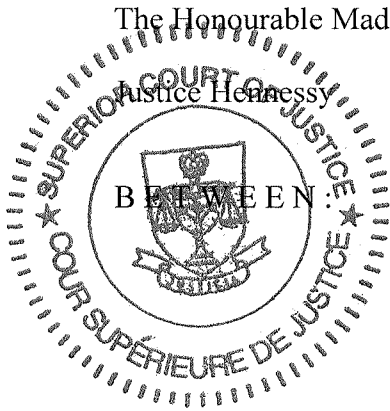


**ONTARIO
SUPERIOR COURT OF JUSTICE**

The Honourable Madam

) Thursday, the 16th day
)
) of October, 2008



HUGUETTE GENIER

Plaintiff

-and-

CCI CAPITAL CANADA LIMITED, CCI CAPITAL CORP., CCI INVESTMENTS INC.,
CENTURION DEVELOPMENTS LTD., RAVI CHAUDHARY, ROBERT JAMES
EMERSON, ENVIRONMENT REGENERATION SYSTEMS INC., IPO CAPITAL CORP.,
INTEGRATED BUSINESS CONCEPTS INC., RICARDO MOLINARI, NIDDRIE &
ASSOCIATES LTD. (c.o.b. as "WILSON INSURANCE AND FINANCIAL SERVICES"),
NORTHERN FINANCIAL CORPORATION, NORTHERN SECURITIES INC., PHOENIX
FINANCIAL GROUP INC., PHOENIX FINANCIAL GROUP (2000) INC., VINCE
VILLANTI, JAMES WILSON, 1009863 ONTARIO INC. (c.o.b. as "WILSON INSURANCE
AND FINANCIAL SERVICES") and 1545182 ONTARIO INC. (c.o.b. as "WILSON
INSURANCE BROKERS")

Defendants

Proceeding under the *Class Proceedings Act*, 1992

ORDER

THIS MOTION made by the Plaintiffs for an Order certifying this action as a class proceeding for settlement purposes as it relates to the Defendant IPO Capital Corp. and approving the Settlement Agreement entered into with IPO Capital Corp. was heard this day at the Court House, 149 Fourth Avenue, Cochrane, Ontario.

ON READING the materials filed, including the settlement agreement attached to this Order as Schedule "A", and

ON HEARING the submissions of counsel for the Plaintiffs and counsel for the Settling Defendant, including the undertaking of counsel for the Plaintiffs that they will not hereafter, directly or indirectly, provide representation or advice in relation to any other proceedings against the Settling Defendant advancing claims similar to those raised in the pleadings herein:

1. **THIS COURT ORDERS** the following terms as used herein have the following meanings:

- (a) "Action" means this proceeding.
- (b) "Agreement" and "Settlement" mean the settlement agreement attached hereto as Schedule A.
- (c) "Class Counsel" means the law firm of Siskinds ^{LLP}.
- (d) "Defendants" means those persons who are or may become defendants in the Action or in any third, fourth, or subsequently numbered action connected with or related to the Action.
- (e) "Non-Settling Defendants" means the defendants in the Action, other than the Settling Defendant, and any person or entity who or that is subsequently added as a party (other than as a plaintiff) in the Action, or any third, fourth or subsequently numbered action connected with or related to the Action.
- (f) "Plaintiffs" means Huguette Genier and John H. Welsh.
- (g) "Released Claims" means any claim, liability, right, demand, suit, matter, obligation, damage, loss or cost, action or cause of action of every nature and description, in law or in equity, that the Releasing Persons have had, or may at

anytime in the future have, against the Released Persons for losses, damages, costs, expenses, fees, interest, taxes or otherwise, pursuant to the Action, or otherwise resulting from, or connected in any way to, the subject matter of the Action, including any third-party claims or assigned claims, whether known or unknown, accrued or which may thereafter accrue, asserted or unasserted, latent or patent, that is, has been, could reasonably have been or in the future might be or become known to, or asserted by, the Releasing Persons against the Released Persons in this class proceeding or otherwise, regardless of legal theory, and regardless of the type or amount of relief or damages claimed, against the Released Persons.

- (h) "Released Persons" means the Settling Defendant and its heirs, associates, co-owners, attorneys, agents, administrators, devisees, predecessors, successors, parents, subsidiaries, affiliates, agents, representatives of any kind, shareholders, partners, officers, directors, employees, and owners of any kind who are not otherwise Defendants in the Action.
- (i) "Releasing Persons" means the Plaintiffs and all Settlement Class Members or persons acting on their behalf, their heirs, associates, co-owners, attorneys, agents, administrators, devisees, predecessors, successors, parents, subsidiaries, affiliates, agents, representatives of any kind, shareholders, partners, officers, directors, employees, owners of any kind, executors, trustees, beneficiaries, subrogees or assignees, who do not opt out of the Settlement Class.
- (j) "Settlement Class" or "Settlement Class Member" has the meaning attributed in paragraph 3 of this Order

(k) "Settling Defendant" means IPO Capital Corp.

(l) "Settling Parties" means the Plaintiffs and the Settling Defendant.

2. **THIS COURT ORDERS** that this action be certified as a class proceeding as against the Settling Defendant for the purpose of settlement only.

3. **THIS COURT ORDERS** that the Settlement Class be defined as:

Any person or entity who deposited, invested, or contributed funds in, through, with or to CCI Canada Ltd., CCI Capital Corp., CCI Investments Inc., and/or Phoenix Financial Group Inc. and who were clients of, received advice from, were solicited by, or received representations from Jim Wilson, 1009863 Ontario Inc. (c.o.b. as Wilson Insurance and Financial Services) or 1545182 Ontario Inc., excluding the Defendants and their officers, directors, shareholders, employees, agents, partners and spouses and persons or entities who opt out of the Action.

4. **THIS COURT ORDERS** that Huguette Genier and John H. Welsh be appointed as the representative plaintiffs for the Settlement Class.

5. **THIS COURT ORDERS** that the Action be certified as a class proceeding for settlement purposes only, on the basis of the following common issue:

Did IPO Capital Corp. engage in a conspiracy to solicit deposits or investments from the Plaintiffs and Settlement Class Members in violation of the laws of Ontario?

6. **THIS COURT DECLARES** that the Settlement Agreement, annexed hereto as Schedule "A" to this Order, is fair, reasonable and in the best interests of the Settlement Class.

7. **THIS COURT ORDERS** that the Settlement Agreement is hereby approved pursuant to s. 29 of the *Class Proceedings Act, 1992* and shall be implemented in accordance with its terms.
8. **THIS COURT DECLARES** that the Settlement Agreement is incorporated by reference into and forms part of this Order and is binding upon the representative plaintiffs, upon all members of the Settlement Class, and upon the Settling Defendant.
9. **THIS COURT ORDERS** that Settlement Class Members shall be given notice of the certification and settlement of this action by mail in the form attached hereto as Schedule "B".
10. **THIS COURT ORDERS** that the opt-out period run for a period of 60 days from the date of the mailing of the Notice of Certification and Settlement Approval herein.
11. **THIS COURT ORDERS** that a potential Settlement Class Member who wishes to opt out of the Action may do so by so notifying Class Counsel in writing of their name and address, intention to opt out of the proceeding, and the amount of his, her or its deposits or investments made with CCI Canada Ltd., CCI Capital Corp., CCI Investments Inc., and/or Phoenix Financial Group Inc.
12. **THIS COURT ORDERS** that any person who has opted out of the Action within 60 days following the mailing of the Notice of Certification and Settlement Approval, is not bound by the Settlement Agreement and will be precluded from participating in any future settlement and/or judgment as against a Non-Settling Defendant.

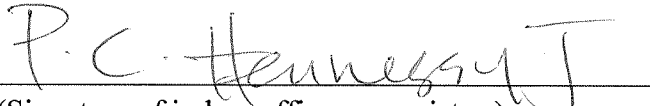
13. **THIS COURT ORDERS AND DECLARES** that each Releasing Person has released and shall be conclusively deemed to have fully, finally and forever released the Released Parties from the Released Claims.
14. **THIS COURT ORDERS** that the Action is hereby dismissed without costs as against the Settling Defendant.
15. **THIS COURT ORDERS** that each Releasing Person shall not commence or continue any action or take any proceeding relating in any way to the Released Claims against any person or persons who will or could, in connection with any such action or proceeding, bring or commence or continue any claim, crossclaim, claim over or any claim for contribution, indemnity or any other relief against any one of the Released Parties, provided that nothing in this Order affects the rights of a member of the Settlement Class to claim or continue to claim against any Non-Settling Defendant.
16. **THIS COURT ORDERS** that all claims for contribution, indemnity or other claims over, whether asserted or unasserted or asserted in a representative capacity, inclusive of interest, taxes and costs, relating to the Released Claims, which were or could have been brought by any Non-Settling Defendant or any other person or party, against a Released Party, are barred, prohibited and enjoined in accordance with the terms of this paragraph (unless such claim is made in respect of a claim by a person who has validly opted out of a Settlement Class).
17. **THIS COURT ORDERS** that the Settlement Class Members shall restrict their joint and several claims against the Non-Settling Defendants such that the Settlement Class Members shall be entitled to claim and recover from the Non-Settling Defendants, on a

joint and several basis only those damages (including punitive damages) arising from and allocable to the conduct of the Non-Settling Defendants

18. **THIS COURT ORDERS** that the Settlement Class Members shall not claim from any Non-Settling Defendant that portion of any damages arising from and allocable to the conduct of an insolvent Non-Settling Defendant which any solvent Non-Settling Defendant would, but for this order, be able to claim contribution for from one or more of the Settling Defendant.
19. **THIS COURT ORDERS** that a Non-Settling Defendant may seek an order from a Court providing for discovery from the Settling Defendant as deemed appropriate by the Court.
20. **THIS COURT ORDERS** that a Non-Settling Defendant may effect service of the motion(s) referred to in paragraph 19 on a Settling Defendant by service on counsel of record for the Settling Defendant in the Action.
21. **THE COURT ORDERS** that except as otherwise provided herein, this Agreement and the Approval Order shall not prejudice or in any way interfere with the rights of the Settlement Class Members to pursue all of their rights and remedies against the Non-Settling Defendants; no waiver, release or discharge of any Non-Settling Defendant shall arise as a result hereof or thereof and the joint and several liability of all Non-Settling Defendants shall not be affected hereby or thereby.

22. **THIS COURT ORDERS AND DECLARES** that the Released Parties have no responsibility for and no liability whatsoever with respect to the administration of the Settlement Agreement.

Date: **OCT 16 2008**


(Signature of judge, officer or registrar)

ENTERED AT COCHRANE
INSCRITA COCHRANE
as Document No. 77-14
comme document No. 77-14
on/le **OCT 16 2008**
by/Par *sg*

ORDER ENTERED
77-72
OCT 20 2008

**ONTARIO
SUPERIOR COURT OF JUSTICE**

BETWEEN:

HUGUETTE GENIER

Plaintiff

-and-

**CCI CAPITAL CANADA LIMITED, CCI CAPITAL CORP., CCI INVESTMENTS INC.,
CENTURION DEVELOPMENTS LTD., RAVI CHAUDHARY, ROBERT JAMES EMERSON,
ENVIRONMENT REGENERATION SYSTEMS INC., IPO CAPITAL CORP., INTEGRATED
BUSINESS CONCEPTS INC., RICARDO MOLINARI, NIDDRIE & ASSOCIATES LTD. (c.o.b.
as "WILSON INSURANCE AND FINANCIAL SERVICES"), NORTHERN FINANCIAL
CORPORATION, NORTHERN SECURITIES INC., PHOENIX FINANCIAL GROUP INC.,
PHOENIX FINANCIAL GROUP (2000) INC., VINCE VILLANTI, JAMES WILSON, 1009863
ONTARIO INC. (c.o.b. as "WILSON INSURANCE AND FINANCIAL SERVICES") and
1545182 ONTARIO INC. (c.o.b. as "WILSON INSURANCE BROKERS")**

Defendants

**SETTLEMENT AGREEMENT BETWEEN HUGUETTE GENIER, JOHN H.
WELSH AND IPO CAPITAL CORP.**

WHEREAS the Plaintiffs have asserted claims against the Settling Defendant in the Action;

AND WHEREAS the Plaintiffs have entered into this Agreement to finally and conclusively settle all claims of the Settlement Class Members against the Settling Defendant;

AND WHEREAS the Settling Defendant, notwithstanding its consent to this Agreement, has denied and continues to deny the claims of the Plaintiffs and has raised or intends to raise numerous defences to the Action if this Agreement is not approved and implemented;

AND WHEREAS the Plaintiffs and Class Counsel have concluded that this Agreement provides substantial benefits to Settlement Class Members and is fair, reasonable, and in the best interests of Settlement Class Members based on an analysis of the facts and the law

applicable to the claims of Settlement Class Members, taking into account the risks, uncertainties and expense of protracted litigation;

AND WHEREAS the Settling Defendant has similarly concluded that this Agreement will avoid the time, risks and expense of defending protracted litigation, and will resolve the pending and potential claims of the Settlement Class Members as against the Settling Defendant;

AND WHEREAS the Settling Parties have engaged in extensive, arms-length negotiations through counsel with substantial experience in complex class proceedings which have resulted in this Agreement resolving the disputes between the Settling Parties described herein, pending approval by the Court; and

NOW THEREFORE, in consideration of the covenants, agreements and releases set forth herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Settling Parties agree to settle the Action on the following terms subject to Court approval:

DEFINITIONS

1. In this Agreement, the following words and phrases shall have the following meanings:
 - (a) **"Account"** means the interest bearing trust account at a Canadian Schedule 1 bank in Ontario under the control of Class Counsel and into which the Settlement Amount will be transferred upon approval of this Agreement by the Court.
 - (b) **"Action"** means the proposed class action filed in the Ontario Superior Court of Justice bearing court file number 45196CP.
 - (c) **"Agreement"** and **"Settlement"** mean this Settlement Agreement.
 - (d) **"Approval Order"** means an order approving this Settlement substantially in the form of the draft order annexed hereto as Schedule "A".
 - (e) **"Class Counsel"** means the law firm of Siskinds ^{LLP}.
 - (f) **"Court"** means the Ontario Superior Court of Justice.
 - (g) **"Defendants"** means those persons who are or may become defendants in the Action or in any third, fourth, or subsequently numbered action connected with or related to the Action.

- (h) **"Effective Date"** means the later of the following dates:
 - (i) the date on which all rights of termination under this Settlement have expired with no Settling Party having exercised its/his/her right of termination; or
 - (ii) the date on which all appeals of the Approval Order have been exhausted or all time periods for the filing of any appeals or motions for leave to appeal have expired without any appeals or motions for leave to appeal being filed.
- (i) **"Execution Date"** means the date on which this Agreement is executed by the last signatory.
- (j) **"Non-Settling Defendants"** means the defendants in the Action, other than the Settling Defendant, and any person or entity who or that is subsequently added as a party (other than as a plaintiff) in the Action, an Individual Action, or any third, fourth or subsequently numbered action connected with or related to the Action.
- (k) **"Plaintiffs"** means Hugurette Genier and John H. Welsh.
- (l) **"Released Claims"** means any claim, liability, right, demand, suit, matter, obligation, damage, loss or cost, action or cause of action of every nature and description, in law or in equity, that the Releasing Persons have had, or may at anytime in the future have, against the Released Persons for losses, damages, costs, expenses, fees, interest, taxes or otherwise, pursuant to the Action, or otherwise resulting from, or connected in any way to, the deposit, investment, or contribution of funds in, through, with or to CCI Canada Ltd., CCI Capital Corp., CCI Investments Inc., and/or Phoenix Financial Group Inc., including any third-party claims or assigned claims, whether known or unknown, accrued or which may thereafter accrue, asserted or unasserted, latent or patent, that is, has been, could reasonably have been or in the future might be or become known to, or asserted by, the Releasing Persons against the Released Persons in this class proceeding or otherwise, regardless of legal theory, and regardless of the type or amount of relief or damages claimed, against the Released Persons.
- (m) **"Released Persons"** means the Settling Defendant and its heirs, associates, co-owners, attorneys, agents, administrators, devisees, predecessors, successors, parents, subsidiaries, affiliates, agents, representatives of any kind,

shareholders, partners, officers, directors, employees, and owners of any kind who are not otherwise Defendants in the Action.

- (n) **"Releasing Persons"** means the Plaintiff and all Settlement Class Members or Persons acting on their behalf, their heirs, associates, co-owners, attorneys, agents, administrators, devisees, predecessors, successors, parents, subsidiaries, affiliates, agents, representatives of any kind, shareholders, partners, officers, directors, employees, owners of any kind, executors, trustees, beneficiaries, subrogees or assignees, who do not opt out of the Action.
- (o) **"Settlement Amount"** means \$115,000 inclusive of interest and costs.
- (p) **"Settlement Class" or "Settlement Class Member"** means any person or entity who deposited, invested, or contributed funds in, through, with or to CCI Canada Ltd., CCI Capital Corp., CCI Investments Inc., and/or Phoenix Financial Group Inc. and who were clients of, received advice from, were solicited by, or received representations from Jim Wilson, 1009863 Ontario Inc. (c.o.b. as Wilson Insurance and Financial Services) or 1545182 Ontario Inc., excluding the Defendants and their officers, directors, shareholders, employees, agents, partners and spouses and persons or entities who opt out of the Action in accordance with the Approval Order.
- (q) **"Settling Defendant"** means IPO Capital Corp.
- (r) **"Settling Parties"** means the Plaintiffs and IPO Capital Corp.

MOTION FOR APPROVAL OF THIS AGREEMENT

2. As soon as practicable after the execution of this Agreement, the Plaintiffs shall bring a motion seeking an order substantially in the form of the Approval Order. The Plaintiffs and the Settling Defendant shall consent to the Approval Order.

PAYMENT OF SETTLEMENT AMOUNT

3. The Settling Defendant agrees to pay the Settlement Amount into an interest bearing trust account with its solicitors Fasken Martineau DuMoulin LLP by no later than September 19, 2008.
4. Upon the issuance of the Approval Order, Fasken Martineau DuMoulin LLP shall pay the Settlement Amount plus all interest accrued thereon into the Account forthwith.

5. Class Counsel shall maintain the Account as provided for in this Agreement and shall not pay any monies out of the Account, except in accordance with the provisions of this Agreement, without a Court order.
6. All interest earned on the Settlement Amount while the Settlement Amount is in the Account shall become and remain part of the Account.
7. All taxes payable on any interest which accrues in the Account or otherwise in relation to the Settlement Amount shall be the responsibility of the Settlement Class Members. Class Counsel shall be solely responsible to fulfill all tax reporting and payment requirements arising from the Account, including any obligation to report taxable income and make tax payments. All taxes (including interest and penalties) due with respect to the income earned by the Settlement Amount shall be paid from the Account.
8. The Settling Defendant shall have no responsibility to make any filings relating to the Account and will have no responsibility to pay tax on any income earned by the Settlement Amount or pay any taxes on the monies in the Account, unless this Agreement is not approved or is terminated, in which case the interest in the Account shall be returned to the Settling Defendant who, in such case, shall be responsible for the payment of all taxes on such interest.

NOTICE TO SETTLEMENT CLASS MEMBERS

9. Subject to Court approval, Class Counsel will provide, by mail, notice of the hearing to consider the approval of this Agreement. Class Counsel shall bring a motion for the approval of such notice in a form to be agreed upon by the parties hereto.
10. The cost of mailing such notice to the members of the Class of whom Class Counsel is aware shall be paid by Class Counsel. In the event that the provision of notice by mail is deemed insufficient by the Court, the parties hereto shall ask the Court to give directions as to how the notice should be disseminated and as to how the cost of such notice shall be borne.

OPTING OUT

11. The procedure for opting out of the Settlement Class, including timing and notice requirements and the information required of the person seeking to opt-out, shall be set out in the Approval Order.
12. The Plaintiffs shall not opt out of the Agreement.

13. Within 30 days following the end of the opt out period set out in the Approval Order, Class Counsel shall provide the Court and the Settling Defendant with a report listing the names of persons who have complied with the procedure for opting out of the Action provided for in the Approval Order.

TERMINATION OF THIS AGREEMENT

14. In the event that the Court does not issue the Approval Order, this agreement shall be deemed to be terminated upon the expiration of the period provided in the *Rules of Civil Procedure* for the filing of an appeal from the order dismissing the motion for the Approval Order.
15. If an appeal is taken from the issuance of the Approval Order, the provisions of this section entitled "Termination of this Agreement" shall apply *mutatis mutandis* upon the receipt of the decision of any court granting such appeal. In that event, the Effective Date shall be the later of the date otherwise so defined herein and the date on which all appeals have been exhausted and all time periods for the filing of any appeals or motions for leave to appeal have expired without any appeals or motions for leave to appeal being filed.
16. If the Approval Order is not granted and an appeal is taken from such decision, the provisions of this Section entitled "Termination of this Agreement" shall be stayed pending the outcome of the decision of the court hearing that appeal, whereupon they shall apply *mutatis mutandis*.
17. If this Agreement is terminated:
 - (a) notice of termination shall be provided in the manner determined by the Court;
 - (b) the Settlement Amount with accrued interest shall be returned to the Settling Defendant; and
 - (c) this Agreement shall be of no further force and effect, save and except for the provisions of this Section entitled "Termination of this Agreement" and the Section entitled "No Admission; No Use", and the parties' rights to fully prosecute or defend this action, including the right to litigate fully the issues relating to class certification, shall be restored as if a settlement had never been reached.

NO ADDITIONAL PAYMENT OBLIGATIONS

18. If this Agreement is approved and not terminated, the Settling Defendant shall have no obligation to make any payment, or incur any financial obligation, in excess of the payment obligations provided in this Agreement.

RELEASES

19. Each Releasing Person will be bound by the Approval Order and the Release contained in paragraph 20 of this Agreement as of the Effective Date, whether or not the Releasing Person submits a timely claim or receives an award pursuant to the Settlement.
20. On the Effective Date, the Releasing Persons and anyone claiming through or on behalf of them will be deemed by this Agreement to have, and by operation of the Approval Order shall have, individually, completely and unconditionally released, forever discharged and acquitted the Released Persons from the Released Claims. Beginning on the Effective Date, the Releasing Persons and anyone claiming through or on behalf of any of them will be forever barred and enjoined from commencing, continuing, instituting or prosecuting any action, litigation, investigation or other proceeding in any court of law or equity, arbitration, tribunal, proceeding, governmental forum, administrative forum or any other forum, directly, representatively or derivatively, asserting the Released Claims against any of the Released Persons.

BAR ORDER

21. The Settling Parties consent to a bar order which shall be granted by the Court providing for the following:
 - (a) all claims for contribution, indemnity or other claims over, whether asserted or unasserted or asserted in a representative capacity, inclusive of interest, taxes and costs, relating to the Released Claims, which were or could have been brought by any Non-Settling Defendant or any other person or party, against a Released Person, are barred, prohibited and enjoined in accordance with the terms of this paragraph (unless such claim is made in respect of a claim by a person who has validly opted out of a Settlement Class);
 - (b) the Settlement Class Members shall restrict their joint and several claims against the Non-Settling Defendants such that the Settlement Class Members shall be entitled to claim and recover from the Non-Settling Defendants, on a joint and

several basis only those damages (including punitive damages) arising from and allocable to the conduct of the Non-Settling Defendants;

- (c) the Settlement Class Members shall not claim from any Non-Settling Defendant that portion of any damages arising from and allocable to the conduct of an insolvent Non-Settling Defendant which any solvent Non-Settling Defendant would, but for this order, be able to claim contribution for from the Settling Defendant;
 - (d) a Non-Settling Defendant may seek an order from a Court providing for discovery from the Settling Defendant as deemed appropriate by the Court; and
 - (e) a Non-Settling Defendant may effect service of the motion(s) referred to in paragraph 21(d) on a Settling Defendant by service on counsel of record for the Settling Defendant in the Action.
22. The parties agree that each of the Non-Settling Defendants shall be third party beneficiaries of paragraph 21 of this Agreement.

WAIVER OF LIMITATION DEFENCE

23. Except as provided herein, no Settlement Class Member shall be considered ineligible to receive a payment pursuant to this Agreement on the basis of any statute of limitation or repose, or any other limitation defence including the equitable defence of laches.
24. Nothing in this Agreement shall constitute or be deemed to constitute a waiver by the Settling Defendant of defences based on statutes of limitation or repose, or any other limitation defence including the equitable defence of laches with respect to any Settlement Class Member who opts out of this Settlement.

RETENTION OF JURISDICTION

25. The Court shall retain continuing and exclusive jurisdiction over the Action, the Agreement, the Settling Parties, and over Settlement Class Members solely to interpret and to enforce this Agreement's terms, conditions and obligations.

EXCLUSIVE REMEDY

26. This Agreement shall be the exclusive remedy as against the Settling Defendant in respect of the Released Claims for all Settlement Class Members.

NO ADMISSION; NO USE

27. This Agreement, whether or not consummated, and any proceedings taken or documents executed, delivered or exchanged pursuant to this Agreement, are for settlement purposes only. Neither the existence of, nor any provision contained in, this Agreement, nor any action taken hereunder or in connection herewith shall be construed as, offered in evidence as, received in evidence as, or deemed to be evidence of a presumption, acknowledgement, concession or an admission of any kind by any of the Settling Parties of fault, liability, causation, level of damages, or any other issue, or of the truth of any fact alleged or the validity of any claim or defence that has been, could have been, or in the future might be asserted in any litigation, court of law or equity, proceeding, arbitration, tribunal, investigation, government action, administrative forum or any other forum, or of any liability, responsibility, fault, wrongdoing or otherwise of any of the Settling Parties, or the suitability for certification of this action as class proceedings. Notwithstanding the foregoing, this Agreement shall be admissible to enforce the rights, obligations, and effects of this Agreement after it has been entered and executed by the Settling Parties or their representatives.

RECITALS

28. The Settling Parties represent and warrant that the preamble and recitals are accurate and agree that they form part of this Agreement.

ENTIRE AGREEMENT

29. This Agreement, including all Schedules annexed hereto, constitutes the entire agreement by and among the Settling Parties with regard to the subject of this Agreement and, upon execution, shall supersede any previous agreements and understandings between the Settling Parties with respect to the subject matter of this Agreement.

MODIFICATION AND AMENDMENT

30. This Agreement may not be modified or amended except in writing signed by all Settling Parties and approved by the Court. No further or other notice to or consent by or on behalf of Settlement Class Members shall be required to give effect to any such modification or amendment except to the extent ordered by the Court.

WAIVER

31. The waiver by any Settling Party of any breach of this Agreement shall not be deemed or construed as a waiver of any other breach, whether prior, subsequent or contemporaneous, of this Agreement.

COUNTERPARTS

32. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument. Signatures by facsimile shall be as effective as original signatures.

BINDING EFFECT

33. This Agreement shall be binding upon and inure to the benefit of the Settling Parties, and their respective employees, shareholders, directors, officers, partners, agents, heirs, predecessors, successors and assigns.

HEADINGS

34. The headings of this Agreement are included for convenience only and shall not be deemed to constitute part of this Agreement or to affect its construction.

NO SETTLING PARTY IS THE DRAFTER

35. None of the Settling Parties shall be considered to be the drafter of this Agreement or any provision hereof for the purpose of any statute, case law or rule of interpretation or construction that would or might cause any provision to be construed against the drafter hereof.

ACKNOWLEDGEMENTS

36. Each of the Settling Parties hereby affirms and acknowledges that:
- (a) He, she, or a representative of the Settling Party with the authority to bind the Settling Party with respect to the matters set forth herein, has read and understood the Agreement;
 - (b) The terms of this Agreement and the effects thereof have been fully explained to him, her or the Settling Party's representative by his, her or its counsel;
 - (c) He, she or the Settling Party's representative fully understands each term of the Agreement and its effect; and

- (d) No Settling Party has relied upon any statement, representation or inducement (whether material, false, negligently made or otherwise) or any other Settling Party with respect to the first Party's decision to execute this Agreement except as expressly provided for herein.

AUTHORIZED SIGNATURES

37. Each of the undersigned represents that he or she is fully authorized to enter into the terms and conditions of, and to execute this Settlement Agreement.

SEVERANCE

38. If any provision of this Settlement Agreement is held to be void or invalid, the Settling Parties may agree that the same shall not affect any other provision and the remainder shall be effective as though such provision had not been contained herein. If the Settling Parties do not so agree, the Agreement shall be deemed to have been terminated.

SETTLING PARTY NOTIFICATION

39. Any notification, request, instruction or other document to be given by any Settling Party to any other Settling Party to this Agreement (other than class notification) shall be in writing, and sent by facsimile or by registered mail to the attention of their counsel, as follows:

If to the Settling Defendant, to:

Fasken Martineau DuMoulin ^{LLP}
Attention: Paul Martin
Toronto Dominion Bank Tower
Toronto Dominion Centre
Box 20, Suite 4200
66 Wellington Street West
Toronto, ON M5K 1N6
Fax: (416) 364-7813

**If to the Plaintiff or Settlement Class
Members, to:**

Siskinds ^{LLP}
Attention: Michael Robb
680 Waterloo Street
P.O. Box 2520
London, ON N6A 3V8
Fax: 519-672-6065

DATES

40. Dates set out in this Agreement may be altered with the written consent of the Settling Parties and with the approval of the Court.

Huguette Genier & John H. Welsh

By: Siskinds LLP
Siskinds ^{LLP}
Class Counsel *per [Signature]*

IPO Capital Corp.

By: Fasken Martineau DuMoulin LLP
Fasken Martineau DuMoulin ^{LLP}
Counsel to IPO Capital Corp. *per PSM*

SCHEDULE "B"

**IN THE MATTER OF THE PHOENIX FINANCIAL CLASS ACTION
LITIGATION**

NOTICE OF CERTIFICATION

NOTICE OF SETTLEMENT APPROVAL

**PLEASE READ THIS NOTICE CAREFULLY. IT MAY AFFECT YOUR
LEGAL RIGHTS.**

TO: Any person or entity who deposited, invested, or contributed funds in, through, with or to CCI Canada Ltd., CCI Capital Corp., CCI Investments Inc., and/or Phoenix Financial Group Inc. and who were clients of, received advice from, were solicited by, or received representations from Jim Wilson, 1009863 Ontario Inc. (c.o.b. as Wilson Insurance and Financial Services) or 1545182 Ontario Inc., excluding the Defendants and their officers, directors, shareholders, employees, agents, partners and spouses and persons or entities who opt out of the Action. (hereinafter the "Class" or "Class Members").

I. THE PURPOSE OF THIS NOTICE

A class proceeding lawsuit has been initiated in Ontario against CCI Capital Canada Limited, CCI Capital Corp., CCI Investments Inc., Centurion Developments Ltd., Ravi Chaudhary, Robert James Emerson, Environment Regeneration Systems Inc., IPO Capital Corp., Integrated Business Concepts Inc., Ricardo Molinari, Niddrie & Associates Ltd. (c.o.b. as "Wilson Insurance and Financial Services"), Northern Financial Corporation, Northern Securities Inc., Phoenix Financial Group Inc., Phoenix Financial Group (2000) Inc., Vince Villanti, James Wilson, 1009863 Ontario Inc. (c.o.b. as "Wilson Insurance and Financial Services") and 1545182 Ontario Inc. (c.o.b. as "Wilson Insurance Brokers") (the "Defendants"), in which it is alleged that, among other things, the Defendants were involved in a conspiracy to improperly solicit deposits from members of the public (referred to as the "Action"). The Action has

previously been discontinued as against Northern Financial Corporation and Northern Securities Inc.

In the Action, the plaintiffs seek compensatory and aggravated, exemplary and punitive damages from the defendants, as well as declarations that assets received by the defendants from the plaintiffs or Class Members are held in trust for the plaintiffs and Class Members. These claims arise from the alleged solicitation and collection of investments in CCI Capital Corp., CCI Investments Inc., CCI Capital Canada Inc. and Phoenix Financial Group Inc. through James Wilson and entities under his control, including 1009863 Ontario Inc. (c.o.b. as "Wilson Insurance and Financial Services").

This notice is to advise you of the certification of this action as a class proceeding, the approval of two settlements, and to inform you of your rights as a Class Member. You will be bound by the terms of the settlements and the outcome of the litigation against the Non-Settling Defendants unless you exclude yourself by opting out of the Agreement. Opting out is explained below.

The Action was certified as a class proceeding (for settlement purposes only with respect to the Settling Defendants) by the Superior Court of Justice on ●.

II. THE SETTLEMENTS

Settlements have been reached with the Defendants Niddrie and Associates Ltd. ("Niddrie") and IPO Capital Ltd. ("IPO") (together, the "Settling Defendants"). The Superior Court of Justice approved those settlements on ●.

Under the terms of those settlement agreements, Niddrie has agreed to pay a total of \$50,000 and IPO has agreed to pay a total of \$115,000. In exchange for these payments, each of the Settling Defendants will obtain a full release of claims against them in the Action.

The Court has approved Class Counsel's request to apply a portion of these funds to its disbursements incurred in the litigation to date. The balance will be held in trust for the benefit of the Class until such time as additional funds are available for distribution to the Class, or until the litigation is concluded.

The Settling Defendants do not admit any wrongdoing or liability on their part. The settlements represent a compromise of disputed claims.

III. CERTIFICATION AGAINST THE REMAINING DEFENDANTS

By order dated ●, the Court has certified the Action as a class proceeding against CCI Capital Canada Limited, CCI Capital Corp., CCI Investments Inc., Centurion Developments Ltd., Ravi Chaudhary, Robert James Emerson, Environment Regeneration Systems Inc., Integrated Business Concepts Inc., Ricardo Molinari, Phoenix Financial Group Inc., Phoenix Financial Group (2000) Inc., Vince Villanti, James Wilson, 1009863 Ontario Inc. (c.o.b. as "Wilson Insurance and Financial Services") and 1545182 Ontario Inc. (collectively, the "Non-Settling Defendants")

The Plaintiffs are continuing to pursue their claims and the claims of Class Members against the Non-Settling Defendants.

IV. OPTING OUT OF THE ACTION

If you would like to exclude yourself from the Action, you must opt out by faxing, couriering or mailing a signed letter indicating

i) the outstanding amounts of your deposits in CCI Capital Corp., CCI Investments Inc., CCI Capital Canada Inc. and Phoenix Financial Group Inc., and the dates that such investments were made; and

ii) that you intend to exclude yourself from the class action.

The Opt-Out Form must be received by Class Counsel on or before **[insert date 60 days from Notice date]** at the following address:

Siskinds LLP
680 Waterloo Street
London, ON N6A 3V8
Fax: (519) 672-6065

Attn: Phoenix Financial Class Action

A Class Member who opts out of the Action will not be entitled to participate in any distribution of the amounts paid by the Settling Defendants, nor of any additional amounts ultimately collected from the Non-Settling Defendants as the litigation continues.

A Class Member who does not timely and properly opt out of the settlement will be forever barred from instituting or continuing any action against the Settling Defendants and/or Released Parties relating to allegations that, among other things, the Settling Defendants were involved in the improper solicitation of deposits from members of the public.

In addition, a Class Member who does not opt out of the action will be bound by the Court's determination of the common issues in the Action as against the Non-Settling Defendants, regardless of whether the plaintiffs are successful or unsuccessful in those claims.

UNLESS YOU WISH TO OPT OUT, YOU ARE NOT REQUIRED TO DO ANYTHING AT THIS TIME.

V. CLASS COUNSEL

The law firm of Siskinds ^{LLP} represents the plaintiffs, Huguette Genier and John H. Welsh, and Class Members in this Action. Class Counsel can be reached toll free at 1-800-461-6166 ext. 2380 or by mail at 680 Waterloo Street, London, Ontario N6A 3V8. Any inquiries concerning the Action should be directed to Siskinds.

Each of the plaintiffs has executed a retainer agreement with Siskinds that provides that Siskinds will only be paid in the event of success in the Action. Success is defined as a settlement or judgement that benefits one or more Class Members. In the event of success, the Plaintiffs have agreed that Siskinds may request a fee of 25% of any such settlement or judgment, plus applicable taxes and disbursements. Any legal fee sought by Siskinds will be subject to Court approval.

VI. QUESTIONS ABOUT THE SETTLEMENTS

If you would like a copy of the settlement agreements or have questions, you can call Plaintiff's Counsel Information Line at 1-800-461-6166, ex 2380. This notice contains only a summary of the settlements and Class Members are encouraged to review the settlement agreements themselves. Copies of the settlement agreements can be obtained free of charge at

www.classaction.ca or it can be mailed to you at a cost of \$20, which represents the cost of photocopying and mailing. INQUIRIES SHOULD NOT BE DIRECTED TO THE COURT.

VII. INTERPRETATION

This notice contains a summary of some of the terms of the settlements and the Court's orders. If there is a conflict between the provisions of this notice and the settlement agreements, or applicable orders, the terms of the settlement agreements and/or orders shall prevail.

**THIS NOTICE HAS BEEN AUTHORIZED BY THE ONTARIO
SUPERIOR COURT OF JUSTICE**

**ONTARIO
SUPERIOR COURT OF JUSTICE**

Proceeding commenced at London

**ORDER
(Approval of Settlement Agreement)**

Siskinds LLP
Barristers & Solicitors
680 Waterloo Street
P.O. Box 2520
London, ON N6A 3V8

Michael G. Robb LSUC #45787G
Tel: (519) 660-7872
Fax: (519) 660-7873

Lawyer for the plaintiffs