3.1.7 The Receiver's disbursements to date have been primarily limited to payment of premiums due on certain Policies, occupancy costs for the Premises, draws for the professional fees of the Receiver and TGF, as authorized by paragraph 21 of the Appointment Order, and payment of Proverian's fees. The professional fees relate to services provided to April 30, 2009.

4. Receiver's Plan and Outstanding Issues

4.1 Potential Distributions

- 4.1.1 As advised in the First Report, the OSC has scheduled a hearing with respect to its Statement of Allegations for August 2009. The OSC Staff's Statement of Allegations is with respect to all of the Companies other than the Advantage Companies. The Receiver has been advised by the OSC Staff that the OSC Staff is considering amending its Statement of Allegations to include the Advantage Companies.
- 4.1.2 Given the many areas of uncertainty with respect to the Receiver's realization of assets and the classification of New Life's stakeholders, and the potential effect of the hearing discussed in Section 4.1.1 above, it is premature for the Receiver to comment on the method and timing of any distribution of net realizations to stakeholders. The Receiver will report to the Court on these matters in a future report.

4.2 Considerations Regarding Potential Realizations

- 4.2.1 A life settlement is a transfer of an ownership interest in a life insurance policy to a third party for compensation. The third party then makes any required premium payments until (i) the death of the insured at which time the third party is paid the death benefit under the policy; (ii) the policy lapses because non-payment of premiums; (iii) the policy is sold to another party; or (iv) the insurer rescinds the policy and returns the premiums paid on the policy.
- 4.2.2 As discussed in the First and Second Reports, pursuant to the terms of the Policies, the two-year period subsequent to the date of the Policy is known as the "contestable period". The Receiver understands that whole life insurance policies typically contain such a provision. During the contestable period, the insurer (i) will not pay a death benefit upon the death of the insured if caused by suicide; and (ii) may rescind the Policy and return the premiums paid. New Life purchased 14 of the 22 Policies within the contestable period and 13 of the Policies still remain within the contestable period.
- 4.2.3 As discussed in the Second Report, Proverian is assisting the Receiver with determining the minimum premium option for each Policy over the life of the Policy and an analysis and valuation of each Policy in order to develop a Realization Plan. There are a number of different realization alternatives that may be available. These could include any one of, or combination of, but not limited to:
- 1) continuing to pay the minimum premium for each Policy. Based on the information available to date, including the available information about the life expectancy of the insureds for each of the Policies, the Receiver believes that there are likely insufficient funds available to fund the anticipated life expectancy of all of the insureds;

- 2) surrendering the Policies however, based on the information available to date, the Receiver believes that there may be little to no cash surrender value for many of the Policies; and
- 3) conducting a sale of some or all of the policies. This may include selling the Portfolio en bloc, or on a policy by policy basis over a period of time.

4.2.4 As discussed in the First and Second Reports, a number of factors affect the value of a life settlement including the expectancy of the insured covered by the policy, the expected rate of return sought by the investor, the type of policy, the premiums and other expenses associated with the policy, the net death benefit of the policy, and the volume of life settlement transactions and broader financial market conditions. In addition, a number of legal issues surround any life settlement transaction that may also affect the value of the policy and the timing of a sales process for the policy.

4.2.5 After consultation with Representative Counsel, the Receiver expects to report more extensively on its Realization Plan in June 2009. **Based on information currently available to the Receiver and the Receiver's preliminary assessment of the Policies, the Receiver is of the view that the Receiver's recoveries pursuant to any Realization Plan are very uncertain and may be less than the amount invested by the Investors.**

4.3 Receiver's Proposed Activities

4.3.1 In the near term, the Receiver's primary activities are expected to include:

- liquidating the contents of the Premises;
- continuing efforts to obtain a complete set of the Companies' records;
- pursuing efforts to obtain information from Pogachar and Lombardi whether through examinations under oath or alternative means;
- reviewing and analyzing additional records and preparing summaries, to the extent information is available, of various matters, including the financial position of each of the Companies, and the funds advanced from one New Life entity to another;
- working with Proverian to complete various analyses of the Policies including as to value, optimum premium cash requirements, and compiling data and supporting documents of interest to potential purchasers;
- developing the Realization Plan in consultation with Proverian and the Representative Counsel, on the assumption that Representative Counsel is appointed;
- continuing efforts to identify Unprocessed Investors; and
- reporting to this Honourable Court in June 2009 to present, among other things, an update on the Receiver's findings and the Receiver's recommended Realization Plan.

5. Summary

In this Third Report, the Receiver has:

- updated the Court on certain of the Receiver's activities since the First Report; and
- presented the Receiver's Statements of Receipts and Disbursements for the period December 17, 2008 to May 27, 2009.

All of which is respectfully submitted this 28th day of May, 2009.

**KPMG INC.,
IN ITS CAPACITY AS THE COURT APPOINTED
RECEIVER AND MANAGER 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.**



Per: J. Bradley Butcher
Vice-President

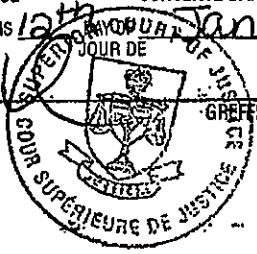
EXHIBIT “A”

THIS IS TO CERTIFY THAT THIS DOCUMENT, EACH PAGE OF WHICH IS STAMPED WITH THE SEAL OF THE SUPERIOR COURT OF JUSTICE AT TORONTO, IS A TRUE COPY OF THE DOCUMENT ON FILE IN THIS OFFICE

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DATED AT TORONTO THIS 12th DAY OF JAN 2008
FAIT A TORONTO LE 12th JOUR DE JAN 2008

REGISTRAR



Court File No. 08-CL-7832

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

**THE HONOURABLE
JUSTICE CAMPBELL**

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**WEDNESDAY THE 17th DAY
OF DECEMBER, 2008**

BETWEEN:

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. and 2100228 ONTARIO INC.

Respondents

ORDER

THIS MOTION made by the Applicant Ontario Securities Commission (the "Commission") for an Order pursuant to Section 129 of the *Securities Act*, R.S.O. c. S.5, as amended (the "Securities Act") appointing KPMG Inc. as Receiver and Manager (in such capacities, the "Receiver"), without security, of all of the property, assets and undertaking of the Respondents, 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. and 2100228 Ontario Inc.

(collectively, the "Company") was heard this day at 330 University Avenue, in the City of Toronto, Ontario.

ON READING the affidavit of Stephanie Collins sworn November 7, 2008 and the Exhibits thereto, and on hearing the submissions of counsel for the Commission, no one appearing for the Respondents although duly served and on reading the consent of KPMG Inc. to act as the Receiver,

APPOINTMENT

1. **THIS COURT ORDERS** that, pursuant to Section 129 of the Securities Act, KPMG Inc. is hereby appointed Receiver, without security, of all of the property, assets and undertakings of the Company of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the "Property") and the funds in the accounts frozen by the Direction issued by the Commission on August 6, 2008, which was varied by the Commission by Orders dated August 11, September 19 and October 23, 2008 (the "Direction") and was continued by Order of this Court dated August 12, 2008 (the "Frozen Funds").

2. **THIS COURT ORDERS** that the Direction be and it is hereby terminated and all financial institutions holding funds on deposit to the credit of the Company be and they are hereby directed to pay all such funds to the Receiver.

RECEIVER'S POWERS

3. **THIS COURT ORDERS** that the Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:

- (a) to take possession and control of the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
- (b) to receive, preserve, protect and maintain control of the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;
- (c) to manage, operate and carry on the business of the Company, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the Company;
- (d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the powers and duties conferred by this Order;
- (e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Company or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Company and to exercise all remedies of the Company in collecting such monies, including, without limitation, to enforce any security held by the Company;
- (g) to settle, extend or compromise any indebtedness owing to the Company;

- (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Company, for any purpose pursuant to this Order;
- (i) to undertaking environmental or workers' health and safety assessments of the Property and operations of the Company;
- (j) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Company, the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;
- (k) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;
- (l) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business, without the approval of this Court in respect of any transaction not exceeding \$100,000, provided that the aggregate consideration for all such transactions does not exceed \$1,000,000; and
 - (ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause,

and in each such case notice under subsection 63(4) of the Ontario *Personal Property Security Act*, R.S.O. 1990, c. P.10, shall not be required, and in each case the Ontario *Bulk Sales Act*, R.S.O. 1990, c. B.14, shall not apply;

- (m) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;
- (n) to report to, meet with and discuss with any party deemed necessary or advisable by the Receiver, including without limitation any secured or unsecured creditors of the Company, investors or potential investors in the Company, any other stakeholders of the Company, and any of their respective advisors as the Receiver deems appropriate on all matters relating to the Property, the affairs of the Company, and the receivership of the Company and to share information with such parties subject to such terms as to confidentiality as the Receiver deems advisable;
- (o) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (p) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Company;
- (q) to enter into agreements with any trustee in bankruptcy appointed in respect of the Company, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Company and the power to lend money to or indemnify any such trustee, such trustee's borrowings or indemnity not to exceed \$1,000,000 unless otherwise increased by this Court;

- (r) to exercise any shareholder, partnership, joint venture or other rights which the Company may have;
- (s) without limiting the generality of clause 3(n) above, to share information with, meet with and discuss with any regulatory bodies and their advisors, as the Receiver deems appropriate on all matters relating to the Property, the affairs of the Company and the receivership of the Company, subject to such terms as to confidentiality as the Receiver deems advisable;
- (t) to examine under oath any person the Receiver reasonably considers to have knowledge of the affairs of the Company including, without limitation, any present or former director, officer, shareholder, employee or person registered or previously registered with the Commission or subject or formerly subject to the jurisdiction of the Commission or any other regulatory body respecting the Property and the affairs of the Company;
- (u) to take any steps reasonably incidental to the exercise of these powers,

and in each such case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined below), including the Company, and without interference from any other Person.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

4. **THIS COURT ORDERS** that (i) the Company, (ii) all of its current and former directors, officers, employees, persons registered or previously registered or subject or formerly subject to the jurisdiction of the Commission with the Commission or any other regulatory body, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being "Persons" and each being a "Person") shall forthwith advise the Receiver of the existence of any

Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property to the Receiver upon the Receiver's request.

5. **THIS COURT ORDERS** that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Company, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "Records") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 5 or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

6. **THIS COURT ORDERS** that if any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

7. **THIS COURT ORDERS** that any claim of privilege attaching to solicitor-client communications or to disclosure of Records being prohibited by statute shall be determined by this Honourable Court upon motion brought by the Receiver on notice to the Company and any other affected person.

8. **THIS COURT ORDERS** that Internet Providers and other persons who provide email, world wide web, file transfer protocol, Internet connection or other similar services to the Company any/or its present and former directors, officers, employees and agents shall deliver to the Receiver all documents, server files, archive files and any other information in any form in any way recording messages, emails or other information sent or received by such directors, officers, employees or agents in the course of their association with the Company.

NO PROCEEDINGS AGAINST THE RECEIVER

9. **THIS COURT ORDERS** that no action, suit, proceeding or enforcement process in any court or tribunal (each, a "Proceeding"), shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Court.

NO PROCEEDINGS AGAINST THE COMPANY OR THE PROPERTY

10. **THIS COURT ORDERS** that no Proceeding against or in respect of the Company or the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of the Company or the Property are hereby stayed and suspended pending further Order of this Court provided that a Proceeding does not include any action, suit or proceeding outstanding or subsequently commenced by or before any regulatory body including, without limitation, the Commission which are not stayed by this Order.

NO EXERCISE OF RIGHTS OR REMEDIES

11. **THIS COURT ORDERS** that all rights and remedies against the Company, the Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that nothing in this paragraph shall (i) empower the Receiver or the Company to carry on any business which the Company is not lawfully entitled to carry on, (ii) exempt the Receiver or the Company from compliance with statutory or regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH THE RECEIVER

12. **THIS COURT ORDERS** that no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Company, without written consent of the Receiver or leave of this Court.

CONTINUATION OF SERVICES

13. **THIS COURT ORDERS** that all Persons having oral or written agreements with the Company or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Company are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Receiver, and that the Receiver shall be entitled to the continued use of the Company's current telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Receiver in accordance with the normal payment practices of the Company

or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

RECEIVER TO HOLD FUNDS

14. **THIS COURT ORDERS** that all funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including without limitation the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "Post Receivership Accounts") and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further Order of this Court.

EMPLOYEES

15. **THIS COURT ORDERS** that all employees of the Company shall remain the employees of the Company until such time as the Receiver, on the Company's behalf, may terminate the employment of such employees. The Receiver shall not be liable for any employee-related liabilities, including wages, severance pay, termination pay, vacation pay, and pension or benefit amounts, other than such amounts as the Receiver may specifically agree in writing to pay, or such amounts as may be determined in a Proceeding before a court or tribunal of competent jurisdiction provided that, pursuant to subsection 14.06 (1.2) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "BIA"), the Receiver shall not be liable to any amount that is or could be due to an employee by the Company including, without limitation, any amount calculated by reference to any period of that employment, service or seniority that precedes the date of this order. Nothing in this Order shall derogate from the protections afforded to the Receiver by Section 14.06 of the BIA.

16. **THIS COURT ORDERS** that, pursuant to clause (7)(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act*, S.C. 2000, c. 5, the Receiver shall disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a "Sale"). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Company, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

LIMITATION ON ENVIRONMENTAL LIABILITIES

17. **THIS COURT ORDERS** that nothing herein contained shall require the Receiver to occupy or to take control, care, charge, possession or management (separately and/or collectively, "Possession") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act, 1999*, S.C. 1999, c. 33, the *Ontario Environmental Protection Act*, R.S.O. 1990, c. E.19, the *Ontario Water Resources Act*, R.S.O. 1990, c. O.40, or the *Ontario Occupational Health and Safety Act*, R.S.O. 1990, c. O.1, and regulations thereunder (the "Environmental Legislation"), provided however that nothing herein shall exempt the Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Receiver shall not, as a result of this Order or anything done in pursuance of the Receiver's duties and powers under this Order, be deemed to be in Possession of any of the

Property within the meaning of any Environmental Legislation, unless it is actually in possession.

LIMITATION ON THE RECEIVER'S LIABILITY

18. **THIS COURT ORDERS** that the Receiver shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded the Receiver by Section 14.06 of the BIA or by any other applicable legislation.

RECEIVER'S ACCOUNTS

19. **THIS COURT ORDERS** that any expenditure or liability which shall properly be made or incurred by the Receiver, including the fees of the Receiver and the fees and disbursements of its legal counsel, incurred at the standard rates and charges of the Receiver and its counsel, both before and after the making of this Order in respect of these proceedings, shall be allowed to it in passing its accounts and shall form a first charge on the Property and the Frozen Funds in priority to all security interest, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person (the "Receiver's Charge").

20. **THIS COURT ORDERS** the Receiver and its legal counsel shall pass their accounts from time to time, and for this purpose the accounts of the Receiver and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

21. **THIS COURT ORDERS** that prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including legal fees and disbursements, incurred at the normal rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

FUNDING OF THE RECEIVERSHIP

22. **THIS COURT ORDERS** that the Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$250,000 (or such greater amount as this Court may be further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property and the Frozen Funds shall be and are hereby charged by way of a fixed and specific charge (the "Receiver's Borrowings Charge") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge.

23. **THIS COURT ORDERS** that neither the Receiver's Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.

24. **THIS COURT ORDERS** that that Receiver is at liberty and authorized to issue certificates substantially in the form annexed as Schedule "A" hereto (the "Receiver's Certificates") for any amount borrowed by it pursuant to this Order.

25. **THIS COURT ORDERS** that the monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver's Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.

GENERAL

26. **THIS COURT ORDERS** that the Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

27. **THIS COURT ORDERS** that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Company.

28. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States or elsewhere in the world to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

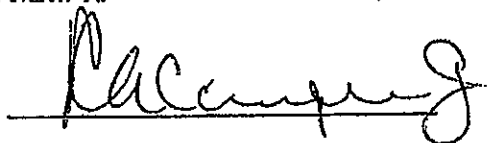
29. **THIS COURT ORDERS** that the Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever situate, for the recognition of this Order and for assistance in carrying out the terms of this Order.

30. **THIS COURT ORDERS** that any interested party may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to the Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

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

DEC 17 2008

PER / PAR: 



SCHEDULE "A"**RECEIVER'S CERTIFICATE**

CERTIFICATE NO. _____

AMOUNT \$ _____

1. **THIS IS TO CERTIFY** that KPMG Inc., the Receiver and Manager (the "Receiver") of 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. and 2100228 Ontario Inc. appointed by Order of the Ontario Superior Court of Justice (the "Court") dated the 17th day of December, 2008 (the "Order") made in an action having Court File Number 08-CL-7832, has received as such Receiver from the holder of this certificate (the "Lender") the principal sum of \$●, being part of the total principal sum of \$● which the Receiver is authorized to borrow under and pursuant to the Order.

2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded ~~[daily]~~ **[monthly not in advance on the ● day of each month]** after the date hereof at a notional rate per annum equal to the rate of ● per cent above the prime commercial lending rate of Royal Bank of Canada from time to time.

3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property and the Frozen Funds (as defined in the Order), in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order, and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.

4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at Toronto, Ontario.

5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

6. The charge securing this certificate shall operate so as to permit the Receiver to deal with the Property and the Frozen Funds (as defined in the Order) as authorized by the Order and as authorized by any further or other order of the Court.

7. The Receiver does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

DATED the ● day of ●, 200●.

KPMG Inc., solely in its capacity as
Receiver of the Property and the Frozen
Funds (as defined in the Order), and not in
its personal capacity

Per: _____

Name:

Title:

COURT FILE NO. 08-CL-7832

ONTARIO SECURITIES COMMISSION
Applicant

- and -

NEW LIFE CAPITAL CORP. et al.
Respondents

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

ORDER

Ontario Securities Commission
20 Queen Street West
Suite 1903, Box 55
Toronto, ON M5H 3S8

Susan Kushneryk
Litigation Counsel:
Enforcement
LSUC #45702F

Tel: 416-595-8782

Fax: 416-593-2319

E: skushneryk@osc.gov.on.ca

EXHIBIT “B”

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE MR.) WEDNESDAY, THE 18TH DAY
JUSTICE COLIN L. CAMPBELL) OF MARCH, 2009

BETWEEN:

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. and 2100228 ONTARIO INC.**

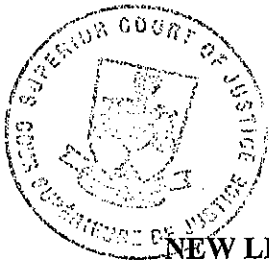
Respondents

ORDER

THIS MOTION made by KPMG INC., in its capacity as the Court-appointed Receiver and Manager of the Respondents (the "Receiver"), for the relief set out in its Notice of Motion dated March 12, 2009 herein was heard this day at 330 University Avenue, in the City of Toronto.

UPON READING the First Report to the Court submitted by KPMG Inc. as Receiver and Manager dated March 12, 2009 and upon hearing the submissions of counsel for the Receiver, counsel for the Respondents and counsel for the Applicant, no one else appearing,

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.

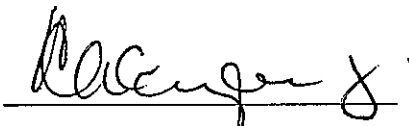


2. **THIS COURT ORDERS** that the activities of the Receiver from the date of its appointment to the date of its First Report to the Court are hereby approved.
3. **THIS COURT ORDERS** that the Receiver is authorized to return two uncashed cheques and one uncashed bank draft in the possession of the Receiver to parties who purported to subscribe for shares in one or more of the Respondents.
4. **THIS COURT ORDERS** that the Receiver is authorized to add the additional investors who completed applications and remitted funds to the Respondents for the purchase of units but who did not receive share certificates and were not included on the Respondents' shareholder register (the "Unprocessed Investors") to the Receiver's mailing list of investors in one or more of the Respondents for the purposes of dissemination of information.
5. **THIS COURT ORDERS** that the Order of the Honourable Mr. Justice Campbell dated December 17, 2008 appointing KPMG Inc. as Receiver of all of the undertaking, property and assets of the Respondents be amended to add 2173817 Ontario Inc. as a Respondent and to include all of its undertaking, property and assets in the receivership.
6. **THIS COURT ORDERS** that the Receiver is authorized, in its discretion, to issue and proceed with one or more Applications for a Bankruptcy Order against one or more of the Respondents on a consolidated basis or otherwise.
7. **THIS COURT ORDERS** that the Receiver is authorized to consent to, on behalf of the Respondents, the making of one or more Bankruptcy Orders against some or all of the Respondents on a consolidated basis or otherwise, once the Applications for a Bankruptcy Order have been issued.
8. **THIS COURT ORDERS** that the Official Receiver is directed to, in the event that the Receiver obtains one or more Bankruptcy Orders against some or all of the Respondents on a consolidated basis, open one estate file and assign one estate file number for each consolidated bankruptcy.

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LE / DANS LE REGISTRE NO.:

MAR 18 2009

PER / PAR: 



ONTARIO SECURITIES COMMISSION

- and - NEW LIFE CAPITAL CORP., NEW LIFE
CAPITAL INVESTMENTS INC., NEW LIFE CAPITAL
INVESTMENTS INC., NEW LIFE CAPITAL ADVANTAGE
INC., NEW LIFE CAPITAL STRATEGIES INC. ET AL

Court File No. 08 -CL-7832

ONTARIO

**SUPERIOR COURT OF JUSTICE
(Commercial List)**

Proceeding Commenced at Toronto

ORDER

ThorntonGroutFinnigan LLP
Suite 3200, Canadian Pacific Tower
100 Wellington St. West, P.O. Box 329
Toronto-Dominion Centre
Toronto, ON M5K 1K7

James H. Grout - 22741H
D.J. Miller - 34393P

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

EXHIBIT “C”



KPMG Inc.
Suite 3300 Commerce Court West
PO Box 31 Stn Commerce Court
Toronto ON M5L 1B2
Canada

Telephone (416) 777-8500
Fax (416) 777-3364
Fax (416) 777-8818
Internet www.kpmg.ca

TO THE INVESTMENT ADVISORS

April 3, 2009

Dear Sirs:

New Life Capital Corp., New Life Capital Investments Inc. (“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”)

As you may be aware, KPMG Inc. was appointed Receiver and Manager of New Life (the “Receiver”) on December 17, 2008 pursuant to an Order made in the Ontario Superior Court of Justice (Commercial List) (the “Court”).

In the Receiver’s First Report to the Court dated March 12, 2009 (the “First Report”), the Receiver advised the Court that it had obtained a list as at June 5, 2008 (the “June Shareholder List”) of those persons who had purchased Class A shares of Investments Inc. and were issued corresponding share certificates and were recorded on Investments Inc.’s share registry (the “Registered Investors”). The Receiver also advised the Court that, in addition to the Registered Investors, it believed that there were additional persons who had completed Subscription Agreements and remitted funds to New Life with the intention of purchasing Class A shares of Investments Inc. but who were not issued corresponding share certificates and were not recorded on the June Shareholder List (the “Unprocessed Investors”). On March 18, 2009, the Receiver obtained a Court Order authorizing it to add any Unprocessed Investors to the June Shareholder List and to treat the Unprocessed Investors on the same basis as the Registered Investors for the purposes of dissemination of information.

The Receiver has compiled a list of the Unprocessed Investors based on a box of unprocessed Subscription Agreements received from New Life’s corporate solicitors, however, the Receiver believes that this list may be incomplete as there may be additional persons that the Receiver is not aware of who are Unprocessed Investors. In this regard, we are writing to request your assistance in identifying any such additional Unprocessed Investors. We would be appreciative if you would provide to us a list of your clients who completed a Subscription Agreement and remitted funds to New Life, either directly or through Canadian Western Trust. It would be helpful if that list could include: (i) the name of the investor; (ii) the amount of the investment; and (iii) the date of the investment. The Receiver intends to compare your list of clients to the June Shareholder List and its list of Unprocessed Investors to date to ensure that it has a complete listing of all of New Life’s investors. In due course and where necessary, the Receiver may request supporting documentation of your clients’ investments in New Life. Please direct this information to the attention of the undersigned and send by email (bbutcher@kpmg.ca) or fax (416-777-3364).

The Receiver expects to comment on the progress of this endeavour in its next Report to the Court. It is premature to speculate on any other actions that the Receiver may take to address this situation.



Page 2

Information with respect to the New Life receivership is available on the Receiver's website at www.kpmg.ca/en/ms/cl/newlifecapital/.

Please contact the undersigned at 416-777-3819 or bbutcher@kpmg.ca if you have any questions.

Yours very truly,

KPMG Inc.
Court Appointed Receiver and Manager of
New Life Capital Corp. et al

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

Per: J. Bradley Butcher
Vice President

EXHIBIT “D”

NEW LIFE CAPITAL CORP. ET AL

Appendix D

Combined Statement of Receiver and Manager's Receipts and Disbursements
for the period December 17, 2008 to May 27, 2009
CDN\$ Accounts

	Capital Corp.	1660690 Ontario Ltd.	Investments Inc.	Advantage Inc.	Advantage Inc. - in Trust	Strategies Inc.	COMBINED TOTAL
RECEIPTS:							
Proceeds from Company bank accounts		\$57,167.88	\$2,614.61	\$459,489.83	\$327,177.35	\$8,615.14	\$423,032.75
Proceeds from Amex Bank of Canada		21,581.91					21,581.91
Refund of Ceridian Payroll Costs/Deposit		4,773.97			550.00		5,323.97
Deposit interest		14.26	0.57	78.04	71.71	1.89	259.19
Total Receipts		83,538.02	2,615.18	459,567.87	327,799.06	8,617.03	423,125.47
DISBURSEMENTS:							
Receiver's fees				277,830.69	4,485.00		88,061.59
Legal fees				81,177.46	690.00		81,867.46
Rent				6,940.50			6,940.50
Asset Appraisal		1,500.00					1,500.00
Receiver's filing fee		70.00	70.00	70.00	420.00 (1)	70.00	770.00
Document conversion		2,305.59					2,305.59
Insurance							1,874.88
Courier charges		30.62					30.62
Miscellaneous		409.51		18,351.11	258.75		4,403.08
		4,315.72	70.00	384,369.76	5,853.75	70.00	94,409.55
Excess of Receipts over Disbursements - \$CDN		\$79,222.30	\$2,545.18	\$75,198.11	\$321,945.31	\$8,547.03	\$328,715.92
							\$816,173.85

EXHIBIT “E”

NEW LIFE CAPITAL CORP. ET AL

**Combined Statement of Receiver and Manager's Receipts and Disbursements
for the period December 17, 2008 to May 27, 2009
USD Accounts**

	1660690 Ontario Ltd.	Investments Inc.	Strategies Inc.	COMBINED TOTAL
RECEIPTS:				
Proceeds from Company bank accounts	\$230.47	\$227,870.56	\$1,192,493.41	\$1,420,594.44
Deposit interest		70.53	456.70	527.23
Total Receipts	230.47	227,941.09	1,192,950.11	1,421,121.67
DISBURSEMENTS:				
Insurance premiums		56,352.75		56,352.75
Consulting fees (1)		95,646.00		95,646.00
Legal fees - U.S. counsel		4,273.61		4,273.61
Bank charges		163.20		163.20
	-	156,435.56	-	156,435.56
Excess of Receipts over Disbursements - USD	\$230.47	\$71,505.53	\$1,192,950.11	\$1,264,686.11

Note:

- (1) Includes an accountable retainer of USD 30,000.00. Balance relates to fees incurred to May 17, 2009
- (2) The bank accounts established by the Receiver bear interest, on balances in excess of \$100,000, based on the average 90 day U.S. T-Bill rate ("T-Bill Rate"), as follows: for balances between \$100,000 and \$499,999, interest is paid at 65% of the T-Bill Rate; for balances in excess of \$500,000, interest is paid at 72% of the T-Bill Rate.