



KPMG Inc.
Commerce Court West
199 Bay Street, Suite 3300, Box 31
Toronto, ON M5L 1B2

Telephone: (416) 777-8500
Facsimile: (416) 777-3683
www.kpmg.ca

November 5, 2007

(investor name)
(investor address)

Dear Investor:

Re: Portus Alternative Asset Management Inc. – Allocation

We are writing to you in our capacity as Trustee of the consolidated estate (the “**Estate**”) of Portus Alternative Asset Management Inc. and Portus Asset Management Inc., bankrupts (“**Portus**”). Please note that, unless otherwise defined in this letter, all capitalized terms used in this letter have the meanings given to them in the attached Schedule A to which you should refer.

You will recall that we wrote to you earlier this year because the Portus records show that you established a discretionary investment management account with Portus held through a Portus Registered Retirement Income Fund such as a Portus RRIF, SRIF, LIF, LRIF or PRIF (referred to in this letter and the attached documents as a “**Portus Registered Plan**”). At that time, we:

1. advised you of our efforts to facilitate an interim cash allocation (an “**Allocation**”) to all Portus investors.
2. advised you that the only asset that is held in your Portus Registered Plan is a claim against the Estate which is equal to your proportionate share of the assets of the Estate, which cannot be readily disposed of for cash.
3. described how the amount of the Allocation to which you are entitled (an “**Individual Entitlement**”) would first be used to pay you all of the outstanding minimum amounts (the “**Minimum Amounts**”) which the *Income Tax Act* (Canada) requires the trustee of a registered retirement savings plan (“**RRIF**”) to make to a RRIF annuitant.
4. indicated that if your Individual Entitlement exceeds the Minimum Amounts that are owing to you, you would be required to designate an alternative RRIF sponsored by an issuer other than Portus (an “**Alternative Registered Plan**”) and to confirm such designation to us in writing before the excess amount that is owing to you can be allocated.

We have since determined, for ease of administration and to avoid unnecessary expense, that only those Registered Plan Investors whose Individual Entitlement exceeds the Minimum Amounts owed to them by at least \$500 will be required to transfer any amount in excess of the Minimum Amounts to an Alternative Registered Plan. For those



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Registered Plan Investors whose Individual Entitlement exceeds the Minimum Amounts by an amount that is less than \$500, the excess amount will be withheld by the Trustee until a further Allocation is made.

Since your Individual Entitlement exceeds the Minimum Amounts by an amount that is less than \$500, that excess will be withheld until a further Allocation is made. However, if you wish to transfer your Individual Entitlement in excess of the Minimum Amounts to an Alternative Registered Plan, you may do so by calling the KPMG Portus Call Centre at 1-866-260-5439. Please note that additional information is also available on the Portus website at www.portusgroup.ca.

We invite you to contact us by calling the KPMG Portus Call Centre at 1-866-260-5439 if you should have any questions in relation to any of the matters addressed by this letter. We also encourage you to discuss such matters with your legal or financial advisor.

Yours truly,

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

Per:

A handwritten signature in black ink, appearing to be 'I. George Gutfreund', written over a white background.

I. George Gutfreund
Vice President



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Schedule A – List of Defined Terms

“**KPMG**” means KPMG Inc., in its capacity as Trustee of the Estate, the agent of Concentra Trust, or the agent of a Registered Plan Investor.

“**LIF**” means a locked-in income fund.

“**Receiving Financial Institution**” means the issuer of the Alternative Registered Plan.

“**Registered Plan Investor**” means a person who invested funds with Portus through a Portus Registered Plan.

“**LRIF**” means a locked-in retirement income fund.

“**PRIF**” means a prescribed registered retirement income fund.

“**SRIF**” means a Portus RRIF to which funds were transferred from a registered retirement savings plan to which the Registered Plan Investor’s spouse or common law partner contributed.

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:

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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.