

**ONTARIO
SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY AND INSOLVENCY)**

THE HONOURABLE MR.)
JUSTICE COLIN L. CAMPBELL)
FRIDAY THE 27th DAY
OF JULY, 2007



IN THE MATTER OF THE CONSOLIDATED BANKRUPTCY OF PORTUS ALTERNATIVE ASSET MANAGEMENT INC. AND PORTUS ASSET MANAGEMENT INC., both corporations incorporated pursuant to the *Business Corporations Act* (Ontario) with its principal place of business in the City of Toronto, in the Province of Ontario, bankrupts

ORDER

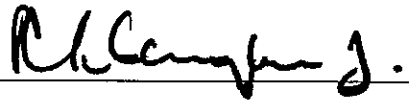
THIS MOTION made by KPMG Inc. (the "Trustee"), in its capacity as the Trustee of the Consolidated Estate of Portus Alternative Asset Management Inc. ("PAAM") and Portus Asset Management Inc. ("PAM"), bankrupts, (the "Consolidated Estate"), for the relief set out in its Notice of Motion herein dated July 19, 2007 was heard this day at 330 University Ave., in the City of Toronto.

UPON READING the Consolidated Bankruptcy Report dated May 4, 2007 of KPMG Inc. (the "Receiver"), in its capacity as the Receiver of the property, assets and undertaking of PAAM, PAM, BancNote Corp. and certain other entities and assets (collectively the "Portus Group"), the First Report of the Trustee dated July 19, 2007, upon hearing the submissions of counsel for the Trustee, counsel for the Receiver, the Representative Counsel, counsel for Manulife Securities International Limited, counsel for Berkshire Securities Inc., counsel for Royal Bank of Canada and RBC Dominion Securities, upon being advised that Canadian Revenue Agency does not oppose the relief being sought and upon being advised that the Superintendent of Bankruptcy has requested that the relief sought in respect of the levy payable pursuant to Section 147 of the Bankruptcy and Insolvency Act (the "BIA") be adjourned

and that the Superintendent does not oppose the balance of the relief being sought:

1. **THIS COURT ORDERS AND DECLARES** that service of the materials filed in support of this motion was duly made upon the Service List, service upon any other party be and it is hereby dispensed with and this motion was properly returnable today.
2. **THIS COURT ORDERS AND DECLARES** that the relief sought by the Trustee in respect of the levy payable to the Superintendent pursuant to Section 147 of the BIA be and it is hereby adjourned to a date to be fixed.
3. **THIS COURT ORDERS AND DECLARES** that, for all purposes, the net equity of the customers of the Consolidated Estate (the "Customers") is an amount equal to the amount invested by each Customer by or through PAAM less any amounts received by them from PAAM prior to March 4, 2005.
4. **THIS COURT ORDERS** that the Receiver be and it is hereby directed to pay to the Trustee out of the funds in the hands of the Receiver the amount of any allocation (an "Allocation") the Trustee is directed by the inspectors of the Consolidated Estate (the "Inspectors") to make to the Customers out of the customer pool fund of the Consolidated Estate (the "Customer Pool") all within the meaning of Part XII of the BIA.
5. **THIS COURT ORDERS** that the Trustee be and it is hereby directed to make the first Allocation to the Customers out of the Customer Pool without making any deductions in respect of hardship payments made by the Receiver to certain of the Customers pursuant to the Order of the Ontario Superior Court of Justice (Commercial List) (the "Commercial Court") dated April 27, 2006 made in Court File No. 05-CL-5792 (the "Receivership Proceeding") as amended by the Order of the Commercial Court dated October 6, 2006 made in the Receivership Proceeding (the "Hardship Program").

6. **THIS COURT ORDERS AND DECLARES** that the making of this Order or any Allocation shall be without prejudice to the rights of any person to apply for a determination by this Honourable Court regarding whether any amounts received by Customers from investment dealers in any way affects the admissible quantum of such Customer's provable claims for allocation purposes or their entitlements to Allocations and other matters concerning the calculation of Customers' entitlements to Allocations including whether any adjustments should be made to reflect the time value of money over any period preceding or following the making of such a determination.



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

JUL 30 2007

PER/PAR: 

IN THE MATTER OF THE CONSOLIDATED BANKRUPTCY OF PORTUS ALTERNATIVE ASSET MANAGEMENT INC. AND PORTUS
ASSET MANAGEMENT INC., both corporations incorporated pursuant to the *Business Corporations Act* (Ontario) with its principal place
of business in the City of Toronto, in the Province of Ontario, bankrupts

Court File No. 31-OR-207257-T

ONTARIO
SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY AND INSOLVENCY)
Proceeding commenced in Toronto

ORDER

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Trustee of the Consolidated Estate of Portus
Alternative Asset Management Inc. and Portus
Asset Management Inc., bankrupts

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KPMG Inc., Receiver / KPMG Inc., Trustee in Bankruptcy

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