

1. **THIS COURT ORDERS** that the within proceeding be and is hereby certified as a class proceeding pursuant to the Class Proceedings Act, 1992 S.O. 1992, c. 6.

2. **THIS COURT ORDERS** that the Class is defined as: Ontario investor clients of the bankrupt, Farm Mutual Financial Services Inc. ("FMFS"), who purchased debentures (the "Debentures") in FactorCorp Financial Inc. and/or its affiliate FactorCorp Inc. (together referred to as "FactorCorp") from agents of FMFS and continue to own the Debentures as of March 16, 2009. For clarity, the Class includes both accredited investor purchasers and unaccredited investor purchasers but expressly excludes:

- (a) The Defendant FMFS;
- (b) All of the corporate shareholders of FMFS;
- (c) Any subsidiaries or affiliates of the corporate shareholders of FMFS;
- (d) Directors and officers of any person referred to in clause (a), (b) or (c);
- (e) Members of the immediate family of any person referred to in clause (c); and,
- (f) The legal representatives, heirs, successors and assigns of any person referred to in clauses (a) through (e).

3. **THIS COURT ORDERS** that Robert Zopf be and is hereby appointed as the representative plaintiff in the within proceeding.

4. **THIS COURT DECLARES** that the nature of the claim asserted on behalf of the Class is a claim for damages against the Defendant, Soberman Tassis Inc., Trustee in Bankruptcy for the Estate of The Bankrupt, Farm Mutual

Financial Services Inc., for negligence, breach of contract, strict liability and/or breach of duty relating to the sale and/or redemption of the Debentures.

5. **THIS COURT ORDERS** that the within proceeding be and is hereby certified on the basis of the following common issues:

- (a) Was the Defendant (and/or its agents, sales representatives and/or employees) negligent, in breach of contract, strictly liable and/or in breach of duty to all or some of the Class Members regarding the sale and/or redemption of the Debentures?
- (b) If liability rests with the Defendant, then what is the measure of damages and/or special damages to all or some of the Class Members? and,
- (c) Should aggravated, exemplary or punitive damages be awarded against the Defendant and, if so, in what amount and how should these damages be distributed to all or some of the Class Members?

6. **THIS COURT ORDERS** that the form and content of the notice of certification, including the opt-out deadline and the manner of service, will all be determined at a case conference to be scheduled.

7. **THIS COURT ORDERS** that Thomson, Rogers is appointed as Class Counsel without prejudice to the appointment of Lerner's LLP co-counsel on consent or by way of further motion and, if an agreement cannot be reached between Thomson, Rogers and Lerner's LLP, this Order is without prejudice to Lerner's LLP commencing another class action and seeking carriage.

8. **THIS COURT ORDERS** that the costs of all notices will be paid by Plaintiff's counsel but will be recoverable in full, with applicable interest, as against the Defendant, in any event of the cause, upon resolution of this claim.

9. **THIS COURT ORDERS** that the Defendant shall pay to the Plaintiff his costs of this motion fixed on a substantial indemnity basis, plus GST and plus assessable disbursements, and plus applicable interest, in any event of the cause, in an amount to be determined by the Court upon resolution of this claim.

10. **THIS COURT ORDERS** that this claim, including any and all notice and legal costs awarded herein, is expressly as against Soberman Tesis Inc. in its capacity as Trustee in Bankruptcy for the Estate of The Bankrupt, Farm Mutual Financial Services Inc., and is not in any way as against Soberman Tesis Inc. or its agents, employees or principles, personally.

Perell, J.

ONTARIO

SUPERIOR COURT OF JUSTICE

Proceeding Commenced at Toronto

ORDER

THOMSON, ROGERS
Barristers and Solicitors
Suite 3100
390 Bay Street
Toronto, Ontario
M5H 1W2

L. CRAIG BROWN
ALAN FARRER and
DARCY R. MERKUR (L.S.U.C. No. 42899S)
416-868-3176
Fax No. 416-868-3134

Solicitors for the Plaintiff

(096983 /drm)