

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

**THE HONOURABLE** ) **TUESDAY THE 29TH DAY**  
 )  
**MR. JUSTICE COLIN CAMPBELL** ) **OF MARCH, 2005**

B E T W E E N:

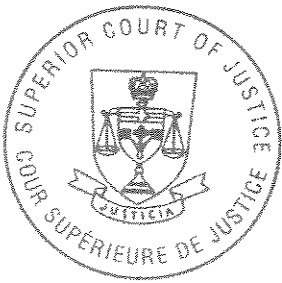
**ONTARIO SECURITIES COMMISSION**

Applicant

- and -

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

Respondents



**ORDER**

**THIS MOTION** made by the Applicant, Ontario Securities Commission (the "Applicant") for the relief set out in its Notice of Motion herein dated March 17, 2005 was heard this day at 393 University Ave., in the City of Toronto.

Upon reading the second report of KPMG Inc. (the "Receiver"), in its capacity as the Court Appointed Receiver of the Respondents (the "Second Report"), the Affidavit of Robert Castonguay sworn March 22, 2005, the Affidavit of Robert M. Rusko sworn March 22, 2005, and the Supplementary Affidavit of Robert M. Rusko sworn March 24, 2005 and upon hearing the submissions of counsel for the Applicant, the Receiver, Portus Alternative Asset Management Inc. and Boaz Manor, counsel for Michael Mendelson, counsel for Manulife

Securities Inc., counsel for certain class action plaintiffs and the Toronto Designee of the Representative Counsel appointed by Order of this Court dated Wednesday, March 9, 2005;

1. **THIS COURT ORDERS** that the time for the service of this motion be and it is hereby abridged to the date and time of actual service and that such service is valid service of the materials filed in support of this motion.
2. **THIS COURT ORDERS** that the Receiver's Charge (as defined in the Initial Order) and the Representative Counsel Charge (as defined in the Second Report) each constitute a first ranking charge, ranking *pari passu* and *pro rata* with each other, upon Account No. 130-815-4 maintained by the Respondent, Portus Alternative Asset Management Inc. ("PAAM") at Royal Bank of Canada.
3. **THIS COURT ORDERS** that the Receiver be and it is hereby authorized to examine, under oath, Boaz Manor, Michael Mendelson and Ali Hamid, respecting their knowledge of the affairs of the Respondents and that such notices for examination shall be given in the form set forth in *Rules of Civil Procedure* for examinations for discovery and service shall be effective by facsimile sent on two days notice to the solicitors appearing for these individuals in this proceeding, and such individuals are ordered and directed to attend such examinations.
4. **THIS COURT ORDERS** that the Receiver be and it is hereby authorized to demand production from third parties (including but not limited to the Respondents advisors, banks, financial institutions, solicitors, counsel and accountants) of documents relating to:
  - a) the Respondents' financial affairs;
  - b) funds received by the Respondents from third party investors (the "Investors"); and the investment of those funds by the Respondents on behalf of the Investors;

- c) the purchase, sale and any dealings by the Respondents in securities with third parties utilizing funds received from the Investors (the "Third Party Transactions");
- d) the identity of the third parties which the Respondents or any of them engaged in the Third Party Transactions;
- e) the bank accounts or other financial records in respect of the accounts into which such funds were deposited including documents regarding any withdrawal, transfer or dissipation of funds in any such accounts; and
- f) commissions, fees, expenses or other amounts paid to any persons in connection with funds received by the Respondents or any of them and any agreements, arrangements or other communication with respect to the payment of such amounts.

and further directs that all such third parties shall cooperate fully with the Receiver subject to claims of legal privilege

5. **THIS COURT ORDERS** that KPMG Inc. be and it is hereby appointed the Receiver, without security, of the entities listed on Schedule "A" hereto and of the assets of the corporations listed on Schedule "B" hereto located in Canada (collectively, the "Additional Parties") all in accordance with the provisions of the Initial Order as amended and supplemented hereby.
6. **THIS COURT ORDERS** that the conduct of the Receiver as described in the Second Report of the Receiver be and it is hereby approved.

ENTERED AT / INSCRIT À TORONTO  
ON / BOOK NO:  
LE / DANS LE REGISTRE NO.:

MAR 30 2005

PER/PAR:

J. P. Van Tassel

REGISTRAR

**SCHEDULE "A"**

Southview Asset Management Inc.  
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)  
Preservation Fund Series II  
Preservation Fund Series III  
BancLife Trust Series I  
BancLife Trust Series II  
Malachite Aggressive Preferred Fund

**SCHEDULE "B"**

Premiers Derives Paris Inc.  
BNote Management Inc.

**ONTARIO SECURITIES COMMISSION**  
Plaintiff

and

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

Defendant

Court File No.05-CL-5792

*ONTARIO*  
**SUPERIOR COURT OF JUSTICE**  
Proceeding commenced in Toronto

**ORDER**  
Dated March 29, 2005

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