



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:

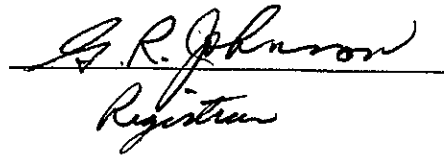
1. **THIS COURT ORDERS** that PAM of the City of Toronto, in the Province of Ontario, be and it is hereby adjudged a bankrupt and a Bankruptcy Order be and it is hereby made against PAM.
2. **THIS COURT ORDERS** that KPMG Inc., of the City of Toronto, in the Province of Ontario, be and it is hereby appointed 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.


G. R. Johnson
Registrar

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., 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

Court File No. 31-OR-207257-T

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

ORDER

ThorntonGrouffinnigan 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)
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

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.

YOU AGREE THAT THE SITE AND SITE CONTENT ARE PROVIDED ON AN "AS IS" BASIS, AND IS FOR YOUR PERSONAL USE ONLY WITHOUT ANY REPRESENTATIONS OR WARRANTIES OF ANY KIND OR NATURE WHATSOEVER. THE SITE OPERATOR, TO THE FULLEST EXTENT PERMITTED BY LAW, DISCLAIMS ALL EXPRESS OR IMPLIED CONDITION, REPRESENTATIONS AND WARRANTIES, OF ANY KIND OR NATURE AND MAKES NO WARRANTIES ABOUT THE ACCURACY, RELIABILITY, COMPLETENESS, OR TIMELINESS OF ANY SITE CONTENT OR THE SITE OR ANY THIRD PARTY INFORMATION. SITE OPERATOR IS NOT RESPONSIBLE FOR ERRORS OR DELAYS IN TRANSMISSION OVER THE INTERNET AND DOES NOT WARRANT THAT THE SITE WILL OPERATE ERROR-FREE OR UNINTERRUPTED OR THAT THE SITE OR ANY SITE CONTENT IS FREE OF COMPUTER VIRUSES AND OTHER HARMFUL ELEMENTS.

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.