

ONTARIO

SUPERIOR COURT OF JUSTICE

THE HONOURABLE) MONDAY , THE 17th DAY
JUSTICE PERELL) OF MAY , 2010

BETWEEN:

ROBERT ZOPF

Plaintiff

- and -

WARREN BURGER, JOANNE CURRIE, BRUCE WALLIS
ROSS LINCOLN, GORDON TAYLOR, BOB ELLIOTT
MORRIS WILLOWS, MARK HENRY, JIM DUFFY,
AURELIO (LEO) RENZELLA, PAUL COWIE and DON HOWIE

Defendants

Proceeding under the *Class Proceedings Act*, 1992

ORDER

THIS MOTION, made by the parties for directions, was heard on
March 10, 2010 at 361 University Avenue, Toronto, Ontario,

ON HEARING the submissions of the parties and on being advised
that a Settlement Agreement is being finalized, and that the parties intend to
bring a Motion, on consent, for Certification and Settlement Approval.



1. **THIS COURT ORDERS** that KPMG Inc. is hereby appointed, on consent of all parties, as the Class Action Administrator for the purposes of distribution to the putative class of notice of the Motion for Certification and Settlement Approval

2. **THIS COURT ORDERS** that notice of the Motion for Certification and Settlement Approval shall be given to the putative class by having the Class Action Administrator send a copy of the Notice attached hereto as Schedule "A" ("the Notice") by regular mail to all putative class members (being all current FactorCorp Financial Inc. and/or FactorCorp Inc. ("FactorCorp") debenture owners who purchased the debentures from agents of Farm Mutual Financial Services Inc.) at the current addresses contained in KPMG Inc.'s records available to it through its role as the Trustee in Bankruptcy for FactorCorp.

3. **THIS COURT ORDERS** that the costs of the Class Action Administrator relating to the distribution of the Notice shall be paid by the Settling Defendants as defined in the Settlement Agreement and on the terms contained therein.

4. **THIS COURT ORDERS** that the Class Action Administrator may apply to this Court for advice and directions in the discharge of its mandate under the Settlement Agreement.

5. **THIS COURT ORDERS AND DECLARES** that no action or proceeding shall be brought against the Class Action Administrator or its employees, agents, partners, associates, representatives, successors or assigns for any matter in any way relating to the Class Action Administrator's mandate

under the Settlement Agreement, save and except for any willful misconduct or gross negligence on the part of the Class Action Administrator, and except with leave of this Court.

Perell, J

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

MAY 18 2010

AS DOCUMENT NO.:
À TITRE DE DOCUMENT NO.:
PER / PAR:



Schedule "A"

FARM MUTUAL FINANCIAL SERVICES INC. SETTLEMENT NOTICE OF MOTION FOR CERTIFICATION AND SETTLEMENT APPROVAL

This notice is directed to current FactorCorp Financial Inc. and/or FactorCorp Inc. (hereinafter together referred to as "FactorCorp") debenture owners who purchased the debentures through agents of Farm Mutual Financial Services Inc. ("FMFS").

On **Monday, June 14th, 2010**, a Motion for Certification and Settlement Approval (the "Motion") will proceed before the Ontario Superior Court of Justice (the "Court") in the action *Zopf v. Burger et al*, Ontario Court File No. CV-08-36618900 CP (the "Class Action").

The Court will be asked to certify a class action and approve a proposed settlement of the class action. The court will consider whether the proposed settlement is fair, reasonable and adequate, and in the best interests of current Factorcorp debenture owners who purchased the debentures through agents of FMFS ("FMFS Claimants")

As described below, current FactorCorp debenture owners who purchased the debentures through agents of FMFS may object to the proposed settlement in writing and ask to speak at the Motion.

If the Court approves the proposed settlement, another notice will be distributed to FMFS Claimants to explain how to receive payment from the settlement or how to be excluded from the class action and the settlement.

If approved by the court, the settlement is subject to the condition that the settlement may be cancelled by the Defendants depending on the number of class members that opt out and exclude themselves from the class action and the settlement.

IF THE SETTLEMENT IS APPROVED

If the settlement is approved and not cancelled, eligible FMFS Claimants will receive a net recovery of approximately 50% of the principal they invested.

Note: FMFS Claimants may also be entitled to recover from any distribution made by the trustee in bankruptcy of FactorCorp.

CHOICES OF FMFS CLAIMANTS

FMFS Claimants have the following choices

1. Object – tell the Court why he or she objects to the proposed settlement by submitting a written objection (see "How to Object to the Settlement", below).
2. Do Nothing – await the outcome of the Motion and see if the Court approves the proposed settlement. A follow-up notice will be sent if the Court approves the proposed settlement.

