

ONTARIO
SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY AND INSOLVENCY)

**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

MOTION RECORD

November 30, 2010

ThorntonGroutFinnigan LLP
Barristers and Solicitors
Suite 3200, P.O. Box 329
Canadian Pacific Tower
Toronto-Dominion Centre
Toronto, ON M5K 1K7

James H. Grout (LSUC# 22741H 1B)
Tel: (416) 304-1616
Fax: (416) 304-1313

Solicitors for KPMG Inc., in its capacity as Trustee
of the Consolidated Estate of Portus Alternative
Asset Management Inc. and Portus Asset
Management Inc., bankrupts

TO: THIS HONOURABLE COURT

AND TO: THE SERVICE LIST

INDEX

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MANAGEMENT INC. AND PORTUS ASSET
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bankrupts

MOTION RECORD INDEX

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1	Notice of Motion Returnable Wednesday, December 8, 2010
2	Affidavit of I. George Gutfreund sworn November 26, 2010
Exhibit "A"	PAAM Bankruptcy Order dated March 24, 2006
Exhibit "B"	Consolidated Bankruptcy Order dated May 18, 2007
Exhibit "C"	Order dated September 8, 2009
3	Draft Order

TAB 1

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

**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 their principal
places of business in the City of Toronto, in the Province of
Ontario, bankrupts

NOTICE OF MOTION

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”), will make a motion before the Honourable Mr. Justice Colin L. Campbell on Wednesday, December 8, 2010 at 9:30 o’clock in the morning or as soon after that time as the motion can be heard at 330 University Avenue, in the City of Toronto.

THIS MOTION IS FOR:

1. an Order authorizing and directing the Trustee to maintain the website dedicated to the Consolidated Estate located at <http://www.portusgroup.ca> (the “Portus Website”) until further Order of this Honourable Court; and
2. such further and other relief as counsel may request and this Honourable Court may deem just.

THE GROUNDS FOR THE MOTION ARE:

1. the Trustee made its final allocation to the customers of the Consolidated Estate on December 21, 2009;
2. the Trustee expected to be discharged in 2010;
3. pursuant to the Order of this Honourable Court dated September 8, 2009, the Trustee was authorized and directed to maintain the Portus Website until December 31, 2010;
4. the Trustee has not been able to obtain its discharge;
5. the Trustee intends to post on the Portus Website the documents relating to its discharge once the Trustee has been discharged to ensure that the customers of the Consolidated Estate are fully informed of the completion of the administration of the Consolidated Estate; and
6. such further and other grounds as counsel may advise and this Honourable Court may permit.

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

1. the Affidavit of I. George Gutfreund sworn November 26, 2010; and
2. such further and other material as counsel may advise and this Honourable Court may permit.

November 30, 2010

Thornton Grout Finnigan LLP
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M5K 1K7

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Lawyers for the Solicitors for KPMG Inc., in its
capacity as Trustee of the Consolidated Estate of Portus
Alternative Asset Management Inc. and Portus Asset
Management Inc., bankrupts

TO: THIS HONOURABLE COURT

AND TO: THE SERVICE LIST

IN THE MATTER OF THE BANKRUPTCY OF PORTUS ALTERNATIVE ASSET MANAGEMENT INC., PORTUS ASSET MANAGEMENT INC., BANCNOTE CORP., SOUTHWEST ASSET MANAGEMENT INC., SOUTHWEST CAPITAL CORP., each of which is a corporation incorporated pursuant to the *Business Corporations Act* (Ontario) with its principal place of business in the City of Toronto, in the Province of Ontario

Court File No. 31-OR-207257-T

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

NOTICE OF MOTION

ThorntonGroutFinnigan LLP
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Solicitors for KPMG Inc., in its capacity as
Trustee of the Estate of Portus Alternative Asset
Management Inc., a bankrupt

TAB 2

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

**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 their principal
places of business in the City of Toronto, in the Province of
Ontario, bankrupts

**AFFIDAVIT OF I. GEORGE GUTFREUND
(Sworn November 26, 2010)**

I, I. GEORGE GUTFREUND, of the Town of Markham, in the Regional
Municipality of York, in the Province of Ontario, a Vice President of KPMG Inc., **MAKE
OATH AND SAY AS FOLLOWS:**

1. KPMG Inc. (the "Trustee") was appointed as the Trustee of the Estate of Portus
Alternative Asset Management Inc. ("PAAM"), a bankrupt pursuant to an Order of this
Honourable Court dated March 24, 2006. A true copy of that Order is attached hereto as Exhibit
"A".

2. By Order dated May 18, 2007, Portus Asset Management Inc. ("PAM") was
adjudged a bankrupt and the bankrupt estate of PAM was consolidated with the Estate of PAAM
(the "Consolidated Estate"). A true copy of that Order is attached hereto as Exhibit "B".

3. The Trustee made a final allocation to the customers of the Consolidated Estate
on December 21, 2009.

4. The Trustee has maintained a website for the Consolidated Estate located at <http://www.portusgroup.ca> (the "Portus Website") to provide information regarding the administration of the Consolidated Estate to the customers of the Consolidated Estate.

5. In the fall of 2009, the Trustee expected that it would be discharged by September of 2010 and the Trustee intended to post the documents relating to its discharge on the Portus Website.

6. The Trustee recommended to this Honourable Court that it maintain the Portus Website until December 31, 2010.

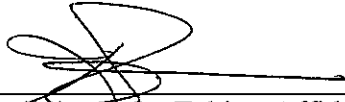
7. This Honourable Court made an Order dated September 8, 2009 authorizing and directing the Trustee to maintain the Portus Website until December 31, 2010. A true copy of that Order is attached hereto as Exhibit "C".

8. The Trustee has not completed the administration of the Consolidated Estate because the following matters remain outstanding:

- (a) the criminal proceedings against Boaz Manor;
- (b) the regulatory proceedings against Boaz Manor;
- (c) KPMG Inc., in its capacity as the Receiver of the Portus Group, has not yet completed the action commenced by it to set aside the Directors and Officers Trust established by PAM in the Bahamas; and
- (d) the Receiver has yet to be discharged in the Cayman Islands, the Turks and Caicos and in Ontario.

9. The Trustee is of the view that it ought to be authorized and directed to maintain the Portus Website pending further Order of this Honourable Court in order that the Trustee can continue to post information on the Portus Website to ensure that the customers of the Consolidated Estate are informed on a timely basis as to the completion of the administration of the Consolidated Estate and the Receivership.

SWORN before me at the City of Toronto,
in the Province of Ontario, this 26th day of
November, 2010.



Commissioner for Taking Affidavits

Kim G. Ferrara



I. GEORGE GUTFREUND

EXHIBIT “A”

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

THE HONOURABLE MR.) FRIDAY THE 24th DAY
)
JUSTICE COLIN L. CAMPBELL) OF MARCH, 2006

IN THE MATTER OF THE BANKRUPTCY OF
PORTUS ALTERNATIVE ASSET MANAGEMENT
INC., PORTUS ASSET MANAGEMENT INC.,
BANCNOTE CORP., SOUTHVIEW ASSET
MANAGEMENT INC., SOUTHVIEW CAPITAL
CORP., each of which is a corporation incorporated
pursuant to the *Business Corporations Act* (Ontario)
with its principal place of business in the City of
Toronto, in the Province of Ontario.

BANKRUPTCY ORDER

UPON READING the Application for a Bankruptcy Order (the "Bankruptcy Application") of KPMG Inc., in its capacity as the Receiver (the "Receiver"), without security, of all of the assets, undertakings and properties of Portus Alternative Asset Management Inc. and certain related entities and assets (collectively, the "Portus Group", a complete listing of which is set out at Schedule "A" hereto), of the City of Toronto, in the Province of Ontario, a creditor, filed the 12th day of April, 2005;

AND UPON reading the Bankruptcy Application and the Affidavit of Verification of Robert M. Rusko attached thereto, and the Reports of the Receiver (including, in particular, the Ninth Report dated September 19, 2005 and the Twenty-First Report dated March 15, 2006 (the "Twenty-First Report"));

AND UPON hearing the submissions of counsel for the Receiver, the Representative Counsel appointed by this Honourable Court, counsel for Royal Bank of Canada and RBC Dominion Securities Inc., counsel for Manulife Securities International Ltd., counsel for Berkshire Securities Inc., and Mr. Harry Fogul in his personal capacity;

AND UPON it appearing to this Honourable Court that during the 6 month period immediately prior to the date of this Bankruptcy Application, PAAM committed the following act of bankruptcy:

(a) it ceased to meet its liabilities generally as they became due,

1. **THIS COURT ORDERS** that the said Portus Alternative Asset Management Inc. ("PAAM") of the City of Toronto, in the Province of Ontario, be and it is hereby adjudged bankrupt and a Bankruptcy Order is hereby made against the said PAAM.

2. **THIS COURT ORDERS** that KPMG Inc. of the City of Toronto, in the Province of Ontario, shall be and it is hereby appointed Trustee of the Estate of the said bankrupt.

3. **THIS COURT ORDERS AND DIRECTS** that the bankruptcy estate of PAAM be administered pursuant to and in accordance with Part XII of the *Bankruptcy and Insolvency Act* (Canada) (the "BIA").

4. **THIS COURT ORDERS** that the time within which the Trustee must complete the mailing of the notice of bankruptcy and the first meeting of creditors as well as certain other documents (collectively, the "Notice Documents") pursuant to section 102(1) of the BIA shall be and it is hereby extended to 30 days from the date of the Trustee's appointment.

5. **THIS COURT ORDERS AND DECLARES** that the form and substance of those Notice Documents attached hereto as Schedule "B" shall be and they are hereby approved.

6. **THIS COURT ORDERS** that the Trustee be and it is hereby authorized and directed to rely on the best available records in its possession for the purpose of mailing the Notice Documents.

7. **THIS COURT ORDERS** that the Trustee be and it is hereby authorized and directed to send the Notice Documents to all persons who made investments with PAAM or its related entities (collectively, the "Investors") and other creditors via regular mail, provided that the Trustee shall send only the notice of bankruptcy and the first meeting of creditors to the MNPF Investors (as defined in the Twenty-First Report).

8. **THIS COURT ORDERS** that the time within which the first meeting of creditors must be held pursuant to section 102(1) of the BIA shall be and it is hereby extended to 90 days from the date of the Trustee's appointment.

9. **THIS COURT ORDERS AND DECLARES** that the requirement set out in section 102(2) of the BIA that the Trustee include a list of creditors (the "Creditors List") with the Notice Documents shall be and it is hereby dispensed with.

10. **THIS COURT ORDERS AND DIRECTS** that the Creditors List shall not form part of the public record to be maintained by the Superintendent of Bankruptcy (the "Superintendent"), provided that the Creditors List shall be made available by the Superintendent to any creditor of PAAM who has lodged a proof of claim with the Trustee.

11. **THIS COURT ORDERS AND DECLARES** that the Advertising Plan (as defined in the Twenty-First Report) and the form of advertisement attached hereto as Schedule "C" shall be and it is hereby approved.

12. **THIS COURT ORDERS AND DECLARES** that the proposed methodology for the calculation of provable Investor claims (the "Claims") as set out in the Twenty-First Report shall be and it is hereby approved, provided that the calculation of the Claims for the purpose of

voting at the first meeting of creditors 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 Investors from investment dealers in any way affect such Investors' entitlements to distributions and other matters regarding the calculation of Investors' entitlements to distributions.

13. **THIS COURT ORDERS** that the Trustee be and it is hereby authorized and directed to provide to each Managed Account Investor (as defined in the Twenty-First Report) a statement of the Trustee's calculation of such Managed Account Investor's Claim (the "Investment Statement").

14. **THIS COURT ORDERS AND DECLARES** that notice of paragraph 12 of this Order shall be given to Investors through the inclusion in the Notice Documents of the Investment Statement prepared using the prescribed methodology for the calculation of Claims, provided that the Investment Statement shall include a statement that pursuant to this Order the calculation of the Claims for the purpose of voting at the first meeting of creditors 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 Investors from investment dealers in any way affect such Investors' entitlements to distributions and other matters regarding the calculation of Investors' entitlements to distributions.

15. **THIS COURT ORDERS** that the Trustee be and it is hereby authorized and directed to rely on the validation process undertaken by Manulife Securities International Ltd. ("Manulife") and reviewed by the Receiver, as described in the Twenty-First Report, in determining whether to accept the Proof of Claim to be submitted by Manulife.

16. **THIS COURT ORDERS AND DECLARES** that the Applicable Exchange Rate (as defined in the Twenty-First Report) shall be CDN \$1.1652 for US \$1.

17. **THIS COURT ORDERS AND DECLARES** that the Receiver shall be and it is hereby deemed to hold the Ontario Bond Proceeds and the SGP Call Options (as such terms are defined in the Twenty-First Report) (together, the “MNPF Assets”) for the benefit of the MNPF Investors on a segregated basis, in order to preserve the effect of the Reasons for Decision of this Honourable Court dated March 21, 2006 (the “Reasons”), and the MNPF Assets shall not vest in the trustee in bankruptcy of PAAM.

18. **THIS COURT ORDERS AND DECLARES** that the Receiver shall be and it is hereby deemed to hold any interest accrued on the Ontario Bond Proceeds for the benefit of the MNPF Investors on a segregated basis, in order to preserve the effect of the Reasons, and any such accrued interest shall not vest in the trustee in bankruptcy of PAAM without further Order of this Honourable Court.

19. **THIS COURT ORDERS AND DECLARES** that this Order shall be and it is hereby made without prejudice to any future determination by this Honourable Court with respect to the implementation of the ruling contained in the Reasons, including, without limitation, with respect to the allocation of the costs of the Portus Group receivership, the manner in which any redemptions by MNPF Investors shall be addressed, any entitlement to any interest that may have accrued on the Ontario Bond Proceeds, the calculation of MNPF Investor claims, any distribution to MNPF Investors, and any other terms and conditions that this Honourable Court may consider just and appropriate.

20. **THIS COURT ORDERS** that the Trustee be and it is hereby authorized and directed to send to the MNPF Investors a letter substantially in the form attached hereto as Schedule “D” with the the notice of bankruptcy and the first meeting of creditors.

21. **THIS COURT ORDERS AND DECLARES** that nothing contained herein shall affect the applicability of (i) the Receiver’s Charge as established by paragraph 19 of the Amended and Restated Order of this Honourable Court dated June 23, 2005; (ii) the

Representative Counsel's Charge established by paragraph 6 of the Order of this Honourable Court dated March 9, 2005 appointing the Representative Counsel; (iii) the fees of the MNPF Representative Counsel and the Managed Accounts Class Representative Counsel with respect to the MNPF Motion; and (iv) the charge in favour of Independent Counsel (as defined in the Order of this Honourable Court dated January 23, 2006 (the "January 23 Order")) established by paragraph 9 of the January 23 Order, to the MNPF Assets.

22. **THIS COURT ORDERS AND DIRECTS** the Trustee to give security in an amount to be fixed by the official receiver pursuant to section 16(1) of the BIA.

23. **THIS COURT ORDERS AND DIRECTS** the Trustee to provide funding to the Hardship Committee (as defined and subject to the terms and conditions set out in the Order of this Honourable Court dated April 7, 2005) sufficient for the Hardship Committee to satisfy its mandate, provided that any amounts received by an Investor from the Hardship Committee shall be deducted from any distributions by the Trustee to which such Investor would otherwise be entitled.

24. **THIS COURT FURTHER ORDERS** that the Bankruptcy Application shall be and it is hereby adjourned *sine die* in respect of Portus Asset Management Inc., BancNote Corp., Southview Asset Management Inc. and Southview Capital Corp.

Rh Campbell J.



<p>SUPERIOR COURT OF JUSTICE IN BANKRUPTCY REGISTRAR, HEREBY CERTIFY THAT ABOVE AND ATTACHED HERETO IS CONTAINED A TRUE COPY OF THE RECEIVING ORDER MADE BY THIS COURT</p>	<p>COUR SUPÉRIEURE DE JUSTICE EN MATIÈRE DE BANQUITE GREFFIER, ATTESTE PAR LA PRÉSENTE QUE LE TEXTE CI-DESSUS PRÉSENTÉ CONSTITUE UNE COPIE VÉRIFIÉE À L'ORDONNANCE DE LA COUR</p>
<p>ON THE <u>24th</u> DAY OF <u>MARCH</u> 2006 LE <u>JOUR DE</u></p>	<p><u>"CAMPBELL - J"</u></p>
<p>LOCAL REGISTRAR SUPERIOR COURT OF JUSTICE</p>	<p>GREFFIER LOCAL COUR SUPÉRIEURE DE JUSTICE</p>

Schedule "A"

Portus Alternative Asset Management Inc.
Portus Asset Management Inc.
BancNote Corp.
Southview Asset Management Inc.
Southview Capital Corp.
Market Neutral Preservation Fund
MNB Trust
BancNote Trust Series II
BancNote Trust Series III
BancNote Trust Series IV
BancNote Trust Series V
BancNote Trust Series VI
BancNote Trust Series VI(a)
BancNote Trust Series VIII
BancNote Trust Series VIII(a)
BancNote Trust Series X
BancNote Trust Series X(a)
BancNote Trust Series XII
BancNote Trust Series XII(a)
Preservation Fund Series II
Preservation Fund Series III
BancLife Trust Series I
BancLife Trust Series II
Premiers Derives Paris Inc.
BNote Management Inc.
AR Pioneer Fund
PDP Prudent Growth Fund, Ltd.
Portus Alternative Asset Management Inc. (BVI)
BNote Ltd.
PDP Trust
PDP Prudent Growth Management Inc.
Eidolon Inc./S.A.
Galway Trust S.A.

Schedule "B"

IN THE MATTER OF THE BANKRUPTCY OF PORTUS ALTERNATIVE ASSET
MANAGEMENT INC.

DATE

Dear Sir/Madam:

Re: Portus Alternative Asset Management Inc. in Bankruptcy

On March 24, 2006, KPMG Inc., in its capacity as Trustee in Bankruptcy (the "Trustee") of Portus Alternative Asset Management Inc. ("PAAM"), obtained an Order relating to the call for claims of creditors of PAAM.

The database compiled by the Trustee identifies you as a person with a potential claim against PAAM. Accordingly, enclosed please find a Proof of Claim form(s) together with an instruction letter for use in completing the Proof of Claim(s). In addition, if you are an Investor, enclosed please find an Investment Statement setting out the Trustee's calculation of your claim.

In the event the Trustee receives any new information regarding the amount of an Investor's claim, the Trustee shall deliver to the Investor an amended Investment Statement.

Please note that the Proof of Claim must be properly completed as indicated in the attached materials and received by the Trustee on or before June 1, 2006 if you intend to vote at the first meeting of creditors.

If you are an Investor with an investment in registered products such as RRSPs, RRIFs, Life Income Plans, Locked-In Retirement Income Funds and Locked-In Retirement Accounts, the enclosed package is provided to you in order to give you an opportunity to verify the amount of the claim that will be made by the registered plan trustees on your behalf. Once the Trustee receives your completed Proof of Claim form, copies will be forwarded to the relevant trustee of the registered plan for use in preparing a Proof of Claim. It is anticipated that any future distributions to Investors in registered plans will be made through the trustees of the registered plans in order to preserve the tax status of the plans.

Should you have any questions with respect to completing your Proof of Claim, please call the KPMG/Portus Information line at 1-866-260-5439.

Yours Truly,

**KPMG Inc. in its capacity as
Trustee in Bankruptcy of
Portus Alternative Asset Management Inc.**

I. George Gutfreund
Vice-President

INSTRUCTION LETTER FOR COMPLETING PROOF OF CLAIM

In order to have a valid claim in the Bankruptcy of the Portus Alternative Asset Management Inc. ("PAAM"), the enclosed Proof of Claim form must be properly completed and delivered to KPMG Inc. in its capacity as Trustee in Bankruptcy of the Estate of Portus Alternative Asset Management Inc. (the "Trustee").

This instruction letter is provided to assist you in preparing the accompanying Proof of Claim(s) form in a complete and accurate manner. Please check (x) the type of claim which applies to you on the Proof of Claim form. **DO NOT LEAVE THIS SECTION BLANK.**

PLEASE NOTE THAT YOU MUST SUBMIT A SEPARATE PROOF OF CLAIM FORM FOR EACH DIFFERENT ACCOUNT NUMBER. For example, if you had 3 accounts with 3 different account numbers, a separate Proof of Claim must be submitted for each of the 3 account numbers. The appropriate number of Proof of Claim forms should have been provided to you herein. Should you require additional forms, please contact the Trustee.

1 - General

- Ensure you include your complete name, address, telephone number and account number on the Proof of Claim.
- The Claim must be dated and signed personally by the individual completing it.
- If the individual completing the Proof of Claim is not the creditor himself/herself, but is completing on behalf of a corporation, he/she must state his/her position or title.
- The debtor's name and date of bankruptcy as shown on the Notice to Creditors must be filled in.
- The Proof of Claim form is incomplete UNLESS it has been signed and witnessed.
- If you wish to appoint a proxy, the proxy form must be completed and signed by the creditor. If the creditor is a corporation, the proxy must be signed in the corporate name and not necessarily by the individual signing the proof of claim form. If a corporation grants a voting proxy to an individual, the proxy section should be signed, dated and witnessed. The Bankruptcy and Insolvency Act permits a proof of claim to be made by a duly authorized agent of a creditor, but this does not give such a person power to vote at the first meeting of creditors or to act as the creditor's proxy unless the PROXY section has been completed.

2- Investors in Cdn Dollar Structures

For the purpose of the first meeting of creditors, claims will be calculated on the basis that the amount of an Investor's Claim shall be the amount invested by such Investor, less any redemption proceeds received by the Investor for each account number. Enclosed you will find a statement setting out the Trustee's calculation of your Claim for each account number you have with PAAM (the "Investment Statement"), using this methodology.

- A. For each account number in respect of which you agree with the amount set out on the enclosed Investment Statement, you must:
- Fill in the Claim amount under Section C: "CLAIM OF A CUSTOMER OF A BANKRUPT SECURITIES FIRM" on the Proof of Claim Form.
 - Complete the steps under the heading "General" above.
 - Deliver the Proof of Claim Form with a copy of the Investment statement attached to the Trustee.
 - Retain copies of all documents.
- B. For each account number in respect of which you DO NOT agree with the amount set out on the enclosed Investment Statement, you must:
- Fill in the amount you believe you are owed under Section C: "CLAIM OF A CUSTOMER OF A BANKRUPT SECURITIES FIRM" on the Proof of Claim Form.
 - Provide calculations upon which the Claim is based.
 - Provide satisfactory evidence establishing the different amount claimed. Such evidence may include, without limitation:
 - Investment confirmations;
 - Confirmation of purchases, withdrawals or redemptions (copies of all correspondence, original deposit slips or canceled cheques);
 - Confirmation of incomplete transactions (i.e., copies of all related correspondence and bank statements)
 - Transfer authorization for Investments;
 - Other documents that evidence the amount claimed.

- Complete the steps under the heading "General" above and deliver all documents to the Trustee.
- Retain copies of all documents.

3 – Investors in US Dollar Structures

As set out above, for the purpose of the first meeting of creditors claims will be calculated on the basis that the amount of an Investor's Claim shall be the amount invested by such Investor, less any redemption proceeds received by the Investor for each account number. Enclosed you will find an Investment Statement setting out the Trustee's calculation of your Claim for each US Dollar account number you have with PAAM. Although your investment was made with in US dollars, pursuant to Section 275 of the BIA, all Proof of Claims are to be submitted in Canadian dollars.

- A. For each account number in respect of which you agree with the amount set out on the enclosed Investment Statement, you must:
- Fill in the Claim amount under Section C: "CLAIM OF A CUSTOMER OF A BANKRUPT SECURITIES FIRM" on the Proof of Claim Form, by using the court approved exchange rate of [\$00.00]. For example, if the Investment Statement states that the amount of your claim is US\$25,000 and you agree, you would enter CDN\$00,000 (i.e., US\$25,000 @ \$00.00) as your claim amount on the Proof of Claim form.
 - Complete the same steps as set out in section 2A above.
- B. For each account number in respect of which you DO NOT agree with the amount set out on the enclosed Investment Statement, you must:
- Fill in the amount you believe you are owed under Section C: "CLAIM OF A CUSTOMER OF A BANKRUPT SECURITIES FIRM" on the Proof of Claim Form, by using the court approved exchange rate of [\$00.00]. For example, if you believe that your correct claim amount is US\$10,000, you would enter CDN \$00,000 (i.e., US \$10,000 @ [\$00.00]) as your claim amount on the Proof of Claim form.
 - Complete the same steps as set out in section 2B above.

4 - Registered Products

If you are an Investor with investments in registered products such as RRSPs, RRIFFs, Life Income Plans, Locked-In Retirement Income Funds and Locked-In Retirement Accounts, the enclosed package is being provided to you in order to give you an opportunity to verify the amount of the claim that will be made by the registered plan trustee on your behalf. In order to complete the Proof of Claim form, please follow the steps listed above in section 2: "Investors in Canadian Products." Once the completed Proof of Claim form is received by the Trustee, copies will be forwarded to the trustees of the relevant registered plan for use in preparation of a Proof of Claim.

It is anticipated that any future distributions to Investors holding registered products will be made through the trustee of the registered plans in order to preserve the tax status of such plans.

5 - Change in Beneficiaries

For executors of the estate of an Investor who is deceased, copies of the following documents must also be attached with the Proof of Claim Form:

- Copy of the Death Certificate
- Copy of the Will
- Copy of the Certificate of Estate Trustee With a Will

6- Former Employees

Wages, salaries, commissions or compensation of any employee for services rendered during the six months immediately preceding the bankruptcy that are owing (to a maximum amount of \$2,000) should be filed as an Unsecured Claim (Part 4A on the Proof of Claim form) with a right to a priority under section 136 of the Act. Documents should be attached to the Proof of Claim form in order to provide support to the priority claim. For a complete description as to who may file a priority claim please review Section 136 of the BIA.

Amounts owing for wages, salaries, commissions or compensation that are over \$2,000 as well as amounts owed as severance/termination pay should be filed as an **Unsecured Claim** (Part 4A on the Proof of Claim form) with no right to a priority. Please provide a statement setting out the calculations upon which the claim is based.

7 - Unsecured Creditors

Amounts owed should be filed as an **Unsecured Claim** (Part 4A on the Proof of Claim form) with no right to a priority. The Proof of Claim is incomplete unless you include a statement (marked as "Schedule A") setting out particulars of the claim. The balance on this statement must be complete and agree with the balance claimed by you as of the date of bankruptcy. Schedule A should be a detailed statement of account of the last three months of financial activity with the bankrupt. 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 does not meet the disclosure requirements for proofs of claim issued by the Superintendent of Bankruptcy. All claimants must attach a detailed list of all payments or credits received or granted as follows:

- Within the three (3) months preceding the bankruptcy or the proposal, in the case where the claimant and the debtor are not related, or
- Within the twelve (12) months preceding the bankruptcy or proposal, in the case where the claimant and the debtor are related.

8 - Information Regarding Proxy

A creditor may vote either in person or by proxy. A debtor may not appoint a proxy to vote at any meeting of his creditors. The trustee may be appointed as proxy to vote on behalf of a creditor. A corporation may vote by authorized agent at a meeting of creditors. In order for a duly authorized person to have a right to vote they must be a creditor or be the holder of a properly executed proxy. The name of the creditor must appear in the proxy section of the Proof of Claim.

9 - Delivery of Proof of Claim to the Trustee

The Proof of Claim should be delivered to the Trustee at the following address:

KPMG Inc.
Trustee in Bankruptcy of Portus Alternative Asset Management Inc.
161 Bay Street, Suite 2400
Toronto, Ontario, Canada, M5J 2S1
Attention: I. George Gutfreund

NOTE: If there are any questions in completing this Proof of Claim, please write the Trustee at the address above or call the KPMG/Portus informational line at 1-866-260-5439.

Schedule "C"

Notice of Bankruptcy and First Meeting of Creditors

IN THE MATTER OF THE BANKRUPTCY OF PORTUS ALTERNATIVE ASSET MANAGEMENT INC.

Notice is hereby given that the bankruptcy of Portus Alternative Asset Management Inc. occurred on the 24th day of March, 2006 and that the first meeting of creditors will be held on the • day of •, 2006 at • o'clock, at • in the City of Toronto in the Province of Ontario.

Dated at Toronto this 24th day of March, 2006.

Trustee: KPMG Inc.
Trustee in Bankruptcy of Portus Alternative Asset Management Inc.
161 Bay Street, Suite 2400
Toronto, Ontario, Canada, M5J 2S1

Attention: I. George Gutfreund

For information regarding the bankruptcy, please contact the Trustee at the above address or call the KPMG/Portus telephone information line at 1-866-260-5439. In addition, information is available online at www.kpmg.ca/portus

Schedule "D"

Letter to MNPF Investors

DATE

Dear Sir/Madam:

Re: Portus Alternative Asset Management Inc., in Bankruptcy/
Market Neutral Preservation Fund

As you are aware, KPMG Inc. has been appointed Receiver of Portus Alternative Asset Management Inc. ("PAAM") and certain related entities, including the Market Neutral Preservation Fund (the "MNPF").

Based upon the books and records of PAAM and its related entities and information otherwise available to the Receiver, you are a person who invested in the MNPF (an "MNPF Investor").

Pursuant to the Order of the Honourable Mr. Justice C.L. Campbell of the Ontario Superior Court of Justice (the "Court") dated March 24, 2006, KPMG Inc. was appointed as Trustee in Bankruptcy (the "Trustee") of PAAM. However, pursuant to the Order of the Court dated March 21, 2006, it was determined that the assets of the MNPF (the "MNPF Assets") shall not form part of the bankruptcy estate of PAAM, and that MNPF Investors shall instead be entitled to recover a proportionate share of the MNPF Assets.

The Receiver is in the process of developing an alternate plan for a distribution of the MNPF Assets to MNPF Investors. This alternate process is expected to proceed more quickly than the PAAM bankruptcy process. The Receiver will contact you with further information in this regard as soon as possible. **Please note that you DO NOT at this time have to submit a Proof of Claim in respect of any investment that you made in the MNPF.**

Should you have any questions with respect to this letter, please call the KPMG/Portus Information line at 1-866-260-5439.

Yours Truly,

**KPMG Inc. in its capacity as
Trustee in Bankruptcy of
Portus Alternative Asset Management Inc. and
Receiver of Market Neutral Preservation Fund**

I. George Gutfreund
Vice-President

ONTARIO SECURITIES COMMISSION
Applicant

and

PORTUS ALTERNATIVE ASSET MANAGEMENT INC.,
PORTUS ASSET MANAGEMENT INC. and BANCNOTE
CORP.

Respondents

Court File No.05-CL-5792

ONTARIO
SUPERIOR COURT OF JUSTICE
Proceeding commenced in Toronto

BANKRUPTCY ORDER

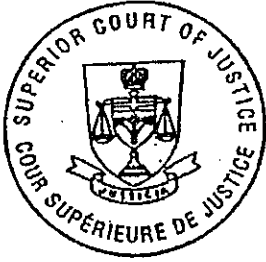
ThorntonGroutFinnigan LLP
Barristers and Solicitors
100 Wellington Street West
Suite 3200, P.O. Box 329
Canadian Pacific Tower
Toronto, ON M5K 1K7

James H. Grout (LSUC# 22741H 1B)
John L. Finnigan (LSUC #240408)
Gregory R. Azeff (LSUC# 45324C)

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

Solicitors for KPMG Inc., in its capacity as
Receiver of Portus Alternative Asset
Management Inc., Portus Asset Management
Inc., BancNote Corp. and related entities

EXHIBIT “B”



Court File No. 31-OR-207257-T

ONTARIO
SUPERIOR COURT OF JUSTICE
IN BANKRUPTCY AND INSOLVENCY

THE HONOURABLE)
MR. JUSTICE COLIN L. CAMPBELL)
FRIDAY THE 18TH DAY
OF MAY, 2007

IN THE MATTER OF THE BANKRUPTCY OF PORTUS ALTERNATIVE ASSET MANAGEMENT INC., PORTUS ASSET MANAGEMENT INC., BANCNOTE CORP., SOUTHVIEW ASSET MANAGEMENT INC., SOUTHVIEW CAPITAL CORP., each of which is a corporation incorporated pursuant to the *Business Corporations Act* (Ontario) with its principal place of business in the City of Toronto, in the Province of Ontario

ORDER

THIS MOTION made by KPMG Inc. (the "Receiver"), in its capacity as the Receiver of Portus Alternative Asset Management Inc. ("PAAM"), Portus Asset Management Inc. ("PAM"), BancNote Corp. ("BancNote"), Southview Capital Corp. ("SCC"), Southview Asset Management Limited ("SAM") and certain other entities and assets set out in Schedule "A" hereto (collectively, the "Portus Group") for a Bankruptcy Order against PAM and ancillary relief was heard this day at 330 University Ave., in the City of Toronto.

UPON READING the Application for a Bankruptcy Order dated April 12, 2005, the Affidavit of Verification of Robert M. Rusko sworn April 11, 2005 attached thereto, the Ninth Report of the Receiver dated September 19, 2005, the Thirteenth Report of the Receiver dated October 25, 2005, the Sixteenth Report of the Receiver dated January 16, 2006, the Eighteenth Report of the Receiver dated January 23, 2006, the Nineteenth Report of the Receiver dated February 15, 2006, the Twentieth Report of the Receiver dated February 20, 2006, the Twenty-First Report of the Receiver dated March 15, 2006 and the Consolidated Bankruptcy Report of the Receiver dated April 27, 2007 and upon hearing the submissions of counsel for the Receiver, counsel for KPMG Inc., in its capacity as Trustee of the Estate of PAAM, a bankrupt

(the "PAAM Estate"), the Representative Counsel, counsel for Manulife Securities International Ltd. and counsel for Berkshire Securities Inc.;

AND UPON this Honourable Court being satisfied that, during the six month period immediately prior to the date of the Application for a Bankruptcy Order, PAM ceased to meet its liabilities generally as they became due and that, in this case, the proposed procedure is in the interest of efficiency and in the general interest of the creditors of PAM:

1. **THIS COURT ORDERS** that PAM of the City of Toronto, in the Province of Ontario, be and it is hereby adjudged a bankrupt and a Bankruptcy Order be and it is hereby made against PAM.
2. **THIS COURT ORDERS** that KPMG Inc., of the City of Toronto, in the Province of Ontario, be and it is hereby appointed Trustee of the Estate of PAM, a bankrupt (the "PAM Estate").
3. **THIS COURT ORDERS** that the PAM Estate be and it is hereby consolidated with the PAAM Estate on a substantive and procedural basis (the "Consolidated Estate").
4. **THIS COURT ORDERS AND DECLARES** that KPMG Inc. is the Trustee of the Consolidated Estate.
5. **THIS COURT ORDERS AND DECLARES** that the Consolidated Estate is a "securities firm bankruptcy" within the meaning of and governed by the provisions of Part XII of the *Bankruptcy and Insolvency Act* (Canada) (the "BIA").
6. **THIS COURT ORDERS** that, by virtue of the consolidation of the PAM Estate into the Consolidated Estate, delivery of the notice of the first meeting of creditors and the list of the creditors of the Consolidated Estate by the Trustee to the creditors of PAM be and it is hereby dispensed with.
7. **THIS COURT ORDERS** that, by virtue of the consolidation of the PAM Estate into the Consolidated Estate, publication of the notice of the first meeting of the creditors of the PAM Estate be and it is hereby dispensed with.

8. **THIS COURT ORDERS** that, by virtue of the consolidation of the PAM Estate into the Consolidated Estate, the first meeting of creditors of the PAAM Estate constituted the first meeting of the creditors of the PAM Estate.
9. **THIS COURT ORDERS** that the Trustee shall send a proof of claim in the prescribed form together with the Report of the Trustee's Preliminary Administration of the PAAM Estate dated June 18, 2006 and the Statement of Affairs in the PAAM Estate amended to include the known creditors of PAM to every known creditor of PAM by way of ordinary mail.
10. **THIS COURT ORDERS** that the Trustee be and it is hereby authorized and directed to rely upon the best available records in its possession for the purposes of amending the Statement of Affairs to include the known creditors of PAM and mailing the documents referred to in paragraph 9 hereof to the known creditors of PAM.
11. **THIS COURT ORDERS** that the inspectors elected in the PAAM Estate shall continue and shall be the inspectors in the Consolidated Estate.
12. **THIS COURT ORDERS** that the style of cause of the Consolidated Estate shall be:
- 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 their principal
place of business in the City of Toronto, in the Province of
Ontario.
13. **THIS COURT ORDERS AND DECLARES** that the Court File Number for the Consolidated Estate shall be 31-OR-207257-T.
14. **THIS COURT ORDERS AND DECLARES** that the date of the initial bankruptcy event for the Consolidated Estate is April 12, 2005.

15. **THIS COURT ORDERS AND DIRECTS** the Trustee to tax its accounts and the bills of its counsel before the Honourable Mr. Justice Colin L. Campbell of this Honourable Court from time to time as may be directed by the Honourable Mr. Justice Colin L. Campbell.

16. **THIS COURT ORDERS** that the Trustee shall serve a copy of this Order together with the duties of the bankrupt upon counsel of record for Michael Mendelson in his capacity as the officer of PAM.

17. **THIS COURT ORDERS AND DECLARES** that nothing contained in this Order shall affect the Order of this Honourable Court dated October 6, 2006 made in the PAAM Estate authorizing the Trustee to take interim draws on account of its remuneration subject to the subsequent taxation thereof by this Court in accordance with this Order and the Trustee is authorized to continue to do so in the Consolidated Estate.

18. **THIS COURT ORDERS** that the mandate of the Independent Counsel be and it is hereby extended to reviewing the fees and disbursements of the Trustee and its counsel and reporting thereon to this Honourable Court in accordance with the terms of the Order of this Honourable Court dated January 23, 2006 appointing the Independent Counsel made in the Receivership Action.

19. **THIS COURT ORDERS AND DECLARES** that nothing contained in this Order shall affect the Orders of this Honourable Court dated November 9, 2005 and February 27, 2006 made in the proceeding commenced by the Ontario Securities Commission against PAAM, PAM and BancNote in the Superior Court of Justice, Commercial List bearing Court File No. CL-05-5792 (the "Receivership Action") in which KPMG Inc. was appointed as the Receiver of the Portus Group and those Orders remain in full force and effect unamended and unaffected by this Order.

20. **THIS COURT ORDERS AND DECLARES** that nothing contained in this Order shall affect the validity, enforceability and/or priority of (i) the Receiver's Charge established by paragraph 19 of the Amended and Restated Initial Order of this Honourable Court dated June 23, 2005 made in the Receivership Action, (ii) the validity, enforceability and/or priority of the Representative Counsel's Charge established by paragraph 9 of the Order of this

Honourable Court dated March 9, 2005 appointing the Representative Counsel made in the Receivership Action, and (iii) the charge in favour of the Independent Counsel established by paragraph 9 of the Order of this Court dated January 23, 2006 appointing the Independent Counsel made in the Receivership Action.

21. **THIS COURT ORDERS AND DECLARES** that nothing contained in this Order shall affect the Hardship Program established by the Order of this Honourable Court dated April 27, 2005 made in the Receivership Action.


Registration

Schedule "A"

Portus Alternative Asset Management Inc.
Portus Asset Management Inc.
BancNote Corp.
Southview Asset Management Inc.
Southview Capital Corp.
Market Neutral Preservation Fund
MNB Trust
BancNote Trust Series II
BancNote Trust Series III
BancNote Trust Series IV
BancNote Trust Series V
BancNote Trust Series VI
BancNote Trust Series VI(a)
BancNote Trust Series VIII
BancNote Trust Series VIII(a)
BancNote Trust Series X
BancNote Trust Series X(a)
BancNote Trust Series XII
BancNote Trust Series XII(a)
Preservation Fund Series II
Preservation Fund Series III
BancLife Trust Series I
BancLife Trust Series II
Premiers Derives Paris Inc.
BNote Management Inc.
AR Pioneer Fund
PDP Prudent Growth Fund, Ltd.
Portus Alternative Asset Management Inc. (BVI)
BNote Ltd.
PDP Trust
PDP Prudent Growth Management Inc.
Eidolon Inc./S.A.
Galway Trust S.A.

IN THE MATTER OF THE BANKRUPTCY OF PORTUS ALTERNATIVE ASSET MANAGEMENT INC., PORTUS ASSET MANAGEMENT INC., BANCNOTE CORP., SOUTHWEST ASSET MANAGEMENT INC., SOUTHWEST CAPITAL CORP., each of which is a corporation incorporated pursuant to the *Business Corporations Act* (Ontario) with its principal place of business in the City of Toronto, in the Province of Ontario

Court File No. 31-OR-207257-J

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

ORDER

Thornton Grouffignan LLP
Barristers and Solicitors
100 Wellington Street West
Suite 3200, P.O. Box 329
Canadian Pacific Tower
Toronto, ON M5K 1K7

James H. Groat (LSUC# 22741H 1B)
Larry Ellis (LSUC# 49313K)

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

Solicitors for KPMG Inc., in its capacity as
Trustee of the Estate of Portus Alternative Asset
Management Inc., a bankrupt

EXHIBIT “C”



Court File No. 31-OR-207257-T

ONTARIO
SUPERIOR COURT OF JUSTICE
(IN BANKRUPTCY AND INSOLVENCY)

THE HONOURABLE MR.) TUESDAY THE 8TH DAY
)
JUSTICE COLIN L. CAMPBELL) OF SEPTEMBER, 2009

**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 their principal
places 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 September 2, 2009 was heard this day at 330 University Ave., in the City of Toronto.

UPON READING the Affidavit of I. George Gutfreund sworn September 2, 2009 (the "Gutfreund Affidavit") and upon hearing the submission of counsel for the Trustee, counsel for Concentra Trust, counsel for Manulife Securities International Ltd. and the Representative Counsel:

1. **THIS COURT ORDERS** that the capitalized terms that are used in this Order shall have the meaning ascribed to them in the Gutfreund Affidavit.
2. **THIS COURT ORDERS** that, unless PAAM Customers comply with the provisions of the Orders of this Honourable Court dated December 15, 2006, January 16, 2008 and February 29, 2008, by, amongst other things, establishing an alternative registered plan, by no later than

5:00 p.m. EST on October 15, 2009, they shall not be eligible to receive any allocation from the Trustee.

3. **THIS COURT ORDERS** that, as of 5:01 p.m. EST on October 15, 2009, the Trustee take all necessary steps to collapse the Portus Registered Plans, including, without limitation, remitting all taxes exigible as a result thereof to the appropriate taxation authority, issuing and/or filing all relevant tax information reporting documents and to forward to the Superintendent of Bankruptcy (the “**Superintendent**”), for deposit with the Receiver General, the balance of the undistributed deficient claimant funds, in accordance with subsection 154(1) of the *Bankruptcy and Insolvency Act* (the “**BIA**”).

4. **THIS COURT ORDERS** that, as of 5:01 p.m. EST on October 15, 2009, the Trustee shall not be authorized to accept any amendment to any PAAM Customer’s Allocation Information and shall be authorized to rely upon the Allocation Information, in all respects, as it is recorded in the Trustee’s records after entering all amendments received by 5:00 p.m. EST on October 15, 2009.

5. **THIS COURT ORDERS** that the Trustee is hereby granted leave to dispense with the Trustee’s obligations to deliver a copy of the Estate Closing Documents to the PAAM Customers and creditors of the Consolidated Estate. The Trustee shall send, by ordinary mail, a copy of the Estate Closing Documents to any PAAM Customer who submits a request to the Trustee in writing.

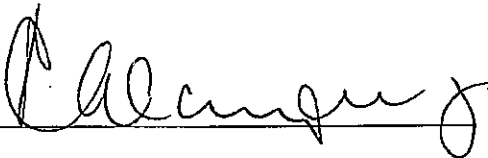
6. **THIS COURT ORDERS** that the Trustee is hereby authorized and directed to post a copy of the Estate Closing Documents on the Portus Website.

7. **THIS COURT ORDERS** that the Trustee is hereby authorized and directed to maintain the Portus Website until December 31, 2010 and to close it thereafter.

8. **THIS COURT ORDERS** that the Trustee is hereby authorized and directed to maintain the Portus Website class action portal on the Portus Website, until December 31, 2009 and to close it thereafter.

9. **THIS COURT ORDERS** that the Trustee is hereby authorized and directed to maintain the call centre until March 31, 2010 and to close it thereafter.

10. **THIS COURT ORDERS** that the activities and conduct of the Trustee as described in the Gutfreund Affidavit, be and they are hereby approved.



Schedule "A"

Portus Alternative Asset Management Inc.
Portus Asset Management Inc.
BancNote Corp.
Southview Asset Management Inc.
Southview Capital Corp.
BancNote Trust Series II
BancNote Trust Series III
BancNote Trust Series IV
BancNote Trust Series V
BancNote Trust Series VI
BancNote Trust Series VI(a)
BancNote Trust Series VIII
BancNote Trust Series VIII(a)
BancNote Trust Series X
BancNote Trust Series X(a)
BancNote Trust Series XII
BancNote Trust Series XII(a)
Preservation Fund Series II
Preservation Fund Series III
BancLife Trust Series I
BancLife Trust Series II
Premiers Derives Paris Inc.
BNote Management Inc.
AR Pioneer Fund
PDP Prudent Growth Fund, Ltd.
Portus Alternative Asset Management Inc. (BVI)
BNote Ltd.
PDP Trust
PDP Prudent Growth Management Inc.
Eidolon Inc./S.A.
Galway Trust S.A.

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 their principal places 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)**

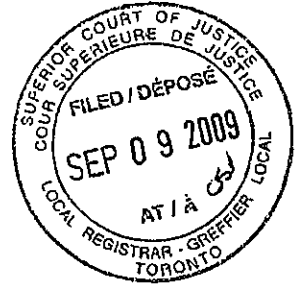
Proceedings commenced at Toronto

ORDER

ThorntonGroutFinnigan LLP
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Toronto-Dominion Centre
Toronto, Ontario M5K 1K7

James H. Grout (LSUC# 22741H)
Tel: 416-304-0557
Larry Ellis (LSUC# 49413K)
Tel: 416-304-0601
Fax: 416-304-1313

Lawyers for the Trustee



IN THE MATTER OF THE BANKRUPTCY OF PORTUS ALTERNATIVE ASSET MANAGEMENT INC., PORTUS ASSET MANAGEMENT INC., BANCNOTE CORP., SOUTHWEST ASSET MANAGEMENT INC., SOUTHWEST CAPITAL CORP., each of which is a corporation incorporated pursuant to the *Business Corporations Act* (Ontario) with its principal place of business in the City of Toronto, in the Province of Ontario

Court File No. 31-OR-207257-T

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

AFFIDAVIT OF I. GEORGE GUTFREUND

ThorntonGroutFinnigan LLP
Barristers and Solicitors
100 Wellington Street West
Suite 3200, P.O. Box 329
Canadian Pacific Tower
Toronto, ON M5K 1K7

James H. Grout (LSUC# 22741H 1B)
Tel: (416) 304-1616
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Solicitors for KPMG Inc., in its capacity as
Trustee of the Estate of Portus Alternative Asset
Management Inc., a bankrupt

TAB 3

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

THE HONOURABLE MR.) WEDNESDAY THE 8TH DAY
)
JUSTICE COLIN L. CAMPBELL) OF DECEMBER, 2010

**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 their principal
places 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 November 30, 2010 was heard this day at 330 University Ave., in the City of Toronto.

UPON READING the Affidavit of I. George Gutfreund sworn November 26, 2010 (the “Gutfreund Affidavit”), upon hearing the submission of counsel for the Trustee, no one else appearing although all parties on the Service List were duly served as evidenced by the Affidavit of Pia Tanga sworn November 30, 2010, filed:

1. **THIS COURT ORDERS** that the Trustee be and it is hereby authorized and directed to maintain the website located at <http://portusgroup.ca> pending further Order of this Honourable Court.

IN THE MATTER OF THE BANKRUPTCY OF PORTUS ALTERNATIVE ASSET MANAGEMENT INC., PORTUS ASSET MANAGEMENT INC., BANCNOTE CORP., SOUTHWEST ASSET MANAGEMENT INC., SOUTHWEST CAPITAL CORP., each of which is a corporation incorporated pursuant to the *Business Corporations Act* (Ontario) with its principal place of business in the City of Toronto, in the Province of Ontario

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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Solicitors for KPMG Inc., in its capacity as
Trustee of the Estate of Portus Alternative Asset
Management Inc., a bankrupt

IN THE MATTER OF THE BANKRUPTCY OF PORTUS ALTERNATIVE ASSET MANAGEMENT INC., PORTUS ASSET MANAGEMENT INC., BANCNOTE CORP., SOUTHWEST ASSET MANAGEMENT INC., SOUTHWEST CAPITAL CORP., each of which is a corporation incorporated pursuant to the *Business Corporations Act* (Ontario) with its principal place of business in the City of Toronto, in the Province of Ontario

Court File No. 31-OR-207257-I

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

MOTION RECORD

ThorntonGroutFinnigan LLP
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Solicitors for KPMG Inc., in its capacity as
Trustee of the Estate of Portus Alternative Asset
Management Inc., a bankrupt

TERMS AND CONDITIONS OF SITE USE

PORTUS ALTERNATIVE ASSET MANAGEMENT INC. (In Receivership / In Bankruptcy)

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

These website terms and conditions of use (the "Terms of Use") is a legal agreement between the visitor to this Site ("you") and Portus Alternative Asset Management Inc. by its Receiver and Trustee in Bankruptcy, of the estate of Portus Alternative Asset Management Inc., KPMG Inc. (the "Site Operator") concerning your access to and use of this Site.

BY ACCESSING AND USING THIS SITE YOU ARE ACKNOWLEDGING YOUR ACCEPTANCE OF AND AGREEMENT TO THESE TERMS OF USE AND THAT YOU INTEND TO BE LEGALLY BOUND BY THEM.

IF YOU DO NOT AGREE WITH ONE OR MORE OF THESE TERMS OF USE YOU MAY NOT ACCESS OR USE THE SITE OR ANY INFORMATION CONTAINED ON THE SITE.

In consideration of the mutual covenants contained in these Terms of Use and other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), you and the Site Operator agree as follows:

Purpose

The Site contains legal documents, information and data pertaining to the receivership of Portus Alternative Asset Management Inc. (the "Site Content") and is presented by the Site Operator solely and exclusively as a public service for informational purposes only. The Site Operator hereby grants you a personal, non-transferable and non-exclusive right to access, read and download the Site Content which shall only be used by you solely and exclusively for your personal and private use. You agree that you acquire absolutely no rights or licenses to the Site or any Site Content other than the limited right to access and use the Site and Site Content in accordance with these Terms of Use. Transmissions to the Site by you are not protected and no confidentiality will be maintained with respect such transmissions by you which are made at your sole risk.

Limitations

This Site is not an official reporter, and the Site Operator does not guarantee that any Site Content is error free, complete, accurate, reliable or current. The Site Operator uses reasonable efforts to update the Site on the day in which new material is filed with the Court. The Site Operator recommends that all postings be reviewed by you at least 48 hours after posting in order to determine whether any amendments have been made to the posted document. In addition, all Court materials will generally be posted on the Site prior to the hearing of the relevant motion or other proceeding. However, be advised that, due to size restrictions, certain of these materials may be removed from the Site subsequent to the expiry of the relevant appeal period. All materials will continue to be available for public review through the Commercial List Office, 10th Floor, 393 University Avenue, Toronto, Ontario in Court File No. 05-CL-5792 of the Ontario Superior Court of Justice (Commercial List). You acknowledge and agree that this Site does not purport to provide complete records of all litigation and legal documentation (or any other information) pertaining to Portus Alternative Asset Management Inc., in Receivership and/or in Bankruptcy and that the Site contains no legal (or other professional) advice and nothing on the Site or in these Terms of Use shall be taken, implied or construed as an offer to provide, or a provision of, legal advice or as a recommendation for any specific course of action. Changes may be periodically made to the Site and/or the Site Content and may be made at any time. Site Operator reserves the right to change, modify, suspend, or discontinue the Site or any Site Content at any time without notice and may suspend or terminate your access to the Site immediately without prior notice at its sole discretion and for any reason and without further obligation or liability to you.

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IN NO EVENT SHALL THE SITE OPERATOR, OR ANY AFFILIATES OF KPMG INC. OR ANY OF THEIR RESPECTIVE OFFICERS, DIRECTORS, EMPLOYEES OR AGENTS, BE LIABLE FOR ANY DIRECT, INDIRECT, CONSEQUENTIAL, INCIDENTAL, SPECIAL, EXEMPLARY OR PUNITIVE DAMAGES, HARM, INJURY, COST, EXPENSE OR OTHER LOSSES OR ANY KIND OR NATURE WHATSOEVER (WHETHER BASED ON WARRANTY, CONTRACT, TORT, EQUITY, STRICT LIABILITY, PATENT OR COPYRIGHT INFRINGEMENT OR ANY OTHER LEGAL THEORY) RESULTING FROM THE USE OF, OR THE INABILITY TO MAKE USE OF, THE SITE OR ANY SITE CONTENT (INCLUDING IN ANY CONNECTION WITH THE TRANSMISSION OR DOWNLOADING OF ANY SITE CONTENT FROM THE SITE OR SUBMISSIONS TO THE SITE) OR THE USE OF, OR RELIANCE ON, ANY SITE CONTENT OR OTHER INFORMATION CONTAINED ON THE SITE, WHETHER OR NOT SITE OPERATOR OR ITS AFFILIATES ARE ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

You acknowledge and agree that KPMG LLP is not the Site Operator and has no responsibility for this Site or any Site Content.

Links

The Site may include hypertext links to third party web sites solely for the purpose of helping you identify and locate other sources of information that may be of interest. Hypertext links do not imply an endorsement of (including that the Site Operator has reviewed such sites) or association with such third party web sites and the Site Operator, its affiliates and related companies are not responsible for such third party web sites or the information contained on such third party web sites. Use of third party web sites is entirely at your sole discretion and risk and You may not create links from other web sites to this Site. Any copying, republication or redistribution of any part of the Site, including by caching, framing or similar means, is expressly prohibited without the prior written consent of the Site Operator.

Conformance with Law

In addition to complying with these Terms of Use, you agree to use the Site and Site Content for lawful purposes only and in a manner consistent with all applicable local, national or international laws and regulations. The Site shall not be used where, and to any extent, such use is prohibited by law. Your use of the Site from any location is subject to your compliance with all applicable laws and regulations that may be applicable to you. You agree, and confirm, that your use of the Site is in full compliance with the laws of the jurisdiction(s) to which you are subject, and that you are not prohibited from using the Site due to any restriction whatsoever.

Location and Law

The Site is physically located at, and is administered by the Site Operator from its offices in Province of Ontario, Canada. By accessing the Site, you and the Site Operator agree that all matters relating to access to, or use of the Site and all of the communications, transmissions and transactions associated with the Site shall be deemed to have occurred in the Province of Ontario and shall be governed by the laws of the Province of Ontario and the laws of Canada applicable therein, without regard to the conflicts of laws principals thereof. You and the Site Operator also agree and hereby irrevocably submit and attorn to the exclusive personal jurisdiction and venue of the courts of the Province of Ontario with respect to such matters.

Indemnity

You agree to defend, indemnify, and hold harmless the Site Operator, its affiliates and their respective officers, directors, employees, professional advisors and agents, from and against any claims, actions, demands, losses, liabilities, damages, costs and expenses, including without limitation, reasonable legal and accounting fees, alleging or resulting from your access of the Site, your use of the Site Materials or your breach of these Terms of Use.

Severability

If, in any jurisdiction, any of these Terms of Use are held to be unenforceable by a court of competent jurisdiction, such Terms of Use shall be restricted or eliminated to the minimum extent necessary and the remaining Terms of Use shall otherwise remain in full force and effect. A printed version of the Terms and Conditions and any notice given in electronic form shall be admissible in judicial proceedings or administrative proceedings based upon or relating to the Terms of Use to the same extent and subject to the same conditions as other business documents and records originally generated and maintained in printed form.

Entire Agreement

These Terms of Use constitute the entire agreement between you and the Site Operator relating to the access to and use of the Site and the Site Content. Anything on the Site inconsistent with these Terms of Use is superceded by these Terms of Use.

Amendment and Waiver

The Site Operator reserves the right to modify these Terms of Use at any time. It is your responsibility to review these Terms of Use each time you visit the Site and you are deemed to be aware of such amendments. No supplement, modification or amendment to these Terms of Use proposed by you shall be binding on the Site Operator unless agreed to by the Site Operator in writing. No waiver of any of these Terms of Use shall be deemed a further or continuing waiver of such Term of Use or any other term or condition. All waivers by the Site Operator must be in writing and signed by an authorized representative of the Site Operator.

Language

English shall be the language of the Site, and all contents, information and communication in connection with the Site, and the parties waive any right to use and rely upon any other language or translations. Il est la volonté express des parties que le présent Site et tous les affaires qui s'y rapportent soient rédigés en langue anglaise, exception faite des documents pour lesquels la loi exige l'usage exclusif du français.

Termination

The effective date of these Terms of Use is the date on which you have accepted the Terms of Use in accordance with the procedures set out herein. These Terms of Use are effective until terminated by the Site Operator, with or without cause, in the Site Operator's sole and unfettered discretion. The disclaimers, limitations on liability, termination, interpretative provisions, your warranties and indemnities shall survive any termination of these Terms of Use.