

Court File No. BK-19-02484304-0031  
Estate No. 31-248304

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
IN BANKRUPTCY AND INSOLVENCY**

IN THE MATTER OF GALTU B.V.  
HAVING ITS HEAD OFFICE IN THE CITY OF AMSTERDAM  
IN THE NETHERLANDS

**MOTION RECORD  
(Returnable May 30, 2023)**

May 5, 2023

FRED TAYAR & ASSOCIATES  
Professional Corporation  
65 Queen Street West | Suite 1200  
Toronto, ON M5H 2M5  
T: 416-363-1800

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Lawyers for The Avenue Road Trust

TO: RECONSTRUCT LLP  
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Lawyers for MNP LTD  
Trustee in Bankruptcy of Galty B.V.

AND TO: Office of the Superintendent of Bankruptcy  
151 Yonge Street | 4<sup>th</sup> Floor  
Toronto, ON M5C 2W7

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**ONTARIO**  
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**IN BANKRUPTCY AND INSOLVENCY**

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**ONTARIO**  
**SUPERIOR COURT OF JUSTICE**  
**IN BANKRUPTCY AND INSOLVENCY**

IN THE MATTER OF GALTY B.V.  
HAVING ITS HEAD OFFICE IN THE CITY OF AMSTERDAM  
IN THE NETHERLANDS

**NOTICE OF MOTION**

The appellant, Timothy Seabrook as trustee of The Avenue Road Trust (the “ART”), will make a motion to Associate Justice Ilchenko, sitting as the Registrar in Bankruptcy on Thursday, May 30, 2023 at 10 a.m. in the forenoon or as soon after that time as the motion can be heard, *via* video conference, at 393 University Avenue, Toronto, Ontario.

**PROPOSED METHOD OF HEARING:** the motion is to be heard orally.

**THE MOTION IS FOR:**

1. An order admitting as evidence on the hearing of the ART’s appeal from the disallowance of its claim in the within bankruptcy the documents attached as Exhibit “G” to the affidavit of Timothy Seabrook sworn May 5, 2023 (the “**New Documents**”);
2. Costs of this motion on a partial indemnity basis.

3. Such further and other relief as counsel may advise and this Honourable Court permits.

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**THE GROUNDS FOR THE MOTION ARE:**

1. In March 2021, the ART filed an unsecured claim for €685,687.95 and \$1,992,312.99 in the within bankruptcy.
2. The claim was disallowed by MNP Limited, trustee in bankruptcy of Galty B.V. (the “Trustee”).
3. The Trust appealed the disallowance (the “Appeal”).
4. After appealing the disallowance, the ART provided further evidence in support of the claim to the Trustee.
5. The Trustee subsequently informed the ART that it (the Trustee) also wished to use further evidence on the hearing of the Appeal.
6. The Trustee and the ART then agreed that each side would file fresh evidence for use on the hearing. This agreement was recorded in an endorsement of this Honourable Court dated October 25, 2022, made in respect of a case conference on the scheduling and conduct of the appeal. The specific evidence to be used on the appeal was identified in a email exchange between counsel later that month.
7. Victor Seabrook, formerly a trustee of the ART and one of the affiants who provided evidence in support of the ART’s claim, died in 2021. Timothy Seabrook is his son and the co-executor of his estate. Timothy is also a trustee of the ART.

8. In early 2023, Timothy went through some of his late father's personal effects, in his father's former storage locker. While performing this task, he came upon documents relevant to the Appeal (again, the "**New Documents**"). These consist of documents contemporaneous with, and referring to, the transactions which form the basis of the ART's claim in the bankruptcy.

9. The New Documents were sent to the Trustee in January 2023. After reviewing the documents, the Trustee took the position that the Trust required an order of this Court declaring the New Documents admissible as evidence on the Appeal.

10. The New Documents are clearly relevant to the issues on the Appeal. The parties have already agreed that fresh evidence would be introduced on the Appeal, with the result that admitting the New Documents would merely expand slightly an already-expanded appeal record. In these circumstances, it would represent an injustice to the Trust if the evidence was not admitted.

11. And such further and other grounds as counsel may advise and this Honourable Court permits.

**THE FOLLOWING DOCUMENTARY EVIDENCE** will be used at the hearing of this motion:

1. The affidavit of Timothy Seabrook sworn May 5, 2023.
2. The affidavit of Richard Wigley sworn February 27, 2018.

3. The affidavits of Victor M. Seabrook sworn August 14, 2020 and October 5, 2021.
4. And such further and other evidence as counsel may advise and this Honourable Court permits.

May 5, 2023

FRED TAYAR & ASSOCIATES  
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Lawyers for The Avenue Road Trust

TO: RECONSTRUCT LLP  
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Lawyers for MNP LTD  
Trustee in Bankruptcy of Galty B.V.

AND TO: Office of the Superintendent of Bankruptcy  
151 Yonge Street | 4<sup>th</sup> Floor  
Toronto, ON M5C 2W7

E: [osbservice-bsfbservice@ised-isde.gc.ca](mailto:osbservice-bsfbservice@ised-isde.gc.ca)

Court File No. BK-19-02484304-0031  
Estate No. 31-248304

**IN THE MATTER OF GALTBY B.V. HAVING ITS HEAD OFFICE IN THE CITY OF AMSTERDAM IN THE NETHERLANDS**

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
IN BANKRUPTCY AND INSOLVENCY**

Proceeding Commenced at Toronto

**NOTICE OF MOTION**

**FRED TAYAR & ASSOCIATES**  
**Professional Corporation**  
65 Queen Street West | Suite 1200  
Toronto, ON M5H 2M5  
T: 416-363-1800

**FRED TAYAR – LSO No. 23909N**  
E: [fred@fredtayar.com](mailto:fred@fredtayar.com)

**COLBY LINTHWAITE – LSO No. 49599K**  
E: [colby@fredtayar.com](mailto:colby@fredtayar.com)

**Lawyers for The Avenue Road Trust**



**2**

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
IN BANKRUPTCY AND INSOLVENCY**

IN THE MATTER OF GALTY B.V.  
HAVING ITS HEAD OFFICE IN THE CITY OF AMSTERDAM  
IN THE NETHERLANDS

**AFFIDAVIT OF TIMOTHY SEABROOK  
(Sworn May 5, 2023)**

I, **TIMOTHY SEABROOK**, of the City of Toronto, Province of Ontario, vice-principal, **MAKE OATH AND SAY:**

1. I am the trustee of the The Avenue Road Trust (the “**ART**”), the appellant herein, and as such have knowledge of the matters hereinafter deposed. Where I do not have such knowledge, I have identified the source of my information and verily believe that information to be true.

2. In March 2021, the ART filed an unsecured claim for €685,687.95 and \$1,992,312.99 in the within bankruptcy (the “**Claim**”). A true copy of the proof of claim and its enclosures is attached hereto as **Exhibit “A”**. The enclosures were an affidavit of Bruce Buckley sworn December 17, 2018, and an affidavit of Victor M. Seabrook, my father, sworn March 25, 2019.

3. At that time, my father was a trustee of the ART. He had been involved in some of

the transactions which gave rise to the Claim.

4. The ART subsequently provided MNP Limited, trustee in bankruptcy of Galty B.V. (the "**Trustee**") with further evidence in support of its Claim, being the affidavit of Richard Wigley sworn February 27, 2018, and a second affidavit of my father's, sworn August 14, 2020. I have been advised by the ART's lawyer, Colby Linthwaite, ("**Linthwaite**") that these affidavits have been filed separately.

5. In August 2021, the claim was disallowed by MNP Limited, trustee in bankruptcy of Galty B.V. (the "**Trustee**"). A true copy of the notice of disallowance is attached hereto as **Exhibit "B"**.

6. The Trust appealed the disallowance (the "**Appeal**"). A true copy of the notice of appeal is attached hereto as **Exhibit "C"**.

7. After appealing the disallowance, the ART provided further evidence in support of the claim to the Trustee, in the form of a third affidavit from my father, sworn October 5, 2021. I have been advised by Linthwaite that this affidavit has been filed separately.

8. My father died in May 2022. After his death, I became more involved in this matter.

9. In September 2022, the Trustee, through its lawyer R. Brendan Bissell, ("**Bissell**") informed the ART, through Linthwaite, that it (the Trustee) also wished to use further evidence on the hearing of the Appeal, being certain financial statements of the bankrupt. The relevant email exchange between Bissell and Linthwaite is attached hereto as **Exhibit "D"**.

10. I subsequently instructed the ART's civil lawyer, Ron Chapman, who has

possession of my father's files respecting the relevant transactions, to review those files to determine if there was anything further the ART should produce for use on the Appeal. Chapman advised me that there was nothing that ART needed to add to the record.

11. The Trustee and the ART then agreed that each side would file fresh evidence for use on the hearing. This agreement was recorded in an endorsement of this Honourable Court dated October 25, 2022, made in respect of a case conference on the scheduling and conduct of the appeal. A true copy of this endorsement is attached hereto as **Exhibit "E"**.

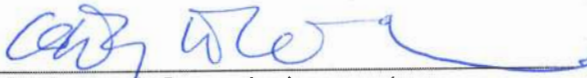
12. The specific evidence to be used on the appeal was identified in a email exchange between Linthwaite and Bissell later that month. A true copy of the relevant email chain is attached hereto as **Exhibit "F"**.

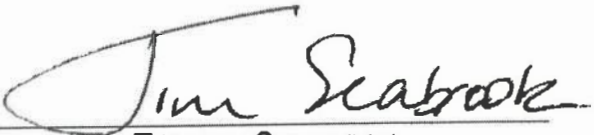
13. I am the co-executor of my father's estate.

14. In January 2023, I was emptying the contents of my father's storage locker in preparation for the sale of his former residence when I unexpectedly came upon documents I believed would be relevant to the Appeal (the "**New Documents**"). These consist of documents contemporaneous with, and referring to, the transactions which form the basis of the ART's claim in the bankruptcy. True copies of these documents, put into chronological order by Linthwaite, are attached hereto as **Exhibit "G"**.

15. The New Documents were sent to the Trustee in January 2023. After reviewing the documents, the Trustee took the position that the Trust required an order of this Court

declaring the New Documents admissible as evidence on the Appeal. A true copy of  
~~Bissell's email to Linthwaite in these terms is attached hereto as Exhibit "H".~~

Sworn before me at the City of Toronto )  
in the Province of Ontario, this 5<sup>th</sup> day of )  
May 2023 in accordance with )  
O. Reg. 431/20 Administering Oath )  
or Declaration Remotely )  
 )  
A Commissioner, etc. )  
"Colby Linthwaite" )

  
TIMOTHY SEABROOK

**THIS IS EXHIBIT "A"**  
**TO THE AFFIDAVIT OF TIMOTHY SEABROOK**

**SWORN MAY 5, 2023**



**COLBY LINTHWAITE**

**A Commissioner, etc.**

**FORM 31  
PROOF OF CLAIM**

(Section 50.1, subsections 65.2(4), 81.2(1), 81.3(8), 81.4(8), 102(2), 124(2), 128(1), and paragraphs 51(1)(e) and 66.14(b) of the Act)

*All notices or correspondence regarding this claim must be forwarded to the following address:*

Ronald G. Chapman  
Barrister  
Suite 2200, 181 University Avenue  
Toronto, On M5H 3M7  
Tel: 416.601.1945  
Fax: 416.601.9986  
Email: [ronaldchapman@lawchambers.com](mailto:ronaldchapman@lawchambers.com)

In the matter of the bankruptcy (or the proposal, or the receivership) of (name of debtor) of Galty B.V. (city and province) of the City of Amsterdam, Netherlands, and the claim of Victor M. Seabrook and Timothy Seabrook, Trustees of The Avenue Road Trust, and Isabel R. Seabrook, by her Litigation Guardian, Timothy Seabrook, creditors.

I, Victor M. Seabrook (name of creditor or representative of the creditor), of Toronto, Ontario (city and province), do hereby certify:

1. That I am a Trustee of The Avenue Road Trust, which is a creditor of the above-named debtor, (or that
2. That I have knowledge of all the circumstances connected with the claim referred to below.
3. That the debtor WAS, at the date of bankruptcy (or the date of the receivership, or in the case of a proposal, the date of the notice of intention or of the proposal, if no notice of intention was filed), namely the 11<sup>th</sup> day of March, 2019, and still is, indebted to the creditor in the sum of £685,687.95 and \$1,992,231.99 CDN, as specified in the statement of account (or affidavit) attached and marked Schedule "A", after deducting any counterclaims to which the debtor is entitled. (The attached statement of account or affidavit must specify the vouchers or other evidence in support of the claim.)

I have attached to this Proof of Claim:

- a) Affidavit of Bruce Buckley sworn the 17<sup>th</sup> day of December, 2018; and
- b) My affidavit sworn the 25<sup>th</sup> day of March, 2019.

4. (Check and complete appropriate category.)

A. UNSECURED CLAIM OF \$1685,687.95 and \$1,992,212.89 Cdn  
(other than as a customer contemplated by Section 262 of the Act)

That in respect of this debt, I do not hold any assets of the debtor as security and  
(Check appropriate description)

Regarding the amount of \$ \_\_\_\_\_, I claim a right to a priority under section 136 of the Act.

Regarding the amount of \$ \_\_\_\_\_, I do not claim a right to a priority.

(Set out on an attached sheet details to support priority claim.)

B. CLAIM OF LESSOR FOR DISCLAIMER OF A LEASE \$ \_\_\_\_\_

That I hereby make a claim under subsection 65.2(4) of the Act, particulars of which are as follows:

(Give full particulars of the claim, including the calculations upon which the claim is based.)

C. SECURED CLAIM OF \$ \_\_\_\_\_

That in respect of this debt, I hold assets of the debtor valued at \$ \_\_\_\_\_ as security, particulars of which are as follows:

(Give full particulars of the security, including the date on which the security was given and the value at which you assess the security, and attach a copy of the security documents.)

D. CLAIM BY FARMER, FISHERMAN OR AQUACULTURIST OF \$ \_\_\_\_\_

That I hereby make a claim under subsection 81.2(1) of the Act for the unpaid amount of \$ \_\_\_\_\_ (Attach a copy of sales agreement and delivery receipts.)

E. CLAIM BY WAGE EARNER OF \$ \_\_\_\_\_

That I hereby make a claim under subsection 81.3(8) of the Act in the amount of \$ \_\_\_\_\_

That I hereby make a claim under subsection 81.4(8) of the Act in the amount of \$ \_\_\_\_\_

F. CLAIM AGAINST DIRECTOR \$ \_\_\_\_\_



*(To be completed when a proposal provides for the compromise of claims against directors.)*

That I hereby make a claim under subsection 50(13) of the Act, particulars of which are as follows:

*(Give full particulars of the claim, including the calculations upon which the claim is based.)*

G. CLAIM OF A CUSTOMER OF A BANKRUPT SECURITIES FIRM \$ \_\_\_\_\_

That I hereby make a claim as a customer for net equity as contemplated by section 262 of the Act, particulars of which are as follows:

*(Give full particulars of the claim, including the calculations upon which the claim is based.)*

5. That, to the best of my knowledge, I am (or the above-named creditor is) (or am not or is not) related to the debtor within the meaning of section 4 of the Act, and have (or has) (or have not or has not) dealt with the debtor in a non-arm's-length manner.

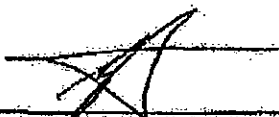
6. That the following are the payments that I have received from, the credits that I have allowed to, and the transfers at undervalue within the meaning of subsection 2(1) of the Act that I have been privy to or a party to with the debtor within the three months (or, if the creditor and the debtor are related within the meaning of section 4 of the Act or were not dealing with each other at arm's length, within the 12 months) immediately before the date of the initial bankruptcy event within the meaning of subsection 2(1) of the Act: *(Provide details of payments, credits and transfers at undervalue.)*

N/A


*(Applicable only in the case of the bankruptcy of an individual.)*

I request that a copy of the report filed by the trustee regarding the bankrupt's application for discharge pursuant to subsection 170(1) of the Act be sent to the above address.

Dated at Toronto, Ontario, this 11<sup>th</sup> day of March, 2021

  
\_\_\_\_\_

Witness:

Creditor  


Victor M. Seabrook

c/o Ronald G. Chapman  
Barrister

Suite 2200  
181 University Avenue  
Toronto ON M5H 3M7  
Tel: 416.601.1945  
Fax: 416.601-9986  
Email: [ronaldchapman@lawchambers.com](mailto:ronaldchapman@lawchambers.com)

- NOTE:** If an affidavit is attached, it must have been made before a person qualified to take affidavits.
- WARNINGS:** A trustee may, pursuant to subsection 128(3) of the Act, redeem a security on payment to the secured creditor of the debt or the value of the security as assessed, in a proof of security, by the secured creditor.
- Subsection 201(1) of the Act provides severe penalties for making any false claim, proof, declaration or statement of account.
- NOTE:** If a copy of this Form is sent electronically by means such as email, the name and contact information of the sender, prescribed in Form 1.1., must be added at the end of the document.

**Schedule "A" – Statement of Account**

Balance owing as of March 11, 2019 – Date of Bankruptcy of Galty B.V.

<b>Loan No.</b>	<b>Principle</b>	<b>Interest to 14.01.19</b>	<b>Per diem rate</b>	<b>Interest from 14.01.19-11.03.19 66 days</b>	<b>Total as of 11.03.19</b>
1	£472,790	\$153,054.43	906.72	59,843.52	£685,687.95
2	\$750,000.00	289,009.81	216.07	14,260.62	1,053,270.43
3	\$250,000.00	97,611.35	66.67	4,400.22	352,011.57
4	\$150,000.00	57,364.17	39.75	2,583.75	209,947.92
Legal Fees International Process server fees Certification fees, authentication fees					\$358,092.45 18,990.62
<b>Totals</b>					
<b>Loans</b>					<b>£685,687.95</b> <b>\$1,615,229.92Cdn</b>
<b>Legal Fees and Service</b>					<b>\$377,083.07 Cdn</b>

\*Interest calculation has been updated from the date of January 14, 2019 to March 11, 2019 (Affidavit of Bruce G. Buckley sworn December 17<sup>th</sup>, 2018 attached herewith)

District of: Ontario  
Division No.: 09 – Toronto  
Court No.: 31-248304  
Estate No. 31-248304

In the Matter of the Bankruptcy of  
**GALTY B.V.**  
Debtor

**AFFIDAVIT OF VICTOR M. SEABROOK**  
**Sworn the 25<sup>th</sup> day of March, 2019**

I, **VICTOR M. SEABROOK**, of the City of Toronto, in the Province of Ontario, MAKE OATH AND SAY AS FOLLOWS:

1. I am one of the Plaintiffs herein and have knowledge of the matters hereinafter deposed to.
2. Attached herewith and marked as **Exhibit "A"** to this my Affidavit is the Amended Amended Ameded Statement of Claim, amended with the Court on July 27<sup>th</sup>, 2016 pursuant to an Order of Master Brott dated July 25<sup>th</sup>, 2016.
3. I have personal knowledge of the facts set out in Exhibit "A" and verily believe them to be true.
4. Attached herewith and marked as **Exhibit "B"** to this my Affidavit is a

true copy of the Order of Mr. Justice Hood dated Thursday, the 30<sup>th</sup> day of August, 2018 ordered that the monies held in the trust account to the credit of the Debtor, Galty B.V., remain in the trust account of Aird & Berlis LLP.

5. Judge Hood's Order was continued by Order of Judge Archibald on December 7<sup>th</sup>, 2018. Attached herewith and marked as **Exhibit "C"** to this my Affidavit is a true copy of Mr. Justice Archibald's endorsement of that date.

6. To the date of March 11, 2019, the Plaintiffs have paid the amount of \$358,092.45 in legal fees and disbursements litigating an action against Galty B.V. et al. In addition, I have paid the sum of \$18,990.62 for international service fees, certification fees, authentication fees and legalization fees. Attached herewith the marked as **Exhibit "D"** to this my Affidavit are copies of the invoices of Process Service Network in California and Infiniti Legal Support Services in Ottawa.

SWORN BEFORE ME at the City of )

Toronto, in the Province of ON )

this 25<sup>th</sup> day of March, 2019 )

Victor M. Seabrook

Victor M. Seabrook

Ronald G. Chapman )

A Commissioner for taking Affidavits, etc.

**RONALD G. CHAPMAN**

AMENDED THIS July 27/16 PURSUANT TO  
MODIFIÉ CE CONFORMEMENT A

RULE/LA RÉGLE 26.02 ( )

THE ORDER OF Marta Brett  
L'ORDONNANCE DU  
DATED / FAIT LE July 25/2016

REGISTRAR SUPERIOR COURT OF JUSTICE  
GREFFIER COUR SUPÉRIEURE DE JUSTICE

ONTARIO  
SUPERIOR COURT OF JUSTICE

Court File No. 15-CV- 530070-0000

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BETWEEN:

VICTOR M. SEABROOK and  
TIMOTHY SEABROOK,  
TRUSTEES OF THE AVENUE ROAD TRUST  
ISOBEL R. SEABROOK, by her Litigation Guardian,  
TIMOTHY SEABROOK

Plaintiff

-and-

GALTY B.V., La HOGUE FINANCIAL MANAGEMENT  
SERVICES LIMITED, PANTRUST INTERNATIONAL, S.A.  
WERNER CORNELIUS HEINRICHS, WAYNE WEAVER,  
and AIRD & BERLIS LLP, ANNE MARIE HEINRICHS,  
ELFRIEDA ELIZABETH HEINRICHS, RICHARD WIGLEY  
AND JAMES WIGLEY

Defendants

**AMENDED AMENDED AMENDED STATEMENT OF CLAIM**

TO THE DEFENDANT(S)

A LEGAL PROCEEDING HAS BEEN COMMENCED AGAINST YOU by  
the plaintiff. The claim made against you is set out in the following pages.

IF YOU WISH TO DEFEND THIS PROCEEDING, you or an Ontario lawyer acting for you must prepare a Statement of Defence in Form 18A prescribed by the Rules of Civil Procedure, serve it on the plaintiff's lawyer or, where the plaintiff does not have a lawyer, serve it on the plaintiff, and file it, with proof of service, in this court office, WITHIN TWENTY DAYS after this Statement of Claim is served on you, if you are served in Ontario.

If you are served in another province or territory of Canada or in the United States of America, the period for serving and filing your Statement of Defence is forty days. If you are served outside Canada and the United States of America, the period is sixty days.

Instead of serving and filing a Statement of Defence, you may serve and file a Notice of Intent to Defend in Form 18B prescribed by the Rules of Civil Procedure. This will entitle you to ten more days within which to serve and file your Statement of Defence.

IF YOU FAIL TO DEFEND THIS PROCEEDING, JUDGMENT MAY BE GIVEN AGAINST YOU IN YOUR ABSENCE AND WITHOUT FURTHER NOTICE TO YOU. If you wish to defend this proceeding but are unable to pay legal fees, legal aid may be available to you by contacting a local Legal Aid office.

IF YOU PAY THE PLAINTIFF'S CLAIM, and \$1,000.00 for costs, within the time for serving and filing your Statement of Defence, you may move to have this proceeding dismissed by the court. If you believe the amount claimed for costs is excessive, you may pay the plaintiff's claim and \$400.00 for costs and have the costs assessed by the court.

TAKE NOTICE: THIS ACTION WILL AUTOMATICALLY BE DISMISSED if it has not been set down for trial or terminated by any means within 5 years after the action was commenced unless otherwise ordered by the Court.

DATE: June 10, 2015

ISSUED BY "Y. Grant, Registrar"

Local Registrar

ADDRESS OF COURT OFFICE 10<sup>th</sup> Floor  
393 University Avenue  
Toronto, ON M5H 1E6

TO: GALTY B.V.  
Hoekenroda 6, 1102 BR  
P.O. Box 1469  
1000 BL  
Amsterdam, The Netherlands

TO: LA HOUGUE FINANCIAL MANAGEMENT  
SERVICES LIMITED  
19 Seaton Place  
St. Helier, Jersey  
Channel Islands JE4 8RZ  
  
P.O. Box 0830-01906  
San Francisco Plaza  
Belen Calle 66  
Piso 1, Oficina 103  
Ciudad de Panama

TO: PANTRUST INTERNATIONAL, S.A.  
P.O. Box 0830-01906  
San Francisco Plaza  
Belen Calle 66  
Piso 1, Oficina 103  
Ciudad de Panama

TO: WERNER CORNELIUS HEINRICHS  
5153 Guelph Road, #1,  
5163 Township Road, #1,  
Guelph, Ontario M1H 6J4 N1H 6J4



TO: ANNE MARIE HEINRICHS  
5163 TOWNSHIP ROAD, #1  
GUELPH, ONTARIO N1H 6J4

TO: ELFRIEDA ELIZABETH HEINRICHS  
5163 TOWNSHIP ROAD, #1  
GUELPH, ONTARIO N1H 6J4

TO: WAYNE WEAVER  
c/o LA HOUGUE FINANCIAL MANAGEMENT  
SERVICES LIMITED  
19 Seaton Place  
St. Helier, Jersey  
Channel Islands JE4 8RZ

And

P.O. Box 0830-01906  
San Francisco Plaza  
Belen Calle 66  
Piso 1, Oficina 103  
Ciudad de Panama

TO: AIRD & BERLIS LLP  
Barristers & Solicitors  
Brookfield Place  
Suite 1800, 181 Bay Street  
Toronto, Ontario M5J 2T9  
Attn: Randy T. Hooke

## CLAIM

1. The Plaintiffs claims:
  - a. Payment of the sum of £472,790 in the amount of Canadian currency necessary to purchase £472,790 at a bank in Ontario listed in Schedule I to the Bank Act (Canada) at the close of business on the first day on which the bank quotes a Canadian dollar rate for purchase of the British pound before the day payment is received by the Plaintiffs and Cdn \$1,150,00.00;
  - b. Interest on the said £472,790 at the rate of 9% per annum until payment and Cdn \$1,150,000.00 at the rate of 7% per annum until payment;
  - c. Damages for fraudulent breach of trust and negligence in the operation of a trust as against the Defendants La Hougue, Werner Cornelius Heinrichs, Galty B.V., Pantrust International, S.A., Richard Wigley, James Wigley and Wayne Weaver;
  - d. Damages as against the individuals, Anne Marie Heinrich and Elfrieda Elizabeth Heinrichs, as beneficiaries of the Brazilian Trust by which the Trustees of the Brazilian Trust committed a breach of trust by misappropriating a Brazilian trust asset namely monies

received from a refinancing of a trust property, namely 88 Elm Avenue, Toronto.

- e. An interlocutory injunction as against all defendants not to retain dispose of or otherwise deal with all proceeds of sale from a property known as 88 Elm Avenue, Toronto Ontario, until further order of this Court or consent of the Plaintiff;
  - f. An order tracing the monies referred to in paragraph 1(a) supra, and judgment as against the Defendants accordingly;
  - g. Costs of these proceedings on a full indemnity scale; and
  - h. Such further and other Order as to this Honorable Court may seem just.
2. The Plaintiffs Victor M. Seabrook and Timothy Seabrook ~~is a~~ are the Trustees [hereinafter referred to as "the Trustees"] of The Avenue Road Trust [hereinafter referred to as "The Trust"]. The Trust is resident in Toronto, Ontario.

3. The Plaintiff, Isobel R. Seabrook resides in the City of Toronto, Ontario, Isobel R. Seabrook at all material times was the sole beneficiary of The Avenue Road Trust.
4. The Defendant Galty B.V. [hereinafter referred to as "Galty"] is a corporation with its head office in Amsterdam, The Netherlands.
5. The Defendant, La Hougue Financial Management Services Limited [hereinafter referred to as "La Hougue"], is a corporation with its head office at St. Helier, Jersey, Channel Islands in the City of Panama, in the Country of Panama.
6. The Defendant Pantrust International S.A. [hereinafter referred to as "Pantrust"] is a corporation with its head office in the city of Panama in the country of Panama. At all material times, the Defendants, Richard Wigley and James Wigley were in control of the operations of La Hougue and then Pantrust. La Hougue and latterly Pantrust were the trustees of the Brazilian Trust. Galty is an asset of the Brazilian Trust.
7. The Defendants Werner Cornelius Heinrichs, Anne Marie Heinrichs, and Elfrieda Elizabeth Heinrichs [hereinafter referred to as "Heinrichs"] resides at 5153 Guelph Road 5163 Township Road, #1, Guelph, Ontario M1H 6J4 N1H 6J4. Heinrichs are the beneficiaries of the Brazilian Trust.

8. The Defendant Wayne Weaver [hereinafter referred to as "Weaver"] resides in St. Helier, Jersey, Channel Islands and was at all material times the Managing Director of La Hougue.
9. The Defendant Aird & Berlis LLP is a law firm in Toronto, Ontario.
10. By Agreement dated October 14, 1992, ~~the Plaintiff~~ The Trust and La Hougue agreed by way of Declaration of Trust that ~~the Plaintiff~~ The Trust would advance £472,790 to La Hougue, and La Hougue agreed to invest the monies on behalf of ~~the Plaintiff~~ The Trust. Victor M. Seabrook and Isobel R. Seabrook were the source of the monies that were so advanced to La Hougue.
11. Isobel R. Seabrook states that, while the source of the monies were from Victor M. Seabrook and Isobel R. Seabrook on behalf of The Avenue Road Trust, that it may have been the situation that The Avenue Road Trust was not established until well after October 1992.
12. Isobel R. Seabrook states that at some point in time, unknown to her, The Avenue Road Trust was established.
13. Isobel R. Seabrook states that it was the duty of Richard Wigley to establish The Avenue Road Trust as soon as possible after the advance of monies referred to in paragraph 10 supra.

14. The Plaintiff Trust states that it was the duty of La Hougué and its employees, directors, and officers to at all material times take all steps necessary to preserve the assets of The Trust, and not to take any steps that might place the assets of The Trust in jeopardy. The Defendant, Werner Cornelius Heinrichs [hereinafter referred to as "Werner"] at all material times was aware of the provisions in the Declaration of Trust.
  
15. Using the monies advanced to La Hougue by The Trust Plaintiff, La Hougue entered into a loan agreement with Galty wherein La Hougue loaned Galty for the benefit of Heinrichs the sum of £472,790.
  
16. Galty provided as security for the loan:
  - a. a promissory note in the amount of £472,790 payable to La Hougue;
  
  - b. a mortgage (the Plaintiffs' mortgage) in the amount of £472,790 on property known municipally as 88 Elm Avenue [mistakenly shown as 88 Elm Street, Toronto in the mortgage document and hereinafter referred to as the property], which mortgage is dated November 1, 1993 and registered as no. CA257826 in the Toronto Registry office no. 64. The beneficial owner of the property was Heinrichs. The mortgage was renewed in 1994 and the renewal was registered on December 1, 1994 as No. CA320126; and

- c. A personal guarantee dated November 1, 1993 made by Heinrichs Werner wherein Heinrichs Werner guaranteed repayment of the monies referred to in the promissory note referred to in paragraph ~~11-12~~ 16(a).
17. The loan amount was increased from time to time by payment by the Plaintiffs to La Hougue, which monies were then advanced to Galty for the benefit of Heinrichs and, as a result, Galty gave as further security to The Trust for the increased loan ~~then~~ in the amount of £1,006,123 a further mortgage which was registered as no. E481312 as against the property 88 Elm Avenue, Toronto ON, on November ~~28~~29, 2001.
18. Galty gave LaHougue a Promissory Note dated November 1, 2001 signed by Galty in the amount of £1,006,123.00.
19. Heinrichs gave LaHougue a Payment Guarantee dated November 1, 2001 wherein he guaranteed payment of the Promissory Note dated November 1, 2001.
20. The loan amount was further increased from time to time and as a result Galty gave as further security to The Trust for the its loans then in the

amount of Can \$4,500,000.00 a further mortgage on 88 Elm Avenue, Toronto ON in the amount of Can \$4,500,000.00 which was registered as no. AT502775 as against the property, on June 1, 2004. The rate of interest in the mortgage is 12% per annum, subsequently reduced to 7% per annum. Notwithstanding the foregoing, that portion of the loan in English pounds carried interest at the rate of 9% per annum, and that portion in Canadian dollars carried interest at the rate of 7%.

21. By Agreement dated November 30, 2007, La Hougue retired as Trustee of The Trust Plaintiff, and appointed the Defendant Pantrust in its place. Pantrust took over all responsibilities of La Hougue to The Trust Plaintiff.
22. Monthly interest payments continued to be made by Pantrust to The Trust Plaintiff until May 31, 2014 when same ceased. No further payments have been made.
23. The balance owing as of May 31, 2015 is \$2,191,682 £515,341.10 and Cdn @1,230,500.00. Interest owing is calculated as follows:

$$\underline{\underline{\pounds 472,790 \times .09 = \pounds 42,551 \div 12 = \pounds 3545.925 \text{ monthly}}}$$

$$\underline{\underline{\text{Cdn } \$750,000 \times .07 = \$52,500 \div 12 = \$4,375.00 \text{ monthly}}}$$

$$\underline{\underline{\text{Cdn } \$250,000 \times .07 = \$17,500 \div 4 = \$4,375.00 \text{ quarter yearly}}}$$

$$\underline{\underline{\text{Cdn } \$150,000 \times .07 = \$10,500 \div 4 = \$2,625.00 \text{ quarter yearly}}}$$



24. The property was sold on or about April 1, 2015.
25. The Defendant Aird & Berlis is holding the monies remaining from the sale of the property.
26. On or about February ~~10~~ 9, 2015, the Plaintiff Trustees of The Trust learned that by Discharge of Mortgage dated May 15, 2009 and registered as No. AT2070825 the mortgage referred to in paragraph 14 17 supra ~~was~~ had been discharged.
27. The Discharge of Mortgage was signed by the Defendant, Wayne Weaver, Managing Director of La Hougue. At that date, La Hougue was not able to execute any discharge of mortgage, having vested all assets under its control in Pantrust.
28. The Plaintiff Trust and its advisor, now one of the Trustees of the Trust states that if the Trust and the advisor were was never asked to nor did it nor he consent to the discharge of the mortgage referred to in paragraph 14 supra.
29. Furthermore, Werner Heinrichs admits that in or about April, 2008 he was informed by the Defendant, Wayne Weaver, that any of, or all of, Isobel R. Seabrook, Victor M. Seabrook or The Avenue Road Trust were the beneficial mortgagees of 88 Elm Avenue, Toronto.

30. In May, 2008, Werner Heinrichs gave instructions to the Defendant, Wayne Weaver, to arrange for the refinancing of 88 Elm Avenue and the discharge of the Plaintiffs' mortgage as registered against 88 Elm Avenue.
31. However, Werner Heinrichs and his Trustee, Galty, neglected or refused to provide instructions to their solicitors to make payment to The Avenue Road Trust out of any new mortgage proceeds. The mortgage monies so advanced were impressed with a trust in favor of the Plaintiffs.
32. The Plaintiff Trust states that by the Defendants La Hougue, Pantrust, and Weaver, Richard Wigley, James Wigley, Galty, and Heinrichs causing a discharge of the mortgage referred to in paragraph 14 17 supra without payment to The Trust or the providing provision of alternate security, these Plaintiff-has Defendants have committed a breach of trust and exposed The Trust. Plaintiff to substantial loss, and claims any such loss from La Hougue and Weaver all Defendants for fraudulent breach of trust and negligence acting as a trustee, and for improperly discharging the Plaintiff's mortgage.
33. Galty obtained from Home Trust Company [hereinafter referred to as "Home Trust"] a mortgage securing the principal sum of Cdn \$2,500,000 registered as No. AT2071542 on May 15, 2009.

34. Certain proceeds from the Home Trust mortgage were first paid to Galty, Heinrichs and Galty knew that such proceeds from the Home Trust mortgage were not being used to pay the Plaintiffs' mortgage indebtedness. Heinrichs and representatives of Galty fraudulently caused Galty to transfer the mortgage proceeds from the Home Trust mortgage to Pantrust and not to The Trust, so as to put the proceeds of the Home Trust mortgage further away from the Plaintiffs, to purport to repay the mortgage loans of The Trust and to void Werner Heinrichs' personal guarantee. Pantrust did not pay the Plaintiffs in respect of the monies owing to the Plaintiffs as set out herein.
35. Anne Marie Heinrichs and Elfrieda Elizabeth Heinrichs, now having been advised that the payment to Galty is a breach of trust and improper, are liable to pay to the Plaintiffs all monies that were paid to Galty, and/or paid by Galty to Pantrust.
36. Galty had no reason to advance the mortgage proceeds to Pantrust, and Pantrust had no right to receive same.
37. Therefore both of Galty and Pantrust are liable to the Plaintiffs for knowing receipt of the monies, knowing that they were the property of the Plaintiffs, and which should have been paid to the Plaintiffs, or failing to make reasonable inquiries with respect to the ownership of the monies. Werner Heinrichs, Anne Marie Heinrichs and Elfrieda Elizabeth

Heinrichs as the beneficiaries of the Brazilian Trust, operated by Pantrust, are also responsible for the wrongful actions of their Trustee, Pantrust, and should be ordered to compensate the Plaintiffs for this breach of trust.

38. Pantrust used the proceeds to benefit Heinrichs, pursuant to the Pantrust - Heinrichs lending - borrowing program. Pantrust knew or ought to have known that the monies so advanced to Pantrust from Galty were, in fact, trust monies that should have been used to pay the Plaintiffs.

39. In addition, Heinrichs Werner agreed, by Payment Guaranty dated November 1, 1993 referred to supra, to guarantee repayment of £472,790 of the aforesaid monies owing by Galty to La Hougue. Such guaranty was renewed in 2001.

40. Therefore The Trust Plaintiff claims the said sum of £472,790 plus interest at 7 9% per annum from the Defendant Heinrichs in respect of his said guarantee, as follows:

$$\underline{\underline{\pounds 472,790 \times 0.9 = \pounds 42,551.1 \div 12 = \pounds 3545.925 \text{ monthly}}}}$$

41. The Trust also claims from the Defendants the balance of the monies owing under its mortgage security on the property by reasons of Heinrichs' fraudulent actions.

42. The Defendant Aird and Berlis LLP is holding the net proceeds from the sale of the property. The Plaintiff seeks an interlocutory injunction restraining all defendants, including Aird & Berlis LLP, from dealing with in any manner whatsoever, with the net proceeds from the sale of the property until further order of this Honorable Court, or the consent of all parties.
43. This originating process is to be served outside of Ontario without leave pursuant to the provisions of Rule 17.02 of the *Rules of Civil Procedure*.
44. Rule 17.02 provides that a party can be served outside Ontario with an Originating Process without leave when:
- a. Rule 17.02(a) - the claim is in respect of real property in Ontario;
  - b. Rule 17.02© - enforcement of a contract;
  - c. Rule 17.02(d) - trustee where assets include property in Ontario;
  - d. Rule 17.02(e) - mortgage on property in Ontario;
  - e. Rule 17.02(f)(iv) - breach of contract in Ontario;
  - f. Rule 17.02(g) - tort in Ontario; and
  - g. Rule 17.02(i) - - injunction in Ontario.

DATED: June 24<sup>th</sup>, 2016

Ronald G. Chapman  
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181 University Avenue  
Toronto, Ontario M5H 3M7  
Tel: (416) 601-1945  
Fax: (416) 601-9984  
[ronaldchapman@lawchambers.com](mailto:ronaldchapman@lawchambers.com)  
Solicitor for the Plaintiffs  
Our File No. 77283  
LSUC No. 12820G

THE AVENUE ROAD TRUST et al

Plaintiff

and

GALTY B.V. et al

Defendants

Court File No. CV-15-530070-0000

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**ONTARIO  
SUPERIOR COURT OF JUSTICE**

Proceeding commenced at Toronto

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**AMENDED AMENDED AMENDED  
STATEMENT OF CLAIM**

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RONALD G. CHAPMAN  
Barrister  
Suite 2200,  
181 University Avenue  
Toronto, Ontario M5H 3M7

Tel: (416) 601-1945  
Fax: (416) 601-9984

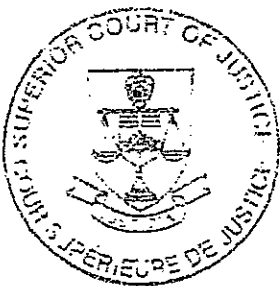
Lawyer for the Plaintiffs  
File No. 77283  
LSUC Reg. No. 12820G

Court File No. 15-CV- 530070-0000

ONTARIO  
SUPERIOR COURT OF JUSTICE

THE HONOURABLE ) THURSDAY, the 30<sup>TH</sup> day of  
MR. JUSTICE HOOD ) AUGUST, 2018

BETWEEN:



VICTOR M. SEABROOK and  
TIMOTHY SEABROOK,  
TRUSTEES OF THE AVENUE ROAD TRUST  
ISOBEL R. SEABROOK, by her Litigation Guardian,  
TIMOTHY SEABROOK

Plaintiff

- and -

GALTY B.V., La HOUGUE FINANCIAL MANAGEMENT  
SERVICES LIMITED, PANTRUST INTERNATIONAL, S.A.  
WERNER CORNELIUS HEINRICH, WAYNE WEAVER,  
AIRD & BERLIS LLP, ANNE MARIE HEINRICH,  
ELFRIEDA ELIZABETH HEINRICH, RICHARD WIGLEY  
AND JAMES WIGLEY

Defendants

**ORDER**

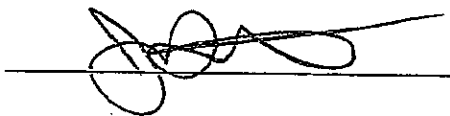
**THIS MOTION**, brought by the Defendant, Galty B.V., for an Order allowing it to direct Aird & Berlis LLP to release funds in trust to Bennett Jones LLP for payment of legal expenses incurred by the Defendant, Galty B.V., was heard Tuesday, the 21<sup>st</sup> day of August, 2018 at Toronto, Ontario, this Honourable Court releasing its decision on this date.



**UPON READING** the Affidavit of Oliver Egerton-Vernon sworn the 15<sup>th</sup> day of June, 2018, the Affidavits of Victor M. Seabrook sworn September 27, 2017, July 10<sup>th</sup>, 2018 and July 18<sup>th</sup>, 2018; the Affidavit of Lisa D. Whiting sworn July 17<sup>th</sup>, 2018; the transcript of the cross examination of Oliver Egerton-Vernon held July 19<sup>th</sup>, 2018 and the undertakings/under advisements/ refusals given thereon; the Order of Judge Diamond dated the 12<sup>th</sup> day of June, 2018; and the Affidavit of Richard Wigley sworn February 27<sup>th</sup>, 2018, and **UPON HEARING** submissions of counsel for the Plaintiffs and for the Defendant, Galty B.V.,

1. **THIS COURT ORDERS THAT** the monies held in the trust account for the Defendant, Galty B.V., by Aird & Berlis LLP are to remain in its trust account pending the hearing of the motions scheduled for January 14 and 15, 2019.
2. **THIS COURT ORDERS THAT** this motion is dismissed.
3. **THIS COURT ORDERS THAT** if the parties cannot agree on costs, the plaintiffs are to provide their costs outline and written submissions not to exceed two typed double spaced pages along with any other necessary documents, such as caselaw or dockets to the attention of Mr. Justice Hoodat Judge's Administration, Rm 170, 361 University Ave on or before September 14, 2018. Responding material from Galty,

subject to the same directions, is to be provided on or before September 28, 2018. There are to be no reply submissions.



Giuseppe Di Pietro  
Registrar

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

SEP 24 2018

PER / PAR:



THE AVENUE ROAD TRUST et al

Plaintiffs

and

GALTY B.V. et al

Defendants

Court File No. CV-15-530070-0000

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**ONTARIO  
SUPERIOR COURT OF JUSTICE**

Proceeding commenced at Toronto

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**ORDER**

*Kap*

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Suite 2200,  
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Tel: (416) 601-1945  
Fax: (416) 601-9984

Lawyer for the Plaintiffs  
File No. 77283  
LSUC Reg. No. 12820G

Superior Court of Justice  
Civil Practice Court  
FILE/DIRECTION/ORDER

SEABROOK ET AL

AND

GALTY B.V.

Applicant(s)

Respondents(s)

Case Management  Yes  No by Judge: \_\_\_\_\_

Counsel	Telephone No:	Email:
R. Chapman - Plaintiff		

- Order  Direction for Registrar (No formal order need be taken out)
- Above Action transferred to the \_\_\_\_\_ (No formal order need be taken out)
- Adjourned to: \_\_\_\_\_
- Time Table approved (as follows)

• Continuing Interlocutory Injunction On Consent is granted as per attached

*[Signature]*  
Dec 7 2018

DEC 7 /18  
Date

*[Signature]*  
Judge's Signature

For all cases over 2 hours counsel are to email Michelle Chen (Coordinator) at [LongMotionsStatus.Judge@ontario.ca](mailto:LongMotionsStatus.Judge@ontario.ca) 30 days prior to hearing date regarding the status of their case.

Additional Pages

# Transactions from January 9 to February 8, 2019

## Your payments

Trans date	Post date	Description	Amount(\$)
Jan 18	Jan 18	PAYMENT THANK YOU/PAIEMENT MERCI	[REDACTED]

## Your new charges and credits

→ Identifies Mileage Multiplier™ transactions that have earned 1.5 Aeroplan Miles for every dollar spent (a Bonus of 50% more). Any returns/credits are deducted at the same rate.

Trans date	Post date	Description	Spend Categories	Amount(\$)
Card number 4500 6144 1952 6012				
[REDACTED]	[REDACTED]	[REDACTED]	Retail and Grocery	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	Transportation	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	Retail and Grocery	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	Restaurants	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	Health and Education	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	Transportation	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	Retail and Grocery	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	Transportation	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	Health and Education	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	Hotel, Entertainment and Recreation	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	Hotel, Entertainment and Recreation	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	Retail and Grocery	[REDACTED]
Jan 24	Jan 28	PROCESS SERVICE NETWORK CHATSWORTH CA 2,719.50 USD @ 1.370185696**	Foreign Currency Transactions	3,726.22
[REDACTED]	[REDACTED]	[REDACTED]	Retail and Grocery	[REDACTED]
Jan 25	Jan 28	PROCESS SERVICE NETWORK CHATSWORTH CA 6,832.50 USD @ 1.370185145**	Foreign Currency Transactions	9,361.79
[REDACTED]	[REDACTED]	[REDACTED]	Retail and Grocery	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	Health and Education	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	Health and Education	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	Home and Office Improvement	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	Restaurants	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	Retail and Grocery	[REDACTED]

## Information about your CIBC Aerogold Visa account

If you find an error or irregularity (including possible unauthorized or fraudulent Transactions) in this statement you must call us within 30 days of the Statement Date. If you do not, we may regard this statement as final (except for credits posted in error).

**How we charge interest:** If interest is charged on a Purchase, it is charged retroactively from the Transaction date. You have a minimum 30 day interest-free grace period for new Purchases. You can avoid interest on these new Purchases by paying your new balance in full by the payment due date.

Interest is charged on Cash Advances from the date they are taken. Interest is charged on Convenience Cheques and Balance Transfers from the date they are posted to your credit card account. We also charge interest on the day we receive a payment which covers the amount of Purchases, Cash Advances, Balance Transfer or Convenience Cheque, as the case may be, as described in the Application of Payments section of your CIBC Cardholder Agreement.

**Payment period extensions:** If you didn't pay the full Balance on your last monthly statement, we have extended your payment due date 1 month to give you extra time to make your payment. Interest will continue to accrue for the extended period. When we receive your full payment, your payment due date will change back to your regular payment due date.

Your statement (including the Balance and Minimum Payment) only reflects Transactions that were posted as of the Statement Date. If you make a payment but it has not yet been posted, it will appear on your

next monthly statement and any interest charges will be adjusted based on the transaction date and payment amount. Check CIBC Online Banking for the status of your payments and your most up to date Balance.

\*\*Foreign currency Transactions, except Convenience Cheques, are converted to Canadian dollars on or after the Transaction date and no later than the Transaction posting date. At the time of currency conversion, you are charged the same conversion rate CIBC must pay, plus a fee of 2.5% of the converted amount, on both debits and credits. We convert a foreign currency Convenience Cheque or payment at our branch selling rate for Canadian dollars in effect at the time we process it.

†Your cash limit forms part of your credit limit. It is not additional credit. For more information, please refer to the CIBC Cardholder Agreement.

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website: [www.processnet1.com](http://www.processnet1.com)

## Invoice

01/15/2019

Law-Chambers
Attn: Lisa D. Whiting
Suite 2200, 181 University Avenue
Toronto, Ontario M5H 3M7
(416) 601-0140
<a href="mailto:lisawhiting@lawchambers.com">lisawhiting@lawchambers.com</a>

Date	Case Name	Detail	Amount
01/15/2019 Invoice	Curacao Informal Services	Informal service of process on Galty Investments N.V. in Curacao.	USD\$1,295.00
		Informal service of process on Galty Investments N.V. (Dr. M.J. Hugenholtzweg) in Curacao.	\$1,295.00
		Informal service of process on Henri A. Sperwer c/o Galty Investments N.V. (Dr. M.J. Hugenholtzweg) in Curacao.	\$1,295.00
		Sub-total	\$3,885.00
		Less 30% multiple defendant discount	-1,165.50
		Amount Due	USD\$2,719.50

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website: www.processnet1.com

## Invoice

01/15/2019

Law Chambers
Attn: Lisa D. Whiting
Suite 2200, 181 University Avenue
Toronto, Ontario M5H 3M7
(416) 601-0140
lisawhiting@lawchambers.com

Date	Case Name	Detail	Amount
01/15/2019 Invoice	Jersey Informal Services	Informal service of process on G.B. Directors Limited c/o Oliver Paul Egerton-Vernon in Jersey.	USD\$1,395.00
		Informal service of process on G.B. Trustees Limited c/o Oliver Paul Egerton-Vernon in Jersey.	\$1,395.00
		Informal service of process on Oliver Paul Egerton-Vernon in Jersey.	\$1,395.00
		Informal service of process on Hendrikus Pothoven c/o Oliver Paul Egerton-Vernon in Jersey.	\$1,395.00
		Informal service of process on G.B. Directors Limited Oliver Paul Egerton-Vernon, Hendrikus Pothoven As Trustees of the Brazilian Trust c/o Oliver Paul Egerton-Vernon in Jersey.	\$1,395.00
		Informal service of process on Garfield-Bennett Trust Company Limited in Jersey.	\$1,395.00
		Informal service of process on Williams James Garfield Bennett c/o Garfield-Bennett Trust Company Limited in Jersey.	\$1,395.00
		Sub-total	\$9,765.00
		Less 30% multiple defendant discount	2,929.50
		Amount Due	USD\$6,832.50

Terms: Payable upon receipt

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**INVOICE**

Invoice No.: 200936547  
 Date: 05/15/2016  
 Your File

Bill To  
 Ronald Chapman, Barrister  
 Ronald Chapman  
 Law Chambers, Suite 2200  
 181 University Avenue  
 Toronto, Ontario M5H 3M7

Business No.: 114017809RC0003

**PAID**

Our file: 46272

Description	Quantity	Rate	Amount
ATTENTION: Lisa Whiting RE: The Avenue Road Trust et al v. Gally B.V. et al TO ATTENDANCE AT THE DEPARTMENT OF GLOBAL AFFAIRS TO HAVE 9 DOCUMENTS AUTHENTICATED	1	220.00	220.00
TO LEGALIZATION AT THE EMBASSY OF PANAMA	1	220.00	220.00
DISBURSEMENT OF LEGALIZATION FEES	1	518.40	518.40
TO TWO BANK ATTENDANCES AND FEES FOR DISBURSEMENTS	2	32.50	65.00
PARKING FEES	1	5.00	5.00
TO RETURN TO YOUR OFFICE BY COURIER	1	34.96	34.96
Subtotal:			1,063.36
H0 - HST 13%			
HST			138.23

Please call or email us with any questions or comments.

Invoice due on receipt.

Interest is charged at the rate of 1.5% per month on overdue accounts.

**Total/Amount**

1,201.59



# Infiniti Legal Support Services

346 Somerset St. West, Suite 100  
 Ottawa, Ontario K2P 0J9  
 Canada  
 Tel: (613) 225-1808  
 Fax: (613) 727-0843  
 www.infinitilegal.com

## INVOICE

35

Invoice No.: 200933161  
 Date: 11/04/2015  
 Your File

Business No.: 114017809RC0003

**Bill To**

Ronald Chapman, Barrister  
 Ronald Chapman  
 Law Chambers, Suite 2200  
 181 University Avenue  
 Toronto, Ontario M5H 3M7

*PAID*

Our file: 39891, 39892, 39893

Description	Quantity	Rate	Amount
ATTENTION: RONALD CHAPMAN RE: The Avenue Road Trust et al v. Galty B.V. et al TO RECEIPT OF YOUR DOCUMENTS AND INSTRUCTIONS TO SERVICE ON GALT, B.V., AMSTERDAM, THE NETHERLANDS TO FORWARD AND RETURN BY COURIER FROM AGENT IN NETHERLANDS	1 1	361.79 217.92	361.79 217.92
TO ATTEMPTED SERVICE ON WAYNE WEAVER AND LA HOUGUE FINANCIAL MANAGEMENT SERVICES LIMITED, ST. HELIER, JERSEY, CHANNEL ISLANDS AT CHANNEL HOUSE, JERSEY, CHANNEL ISLANDS, ST., SEATON PLACE, JERSEY, CHANNEL ISLANDS, AND ST. OUEEN; BY BY DOING ONLINE SEARCHES..	1	2,352.61	2,352.61
TO HANDLING FEES INCLUDING RESEARCH, CORRESPONDENCES, COORDINATION WITH LAW OFFICES/BAILIFFS, LONG DISTANCE CALLS, PREPARATION OF DOCUMENTS AND INSTRUCTIONS, PREPARATION OF AFFIDAVITS OF ATTEMPTED SERVICES (hourly fee \$75.00/hr)	13	75.00	975.00
TO FORWARD AND RETURN BY COURIER FROM CHANNEL ISLANDS	1	217.92	217.92
TO RETURN TO YOUR OFFICE BY COURIER	1	34.96	34.96
Subtotal:			4,160.20
H0 - HST 13% HST			540.82
Please call or email us with any questions or comments.			
Invoice due on receipt.			
Interest is charged at the rate of 1.5% per month on overdue accounts.			
			<b>Total Amount</b>
			4,701.02

Court File No. 15-CV- 530070-0000

ONTARIO  
SUPERIOR COURT OF JUSTICE

BETWEEN:

VICTOR M. SEABROOK and  
TIMOTHY SEABROOK,  
TRUSTEES OF THE AVENUE ROAD TRUST  
ISOBEL R. SEABROOK, by her Litigation Guardian,  
TIMOTHY SEABROOK

Plaintiffs

-and-

GALTY B.V., La HOUGUE FINANCIAL MANAGEMENT  
SERVICES LIMITED, PANTRUST INTERNATIONAL, S.A.  
WERNER CORNELIUS HEINRICHS, WAYNE WEAVER,  
AIRD & BERLIS LLP, ANNE MARIE HEINRICHS,  
ELFRIEDA ELIZABETH HEINRICHS, RICHARD WIGLEY  
AND JAMES WIGLEY

Defendants

**AFFIDAVIT OF BRUCE G. BUCKLEY**  
Sworn the 17 day of December, 2018

I, BRUCE G. BUCKLEY, of the City of Toronto, in the Province of Ontario,  
MAKE OATH AND SAY AS FOLLOWS:

1. I am a Chartered Professional Accountant, practising in the City of Toronto, Province of Ontario.

- 2. I was asked by the Plaintiff, Victor M. Seabrook, herein to provide a report on the balance owing to the Plaintiff, The Avenue Road Trust, in this matter.
- 3. Now shown to me and marked as **Exhibit "A"** to this my Affidavit is a true copy of my calculations dated November 15, 2018.
- 4. Attached herewith and marked as **Exhibit "B"** to this my Affidavit is a true copy of my Curriculum Vitae
- 5. I have personal knowledge of the matters set out in Exhibit "A", except where I have indicated the source of such knowledge, and verily believe them to be true.

SWORN BEFORE ME at the )  
 City of Toronto, in the Province )  
 Ontario, this 17 day of Dec., )  
 2018 )

Bruce G. Buckley  
 BRUCE G. BUCKLEY

Diane Irene Tomas

A commissioner for taking Affidavits, etc

Diane Irene Tomas, a Commissioner, etc.  
 City of Toronto, for Norman W. Tomas,  
 Barrister and Solicitor,  
 Expires August 17, 2020

LOAN #1.

STERLING 472,790 WITH INTEREST AT 9%

JUNE 1, 2014 TO MAY 31, 2015	33,095.30
JUNE 1, 2015 TO MAY 31, 2016	33,095.30
JUNE 1, 2016 TO MAY 31, 2017	33,095.30
JUNE 1, 2017 TO MAY 31, 2018	33,095.30
JUNE 1, 2018 TO JANUARY 14, 2019	20,673.23
<b>TOTAL INTEREST</b>	<b>153,054.43</b>
<b>PRINCIPAL</b>	<b>472,790.00</b>
<b>BALANCE JANUARY 14, 2019</b>	<b>625,844.43</b>
<b>PER DIEM</b>	<b>906.72</b>

This is Exhibit **A** referred to in the  
 affidavit of **Bruce G. Buckley**  
 sworn before me, this **17th**  
 day of **December**, 20**18**

*Diane Irene Tomas*  
 A COMMISSIONER FOR TAKING AFFIDAVITS

Diane Irene Tomas, a Commissioner, etc  
 City of Toronto, for Norman W. Tomas,  
 Barrister and Solicitor.  
 Expires August 17, 2020

LOAN #2

CANADIAN 750,000 INTEREST AT 7%

BALANCE MAY 15, 2019 PER SCHEDULE  
PER DIEM 729 DAYS @ 216.07

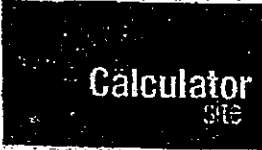
1,032,743.75  
6,266.03

BALANCE J, JANUARY 14, 2019

1,039,009.81

PER DIEM

216.07



## Compound Interest Calculator

Use my popular calculators to work out the **compound interest on your savings**, with monthly interest breakdowns and the option to include regular monthly deposits or withdrawals (for retirement calculations, etc). You can choose to compound interest daily, monthly, quarterly, half yearly or yearly.

### Regular Deposit / Withdrawal

CURRENCY:	<input type="text" value="Dollar (\$)"/>
BASE AMOUNT:	\$ <input type="text" value="750000"/>
ANNUAL INTEREST RATE:	<input type="text" value="7"/> %
CALCULATION PERIOD:	<input type="text" value="55"/> <input type="text" value="months"/>
REGULAR MONTHLY?	\$ <input type="text" value=""/> <input type="text" value="deposit"/>
INCREASE DEPOSITS/WITHDRAWALS YEARLY WITH INFLATION?	<input type="checkbox"/>
COMPOUND INTERVAL: ?	<input type="text" value="Monthly"/>

Calculate

**Calculation results**

(interest compounded monthly - added at the end of each month)

Month	Month Interest	Total Interest	Balance
1	\$4,375.00	\$4,375.00	\$754,375.00
2	\$4,400.52	\$8,775.52	\$758,775.52
3	\$4,426.19	\$13,201.71	\$763,201.71
4	\$4,452.01	\$17,653.72	\$767,653.72
5	\$4,477.98	\$22,131.70	\$772,131.70
6	\$4,504.10	\$26,635.80	\$776,635.80
7	\$4,530.38	\$31,166.18	\$781,166.18
8	\$4,556.80	\$35,722.98	\$785,722.98
9	\$4,583.38	\$40,306.37	\$790,306.37
10	\$4,610.12	\$44,916.49	\$794,916.49
11	\$4,637.01	\$49,553.50	\$799,553.50
12	\$4,664.06	\$54,217.56	\$804,217.56
13	\$4,691.27	\$58,908.83	\$808,908.83
14	\$4,718.63	\$63,627.46	\$813,627.46
15	\$4,746.16	\$68,373.62	\$818,373.62
16	\$4,773.85	\$73,147.47	\$823,147.47
17	\$4,801.69	\$77,949.16	\$827,949.16
18	\$4,829.70	\$82,778.87	\$832,778.87
19	\$4,857.88	\$87,636.74	\$837,636.74
20	\$4,886.21	\$92,522.96	\$842,522.96
21	\$4,914.72	\$97,437.68	\$847,437.68
22	\$4,943.39	\$102,381.06	\$852,381.06
23	\$4,972.22	\$107,353.29	\$857,353.29
24	\$5,001.23	\$112,354.51	\$862,354.51
25	\$5,030.40	\$117,384.91	\$867,384.91
26	\$5,059.75	\$122,444.66	\$872,444.66
27	\$5,089.26	\$127,533.92	\$877,533.92
28	\$5,118.95	\$132,652.87	\$882,652.87
29	\$5,148.81	\$137,801.68	\$887,801.68
30	\$5,178.84	\$142,980.52	\$892,980.52
31	\$5,209.05	\$148,189.57	\$898,189.57

32	\$5,239.44	\$153,429.01	\$903,429.01
33	\$5,270.00	\$158,699.01	\$908,699.01
34	\$5,300.74	\$163,999.76	\$913,999.76
35	\$5,331.67	\$169,331.42	\$919,331.42
36	\$5,362.77	\$174,694.19	\$924,694.19
37	\$5,394.05	\$180,088.24	\$930,088.24
38	\$5,425.51	\$185,513.75	\$935,513.75
39	\$5,457.16	\$190,970.92	\$940,970.92
40	\$5,489.00	\$196,459.92	\$946,459.92
41	\$5,521.02	\$201,980.93	\$951,980.93
42	\$5,553.22	\$207,534.15	\$957,534.15
43	\$5,585.62	\$213,119.77	\$963,119.77
44	\$5,618.20	\$218,737.97	\$968,737.97
45	\$5,650.97	\$224,388.94	\$974,388.94
46	\$5,683.94	\$230,072.88	\$980,072.88
47	\$5,717.09	\$235,789.97	\$985,789.97
48	\$5,750.44	\$241,540.41	\$991,540.41
49	\$5,783.99	\$247,324.39	\$997,324.39
50	\$5,817.73	\$253,142.12	\$1,003,142.12
51	\$5,851.66	\$258,993.78	\$1,008,993.78
52	\$5,885.80	\$264,879.58	\$1,014,879.58
53	\$5,920.13	\$270,799.71	\$1,020,799.71
54	\$5,954.66	\$276,754.38	\$1,026,754.38
55	\$5,989.40	\$282,743.78	\$1,032,743.78

Base amount: \$750,000.00  
 Interest Rate: 7%  
 Effective Annual Rate: 7.23%  
 Calculation period: 55 months

**Standard Calculation**



LOAN #3

CANADIAN 250,000 WITH INTEREST AT 7%

BALANCE AT DECEMBER 23, 2018 PER SCHEDULE

347,611.35

PER DIEM 22 DAYS AT 66.67

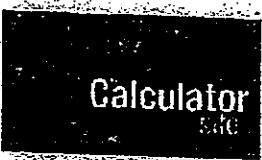
1,466.63

BALANCE AT JANUARY 14, 2019

349,077.98

PER DIEM

66.67



## Compound Interest Calculator

Use my popular calculators to work out the compound interest on your savings, with monthly interest breakdowns and the option to include regular monthly deposits or withdrawals (for retirement calculations, etc). You can choose to compound interest daily, monthly, quarterly, half yearly or yearly.

### Regular Deposit / Withdrawal

CURRENCY: Dollar (\$) v

BASE AMOUNT: \$ 250000

ANNUAL INTEREST RATE: 7 %

CALCULATION PERIOD: 57 months v

REGULAR MONTHLY? \$ deposit v

INCREASE DEPOSITS/WITHDRAWALS YEARLY WITH INFLATION?

COMPOUND INTERVAL: 2 Quarterly v

Calculate

## Calculation results

(interest compounded quarterly - added at the end of each quarter)

Month	Month Interest	Total Interest	Balance
1	\$0.00	\$0.00	\$250,000.00
2	\$0.00	\$0.00	\$250,000.00
3	\$4,375.00	\$4,375.00	\$254,375.00
4	\$0.00	\$4,375.00	\$254,375.00
5	\$0.00	\$4,375.00	\$254,375.00
6	\$4,451.56	\$8,826.56	\$258,826.56
7	\$0.00	\$8,826.56	\$258,826.56
8	\$0.00	\$8,826.56	\$258,826.56
9	\$4,529.46	\$13,356.03	\$263,356.03
10	\$0.00	\$13,356.03	\$263,356.03
11	\$0.00	\$13,356.03	\$263,356.03
12	\$4,608.73	\$17,964.76	\$267,964.76
13	\$0.00	\$17,964.76	\$267,964.76
14	\$0.00	\$17,964.76	\$267,964.76
15	\$4,689.38	\$22,654.14	\$272,654.14
16	\$0.00	\$22,654.14	\$272,654.14
17	\$0.00	\$22,654.14	\$272,654.14
18	\$4,771.45	\$27,425.59	\$277,425.59
19	\$0.00	\$27,425.59	\$277,425.59
20	\$0.00	\$27,425.59	\$277,425.59
21	\$4,854.95	\$32,280.54	\$282,280.54
22	\$0.00	\$32,280.54	\$282,280.54
23	\$0.00	\$32,280.54	\$282,280.54
24	\$4,939.91	\$37,220.45	\$287,220.45
25	\$0.00	\$37,220.45	\$287,220.45
26	\$0.00	\$37,220.45	\$287,220.45
27	\$5,026.36	\$42,246.80	\$292,246.80
28	\$0.00	\$42,246.80	\$292,246.80
29	\$0.00	\$42,246.80	\$292,246.80
30	\$5,114.32	\$47,361.12	\$297,361.12
31	\$0.00	\$47,361.12	\$297,361.12

32	\$0.00	\$47,361.12	\$297,361.12
33	\$5,203.82	\$52,564.94	\$302,564.94
34	\$0.00	\$52,564.94	\$302,564.94
35	\$0.00	\$52,564.94	\$302,564.94
36	\$5,294.89	\$57,859.83	\$307,859.83
37	\$0.00	\$57,859.83	\$307,859.83
38	\$0.00	\$57,859.83	\$307,859.83
39	\$5,387.55	\$63,247.38	\$313,247.38
40	\$0.00	\$63,247.38	\$313,247.38
41	\$0.00	\$63,247.38	\$313,247.38
42	\$5,481.83	\$68,729.20	\$318,729.20
43	\$0.00	\$68,729.20	\$318,729.20
44	\$0.00	\$68,729.20	\$318,729.20
45	\$5,577.76	\$74,306.97	\$324,306.97
46	\$0.00	\$74,306.97	\$324,306.97
47	\$0.00	\$74,306.97	\$324,306.97
48	\$5,675.37	\$79,982.34	\$329,982.34
49	\$0.00	\$79,982.34	\$329,982.34
50	\$0.00	\$79,982.34	\$329,982.34
51	\$5,774.69	\$85,757.03	\$335,757.03
52	\$0.00	\$85,757.03	\$335,757.03
53	\$0.00	\$85,757.03	\$335,757.03
54	\$5,875.75	\$91,632.78	\$341,632.78
55	\$0.00	\$91,632.78	\$341,632.78
56	\$0.00	\$91,632.78	\$341,632.78
57	\$5,978.57	\$97,611.35	\$347,611.35

Base amount: \$250,000.00  
 Interest Rate: 7%  
 Effective Annual Rate: 7.19%  
 Calculation period: 57 months

Standard Calculation

LOAN #4

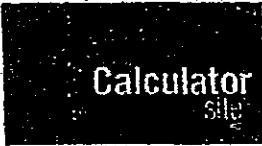
CANADIAN 150,000 WITH INTEREST AT 7%

BALANCE JANUARY 15, 2019 PER SCHEDULE

207,364.17

PER DIEM

39.75



## Compound Interest Calculator

Use my popular calculators to work out the compound interest on your savings, with monthly interest breakdowns and the option to include regular monthly deposits or withdrawals (for retirement calculations, etc). You can choose to compound interest daily, monthly, quarterly, half yearly or yearly.

### Regular Deposit / Withdrawal

CURRENCY:	<input type="text" value="Dollar (\$)"/>
BASE AMOUNT:	\$ <input type="text" value="150000"/>
ANNUAL INTEREST RATE:	<input type="text" value="7"/> %
CALCULATION PERIOD:	<input type="text" value="56"/> <input type="text" value="months"/>
REGULAR MONTHLY?	\$ <input type="text"/> <input type="text" value="deposit"/>
INCREASE DEPOSITS/WITHDRAWALS YEARLY WITH INFLATION?	<input type="checkbox"/>
COMPOUND INTERVAL: ?	<input type="text" value="Quarterly"/>

Calculate

## Calculation results

(Interest compounded quarterly - added at the end of each quarter)

Month	Month Interest	Total Interest	Balance
1	\$0.00	\$0.00	\$150,000.00
2	\$0.00	\$0.00	\$150,000.00
3	\$2,625.00	\$2,625.00	\$152,625.00
4	\$0.00	\$2,625.00	\$152,625.00
5	\$0.00	\$2,625.00	\$152,625.00
6	\$2,670.94	\$5,295.94	\$155,295.94
7	\$0.00	\$5,295.94	\$155,295.94
8	\$0.00	\$5,295.94	\$155,295.94
9	\$2,717.68	\$8,013.62	\$158,013.62
10	\$0.00	\$8,013.62	\$158,013.62
11	\$0.00	\$8,013.62	\$158,013.62
12	\$2,765.24	\$10,778.85	\$160,778.85
13	\$0.00	\$10,778.85	\$160,778.85
14	\$0.00	\$10,778.85	\$160,778.85
15	\$2,813.63	\$13,592.48	\$163,592.48
16	\$0.00	\$13,592.48	\$163,592.48
17	\$0.00	\$13,592.48	\$163,592.48
18	\$2,862.87	\$16,455.35	\$166,455.35
19	\$0.00	\$16,455.35	\$166,455.35
20	\$0.00	\$16,455.35	\$166,455.35
21	\$2,912.97	\$19,368.32	\$169,368.32
22	\$0.00	\$19,368.32	\$169,368.32
23	\$0.00	\$19,368.32	\$169,368.32
24	\$2,963.95	\$22,332.27	\$172,332.27
25	\$0.00	\$22,332.27	\$172,332.27
26	\$0.00	\$22,332.27	\$172,332.27
27	\$3,015.81	\$25,348.08	\$175,348.08
28	\$0.00	\$25,348.08	\$175,348.08
29	\$0.00	\$25,348.08	\$175,348.08
30	\$3,068.69	\$28,416.67	\$178,416.67
31	\$0.00	\$28,416.67	\$178,416.67

32	\$0.00	\$28,416.67	\$178,416.67
33	\$3,122.29	\$31,538.97	\$181,538.97
34	\$0.00	\$31,538.97	\$181,538.97
35	\$0.00	\$31,538.97	\$181,538.97
36	\$3,176.93	\$34,715.90	\$184,715.90
37	\$0.00	\$34,715.90	\$184,715.90
38	\$0.00	\$34,715.90	\$184,715.90
39	\$3,232.53	\$37,948.43	\$187,948.43
40	\$0.00	\$37,948.43	\$187,948.43
41	\$0.00	\$37,948.43	\$187,948.43
42	\$3,289.10	\$41,237.52	\$191,237.52
43	\$0.00	\$41,237.52	\$191,237.52
44	\$0.00	\$41,237.52	\$191,237.52
45	\$3,346.66	\$44,584.18	\$194,584.18
46	\$0.00	\$44,584.18	\$194,584.18
47	\$0.00	\$44,584.18	\$194,584.18
48	\$3,405.22	\$47,989.40	\$197,989.40
49	\$0.00	\$47,989.40	\$197,989.40
50	\$0.00	\$47,989.40	\$197,989.40
51	\$3,464.81	\$51,454.22	\$201,454.22
52	\$0.00	\$51,454.22	\$201,454.22
53	\$0.00	\$51,454.22	\$201,454.22
54	\$3,525.45	\$54,979.67	\$204,979.67
55	\$0.00	\$54,979.67	\$204,979.67
56	\$2,384.51	\$57,364.17	\$207,364.17

Base amount: \$150,000.00  
 Interest Rate: 7%  
 Effective Annual Rate: 7.19%  
 Calculation period: 56 months

Standard Calculation



**Bruce G. Buckley**  
Chartered Professional Accountant

9 Wilgar Road  
Toronto, Ontario  
M8X 1J3

Phone: (416) 236-1476  
Fax: (416) 236-2431  
bgbuckley@sympatico.ca

**CURRICULUM VITAE**

Chartered Accountant

Partner with KPMG and predecessor firms. Retired with 44 years of service.

Elected to Board of Directors and Chairman of the Audit Committee of Asian Television International Limited in August 1999.

Appointed Guardian of property pursuant to the Order Of The Honourable Mr. Justice Lissaman on July 24, 1998.

Appointed by the Ontario Superior Court Of Justice co-guardian of property of a minor who suffers from severe neurological impairment on August 7, 2007

Appointed by the Ontario Superior Court to replace an executor of an estate where the beneficiaries were dissatisfied with the administration on July 28, 2003

Appointed manager of property under Minutes of Settlement dated May 28, 2007 in a dispute among family members.

Appointed estate trustee where the court ordered the existing trustees to renounce their rights on October 27, 2008

Appointed Estate Trustee During Litigation in March 2013.

Appointed estate trustee in May 2007 pursuant to a mediation ordered by the Ontario Superior Court of Justice, and thereby required to manage a multi-million dollar estate amidst continuing vitriolic conflict between several family beneficiaries

Executor of a number of other Estates and Trusts

Presently I am co-Guardian on four accounts

THIS IS EXHIBIT " B " TO THE AFFIDAVIT  
OF Bruce G. Buckley SWORN  
BEFORE ME, THIS 17<sup>th</sup> DAY OF

December 2018

Diane Irene Tomas

Commissioner, etc.

Diane Irene Tomas, a Commissioner, etc.,  
City of Toronto, by Norman W. Tomas,  
Barister and Solicitor.  
Expires August 17, 2020

THE AVENUE ROAD TRUST et al

Plaintiffs

and

GALTY B.V. et al

Defendants

Court File No. CV-15-530070-0000

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**ONTARIO  
SUPERIOR COURT OF JUSTICE**

Proceeding commenced at Toronto

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**AFFIDAVIT OF BRUCE G.  
BUCKLEY sworn the day of  
December, 2018**

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RONALD G. CHAPMAN  
Barrister  
Suite 2200,  
181 University Avenue  
Toronto, Ontario M5H 3M7

Tel: (416) 601-1945  
Fax: (416) 601-9984

Lawyer for the Plaintiffs  
File No. 77283  
LSUC Reg. No. 12820G

**THIS IS EXHIBIT "B"**  
**TO THE AFFIDAVIT OF TIMOTHY SEABROOK**

**SWORN MAY 5, 2023**



**COLBY LINTHWAITE**  
**A Commissioner, etc.**

District of: Ontario  
Division No. 09 - Toronto  
Court No. 31-2484304  
Estate No. 31-2484304

FORM 77  
Notice of Disallowance of Claim, Right to Priority or Security or Notice of Valuation of Claim  
(Subsection 135(3) of the Act)

In the matter of the bankruptcy of  
Galty B.V.  
having its head office in the City of Amsterdam, Netherlands

Victor M. Seabrook & Timothy Seabrook, Trustees of The Avenue Road Trust and Isobel R. Seabrook by her Litigation Guardian, Timothy Seabrook  
c/o Ron Chapman  
2200-181 University Avenue  
Toronto ON M5H 3M7

Take notice that:

As trustee acting in the matter of the bankruptcy of Galty B.V., we have disallowed your claim (or your right to a priority or your security on the property) in whole, pursuant to subsection 135(2) of the Act, for the following reasons:

- a) There has been no contemporaneous documentation provided to show a loan from Victor M. Seabrook & Timothy Seabrook, Trustees of The Avenue Road Trust and Isobel R. Seabrook by her Litigation Guardian, Timothy Seabrook ("ART") to the Bankrupt, or a loan agreement whereby ART would loan funds to La Hogue and then La Hogue would in turn loan those same funds to the Bankrupt. The documentation provided, in which Victor Seabrook appears to have been acting as an instructing principal of ART, solicitor and managing director of the Bankrupt, and solicitor for La Hogue, in connection with transactions in 1993 and 2001 do not have a documented relationship between ART and the Bankrupt. The central role that Mr. Seabrook appears to have played in the materials times makes the absence of such documentation more significant than if a true third party had been making the Claim.
- b) Insofar as ART relies on assignments to it of claims by La Hogue against the Bankrupt (in Exhibits J and L to Mr. Seabrook's affidavit sworn August 14, 2020), it is not adequately established that La Hogue had any claims against the Bankrupt to assign, or that if it did that such claims were not limitation barred. The documentation provided, including in the affidavit of Richard Wigley that is attached to Mr. Seabrook's affidavit sworn August 14, 2020, does not have any paperwork with Werner Heinrichs or anyone else on behalf of the Bankrupt after November 14, 2013, and even that is equivocal as to what loans were being discussed.
- c) Additionally even if the assignments from La Hogue to ART did assign debts, those assignments only extend to the amounts in the Claim of £ 472,790, CAD \$150,000 and CAD \$250,000, respectively. They do not include the CAD \$750,000 amount in the Claim. If the Claim were to be allowed, it could only be allowed in part and to the exclusion of the CAD \$750,000.
- d) The documentation of the Bankrupt available to the Trustee, such as accounting and tax return records, includes no records of amounts owing to either La Hogue or ART as of the date of the bankruptcy.
- e) Insofar as the Claim includes amounts for legal fees and international process server fees, the lack of proven liability of the Bankrupt to ART would be a basis not to allow those further claims as well. In addition, legal fees are not normally claimable on a 100% basis in Ontario litigation, so even if the Claim were allowed in full, full recovery of those amounts would not be proven.

And further take notice that if you are dissatisfied with our decision in disallowing your claim in whole (or a right to rank or your security or valuation of your claim), you may appeal to the court within the 30-day period after the day on which this notice is served, or within any other period that the court may, on application made within the same 30-day period, allow.

Dated at the City of Toronto in the Province of Ontario, this 6th day of August 2021.

MNP Ltd. - Licensed Insolvency Trustee  
Per:

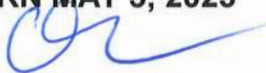


---

Sheldon Title - Licensed Insolvency Trustee  
300 - 111 Richmond Street West  
Toronto ON M5H 2G4  
Phone: (416) 596-1711 Fax: (416) 323-5242

**THIS IS EXHIBIT "C"**  
**TO THE AFFIDAVIT OF TIMOTHY SEABROOK**

**SWORN MAY 5, 2023**



**COLBY LINTHWAITE**  
**A Commissioner, etc.**

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
IN BANKRUPTCY & INSOLVENCY**

**IN THE MATTER OF THE BANKRUPTCY OF  
GALTY B.V.  
HAVING ITS HEAD OFFICE IN  
THE CITY OF AMSTERDAM, NETHERLANDS**

**NOTICE OF MOTION/APPEAL**

Victor M. Seabrook and Timothy Seabrook, Trustees of the Avenue Road Trust, Creditor in the within matter (“Seabrook”), will make a motion to the court on a date to be set in accordance with the Toronto Expansion Protocol for Court Hearings During COVID-19 Pandemic at 393 University Avenue, Toronto, Ontario.

**PROPOSED METHOD OF HEARING:** Orally by Zoom videoconference.

**THE MOTION IS FOR:**

1. An appeal from the disallowance by MNP Ltd., the Trustee of the Estate of Galty B.V., a bankrupt (the “Trustee”) dated August 6, 2021 of the proof of claim filed by Seabrook dated March 11, 2021 (the “Seabrook Proof of Claim”).
2. If necessary, an order granting leave to Seabrook to introduce fresh evidence into the appeal record.

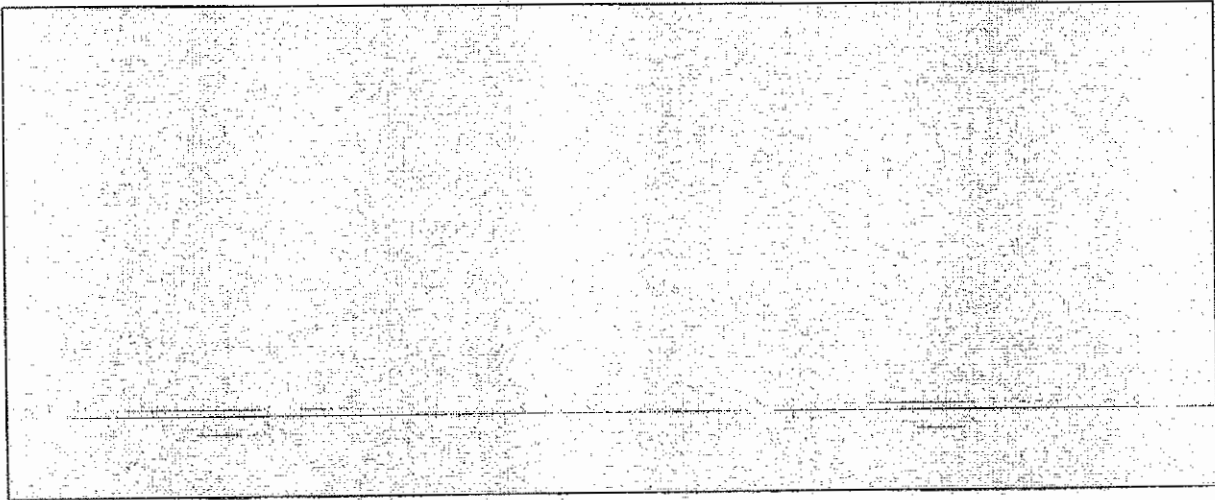


3. Costs of this motion.
4. Such further and other relief as this Honourable Court deems just.

**THE GROUNDS FOR THE MOTION ARE:**

5. The Seabrook Proof of Claim was filed with the Trustee for unsecured claims in the amount of \$1,992,312.99.
6. On August 6, 2021, the Trustee disallowed the Seabrook Proof of Claim (the "Disallowance").



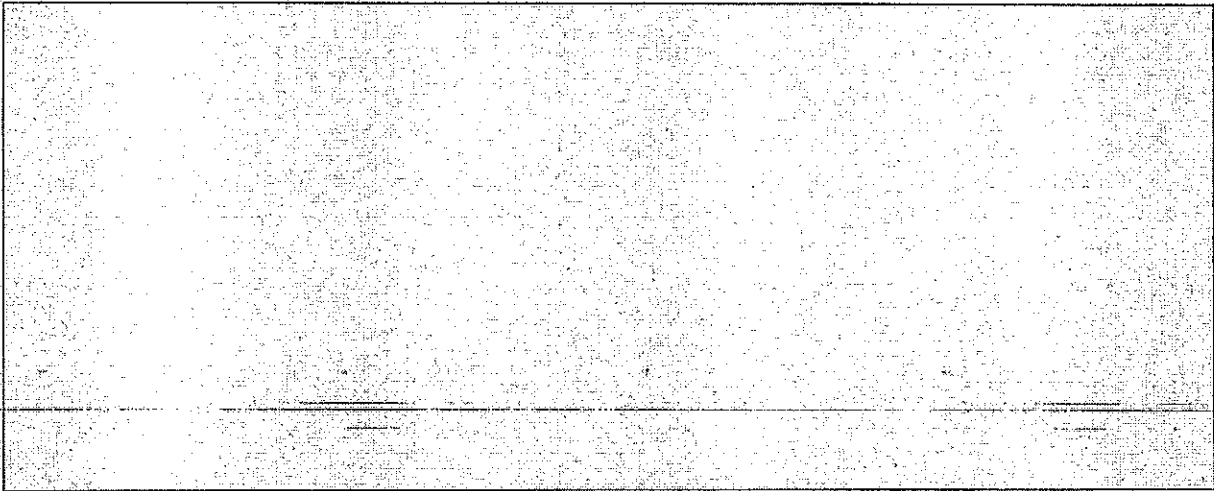


7. Seabrook appeals the Disallowance.

8. The evidence submitted by Seabrook in support of the Seabrook Proof of Claim provides material evidence to support the loan by Seabrook to the Bankrupt, direct or indirect.

9. The evidence submitted by Seabrook documents that there is a commercial relationship between Seabrook and Galty B.V. (the "Bankrupt") in the material period of 1993-2001.

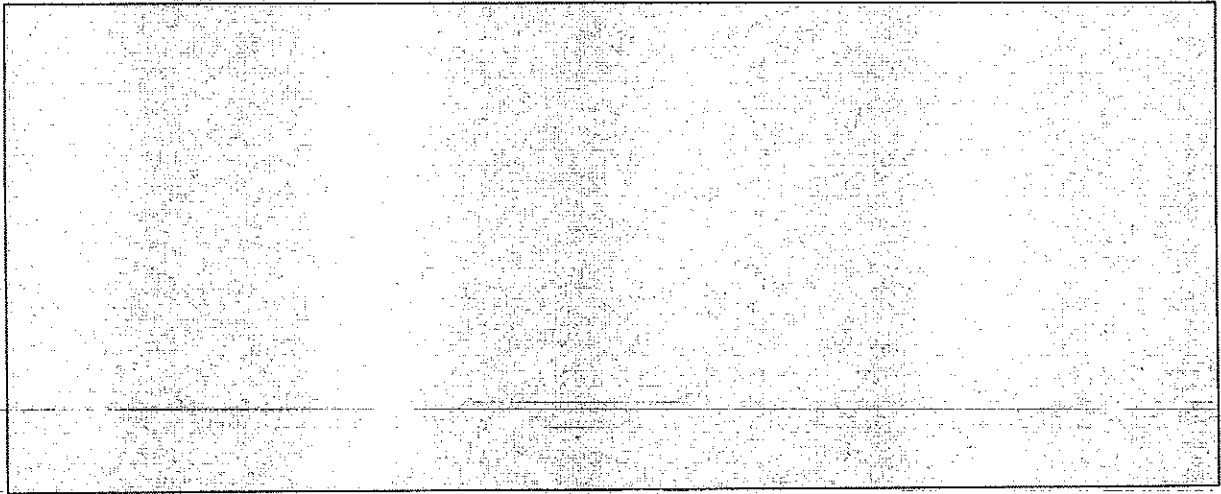
10. The evidence submitted by Seabrook that Seabrook supports the allegation that Seabrook had limited access to the books and records of Bankrupt to access documents to support the amounts claimed in the Seabrook Proof of Claim.



11. The evidence submitted by Seabrook supports the amounts claimed in the Seabrook Proof of Claim that Seabrook loaned the Bankrupt \$750,000 contrary to the position set forth in the Disallowance.

12. The Trustee is an officer of the court.

13. It has come to light that the Trustee and/or the Trustee's solicitor had communications with another interested party to these proceedings. No advise was given to the Creditor's counsel of these communications prior to the Trustee's decision.

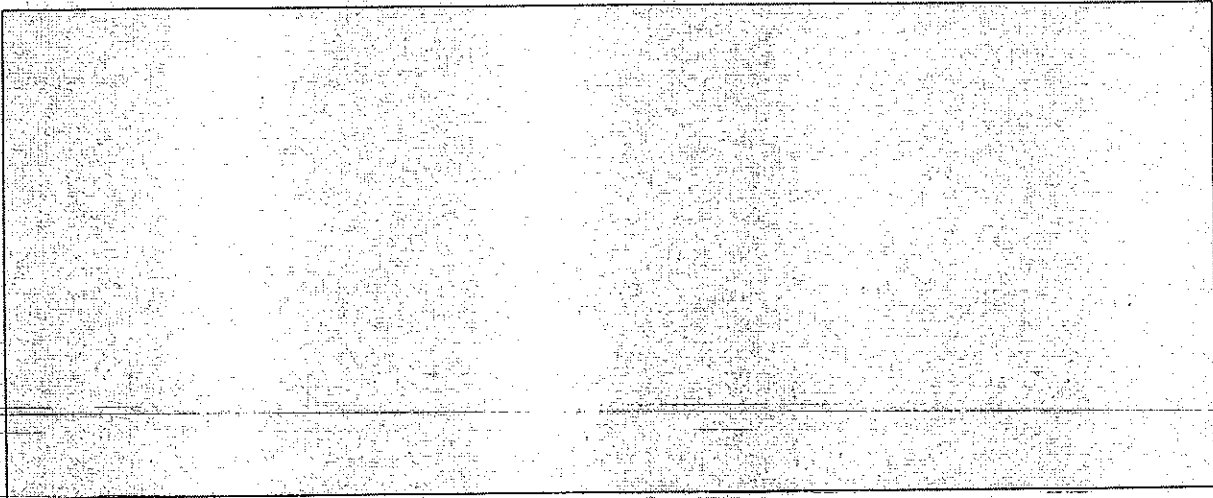


14. Therefore, it is respectfully submitted that the Trustee's decision should be vacated and there should be a new Trustee appointed to consider this matter.

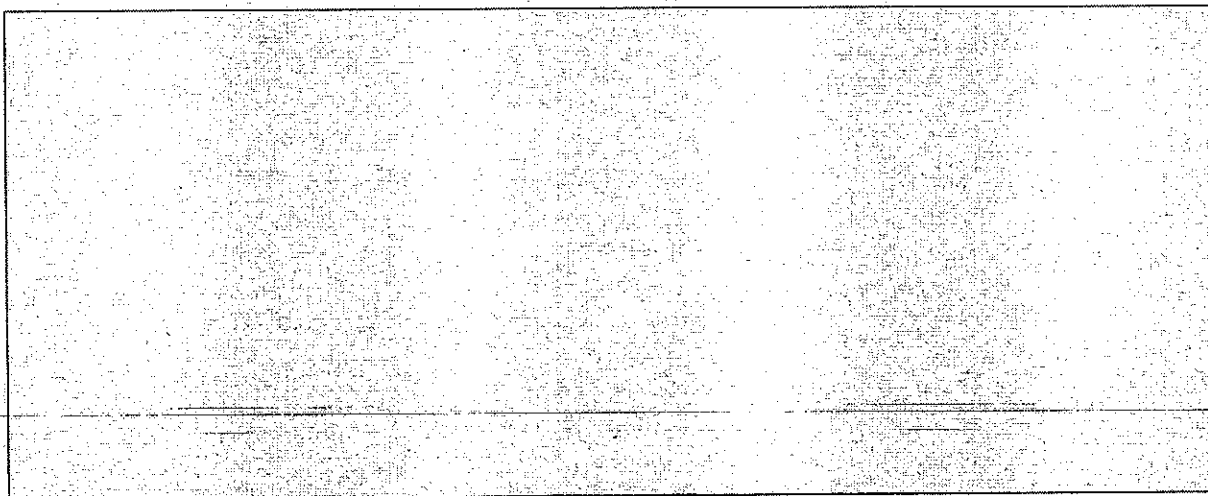
15. Sections 135(4), 192(1)(h) and 197 of the *Bankruptcy and Insolvency Act*, RSC, 1985, c B-3. Rule 6 of the *Bankruptcy and Insolvency General Rules*, CRC, c 36.

16. Such further and other grounds as counsel may advise and this Honourable Court may permit.

**THE FOLLOWING DOCUMENTARY EVIDENCE** will be used at the hearing of  
this motion:



- 17. The Seabrook Proof of Claim.
- 18. The Trustee's Notice of Disallowance dated August 6, 2021.
- 19. The Affidavit of Richard Wigley sworn February 27, 2018.
- 20. The Affidavit of Victor M. Seabrook sworn March 25, 2019.
- 21. The Affidavit of Victor M. Seabrook sworn August 14, 2020.

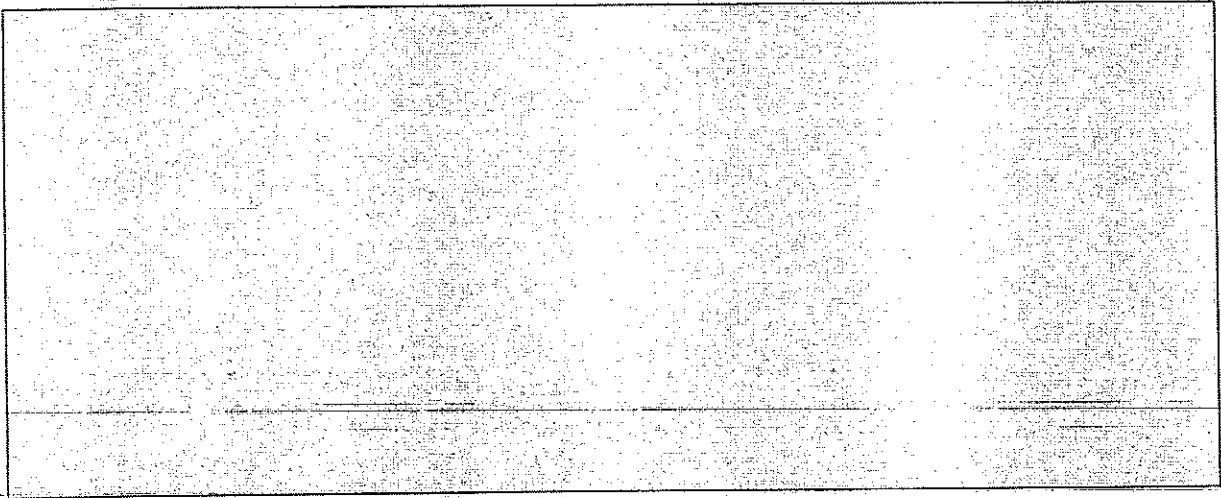


22. Such further and other material as counsel may advise and this Honourable Court may permit.

Dated this 3<sup>rd</sup> day of September, 2021

**JAFFE & PERITZ LLP**  
Barristers and Solicitors  
424-100 Richmond Street West  
Toronto, ON M5H 3K6

**Brandon Jaffe**  
LSO No. 29084D  
Tel: (416) 368-2809  
Email: [bjaffe@jaffeperitz.com](mailto:bjaffe@jaffeperitz.com)



Agents for Ronald G. Chapman, Lawyers  
for the Creditor, Victor M. Seabrook and  
Timothy Seabrook, Trustees of the Avenue  
Road Trust

**TO: Goldman Sloan Nash & Haber LLP**  
1600-480 University Ave  
Toronto, ON M5G 1V2

**R. Brendan Bissell**  
LSO No. 40354V  
Tel: (416) 597-6489  
Email: [bissell@gsnh.com](mailto:bissell@gsnh.com)

Lawyer for the Trustee

IN THE MATTER OF THE BANKRUPTCY OF  
GALTY B.V.  
HAVING ITS HEAD OFFICE IN  
THE CITY OF AMSTERDAM, NETHERLANDS

**ONTARIO**  
**SUPERIOR COURT OF JUSTICE**  
**IN BANKRUPTCY & INSOLVENCY**  
Proceeding commenced at Toronto

**NOTICE OF MOTION/APPEAL**

**JAFFE & PERITZ LLP**  
Barristers and Solicitors  
424-100 Richmond Street West  
Toronto, ON M5H 3K6

**Brandon Jaffe**  
LSO No. 29084D  
Tel: (416) 368-2809  
Email: [bjaffe@jaffeperitz.com](mailto:bjaffe@jaffeperitz.com)

Agents for Ronald G. Chapman, Lawyers for the  
Creditor, Victor M. Seabrook and Timothy  
Seabrook, Trustees of the Avenue Road Trust

**THIS IS EXHIBIT "D"**  
**TO THE AFFIDAVIT OF TIMOTHY SEABROOK**

**SWORN MAY 5, 2023**



**COLBY LINTHWAITE**  
**A Commissioner, etc.**



## Colby Linthwaite

---

**From:** Brendan Bissell <bissell@gsnh.com>  
**Sent:** Friday, September 2, 2022 12:51 PM  
**To:** Colby Linthwaite  
**Cc:** Sheldon Title (sheldon.title@mnp.ca)  
**Subject:** RE: In the matter of the Bankruptcy of Galty B.V. (Court File No. 31-248304) | Our File No. 22-3154  
**Attachments:** Bankrupt financial statements from Galty NV.pdf

Hi Colby: Without agreeing that your client is entitled to ask for further documents or otherwise conduct discovery of the Trustee in this matter, we have looked into your inquiry and you are correct that there are further financial documents of the bankrupt available. They came in the proof of claim of Galty, N.V. and the particular documents are attached. The Trustee wishes to rely upon these for purposes of the appeal of the disallowance as well.

Please get back to me on your client's position on whether there will be an agreement on the fresh evidence issues or not. If not, we will have to discuss how to deal with that with the Associate Justice Ilichenko when we see him on Sept. 20, but if we have an agreement then of course that issue falls away and we can likely just seek to schedule the hearing of the appeal.

Regards,  
Brendan

R. Brendan Bissell

t. 416.597.6489 f. 416.597.3370 m 416.992.4979

e. [bissell@gsnh.com](mailto:bissell@gsnh.com)

a. 480 University Ave. | Suite 1600 | Toronto ON | M5G 1V2

Assistant Karen Jones | 416.597.9922 ext 101 | [jones@gsnh.com](mailto:jones@gsnh.com)

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---

**From:** Colby Linthwaite <colby@fredtayar.com>  
**Sent:** Thursday, September 01, 2022 11:54 AM  
**To:** Brendan Bissell <bissell@gsnh.com>  
**Subject:** RE: In the matter of the Bankruptcy of Galty B.V. (Court File No. 31-248304) | Our File No. 22-3154

Hi Brendan,

In its October 22, 2021 report, the trustee says that "Mr. Seabrook filed financial statements on behalf of the Company for tax return purposes with various Netherlands companies for the 1992, 1993, 1994, and 1995 [tax years], all of which showed amounts owing by the Company to NV in increasing amounts".

So apparently the trustee has 1992 through 1995, together with correspondence from Victor. I'd like to see those, please.

Thanks.

Colby Linthwaite  
Barrister and Solicitor  
Fred Tayar & Associates  
Professional Corporation  
65 Queen Street West, Suite 1200  
Toronto, ON M5H 2M5  
416.363.1800 ext. 300

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---

**From:** Brendan Bissell <[bissell@gsnh.com](mailto:bissell@gsnh.com)>  
**Sent:** Tuesday, August 30, 2022 1:50 PM  
**To:** Colby Linthwaite <[colby@fredtayar.com](mailto:colby@fredtayar.com)>  
**Subject:** RE: In the matter of the Bankruptcy of Galty B.V. (Court File No. 31-248304) | Our File No. 22-3154

Hi Colby: What I sent was all that the Trustee believes that it has. That said, however, the 2015 financial statements were part of what I sent, and the 1993 statements can be discerned from the 1994 statements when they compare that year to the prior year.

Hope that helps. If no other questions, please get back to me on whether we can resolve the proposed fresh evidence issue on the basis discussed.

Regards,

R. Brendan Bissell

t. 416.597.6489 f. 416.597.3370 m 416.992.4979

e. [bissell@gsnh.com](mailto:bissell@gsnh.com)

a. 480 University Ave. | Suite 1600 | Toronto ON | M5G 1V2

Assistant Karen Jones | 416.597.9922 ext 101 | [jones@gsnh.com](mailto:jones@gsnh.com)

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**From:** Colby Linthwaite <[colby@fredtayar.com](mailto:colby@fredtayar.com)>  
**Sent:** Thursday, August 18, 2022 3:16 PM  
**To:** Brendan Bissell <[bissell@gsnh.com](mailto:bissell@gsnh.com)>  
**Subject:** RE: In the matter of the Bankruptcy of Galty B.V. (Court File No. 31-248304) | Our File No. 22-3154

Brendan,

Thanks for these. Does your client have 1992, 1993, 1995-1997, or 1999-2015?

Thanks.

Colby Linthwaite  
Barrister and Solicitor  
Fred Tayar & Associates  
Professional Corporation  
65 Queen Street West, Suite 1200

Toronto, ON M5H 2M5  
416.363.1800 ext. 300

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---

**From:** Brendan Bissell <[bissell@gsnh.com](mailto:bissell@gsnh.com)>  
**Sent:** Thursday, August 11, 2022 10:13 AM  
**To:** Colby Linthwaite <[colby@fredtayar.com](mailto:colby@fredtayar.com)>  
**Subject:** RE: In the matter of the Bankruptcy of Galty B.V. (Court File No. 31-248304) | Our File No. 22-3154

Thanks for that, Colby.

Furhter to our earlier discussion, attached are the financial statement documents that the Trustee has and would want to rely upon in the appeal of the disallowance, which I mentioned in my email last week.

Let me know your client's position on the offer I communicated on the evidence to go before the Associate Justice on that appeal when you have had a chance to review that with your client, please? We can then figure out if a predicate motoin on what will be before the Court on the appeal will be necessary or not.

Regards,

R. Brendan Bissell

t. 416.597.6489 f. 416.597.3370 m 416.992.4979

e. [bissell@gsnh.com](mailto:bissell@gsnh.com)

a. 480 University Ave. | Suite 1600 | Toronto ON | M5G 1V2

Assistant Karen Jones | 416.597.9922 ext 101 | [jones@gsnh.com](mailto:jones@gsnh.com)

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---

**From:** Colby Linthwaite <[colby@fredtayar.com](mailto:colby@fredtayar.com)>  
**Sent:** Wednesday, August 10, 2022 1:50 PM  
**To:** Brendan Bissell <[bissell@gsnh.com](mailto:bissell@gsnh.com)>  
**Subject:** RE: In the matter of the Bankruptcy of Galty B.V. (Court File No. 31-248304) | Our File No. 22-3154

Okay, I'll have them sent promptly.

Colby Linthwaite  
Barrister and Solicitor  
Fred Tayar & Associates  
Professional Corporation  
65 Queen Street West, Suite 1200  
Toronto, ON M5H 2M5  
416.363.1800 ext. 300

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---

**From:** Brendan Bissell <[bissell@gsnh.com](mailto:bissell@gsnh.com)>  
**Sent:** Wednesday, August 10, 2022 1:48 PM  
**To:** Colby Linthwaite <[colby@fredtayar.com](mailto:colby@fredtayar.com)>  
**Subject:** Re: In the matter of the Bankruptcy of Galty B.V. (Court File No. 31-248304) | Our File No. 22-3154

Understood. Thanks.

R. Brendan Bissell  
Office: (416) 597-6489 | Mobile: (416) 992-4979  
Sent from my iPhone

On Aug 10, 2022, at 1:39 PM, Colby Linthwaite <[colby@fredtayar.com](mailto:colby@fredtayar.com)> wrote:

Brendan,

There were other small changes made to satisfy the requirements of the Bankruptcy Office (below).

Colby Linthwaite  
Barrister and Solicitor  
Fred Tayar & Associates  
Professional Corporation  
65 Queen Street West, Suite 1200  
Toronto, ON M5H 2M5  
416.363.1800 ext. 300

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---

**From:** Brendan Bissell <[bissell@gsnh.com](mailto:bissell@gsnh.com)>  
**Sent:** Wednesday, August 10, 2022 10:36 AM  
**To:** Colby Linthwaite <[colby@fredtayar.com](mailto:colby@fredtayar.com)>  
**Subject:** Re: In the matter of the Bankruptcy of Galty B.V. (Court File No. 31-248304) | Our File No. 22-3154

Hi Colby: I cannot seem to open the forms on my phone right now. If the only change is to request the new hearing dates then that's fine and please go ahead and sign for me.

Regards,  
Brendan

R. Brendan Bissell  
Office: (416) 597-6489 | Mobile: (416) 992-4979  
Sent from my iPhone

On Aug 10, 2022, at 7:53 AM, Colby Linthwaite <[colby@fredtayar.com](mailto:colby@fredtayar.com)> wrote:

Brendan,

Please let me know if I can sign these on your behalf, so that they might be sent in.

Colby Linthwaite  
Barrister and Solicitor  
Fred Tayar & Associates  
Professional Corporation  
65 Queen Street West, Suite 1200  
Toronto, ON M5H 2M5  
416.363.1800 ext. 300

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---

**From:** Colby Linthwaite  
**Sent:** Tuesday, August 9, 2022 9:19 AM  
**To:** Brendan Bissell <[bissell@gsnh.com](mailto:bissell@gsnh.com)>  
**Subject:** RE: In the matter of the Bankruptcy of Galty B.V. (Court File No. 31-248304) | Our File No. 22-3154

Brendan,

Revised forms are attached, for your review and approval.

Colby Linthwaite  
Barrister and Solicitor  
Fred Tayar & Associates  
Professional Corporation  
65 Queen Street West, Suite 1200  
Toronto, ON M5H 2M5  
416.363.1800 ext. 300

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---

**From:** Brendan Bissell <[bissell@gsnh.com](mailto:bissell@gsnh.com)>  
**Sent:** Monday, August 8, 2022 4:44 PM  
**To:** Colby Linthwaite <[colby@fredtayar.com](mailto:colby@fredtayar.com)>  
**Subject:** RE: In the matter of the Bankruptcy of Galty B.V. (Court File No. 31-248304) | Our File No. 22-3154

Hi Colby: I can make any of the September dates work.

**R. Brendan Bissell**



Suite 1600 | 480 University Avenue | Toronto ON | M5G 1V2

Direct [416 597 6489](tel:416-597-6489) | Fax [416 597 3370](tel:416-597-3370) | Mobile: [416 992 4979](tel:416-992-4979) | [www.gsnh.com](http://www.gsnh.com)

Assistant | Karen Jones | [416 597 9922 ext. 101](tel:416-597-9922) | [jones@gsnh.com](mailto:jones@gsnh.com)

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**From:** Colby Linthwaite <[colby@fredtayar.com](mailto:colby@fredtayar.com)>  
**Sent:** August 8, 2022 4:10 PM  
**To:** Brendan Bissell <[bissell@gsnh.com](mailto:bissell@gsnh.com)>  
**Subject:** FW: In the matter of the Bankruptcy of Galty B.V. (Court File No. 31-248304) | Our File No. 22-3154

Brendan,

Please let me know which of those dates are available to you.

Thanks.

Colby Linthwaite  
Barrister and Solicitor  
Fred Tayar & Associates  
Professional Corporation  
65 Queen Street West, Suite 1200  
Toronto, ON M5H 2M5  
416.363.1800 ext. 300

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**From:** JUS-G-MAG-CSD-Toronto-SCJ Bankruptcy <[Toronto.Bankruptcy@ontario.ca](mailto:Toronto.Bankruptcy@ontario.ca)>  
**Sent:** Monday, August 8, 2022 2:25 PM  
**To:** Marie Pacheco <[marie@fredtayar.com](mailto:marie@fredtayar.com)>  
**Cc:** Colby Linthwaite <[colby@fredtayar.com](mailto:colby@fredtayar.com)>; [bissell@gsnh.com](mailto:bissell@gsnh.com)  
**Subject:** RE: In the matter of the Bankruptcy of Galty B.V. (Court File No. 31-248304) | Our File No. 22-3154

Hello Marie

Case conferences are required to schedule a Special Appointment. Next dates are September 20, 21, 22, or October 12, 18, 19, 20, 26, or 27. The

hearing request should include two mutually agreeable dates (subject to availability), must be on consent of the parties. Please indicate under Motion ' Case Conference at 9:30 am ), and check off on consent.

Please resubmit for scheduling both forms, note the naming of the forms is incorrect.

Thanks Debbie  
416-327-5044

---

**From:** Marie Pacheco <[marie@fredtayar.com](mailto:marie@fredtayar.com)>  
**Sent:** August 8, 2022 2:17 PM  
**To:** JUS-G-MAG-CSD-Toronto-SCJ Bankruptcy <[Toronto.Bankruptcy@ontario.ca](mailto:Toronto.Bankruptcy@ontario.ca)>  
**Cc:** Colby Linthwaite <[colby@fredtayar.com](mailto:colby@fredtayar.com)>; [bissell@gsnh.com](mailto:bissell@gsnh.com)  
**Subject:** In the matter of the Bankruptcy of Galty B.V. (Court File No. 31-248304) | Our File No. 22-3154

**CAUTION – EXTERNAL E-MAIL – Do not click links or open attachments unless you recognize the sender.**

Please see attached Special Appointment Scheduling Form and Bankruptcy Request Form and advise us accordingly.

Thank you.

Marie Pacheco  
Law Clerk  
[marie@fredtayar.com](mailto:marie@fredtayar.com)

Fred Tayar & Associates  
Professional Corporation  
Suite 1200 – 65 Queen St. W  
Toronto, ON M5H 2M5  
tel: (416) 363-1800 ext. 600  
fax: (416) 363-3356

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**THIS IS EXHIBIT "E"**  
**TO THE AFFIDAVIT OF TIMOTHY SEABROOK**

**SWORN MAY 5, 2023**



**COLBY LINTHWAITE**  
**A Commissioner, etc.**



**ONTARIO**  
**SUPERIOR COURT OF JUSTICE BANKRUPTCY COURT**  
**SPECIAL APPOINTMENT SCHEDULING FORM**

**IN THE MATTER OF GALTU B.V. HAVING ITS HEAD OFFICE**  
**IN THE CITY OF AMSTERDAM IN THE NETHERLANDS**

DATE MOTION FILED: \_\_\_\_\_

**PLEASE NOTE: THIS FORM MUST BE COMPLETED AND RETURNED TO THE**  
**BANKRUPTCY COURT OFFICE PRIOR TO A SPECIAL APPOINTMENT BEING SCHEDULED.**

The purpose of this form is to provide the Registrars in Bankruptcy with information to Assess the readiness of the case for hearing, estimate the probable length of the hearing, and to establish a fixed hearing date.

The Moving Party is expected to attempt to consult with all concerned parties and to seek their assistance with the information to be provided.

Please provide a Brief factual overview and nature of relief sought: Appeal from a disallowance of claim by the Trustee

Party	Name	Telephone	Fax No.	email
Trustee	Sheldon Title, MNP LTD.	416-263-6945	416-323-5240	<a href="mailto:Sheldon.title@mnp.ca">Sheldon.title@mnp.ca</a>
Lawyer for Trustee	Brendan Bissell (LSO No. 40354V)	416-597-6489		<a href="mailto:bissell@gsnh.com">bissell@gsnh.com</a>
Bankrupt				
Lawyer for Bankrupt				
OSB				
Lawyer for OSB				
Other (Specify) Creditor	Ronald Chapman (LSO No. 12820G) Fred Tayar (LSO No. 23909N) Colby Linthwaite (LSO No.49599K)	416-601-1945  416-363-1800 Ext.200  Ext. 300	416-601-9984  416-363-3356	<a href="mailto:ronaldchapman@lawchambers.com">ronaldchapman@lawchambers.com</a>  <a href="mailto:fred@fredtayar.com">fred@fredtayar.com</a>  <a href="mailto:colby@fredtayar.com">colby@fredtayar.com</a>

- Parties' current best estimate in minutes for complete hearing of matter 1/2 day
- Percentage estimate of resolution by parties prior to hearing unknown
- Case type:
  - Bankrupt's discharge application
  - Motion
  - Specify relief sought/type of motion: \_\_\_\_\_
  - Taxation of Statement of Receipts and Disbursements
  - Taxation of Legal Bill(s)
  - Trustee's Discharge Application
  - Other: Appeal of Trustee's disallowance claim
4. Is any party self represented? YES  NO
5. Is a translator required? YES  NO  Language \_\_\_\_\_
6. Is oral testimony of any nature required? YES  NO  **[to be determined]**
7. If the long hearing relates to a motion:
  - Have all motion materials been prepared? YES  NO
  - If not, when will the materials be served? **[to be determined]**
  - Are cross examinations expected? YES  NO
  - Have all undertakings and/or refusals been answered? YES  NO
  - By what date will examinations be completed? \_\_\_\_\_ N/A \_\_\_\_\_

Are any interlocutory motions required? [to be determined; possible re: fresh evidence]  
 If so, have they been booked? YES NO  
 Please specify date: \_\_\_\_\_  
 Will factums be required? YES NO  
 If so, have they been exchanged? YES NO  
 If not, please specify date of anticipated exchange: \_\_\_\_\_


8. Are any pre-hearing examinations required? YES NO  
 ° If so, please specify the date agreed upon and booked: \_\_\_\_\_  
 Are transcripts available? YES NO  
 If not, please specify when transcripts will be available: \_\_\_\_\_ N/A

9. If Oral Examinations before the Registrar are anticipated please complete the following table:

Witness name	Party calling witness	Length of direct examination	Length of cross examination	Length of re-direct	Total length

I HEREBY CERTIFY THAT ON BEHALF OF THE MOVING PARTY I HAVE ACCURATELY ANSWERED ALL OF THE QUESTIONS AND THAT I HAVE CONSULTED WITH ALL OTHER LAWYERS/PARTIES FOR THE PURPOSE OF COMPLETING THIS FORM.

Date: August 11, 2022

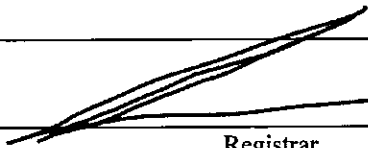
  
 Signature: Colby Linthwaite  
 Print Name:

**FOR COURT USE ONLY:**

**ENDORSEMENT:**

\_\_\_\_\_  
 \_\_\_\_\_  
 See attached endorsement  
 \_\_\_\_\_  
 \_\_\_\_\_

Date: September 20, 2022

  
 Registrar

ASSOCIATE JUSTICE ILCHENKO

September 20, 2022

R.B Bissell for Trustee

C. Linthwaite and R. Chapman for Appealing Creditor The Avenue Road Trust

Counsel for the Trustee and the Creditor appealing the Trustee's disallowance will caucus and advise whether there will be any preliminary evidentiary or other issues before the disallowance appeal is heard and set the schedule for exchange of Materials, if needed, at a further 9:30 Appointment before me on my October 25th In writing Motion day.

I would ask that the Bankruptcy Office set up a Zoom Courtroom for me at 9:30 on October 25th.

Counsel have penciled in January 19, February 16 and February 23rd as possible hearing dates for 3/4 of a day, to be set at the October 25th Case Conference, and hopefully a determination before which Registrar.

Counsel do not need to have a timetable established today.



ASSOCIATE JUSTICE ILCHENKO

October 25, 2022

R.B. Bissell for Trustee

C. Linthwaite for Appealing Creditor The Avenue Road Trust

Counsel have agreed to forgo preliminary evidentiary motions and will both be filing fresh evidence.

Hearing date to be on February 16, 2023 for a full day.

Counsel have been working cooperatively and do not require a timetable.

If issues arise between now and the hearing date they may schedule a case conference before me through the Bankruptcy Court Office.



ASSOCIATE JUSTICE ILCHENKO

February 6th, 2023

G24

R.B. Bissell for Trustee

C. Linthwaite and R. Chapman for Appealing Creditor The Avenue Road Trust

As a result of possible evidentiary issues raised by the Trustee regarding the recently discovered further evidence in the dwelling of the late Mr. Seabrook, and the Trustee and the Inspectors of the Estate needing time to determine whether the Appellant will be required to bring a Motion to introduce that Evidence at the hearing, the Special Appointment of the Appeal from the Trustee's Disallowance of the Appellant's Claim scheduled to be heard on Thursday, February 16th, 2023 for a full day is adjourned sine die, pending this determination and, if necessary, the scheduling of an evidentiary motion.

The Parties have agreed to attend at a 9:30 Case Conference before me on February 28th, 2023 on my In-Writing Bankruptcy Discharge day, to advise as to what fork, down what road, this matter will proceed. I would ask the Bankruptcy Court Office to set that Zoom Case Conference up.



ASSOCIATE JUSTICE ILCHENKO

February 27, 2023

February 28 Case Conference adjourned to a Case Conference on March 28, 2023 at 9:30 to allow the parties to continue to consider the above-noted procedural issues.



ASSOCIATE JUSTICE ILCHENKO

March 28, 2023

R.B. Bissell for Trustee  
S. Title, LIT for Trustee  
C. Linthwaite for Appealing Creditor The Avenue Road Trust  
M. Ward, Inspector, observing

Having considered the new documentation, the Trustee has taken the position that the Appealing Creditor requires an Order to introduce the documentation as fresh evidence on the Appeal from Disallowance.

Counsel to exchange materials and bring the motion on my Zoom Motions list for under 1hr that I will schedule for my Zoom Motions day that will occur at the end of May, as I not anticipate that this motion will require more than an hour. The hearing date will be confirmed when the May schedule is released.



ASSOCIATE JUSTICE ILCHENKO

G24

**THIS IS EXHIBIT "F"**  
**TO THE AFFIDAVIT OF TIMOTHY SEABROOK**

**SWORN MAY 5, 2023**



**COLBY LINTHWAITE**  
**A Commissioner, etc.**

## Colby Linthwaite

---

**From:** Brendan Bissell <bissell@gsnh.com>  
**Sent:** Thursday, October 27, 2022 1:28 PM  
**To:** Colby Linthwaite  
**Subject:** RE: Galty BV

[Colby: Apologies but I had intended to send the below email on Monday afternoon, but I just found it (and a few others) in my "outbox" on Outlook, so it obviously didn't get to you before the 9:30, hence your call to me that morning.]

Hi Colby: Thanks for that. I am going to have to go back through my file to confirm the specifics, but what you set out below isn't raising any red flags on first impression. I'll have to get back to you on that, which will have to be after today's 9:30 appointment.

Regards,  
Brendan

**R. Brendan Bissell**



Suite 1600 | 480 University Avenue | Toronto ON | M5G 1V2

Direct [416 597 6489](tel:4165976489) | Fax [416 597 3370](tel:4165973370) | Mobile: [416 992 4979](tel:4169924979) | [www.gsnh.com](http://www.gsnh.com)

Assistant | Karen Jones | [416 597 9922 ext. 101](tel:4165979922) | [jones@gsnh.com](mailto:jones@gsnh.com)

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**From:** Colby Linthwaite <colby@fredtayar.com>  
**Sent:** October 24, 2022 2:00 PM  
**To:** Brendan Bissell <bissell@gsnh.com>  
**Subject:** RE: Galty BV

Hi Brendan,

I believe we're agreed. For clarity, the record will be:

The Proof of Claim of Victor M. Seabrook and Timothy Seabrook as Trustees of the Avenue Road Trust and the attachments thereto

The Affidavit of Richard Wigley sworn February 27, 2018

The Affidavit of Bruce Buckley sworn December 17, 2018

The Affidavit of Victor M. Seabrook sworn March 25, 2019

The Affidavit of Victor M. Seabrook sworn August 14, 2020

The Notice of Disallowance of the Trustee in Bankruptcy dated August 6, 2021

The Affidavit of Victor M. Seabrook sworn October 5, 2021

The financial statements of the bankrupt recently produced by the trustee

Please confirm that this is correct.

Best,

Colby Linthwaite  
Barrister and Solicitor  
Fred Tayar & Associates  
Professional Corporation  
65 Queen Street West, Suite 1200  
Toronto, ON M5H 2M5  
416.363.1800 ext. 300

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**From:** Brendan Bissell <[bissell@gsnh.com](mailto:bissell@gsnh.com)>  
**Sent:** Tuesday, October 18, 2022 3:31 PM  
**To:** Colby Linthwaite <[colby@fredtayar.com](mailto:colby@fredtayar.com)>  
**Subject:** RE: Galty BV

Hi Colby: Thanks for your email and our call yesterday. As discussed, it seems like we can proceed on the basis of the agreement that we had been discussing about the appeal record given that your client does not wish to provide anything more than what we had considered in that agreement.

So the appeal record would consist of (i) all materials that your client provided to the trustee in support of its proof of claim before the disallowance, (ii) Mr. Seabrook's Oct. 5, 2021 affidavit, and (iii) the financial statements of the bankrupt that the trustee has and that I have provided to you via email.

I think that you wanted to check whether this is all correct, so please get back to me when you have had a chance to review your file. It would obviously be better to nail this down this week so that things can be set one way or the other for our appointment with the associate justice on Tuesday the 25<sup>th</sup>.

Thanks, and regards,  
Brendan

**R. Brendan Bissell**



Suite 1600 | 480 University Avenue | Toronto ON | M5G 1V2

Direct [416 597 6489](tel:4165976489) | Fax [416 597 3370](tel:4165973370) | Mobile: [416 992 4979](tel:4169924979) | [www.gsnh.com](http://www.gsnh.com)

Assistant | Karen Jones | [416 597 9922 ext. 101](tel:4165979922) | [jones@gsnh.com](mailto:jones@gsnh.com)

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**From:** Colby Linthwaite <[colby@fredtayar.com](mailto:colby@fredtayar.com)>  
**Sent:** October 17, 2022 3:59 PM  
**To:** Brendan Bissell <[bissell@gsnh.com](mailto:bissell@gsnh.com)>  
**Subject:** RE: Galty BV

Brendan,

Thank you for your patience. I understand that there is nothing new (i.e. that you are not already aware of) to be added.

Regards,

Colby Linthwaite  
Barrister and Solicitor  
Fred Tayar & Associates  
Professional Corporation  
65 Queen Street West, Suite 1200  
Toronto, ON M5H 2M5  
416.363.1800 ext. 300

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**From:** Brendan Bissell <[bissell@gsnh.com](mailto:bissell@gsnh.com)>  
**Sent:** Saturday, October 15, 2022 4:23 PM  
**To:** Colby Linthwaite <[colby@fredtayar.com](mailto:colby@fredtayar.com)>  
**Cc:** Sheldon Title ([sheldon.title@mnp.ca](mailto:sheldon.title@mnp.ca)) <[sheldon.title@mnp.ca](mailto:sheldon.title@mnp.ca)>  
**Subject:** RE: Galty BV

Colby: We are back before Associate Justice Ilchenko on Tues. Oct. 25, which is a week from this coming Tuesday.

You said on Sept. 30 that your client may want to add further evidence to the appeal record on the disallowance, but nothing has been provided since, despite requests (below).

As I noted earlier, the Trustee is going to need time to respond to anything further, both to review it and also to convene a meeting of inspectors of the estate for any further directions. We are now at the point where that may not be possible if whatever your client wants to add is not provided right away.

Without belabouring the point, I will also note on behalf of the Trustee that this is taking place in the context of extensive prior attempts by the Trustee to get evidence from your client in support of its proof of claim, including a great deal of indulgences that were granted along the way to attempt to do so. In fairness, the events prior to June of this year were before your firm's involvement, but that is only an exculpating point as far as your firm is concerned - not as far as your client is concerned.

Please get me whatever it is that your client wants to add to the record on Monday Oct. 17.

Regards,  
Brendan

R. Brendan Bissell

t. 416.597.6489 f. 416.597.3370 m 416.992.4979

e. [bissell@gsnh.com](mailto:bissell@gsnh.com)

a. 480 University Ave. | Suite 1600 | Toronto ON | M5G 1V2



Assistant Karen Jones | 416.597.9922 ext 101 | [jones@gsnh.com](mailto:jones@gsnh.com)

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**From:** Brendan Bissell  
**Sent:** Saturday, October 08, 2022 3:11 PM  
**To:** Colby Linthwaite <[colby@fredtayar.com](mailto:colby@fredtayar.com)>  
**Subject:** RE: Galty BV

Colby: Following up here.

Regards,  
Brendan

R. Brendan Bissell

t. 416.597.6489 f. 416.597.3370 m 416.992.4979

e. [bissell@gsnh.com](mailto:bissell@gsnh.com)

a. 480 University Ave. | Suite 1600 | Toronto ON | M5G 1V2

Assistant Karen Jones | 416.597.9922 ext 101 | [jones@gsnh.com](mailto:jones@gsnh.com)

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**From:** Colby Linthwaite <[colby@fredtayar.com](mailto:colby@fredtayar.com)>  
**Sent:** Friday, September 30, 2022 2:41 PM  
**To:** Brendan Bissell <[bissell@gsnh.com](mailto:bissell@gsnh.com)>  
**Subject:** RE: Galty BV

Brendan,

I should know in the next week or so.

Best,

Colby Linthwaite  
Barrister and Solicitor  
Fred Tayar & Associates  
Professional Corporation  
65 Queen Street West, Suite 1200  
Toronto, ON M5H 2M5  
416.363.1800 ext. 300

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---

**From:** Brendan Bissell <[bissell@gsnh.com](mailto:bissell@gsnh.com)>  
**Sent:** Friday, September 30, 2022 2:29 PM  
**To:** Colby Linthwaite <[colby@fredtayar.com](mailto:colby@fredtayar.com)>  
**Subject:** RE: Galty BV

Thanks, Colby. That unfortunately means that we do not have an agreement on the contents of the appeal record for the moment, but it probably makes sense to see what it is that ART wishes to also add. When do you think you can get those details to me? We have another appearance on this on Oct. 25 and if there is going to be a considered discussion on anything further I am going to need lead time to deal with the trustee and the estate inspectors well beforehand.

Regards,  
Brendan

---

**From:** Colby Linthwaite <[colby@fredtayar.com](mailto:colby@fredtayar.com)>  
**Sent:** Friday, September 30, 2022 2:25 PM  
**To:** Brendan Bissell <[bissell@gsnh.com](mailto:bissell@gsnh.com)>  
**Subject:** Galty BV

Brendan,

I was to tell you today if the ART had any other evidence it would seek to rely upon during the appeal. I am told that it (probably) does. I will tell you once I have more details.

Regards,

Colby Linthwaite  
Barrister and Solicitor  
Fred Tayar & Associates  
Professional Corporation  
65 Queen Street West, Suite 1200  
Toronto, ON M5H 2M5  
416.363.1800 ext. 300

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**THIS IS EXHIBIT "G"**  
**TO THE AFFIDAVIT OF TIMOTHY SEABROOK**  
**SWORN MAY 5, 2023**

**COLBY LINTHWAITE**  
**A Commissioner, etc.**

1980

CT5 33820  
**This Indenture**

made in duplicate the 31st day of December  
one thousand nine hundred and eighty

In Pursuance of the Short Forms of Conveyances Act:

**Between**

VACE SECURITIES LIMITED, a corporation  
duly incorporated under the laws of the  
Province of Ontario,

hereinafter called the "Grantor"

OF THE FIRST PART

and

GALTY B.V., a corporation duly organized  
under the laws of the Netherlands,

hereinafter called the "Grantee"

OF THE SECOND PART

**Witnesseth** that in consideration of other good and valuable consideration  
and the sum of TWO-----(\$2.00)-----DOLLARS

now paid by the said Grantee to the said Grantor, the receipt whereof is hereby by him acknowl-  
edged, he the said Grantor DOTH GRANT unto the said Grantee in fee simple

THOSE lands and premises located in the following municipality, namely, in the City of  
Toronto in the Municipality of Metropolitan Toronto and Province of Ontario,

and being composed of a part of Lot Number One (1) according to a plan filed  
as Number 266-E, in the Registry Office for East Toronto, and now in the  
Registry Office for the Registry Division of Toronto, and of a part of Lot  
Number Sixteen (16) according to a plan filed as Number 433 in the Registry  
Office for East and West York, and now in the said Registry Office for the  
Registry Division of Toronto; and which said parcel is more particularly  
described as follows:

limit of said Lot Number Sixteen (16); THENCE westerly along the last mentioned limit forty feet and one inch (40'1") to the easterly limit of South Drive, formerly called Beau Street; THENCE southerly along the said limit of South Drive, fifty-six feet and two inches (56'2") to a point of curve; THENCE southerly and following the last mentioned limit, one hundred and thirty-six feet (136') to a stake planted at a point of curve; THENCE southerly still along the last mentioned limit, seven feet and five and a half inches (7'5½") to a stake planted at an angle in the same; THENCE southerly still along the last mentioned limit seven feet and eight inches (7'8") to a stake planted at a point of curve; THENCE south-easterly on a curve to the left, being along the line connecting the said limit of South Drive with the said limit of Elm Avenue, forty-one feet and ten and a half inches (41'10½") more or less, to a stake planted in the last mentioned limit; THENCE easterly along the said limit of Elm Avenue, ninety-two feet (92') more or less, to the point of commencement;

TO HAVE AND TO HOLD unto the said Grantee, his heirs, executors, administrators and assigns or its successors and assigns, as the case may be, to and for their sole and only use forever.

SUBJECT NEVERTHELESS to the reservations, limitations, provisos and conditions expressed in the original grant thereof from the Crown.

The said Grantor COVENANTS with the said Grantee that he has the right to convey the said lands to the said Grantee notwithstanding any act of the said Grantor.

AND that the said Grantee shall have quiet possession of the said lands free from all encumbrances.

AND the said Grantor COVENANTS with the said Grantee that he will execute such further assurances of the said lands as may be requisite.

AND the said Grantor COVENANTS with the said Grantee that he has done no act to encumber the said lands.

AND the said Grantor RELEASES to the said Grantee ALL his claims upon the said lands.

PROVIDED that in construing these presents the words "Grantor" and "Grantee" and the pronouns "he", "his" or "him" relating thereto and used therewith shall be read and construed as "Grantor" or "Grantors", "Grantee" or "Grantees", and "he", "she", "it" or "they", "his", "her", "its" or "their", or "him", "her", "it" or "them", respectively, as the number and gender of the party or parties referred to in each case require, and the number of the verb agreeing therewith shall be construed as agreeing with the said word or pronoun so substituted.

IN WITNESS WHEREOF the said parties hereto have hereunto set their hands and seals.

IN THE MATTER OF THE PLANNING ACT (as amended)

AND IN THE MATTER OF THE TITLE TO Part Lot 1, Plan 266-E and Part Lot 16,  
Plan 433, City of Toronto

Deed, Mortgage,  
Agreement of  
Sale, Lease, etc.

AND IN THE MATTER OF A DEED

THEREOF, FROM VACE SECURITIES LIMITED

TO <sup>COOK</sup> CALTY ~~REDEVELOPMENT~~ <sup>COOK</sup> B.V.

DATED December 31 1980 .

I, GORDON DAVID ROSS FINLAY

of the City of Toronto in the Municipality of  
Metropolitan Toronto,

MAKE OATH AND SAY AS FOLLOWS:

1. I am the solicitor for the Grantor  
named in the above mentioned Instrument, and have knowledge of the matters hereinafter  
sworn.
  
2. The said Instrument, and the conveyance or other dealing with land affected thereby, do not  
contravene the provisions of The Planning Act, as amended, because
  - (a) *The present registered owner does not retain the fee or the equity of redemption in, or a  
power or right to grant, assign or exercise a power of appointment with respect to any  
land abutting the land affected by the said Instrument*
  
  - (b)

Delete  
if not  
applicable

State  
other  
reason  
if any



1982

MATTER OF THE CONVEYANCE OF (insert brief description of land) Part Lot 1, Plan 266-E and Part Lot 16, Plan 433, City of Toronto

BY (print names of all transferors in full) VACE SECURITIES LIMITED

TO (see instruction 1 and print names of all transferees in full) GALTLY B.V.

(see instruction 2 and print name(s) in full) GORDON DAVID ROSS FINLAY

TAKE OATH AND SAY THAT:

I am (place a clear mark within the square opposite that one of the following paragraphs that describes the capacity of the deponent(s)): (see instruction 2)

- (a) A person in trust for whom the land conveyed in the above-described conveyance is being conveyed;
- (b) A trustee named in the above-described conveyance to whom the land is being conveyed;
- (c) A transferee named in the above-described conveyance;
- (d) The authorized agent or solicitor acting in this transaction for (insert name(s) of principal(s)) GALTLY B.V. <sup>CONF. 5/14</sup> ~~VACE SECURITIES LIMITED~~

(e) The President, Vice-President, Manager, Secretary, Director, or Treasurer authorized to act for (insert name(s) of corporation(s)) described in paragraph(s) ~~(a)~~ ~~(b)~~ (c) above; (strike out references to inapplicable paragraphs)

(f) A transferee described in paragraph ( ) (insert only one of paragraph (a), (b) or (c) above, as applicable) and am making this affidavit on my own behalf and on behalf of (insert name of spouse) who is my spouse described in paragraph ( ) (insert only one of paragraph (a), (b) or (c) above, as applicable)

and as such, I have personal knowledge of the facts herein deposed to. I have read and considered the definitions of "non-resident corporation" and "non-resident person" set out respectively in clauses 1 (1)(f) and (g) of the Act. (see instruction 3).

The following persons to whom or in trust for whom the land conveyed in the above-described conveyance is being conveyed are non-resident persons within the meaning of the Act. (see instruction 4) none

THE TOTAL CONSIDERATION FOR THIS TRANSACTION IS ALLOCATED AS FOLLOWS:

(a) Monies paid or to be paid in cash	\$ 950,000.00	
(b) Mortgages (i) Assumed (show principal and interest to be credited against purchase price)	\$ NIL	
(ii) Given back to vendor	\$ NIL	
(c) Property transferred in exchange (detail below)	\$ NIL	
(d) Securities transferred to the value of (detail below)	\$ NIL	
(e) Liens, legacies, annuities and maintenance charges to which transfer is subject	\$ NIL	
(f) Other valuable consideration subject to land transfer tax (detail below)	\$ NIL	
(g) VALUE OF LAND, BUILDING, FIXTURES AND GOODWILL SUBJECT TO LAND TRANSFER TAX (TOTAL OF (a) to (f))	\$ 950,000.00	\$ 950,000.00
(h) VALUE OF ALL CHATELS - items of tangible personal property (Retail Sales Tax is payable on the value of all chattels unless exempt under the provisions of the "Retail Sales Tax Act", R.S.O. 1980, c.434, as amended)	\$ NIL	
(i) Other consideration for transaction not included in (g) or (h) above	\$ NIL	
(j) TOTAL CONSIDERATION	\$ 950,000.00	\$ 950,000.00

ALL BLANK MUST BE FILLED IN WHERE APPLICABLE

If consideration is nominal, describe relationship between transferor and transferee and state purpose of conveyance. (see instruction 5) N/A

If the consideration is nominal, is the land subject to any encumbrance? N/A

Other remarks and explanations, if necessary N/A

WORN before me at the City of Toronto the Municipality of Metropolitan Toronto is 21st day of April 19 82

Notary Public for Ontario, a Commissioner for Taking Affidavits in the Province of Ontario

[Signature]  
signature(s)

AFFIDAVIT OF SUBSCRIBING WITNESS

I,  
  
of the  
  
in the

make oath and say:

\*See footnote

I am a subscribing witness to the attached instrument and I was present and saw it executed  
at \_\_\_\_\_ by \_\_\_\_\_

\*See footnote

I verily believe that each person whose signature I witnessed is the party of the same name referred  
to in the instrument.

SWORN before me at the

this \_\_\_\_\_ day of \_\_\_\_\_ 19\_\_\_\_

A COMMISSIONER FOR TAKING AFFIDAVITS, ETC.

\* Where a party is unable to read the instrument or where a party signs by making his mark or in foreign characters add "after instrument had been read to him and he appeared fully to understand it". Where executed under a power of attorney insert "(name of attorney) as attorney for (name of party)"; and for next clause substitute "I verily believe that the person whose signature I witnessed was authorized to execute the instrument as attorney for (name)".

AFFIDAVIT AS TO AGE AND SPOUSAL STATUS

I / WE

of the

in the

(severally) make oath and say:

When I / WE executed the attached instrument,

\* If attorney,  
see footnote

I WAS / WE WERE EACH at least eighteen years old;

and within the meaning of section 1(f) of The Family Law Reform Act, 1973,

(a) I WAS / I WAS NOT a spouse,

(b) \_\_\_\_\_ was my spouse.

(c) We were spouses of one another.

Strike out  
inapplicable  
clauses.

Date: December 31 19 80

980,000

VACE SECURITIES LIMITED

SWORN before me at the

this day of

19

to in the instrument.

~~CP 5 30820~~

REGISTRY DIVISION OF TORONTO (No. 63)

I CERTIFY THAT THIS INSTRUMENT IS REGISTERED AS OF 26 MAY 1982 IN THE P.M.

26 MAY 1982 IN THE

J. K. Humphrey  
LAND REGISTRAR

104 Registry Office  
4 Front St.  
Toronto, Ontario.

266E 46002. 7144

16  
433 46002. 355A

PROPERTY OF THE  
REGISTRY OFFICE

REGISTRATION FEE	17 <sup>00</sup>
LAND TRANSFER TAX	788.36 <sup>00</sup>
RETAIL SALES TAX	

Date: December 31 19 80

VACE SECURITIES LIMITED

—70—

GALTY B.V.

Part of Land

SITUATE

Part Lot 1, Plan 266-E and  
Part Lot 16, Plan 433  
City of Toronto

Newome and Gilbert, Limited, — Form 100, 118, 1189 or 1182

ASSESSMENT ROLL No. 620-0410

ADDRESS OF PROPERTY: 89 Elm Avenue, Toronto, Ontario

SEABROOK & ASSOCIATES  
First Canadian Place  
Suite 3300, P.O. Box 33  
Toronto, Ontario  
M5X 1A9  
5338880  
8.12

"If there a party is unable to read the instrument or where a party signs by making his mark or in foreign characters add "after instrument had been read to him and he appeared fully to understand it", "Where executed under a power of attorney insert "(name of attorney) as attorney for (name of party)" and for next clause substitute "I verify believe that the person whose signature I witnessed was authorized to execute the instrument as attorney for (name)".

A COMMISSIONER FOR TAKING AFFIDAVITS, ETC.

**1992**

**MURRAY & COMPANY**

INSURANCE BROKERS  
40 UNIVERSITY AVENUE, TORONTO, CANADA  
M5J 1S3

TELEPHONE 598-0951  
FAX (416) 598-5311

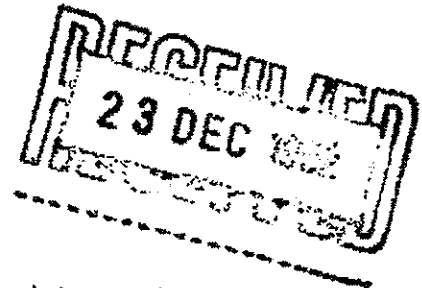
December 9, 1992

La Hogue Financial Management  
Services Ltd.  
P.O. Box 165, 19 Seaton Place  
St. Heller, Jersey, J3R 84Z  
Channel Islands

Attention: Mr. R. Wigley

Dear Mr. Wigley

Re: Property Insurance - Mr. & Mrs. Heinrichs  
General Accident Assurance Company of Canada  
Policy No. PP0208083



Further to our letter of November 17, 1992, we are pleased to enclose the renewal certificate for the above-noted policy, effective November 16, 1992 to November 16, 1993. The renewal coverages are as follows:

88 Elm Avenue  
-----

- \$3,204,000 - Dwelling. All Risk Form. \$1,000 Deductible.  
Sewer Back Up Endorsement.
- \$ 320,400 - Outbuildings.
- \$2,242,800 - Unscheduled Personal Property. Replacement Cost  
Endorsement.
- \$ 50,000 - Personal Property Coverage for property of Anne Marie  
Heinrichs, while she is attending university at: 282A  
Wokingham Rd., Reading, Berks England RG6 1JU
- \$ 640,800 - Additional Living Expenses.
- \$ 81,707 - Fine Arts Floater. Excluding Breakage.
- \$ 177,232 - Personal Articles Floater.
- \$2,000,000 - Personal Liability. Liability is extended to cover  
Location at 43 St. Hilda's Avenue, Toronto, Ontario.

43 St. Hilda's Avenue  
-----

- \$ 480,000 - Dwelling. Fire & Extended Coverages. \$1,000 Deductible.  
(a summary of all fire & extended coverages has been  
included for your benefit)

As this policy contains a replacement cost endorsement, the limit on Dwelling and Unscheduled Personal Property has been automatically increased by the insurance company to take inflation into account.

**MURRAY & COMPANY**INSURANCE BROKERS  
40 UNIVERSITY AVENUE, TORONTO, CANADA

MSJ 153

TELEPHONE 598-0951  
FAX (416) 598-5311La Hogue Financial  
Management Services Ltd.  
December 9, 1992  
Page Two

Our invoice no. 77574 in the amount of \$11299.00, total annual renewal premium, is also enclosed for your kind attention.

As discussed, this policy is contingent upon one of the Heinrichs' employees living in the property at 88 Elm Avenue, on a permanent basis, until the Heinrichs' return.

Please note, the scheduled jewellery and furs have been deleted from this policy, as per prior instructions received from Mr. & Mrs. Heinrichs.

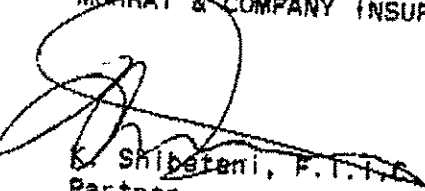
Please also note, that this policy excludes all losses with respect to the pottery business, and all business contents within the coach house.

As you can see, there is no coverage for any personal property of the Heinrichs' at the 43 St. Hilda's Avenue location. There never has been any coverage for their property at this location. We would like to recommend that the Heinrichs' consider purchasing this coverage. The additional premium for this type of coverage would be approximately \$50. per \$10,000. of coverage. Kindly review this matter with the Heinrichs', and contact us with their instructions, at your earliest convenience.

We trust that you will find the enclosed to be in order. If you should have any questions concerning this matter, please do not hesitate to contact us.

Yours very truly,

MURRAY &amp; COMPANY INSURANCE BROKERS



S. Shiberani, F.I.C.  
Partner  
/jw  
Enclosures

cc. Vaca Holdings Corp. Ltd.  
Commerce Court West  
Suite 2100

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**MURRAY & COMPANY**

INSURANCE BROKERS  
40 UNIVERSITY AVENUE, TORONTO, CANADA  
M5J 1S3

TELEPHONE 598-0951  
FAX (416) 598-5311

**Summary of Fire & Extended Coverages**  
-----

- Fire, or Lightning.
- Explosion.
- Smoke due to the sudden, unusual and faulty operation of any heating or cooking unit.
- Falling Objects.
- Impact by Aircraft, or Land Vehicle.
- Riot.
- Windstorm, Hail.
- Vandalism, or Malicious Acts.
- Theft, or Attempted Theft.
- Water Escape, Rupture, & Freezing (Subject to standard exclusions at set forth in General Accident's Policy Wording)

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STATEMENT OF ACCOUNT

MURRAY & COMPANY INSURANCE BROKERS  
598-0951 CONTACT: JOANNE WRIGHT

92-12-31  
MEIEU

EFFECTIVE	POLICY	DESCRIPTION	INVOICE	AMOUNT
92-11-16	FOZ0805	RENEWAL - HOMEOWNERS	77574	11,299.00
Gally B W.'s Portion: 88 Elm Avenue				9,419.00
V. Heinrichs Portion: 43 St. Hilda's Avenue				1,680.00
				-----
				11,099.00
*\$200.00 account credit to be deducted from \$11,299.00 as Anne Marie's Personal Property has been deleted from policy. Endorsement to follow shortly.				
CURRENT	PAY	ADJAYS		BALANCE
11,299.00				11,299.00

KEEP THIS PORTION FOR YOUR RECORDS



**BARCLAYS BANK PLC**

1, TRINITY PLACE ST HELENS JERSEY

JANUARY 1983

DT 143365

CA01200-00\*\*\*

Payee MURRAY & COMPANY INSURANCE BROKERS

the sum of

DEBIT TO LONDON

JERSEY

Drawn on: CANADIAN IMPERIAL BANK OF COMMERCE  
COMMERCE COURT  
TORONTO, ONTARIO, CANADA

In accordance with your instructions we have issued this draft which we enclose/have forwarded to:

490086 - New orders and copy

**1993**

# Memorandum

To: V M SEABROOK Q.C. From: RICHARD WIGLEY

Date: 29TH OCTOBER 1993 Subject:

**LOAN ARRANGEMENT LA HOUGUE CLIENT 0085  
FROM LA HOUGUE CLIENT 0104**

As discussed with you on the telephone a fixed interest 12 months loan arrangement has been agreed between the two La Hougue clients and I am seeking your assistance in effectively securing the position on behalf of our client 0104.

Details of the arrangement are:-

12 months fixed loan at £472,789.93 reviewable after 9 months regarding a possible extension for a further period of 12 months at the then agreeable interest rate.

Security: The property 35 Elm Avenue, Toronto, Ontario Canada

Interest Rate: To lender 8 1/2% fixed, payable monthly in the sum of £3348.93.

To Borrower 0% , payable monthly in the sum of £3545.93.

The difference between the lender's and the borrowing amount being due to La Hougue as a fee (3%) for arranging this transaction.

I should be grateful if you would advise me what documentation will be required to effect adequate security to protect client 0104 and before preparing the necessary paperwork and completing the other requirements, would you please indicate your fees for carrying out this work.

Bearing in mind the property to be held by a company which is controlled by agents in the Netherlands (you being the sole other signatory, and the company is beneficially owned by a Trust of which La Hougue are the Trustees, I believe the security requirements will be readily complied.

It is hoped to complete the loan arrangements sometime next week so your earliest attention to the above matter would be most appreciated.

RdeWW/CW  
*Richard Wigley*  
 11/11



# V. M. SEABROOK, Q. C.

## MEMORANDUM

TO RICHARD WIGLEY

DATE OCTOBER 29, 1993

FROM V. M. SEABROOK, Q.C.

RE OUR FILE No 7520

---

Re: Galty B.V.

We refer to your memorandum of October 28, 1993 with respect to your client 0104 and your client 0085.

We have noted your comments with respect to the arrangements which you have made. Our recommendation with respect to the documentation required to effect adequate security would be as follows:

1. A Promissory Note of Galty B.V.
2. A First Charge on 88 Elm Street, Toronto made by Galty B.V.
3. The personal guarantee of your client 0085.
4. Corporate Resolution of the directors of Galty B.V.
5. Fire Insurance Policy endorsement in favour of borrower as its interest may appear.
6. Opinion Letter as to Title.
7. Satisfactory evidence as to payment of realty taxes.

It would be proposed that the Note and Security should be recorded in favour of La Hougue Financial Management Services Limited in view of its relationship with client 0104.

With respect to the interest rate, it is assumed that the Promissory Note and Charge will show an annual interest rate of 9% payable monthly, notwithstanding the fee payable to your firm. If this is not your intention, please advise.

With respect to our services, it would be our view notwithstanding the role that your firm plays with respect to both clients, that the loan transaction should stand on its own to ensure that your firm cannot be criticized because of the inadequacy of the documentation formalizing the business arrangement. In the circumstances, it is proposed that our fee be \$2,500 plus disbursements incurred in connection with this matter. This is an attempt to reasonably compensate us for our time in this matter.

Please advise the undersigned if you wish us to proceed providing us with the clarification outlined above.

VMS/mb





V. M. SEABROOK, Q.C.  
BARRISTER & SOLICITOR

Suite 1900, Royal Trust Tower  
Toronto-Dominion Centre, P.O. Box 40  
Toronto, Canada  
M5K 1B7

Telephone: (416) 601-6826  
Telex: 065-28065  
Fax: (416) 363-7875

PLEASE QUOTE  
OUR FILE No.  
7520

November 10, 1993

Mr. Richard Wigley  
Managing Director  
La Hougue Financial Management Services Limited  
P.O. Box 165, 19 Seaton Place  
St. Helier, Jersey,  
Channel Islands JE4 8RZ

Dear Richard:

Re: Galty B.V. - Loan £472,790

As discussed, we have prepared and enclose the following:

1. Form of Promissory Note to be issued by Galty B.V. to La Hougue Financial Services Limited.
2. Form of Corporate Resolution of the Directors of Galty B.V.
3. Four copies of Personal Guaranty of W. C. Heinrichs.

Would you kindly arrange for three copies of such Guaranty to be completed by W. C. Heinrichs with signature duly witnessed and to return one executed copy to the undersigned for our files. You should retain the other copies in your files with respect to client 0104. If you have any concerns with respect to the Promissory Note, please let us know.

We will be providing you, under separate cover, with a copy of the Charge/Mortgage on 88 Elm Street, Toronto. We would appreciate receiving from you the relevant extract from the Deed of Lands showing the legal description and/or a copy of the Deed in your possession together with particulars of the fire insurance agent and/or the telephone number of such firm, together with copies of the receipted realty tax bills, which we understand are in your possession. Please confirm that there is fire insurance on 88 Elm Street of \$2,500,000 in order that the necessary particulars can be inserted in the Charge/Mortgage.

Yours very truly,



V. M. Seabrook, Q.C.

VMS/mb  
Encls.



PROMISSORY NOTE

Sterling £472,790.

November 1, 1993

FOR VALUE RECEIVED, the undersigned, Galty B.V., a Netherlands corporation, promises to pay to or to the order of La Hougue Financial Management Services Limited at 19 Seaton Place, St. Helier, Jersey, Channel Islands JE4 8RZ, or such other place as may be designated in writing by the holder of this Promissory Note, the principal sum of FOUR HUNDRED AND SEVENTY-TWO THOUSAND, SEVEN HUNDRED AND NINETY POUNDS (£472,790) ("Principal Sum") on October 31, 1994 ("Maturity Date"), provided, however, the undersigned and the holder of this Promissory Note on or about July 31, 1984 shall determine if such Maturity Date shall be extended to October 31, 1995 ("Revised Maturity Date").

The unpaid principal balance of the Principal Sum shall bear interest at the rate of 9% per annum from and including November 1, 1993 and shall be payable in monthly instalments on the last day of each month commencing on November 30, 1993 until the Maturity Date or Revised Maturity Date, as the case may be.

Both Principal Sum and interest thereon shall be paid in lawful monies of England.

All payments on this Promissory Note shall be applied first to the payment of accrued interest and after all such interest has been paid, the remainder shall be applied to the reduction to the Principal Sum.

The undersigned waives diligence, presentment, protest and demand and also notice of protest, demand, dishonour and non-payment of this Promissory Note. The undersigned agrees to pay upon demand all costs and expenses incurred by the holder in enforcing this Promissory Note, including without limitation, all reasonable legal fees and expenses and court costs.

This Promissory Note shall be secured by a first charge/mortgage on like terms as herein set out, on the registered title of that parcel of real property in the City of Toronto being more particularly described in Exhibit A attached hereto, made a part hereof and incorporated herein by this reference.

This Promissory Note shall be governed by and construed in accordance with the laws of the Province of Ontario, Canada.

IN WITNESS WHEREOF the undersigned has caused this Promissory Note to be executed as of the date and year first above written.

GALTY B.V.  
By its Managing Director

*"v. m. Heibach"*

\_\_\_\_\_  
(I have authority to bind  
the Corporation)



## PAYMENT GUARANTY

Dated: November 1, 1993

### Parties/Definition

Borrower: Galty B.V.  
Hoekenrode 6, 1102 BR  
P. O. Box 1469  
1000 BL  
Amsterdam, The Netherlands

Guarantor: Werner Cornelius Heinrichs  
Flat 1  
No. 1 Upper Brook Street  
London, England  
M1Y 1PA

Lender: La Hougue Financial Management  
Services Limited  
19 Seaton Place  
St. Helier, Jersey  
Channel Islands JE4 8RZ

### Indebtedness:

The word "Indebtedness" as used herein means any and all advances, debts, obligations and liabilities of the Borrower under or pursuant to the Promissory Note dated November 1, 1993 in the amount of £472,790, payable to the Lender, including any and all amendments, modifications, renewals or extensions of the Note and all of the Borrower's obligations under any documents executed in connection with or as security for the Note.

### Amount Guaranteed:

The Guarantor's liability hereunder shall not exceed £472,790 plus interest, costs, expenses and solicitors' and/or attorneys' fees.

### 1. Statement of Guaranty

For valuable consideration, the receipt of which is hereby acknowledged, and to induce the Lender to made the loan under the Note, the Guarantor hereby unconditionally guarantees and promises to pay to the Lender, or order, on demand, after maturity (whether such maturity is the result of the passage of time or acceleration upon default) in lawful money of England, any and all Indebtedness of the Borrower owed to the Lender, plus interest thereon at such rate as shall be agreed upon by the Lender and the Borrower; and the Guarantor further

agrees to pay all costs, expenses and solicitors and/or attorneys' fees incurred by the Lender in its efforts to collect such Indebtedness, foreclose upon or resort to any security for such Indebtedness, or to enforce this Guaranty. The Guarantor's liability hereunder shall be subject to the limitations as to the Amount Guaranteed as set forth above, but such limitation shall not apply to the Guarantor's liability for such interest, costs, expenses, or attorneys' fees.

The Guarantor's liability and obligations hereunder shall not be relieved or reduced as a result of any of the following:

(a) Any right or power of the Borrower or anyone else to assert any claim or defence as to the genuineness, regularity, validity, or enforceability of any of the Indebtedness, any collateral security therefor, or any other guaranty thereof.

(b) The existence or expiration of any statute of limitations with respect to the Indebtedness, or this Guaranty, or any part of either thereof.

(c) The fact that the Borrower is in default on any of the Indebtedness, or the fact that the Lender has knowledge of facts with respect to the Borrower which might be construed as materially prejudicial to the interests of the Guarantor, the Lender being hereby relieved of any duty to disclose any such facts to the Guarantor.

(d) Any other matters to which the Guarantor has consented or with respect to rights which the Guarantor has waived, in this Guaranty.

2. Lender's Rights and Powers

The Guarantor acknowledges and agrees that the Lender shall have the following rights and powers with respect to this Guaranty, the Guarantor's obligations hereunder, and the Indebtedness covered hereby:

(a) Lender's remedies. The obligation of the Guarantor hereunder is separate and independent from the obligation of the Borrower and the Lender may bring a separate action or actions against the Guarantor whether another action is brought against the Lender or whether the Lender is joined in any action or actions against the Guarantor. Any failure with regard to the accuracy, completeness or maintenance of any representation or warranty provided in Sections 8(a), (b), or (c) hereof shall constitute an event of default entitling the Lender to immediately require payment pursuant to the Guaranty, whether or not there has been an event of default

or default by the Borrower in or under any document relating to the Indebtedness.

(b) Certain actions by or with respect to Borrower or Guarantor. If the Borrower or the Guarantor or any of them should at any time become insolvent or make a general assignment, or if a petition in bankruptcy or any insolvency or reorganization proceedings shall be filed or commenced by, against, or in respect of the Borrower, or the Guarantor, or any of them, or upon the death or dissolution of the Borrower or the Guarantor or any of them, the Indebtedness and the obligation of the Guarantor hereunder shall, at the Lender's option, become immediately due and payable without notice.

(c) Action with respect to Indebtedness, security, or Guarantors. The Lender may, without notice to or the consent of the Guarantor, and without affecting the Guarantor's liability under this Guaranty: (i) renew, settle, compromise, consolidate, extend, accelerate or otherwise change the time for payment of, or otherwise change the terms of, the Indebtedness or any part thereof (other than an increase or decrease in the rate of interest on the Indebtedness or any part thereof), and notwithstanding the fact that a new evidence of Indebtedness might be executed to reflect such changes; (ii) take and hold security for the payment of this Guaranty or the Indebtedness, and exchange, or enforce any such security, or take additional security; (iii) apply any such security and direct the order or manner of sale thereof as the Lender may in its sole discretion determine; and (iv) acquire additional Guarantors or release any such additional Guarantors.

(d) Amount of Indebtedness. Notwithstanding the fact that the Guarantor's liability for the Amount Guaranteed is specifically limited hereunder, the Lender may, at its sole option and without any notice to or consent of the Guarantor, allow the Indebtedness to exceed such amount without in any way adversely affecting the Guarantor's liability hereunder.

(e) Authority of Borrower to incur Indebtedness. The Lender shall not be required to inquire into or otherwise investigate the authority of the Borrower to incur any particular Indebtedness, or the authority of officers, directors, partners or agents acting or purporting to act on behalf of the Borrower.

### 3. Waivers by Guarantor

The Guarantor, as a part of the substance of this Guaranty, waives certain rights the Guarantor may otherwise have with respect to the Lender and the Indebtedness:



(a) Right to require certain action by the Lender. The Guarantor waives any right to require the Lender to: (i) proceed against the Borrower, (ii) proceed against or exhaust any security held for the Indebtedness, (iii) to proceed against any other party or any other Guarantor, and (iv) to pursue any other remedy in the Lender's power whatsoever.

(b) Notices. The Guarantor waives (i) notice of the acceptance of the Guaranty, (ii) notice of the existence or creation of all or any part of the Indebtedness, (iii) notice of termination as to further liability given by any other Guarantor, (iv) all presentments, demands for performance, notices of non-performance, protests and all other notices whatsoever.

(c) Statute of limitations or other claims or defences. The Guarantor waives (i) any right to contest the enforcement of this Guaranty by virtue of any statute of limitations or other law varying the terms of this Guaranty, or (ii) any claim or defense to this Guaranty by reason of any disability or other defense of the Borrower or by reason of the cessation from any cause whatsoever of the liability of the Borrower under any of the Indebtedness (except payment in full), or as a result of the invalidity, irregularity, or unenforceability of all or any part of the Indebtedness or the collateral security therefor.

4. Payments by Guarantor

The amount of liability of the Guarantor under this Guaranty shall be reduced by any sum that may at any time during the existence of this Guaranty be paid by the Guarantor and Lender.

5. Subrogation and Subordination

Until all the Indebtedness of the Borrower to the Lender shall have been paid in full, the Guarantor shall have no right of subrogation and waives any right to enforce any remedy which the Lender now has or may hereafter have against the Borrower under the Indebtedness and waives any benefit of, and any right to participate in or foreclose on, any collateral security now or hereafter held by the Lender to secure the Indebtedness or otherwise.

Any indebtedness or obligation of the Borrower, or any other claim against or liability of the Borrower, now or hereafter held by or owed to the Guarantor ("Guarantor's Claims") is hereby subordinated by the Guarantor to the Indebtedness of the Borrower to the Lender.

6. Liens and Rights of Set-Off

In addition to all liens upon, and right of set-off against, the property of the Guarantor existing under applicable law, the Lender may, without demand or notice of any kind, and at any time when any amount shall be due and payable hereunder by the Guarantor, appropriate and apply toward the payment of such amount, in such order of application as the Lender may elect, any property, balances, credits, deposits, accounts or moneys of the Guarantor in the possession or control of the Lender for any purpose. The Guarantor hereby grants to the Lender a right of set-off and security interest in such property and funds in the possession or control of the Lender. The Guarantor further expressly grants to the Lender the right, to be exercised at the Lender's discretion, to file one or more financing statements under the Personal Property Security Act naming the Guarantor as debtor and the Lender as secured party with respect to such property and funds and the Guarantor hereby agrees to sign any such statement.

7. Waiver by Lender

No delay on the part of the Lender in exercising any of its options, powers or rights shall constitute a waiver thereof. No waiver of any rights hereunder, and no modification or amendment of this Guaranty shall be deemed to have been made by the Lender unless the same shall be in writing, duly signed on behalf of the Lender, and each such waiver, if any, shall apply only with respect to the specific instance involved, and shall in no way impair the rights of the Lender or the obligations of the Guarantor to the Lender in any other respect any other time.

8. Guarantor's Representations, Warranties and Acknowledgements

The Guarantor hereby represents, warrants and acknowledges to the Lender as follows:

(a) Execution and binding nature. This Guaranty has been duly executed and delivered on behalf of the Guarantor and is the legal, valid and binding obligation of the Guarantor, enforceable in accordance with its terms, and the making and performance of the Guaranty do not and will not violate or constitute a default under any law, any presently existing requirements or restrictions imposed by any judgment or order or any agreement or other instrument by which the Guarantor is bound.

(b) Financial statements. All financial statements heretofore and hereafter delivered by the Guarantor to the Lender are and will be true and correct, have been and will be prepared pursuant to generally accepted accounting principles and practice and fairly represent the Guarantor's

financial condition as of the date thereof, and there have been and there will be no material adverse changes as of the date of this Guaranty or as of the date of any subsequent financial statements provided pursuant to requests under Section 11(d) of this Guaranty. Failure to provide financial statements requested pursuant to Section 11(d) within a reasonable time after requested shall be presumed to be a material, adverse change.

(c) Information to Lender. The Guarantor acknowledges that he has assumed full responsibility for keeping Lender fully informed of the financial condition of the Borrower and all other circumstances affecting the Borrower's ability to pay and perform the Indebtedness and agrees that the Lender shall have no duty to report to the Guarantor any information which the Lender shall receive the financial condition of the Borrower or any circumstances bearing on the Borrower's ability to perform, and the Guarantor hereby expressly and unconditionally waives any defense based upon the failure of the Lender to report such information.

9. Inclusion of Rescinded or Returned Payments

The Guarantor agrees and acknowledges that if at any time all or any part of any payment (from whatever source) theretofore applied by the Lender to all or any portion of the Indebtedness (or to interest, costs or expenses covered by this Guaranty) is or must be rescinded or returned by the Lender for any reason whatsoever (including, without limitation, the insolvency, bankruptcy or reorganization of the Debtor, or of any other person or entity), such Indebtedness shall, for the purpose of this Guaranty, to the extent that such payment is or must be rescinded or returned, be deemed to have continued in existence, notwithstanding such application by the Lender, and this Guaranty shall continue to be effective or to be reinstated, as the case may be, as to all such Indebtedness, all as though such payment had not been received and such application by the Lender had not been made.

10. Irrevocable Nature

This Guaranty shall be irrevocable, absolute, continuing, and unconditional. The death of the Guarantor shall not operate as a revocation of liability hereunder of the Guarantor's estate.

11. General Terms and Conditions

The following terms and conditions shall be applicable to this Guaranty:

(a) Applicable law. This Guaranty shall be governed by and construed in accordance with the laws of the Province of Ontario, Canada.

(b) Indebtedness created in reliance. Any and all Indebtedness to which this Guaranty applies or may apply under the terms hereof shall be conclusively presumed to have been created in reliance hereon and upon the representations of the Guarantor made in connection herewith.

(c) Joint and several liability. If there is more than one Guarantor hereunder, each shall be bound and liable hereunder jointly and severally.

(d) Additional financial statements. The Guarantor covenants and agrees to provide the Lender with such updated financial statements as, and when, the Lender may request.

(e) Entire agreement. This Guaranty embodies the entire agreement on the part of the Lender. There are no promises, terms, conditions or obligations of the Lender other than those contained herein, and this Guaranty shall supersede all previous communications, representations, or agreements, either verbal or written, on the part of the Lender.

(f) Binding effect. This Guaranty shall bind and obligate the Guarantor, and his heirs, legatees, devisees, administrators, executors, successors and assigns for the payment of the Indebtedness.


(g) Personal jurisdiction. The Guarantor hereby (i) submits to personal jurisdiction in the Province of Ontario, Canada for the enforcement of this Guaranty, and (ii) waives any and all personal rights under the law of any state or country to object to jurisdiction within the Province of Ontario, Canada for the purposes of litigation to enforce this Guaranty.

(h) Additional Guarantors. This Guaranty shall be binding on the Guarantor whether or not any other guarantors execute any guarantees of the Indebtedness, and whether or not there was an express or implied agreement or representation, from the Lender, the Borrower, or any other person, that any other guarantors would execute this Guaranty or any other guaranty.

(i) Severability. Whenever possible each provision of this Guaranty shall be interpreted in a manner as to be effective and valid, but if any provision hereof shall be prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Guaranty.

(j) Plural/Singular. The terms "Borrower" and "Guarantor" shall be deemed to read "Borrowers" or "Guarantors" as the context requires whenever there are multiple Borrowers or Guarantors, or both.

IN WITNESS WHEREOF, the Guarantor has caused this Guaranty to be executed the date set forth above.



Werner Cornelius Heinrichs



PAYMENT GUARANTY

Dated: November 1, 1993

Parties/Definition

Borrower: Galty B.V.  
Hoekenrode 6, 1102 BR  
P. O. Box 1469  
1000 BL  
Amsterdam, The Netherlands

Guarantor: Werner Cornelius Heinrichs  
Flat 1  
No. 1 Upper Brook Street  
London, England  
M1Y 1PA

Lender: La Hougue Financial Management  
Services Limited  
19 Seaton Place  
St. Helier, Jersey  
Channel Islands JE4 8RZ

Indebtedness:

The word "Indebtedness" as used herein means any and all advances, debts, obligations and liabilities of the Borrower under or pursuant to the Promissory Note dated November 1, 1993 in the amount of £472,790, payable to the Lender, including any and all amendments, modifications, renewals or extensions of the Note and all of the Borrower's obligations under any documents executed in connection with or as security for the Note.

Amount Guaranteed:

The Guarantor's liability hereunder shall not exceed £472,790 plus interest, costs, expenses and solicitors' and/or attorneys' fees.

1. Statement of Guaranty

For valuable consideration, the receipt of which is hereby acknowledged, and to induce the Lender to made the loan under the Note, the Guarantor hereby unconditionally guarantees and promises to pay to the Lender, or order, on demand, after maturity (whether such maturity is the result of the passage of time or acceleration upon default) in lawful money of England, any and all Indebtedness of the Borrower owed to the Lender, plus interest thereon at such rate as shall be agreed upon by the Lender and the Borrower; and the Guarantor further

agrees to pay all costs, expenses and solicitors and/or attorneys' fees incurred by the Lender in its efforts to collect such Indebtedness, foreclose upon or resort to any security for such Indebtedness, or to enforce this Guaranty. The Guarantor's liability hereunder shall be subject to the limitations as to the Amount Guaranteed as set forth above, but such limitation shall not apply to the Guarantor's liability for such interest, costs, expenses, or attorneys' fees.

The Guarantor's liability and obligations hereunder shall not be relieved or reduced as a result of any of the following:

(a) Any right or power of the Borrower or anyone else to assert any claim or defence as to the genuineness, regularity, validity, or enforceability of any of the Indebtedness, any collateral security therefor, or any other guaranty thereof.

(b) The existence or expiration of any statute of limitations with respect to the Indebtedness, or this Guaranty, or any part of either thereof.

(c) The fact that the Borrower is in default on any of the Indebtedness, or the fact that the Lender has knowledge of facts with respect to the Borrower which might be construed as materially prejudicial to the interests of the Guarantor, the Lender being hereby relieved of any duty to disclose any such facts to the Guarantor.

(d) Any other matters to which the Guarantor has consented or with respect to rights which the Guarantor has waived, in this Guaranty.

## 2. Lender's Rights and Powers

The Guarantor acknowledges and agrees that the Lender shall have the following rights and powers with respect to this Guaranty, the Guarantor's obligations hereunder, and the Indebtedness covered hereby:

(a) Lender's remedies. The obligation of the Guarantor hereunder is separate and independent from the obligation of the Borrower and the Lender may bring a separate action or actions against the Guarantor whether another action is brought against the Lender or whether the Lender is joined in any action or actions against the Guarantor. Any failure with regard to the accuracy, completeness or maintenance of any representation or warranty provided in Sections 8(a), (b), or (c) hereof shall constitute an event of default entitling the Lender to immediately require payment pursuant to the Guaranty, whether or not there has been an event of default



or default by the Borrower in or under any document relating to the Indebtedness.

(b) Certain actions by or with respect to Borrower or Guarantor. If the Borrower or the Guarantor or any of them should at any time become insolvent or make a general assignment, or if a petition in bankruptcy or any insolvency or reorganization proceedings shall be filed or commenced by, against, or in respect of the Borrower, or the Guarantor, or any of them, or upon the death or dissolution of the Borrower or the Guarantor or any of them, the Indebtedness and the obligation of the Guarantor hereunder shall, at the Lender's option, become immediately due and payable without notice.

(c) Action with respect to Indebtedness, security, or Guarantors. The Lender may, without notice to or the consent of the Guarantor, and without affecting the Guarantor's liability under this Guaranty: (i) renew, settle, compromise, consolidate, extend, accelerate or otherwise change the time for payment of, or otherwise change the terms of, the Indebtedness or any part thereof (other than an increase or decrease in the rate of interest on the Indebtedness or any part thereof), and notwithstanding the fact that a new evidence of Indebtedness might be executed to reflect such changes; (ii) take and hold security for the payment of this Guaranty or the Indebtedness, and exchange, or enforce any such security, or take additional security; (iii) apply any such security and direct the order or manner of sale thereof as the Lender may in its sole discretion determine; and (iv) acquire additional Guarantors or release any such additional Guarantors.

(d) Amount of Indebtedness. Notwithstanding the fact that the Guarantor's liability for the Amount Guaranteed is specifically limited hereunder, the Lender may, at its sole option and without any notice to or consent of the Guarantor, allow the Indebtedness to exceed such amount without in any way adversely affecting the Guarantor's liability hereunder.

(e) Authority of Borrower to incur Indebtedness. The Lender shall not be required to inquire into or otherwise investigate the authority of the Borrower to incur any particular Indebtedness, or the authority of officers, directors, partners or agents acting or purporting to act on behalf of the Borrower.

### 3. Waivers by Guarantor

The Guarantor, as a part of the substance of this Guaranty, waives certain rights the Guarantor may otherwise have with respect to the Lender and the Indebtedness:

(a) Right to require certain action by the Lender. The Guarantor waives any right to require the Lender to: (i) proceed against the Borrower, (ii) proceed against or exhaust any security held for the Indebtedness, (iii) to proceed against any other party or any other Guarantor, and (iv) to pursue any other remedy in the Lender's power whatsoever.

(b) Notices. The Guarantor waives (i) notice of the acceptance of the Guaranty, (ii) notice of the existence or creation of all or any part of the Indebtedness, (iii) notice of termination as to further liability given by any other Guarantor, (iv) all presentments, demands for performance, notices of non-performance, protests and all other notices whatsoever.

(c) Statute of limitations or other claims or defences. The Guarantor waives (i) any right to contest the enforcement of this Guaranty by virtue of any statute of limitations or other law varying the terms of this Guaranty, or (ii) any claim or defense to this Guaranty by reason of any disability or other defense of the Borrower or by reason of the cessation from any cause whatsoever of the liability of the Borrower under any of the Indebtedness (except payment in full), or as a result of the invalidity, irregularity, or unenforceability of all or any part of the Indebtedness or the collateral security therefor.

4. Payments by Guarantor

The amount of liability of the Guarantor under this Guaranty shall be reduced by any sum that may at any time during the existence of this Guaranty be paid by the Guarantor and Lender.

5. Subrogation and Subordination

Until all the Indebtedness of the Borrower to the Lender shall have been paid in full, the Guarantor shall have no right of subrogation and waives any right to enforce any remedy which the Lender now has or may hereafter have against the Borrower under the Indebtedness and waives any benefit of, and any right to participate in or foreclose on, any collateral security now or hereafter held by the Lender to secure the Indebtedness or otherwise.

Any indebtedness or obligation of the Borrower, or any other claim against or liability of the Borrower, now or hereafter held by or owed to the Guarantor ("Guarantor's Claims") is hereby subordinated by the Guarantor to the Indebtedness of the Borrower to the Lender.

6. Liens and Rights of Set-Off

In addition to all liens upon, and right of set-off against, the property of the Guarantor existing under applicable law, the Lender may, without demand or notice of any kind, and at any time when any amount shall be due and payable hereunder by the Guarantor, appropriate and apply toward the payment of such amount, in such order of application as the Lender may elect, any property, balances, credits, deposits, accounts or moneys of the Guarantor in the possession or control of the Lender for any purpose. The Guarantor hereby grants to the Lender a right of set-off and security interest in such property and funds in the possession or control of the Lender. The Guarantor further expressly grants to the Lender the right, to be exercised at the Lender's discretion, to file one or more financing statements under the Personal Property Security Act naming the Guarantor as debtor and the Lender as secured party with respect to such property and funds and the Guarantor hereby agrees to sign any such statement.

7. Waiver by Lender

No delay on the part of the Lender in exercising any of its options, powers or rights shall constitute a waiver thereof. No waiver of any rights hereunder, and no modification or amendment of this Guaranty shall be deemed to have been made by the Lender unless the same shall be in writing, duly signed on behalf of the Lender, and each such waiver, if any, shall apply only with respect to the specific instance involved, and shall in no way impair the rights of the Lender or the obligations of the Guarantor to the Lender in any other respect any other time.

8. Guarantor's Representations, Warranties and Acknowledgements

The Guarantor hereby represents, warrants and acknowledges to the Lender as follows:

(a) Execution and binding nature. This Guaranty has been duly executed and delivered on behalf of the Guarantor and is the legal, valid and binding obligation of the Guarantor, enforceable in accordance with its terms, and the making and performance of the Guaranty do not and will not violate or constitute a default under any law, any presently existing requirements or restrictions imposed by any judgment or order or any agreement or other instrument by which the Guarantor is bound.

(b) Financial statements. All financial statements heretofore and hereafter delivered by the Guarantor to the Lender are and will be true and correct, have been and will be prepared pursuant to generally accepted accounting principles and practice and fairly represent the Guarantor's

financial condition as of the date thereof, and there have been and there will be no material adverse changes as of the date of this Guaranty or as of the date of any subsequent financial statements provided pursuant to requests under Section 11(d) of this Guaranty. Failure to provide financial statements requested pursuant to Section 11(d) within a reasonable time after requested shall be presumed to be a material, adverse change.

(c) Information to Lender. The Guarantor acknowledges that he has assumed full responsibility for keeping Lender fully informed of the financial condition of the Borrower and all other circumstances affecting the Borrower's ability to pay and perform the Indebtedness and agrees that the Lender shall have no duty to report to the Guarantor any information which the Lender shall receive the financial condition of the Borrower or any circumstances bearing on the Borrower's ability to perform, and the Guarantor hereby expressly and unconditionally waives any defense based upon the failure of the Lender to report such information.

9. Inclusion of Rescinded or Returned Payments

The Guarantor agrees and acknowledges that if at any time all or any part of any payment (from whatever source) theretofore applied by the Lender to all or any portion of the Indebtedness (or to interest, costs or expenses covered by this Guaranty) is or must be rescinded or returned by the Lender for any reason whatsoever (including, without limitation, the insolvency, bankruptcy or reorganization of the Debtor, or of any other person or entity), such Indebtedness shall, for the purpose of this Guaranty, to the extent that such payment is or must be rescinded or returned, be deemed to have continued in existence, notwithstanding such application by the Lender, and this Guaranty shall continue to be effective or to be reinstated, as the case may be, as to all such Indebtedness, all as though such payment had not been received and such application by the Lender had not been made.

10. Irrevocable Nature

This Guaranty shall be irrevocable, absolute, continuing, and unconditional. The death of the Guarantor shall not operate as a revocation of liability hereunder of the Guarantor's estate.

11. General Terms and Conditions

The following terms and conditions shall be applicable to this Guaranty:

(a) Applicable law. This Guaranty shall be governed by and construed in accordance with the laws of the Province of Ontario, Canada.

(b) Indebtedness created in reliance. Any and all Indebtedness to which this Guaranty applies or may apply under the terms hereof shall be conclusively presumed to have been created in reliance hereon and upon the representations of the Guarantor made in connection herewith.

(c) Joint and several liability. If there is more than one Guarantor hereunder, each shall be bound and liable hereunder jointly and severally.

(d) Additional financial statements. The Guarantor covenants and agrees to provide the Lender with such updated financial statements as, and when, the Lender may request.

(e) Entire agreement. This Guaranty embodies the entire agreement on the part of the Lender. There are no promises, terms, conditions or obligations of the Lender other than those contained herein, and this Guaranty shall supersede all previous communications, representations, or agreements, either verbal or written, on the part of the Lender.

(f) Binding effect. This Guaranty shall bind and obligate the Guarantor, and his heirs, legatees, devisees, administrators, executors, successors and assigns for the payment of the Indebtedness.

(g) Personal jurisdiction. The Guarantor hereby (i) submits to personal jurisdiction in the Province of Ontario, Canada for the enforcement of this Guaranty, and (ii) waives any and all personal rights under the law of any state or country to object to jurisdiction within the Province of Ontario, Canada for the purposes of litigation to enforce this Guaranty.

(h) Additional Guarantors. This Guaranty shall be binding on the Guarantor whether or not any other guarantors execute any guarantees of the Indebtedness, and whether or not there was an express or implied agreement or representation, from the Lender, the Borrower, or any other person, that any other guarantors would execute this Guaranty or any other guaranty.

(i) Severability. Whenever possible each provision of this Guaranty shall be interpreted in a manner as to be effective and valid, but if any provision hereof shall be prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Guaranty.

(j) Plural/Singular. The terms "Borrower" and "Guarantor" shall be deemed to read "Borrowers" or "Guarantors" as the context requires whenever there are multiple Borrowers or Guarantors, or both.

IN WITNESS WHEREOF, the Guarantor has caused this Guaranty to be executed the date set forth above.

  
Werner Cornelius Heinrichs

EXHIBIT A

All and singular that certain parcel or tract of land and premises situate, lying and being in the City of Toronto in the Municipality of Metropolitan Toronto and Province of Ontario, and being composed of a part of Lot Number One (1) according to a plan filed as Number 266-E, in the Registry Office for East Toronto, and now in the Registry Office for the Registry Division of Toronto, and of a part of Lot Number Sixteen (16) according to a plan filed as Number 433 in the Registry Office for East and West York, and now in the said Registry Office for the Registry Division of Toronto; and which said parcel is more particularly described as follows:

COMMENCING at a point in the northerly limit of Elm Avenue, distant thirty-three feet (33') westerly from the south easterly angle of said Lot Number One (1); THENCE northerly and parallel to the easterly limit of said Lot Number One (1), being along the westerly limit of lands conveyed by registered instrument Number 22084-M, and continuing along the production of the last named limit, in all a distance of one hundred and ninety-five feet and nine inches (195'9") more or less, to the northerly limit of said Lot Number Sixteen (16); THENCE westerly along the last mentioned limit forty feet and one inch (40'1") to the easterly limit of South Drive, formerly called Beau Street; THENCE southerly along the said limit of South Drive, fifty-six feet and two inches (56'2") to a point of curve; THENCE southerly and following the last mentioned limit, one hundred and thirty-six feet (136') to a stake planted at a point of curve; THENCE southerly still along the last mentioned limit, seven feet and five and a half inches (7'5-1/2") to a stake planted at an angle in the same; THENCE southerly still along the last mentioned limit seven feet and eight inches (7'8") to a stake planted at a point of curve; THENCE south-easterly on a curve to the left, being along the line connecting the said limit of South Drive with the said limit of Elm Avenue, forty-one feet and ten and a half inches (41'10-1/2") more or less, to a stake planted in the last mentioned limit; THENCE easterly along the said limit of Elm Avenue, ninety-two feet (92') more or less, to the point of commencement.





V. M. SEABROOK, Q.C.  
BARRISTER & SOLICITOR

Suite 1900, Royal Trust Tower  
Toronto-Dominion Centre, P.O. Box 40  
Toronto, Canada  
M5K 1B7  
Telephone: (416) 601-6826  
Telex: 065-28065  
Fax: (416) 363-7875

PLEASE QUOTE  
OUR FILE No.

7520

November 10, 1993

ABN Trustcompany (Nederland) B.V.  
Hoekenrode 6, 1102 BR  
P. O. Box 1469  
Amsterdam, The Netherlands

Attention: Mr. Bert Zwart

Re: Galty B.V.

Dear Sirs:

Enclosed please find four copies of Consent Resolution duly signed by the undersigned for the signature of the proper signing officers of your company as one of the Directors of Galty B.V.

We believe that the resolution is self-explanatory but if you require additional information or clarification, please advise the undersigned.

We would appreciate receiving three copies of the enclosed resolution duly completed and if possible a fax of such resolution in order that the transaction in question can be completed without unnecessary delay.

Yours very truly,



V. M. Seabrook, Q.C.

VMS/mb  
Encls.

GALTY B.V.

Consent Resolutions

Resolved that:

(a) Galty B.V. ("Corporation") be and is hereby authorized to borrow directly or indirectly from La Hougue Financial Management Services Limited ("La Hougue") the sum of £472,790 for a term of 12 months as of November 1, 1993 with interest thereon payable to or to the order of La Hougue in monthly instalments and if deemed desirable, on or about August 31, 1993, with the prior consent of La Hougue, to extend such term for a further term of 12 months and in connection therewith, execute a promissory note reflecting such terms and a first charge/mortgage on the lands municipally known as 88 Elm Street, Toronto, Canada, in favour of La Hougue.

(b) Any officer or director of the Corporation is hereby authorized and directed in the name and on behalf of the Corporation to take or cause to be taken any and all action to execute and deliver the said promissory note and the said first charge/mortgage unto La Hougue and any and all other agreements, certificates, instructions, notices and other documents (all of which are to be in form and substance as the officer or director executing the same may, upon the advice of counsel, deem necessary or desirable, the execution by such officer or director to be conclusive evidence of the approval of such form and substance by such officer or director) and to do, sign, execute and deliver all acts, things, instruments

and deeds which in his or its absolute discretion he or it may deem to be necessary or desirable to carry out the foregoing resolutions.

The foregoing resolutions are hereby passed with the consent of and are hereby adopted by the directors of Galty B.V. as evidenced by their respective signatures hereto.

DATED this 1st day of November, 1993.

ABN TRUSTCOMPANY (NEDERLAND) B.V.  
Per:

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V. M. Seabrook

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**ABN-AMRO Trust**

ABN-AMRO Trust Company  
(Nederland) B.V.

Amsterdam  
Rozenstraat 6 1117 GZ Amsterdam 12

Mailing Unit  
P.O. Box 100  
1000 AA Amsterdam

Telephone: (020) 629 8033  
Telex: 16434 ABN-AMRO NL  
Tele: 1506 123 4567  
Banking Hours: 11:00 - 15:00  
Branches: 1117 GZ Amsterdam

**U.M. Seabrook Q.C.**  
Suite 1900  
Royal Trust Tower  
Toronto-Dominion Centre  
P.O. Box 40  
Toronto M5K 1B7  
Canada

Reference:  
**Administration**

Reference:  
**83124/3270/QCZ/pba**

Telex:  
**020-629 4661**

Telephone:  
**020-629 8033**

Date:  
**17.11.1993**

Re: Galty B.V.

U aangeboden zonder begeleidend schrijven:-Offered to you without covering letter:-  
Vous offert sans lettre d'envoi:- Ihnen angeboten ohne Begleitschreiben:

Please find enclosed three signed copies of the Consent Resolution

Kind regards,

Bert Zwart

Enclosures

GALTY B.V.

Consent Resolutions

Resolved that:

(a) Galty B.V. ("Corporation") be and is hereby authorized to borrow directly or indirectly from La Hougue Financial Management Services Limited ("La Hougue") the sum of £472,790 for a term of 12 months as of November 1, 1993 with interest thereon payable to or to the order of La Hougue in monthly instalments and if deemed desirable, on or about August 31, 1993, with the prior consent of La Hougue, to extend such term for a further term of 12 months and in connection therewith, execute a promissory note reflecting such terms and a first charge/mortgage on the lands municipally known as 88 Elm Street, Toronto, Canada, in favour of La Hougue.

(b) Any officer or director of the Corporation is hereby authorized and directed in the name and on behalf of the Corporation to take or cause to be taken any and all action to execute and deliver the said promissory note and the said first charge/mortgage unto La Hougue and any and all other agreements, certificates, instructions, notices and other documents (all of which are to be in form and substance as the officer or director executing the same may, upon the advice of counsel, deem necessary or desirable, the execution by such officer or director to be conclusive evidence of the approval of such form and substance by such officer or director) and to do, sign, execute and deliver all acts, things, instruments

and deeds which in his or its absolute discretion he or it may deem to be necessary or desirable to carry out the foregoing resolutions.

The foregoing resolutions are hereby passed with the consent of and are hereby adopted by the directors of Galty B.V. as evidenced by their respective signatures hereto.

DATED this 1st day of November, 1993.

ABN AMRO Trust Company (Nederland) B.V.

Per: 



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V. M. Seabrook





## Memorandum

To: MR V M SEABROOK      From: JENNY RIMEUR  
Date: 19th NOVEMBER 1993      Subject: GALTY B.V.

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As discussed, I am attaching herewith a copy of the payments which have been made in 1993 relating to the Realty Taxes for 88 Elm Avenue, which total C\$13,558.25.

Also included is a copy of the insurance details and I confirm that an amount of C\$11,299.00 was paid to Murray and Company in January of this year - a copy of the Bank draft is attached for your information.

Finally, with regard to the legal description of the property, I regret that I am unable to locate details in our records and perhaps you may be able to assist with this information.

*Jenny*

MISS J RIMEUR

# INTERIM REALTY TAX BILL - 1993

STAMP HERE

### ASSESSED OWNER AND PROPERTY DESCRIPTION

GALTY B.V. 0  
 88 ELM AVE  
 133.82FR. 195.75D  
 133.820 X 125.750



### NAME AND MAILING ADDRESS

GALTY B.V. 0  
 ATTN MR W.C. HEINRICHS  
 88 ELM AVE  
 TORONTO ONT

CITY OF TORONTO

1231B 5

M4W 1P2

### TAX ACCOUNT NUMBER

10 1 620 0410 0000 5

SEE REVERSE

### ASSESSMENT

CITY WARD 13

RESIDENTIAL		COMMERCIAL		TOTAL ASSESSMENT
PUBLIC SCHOOL	SEPARATE SCHOOL	PUBLIC SCHOOL	SEPARATE SCHOOL	
28,800				28,800

### INTERIM REALTY TAX BILL - 1993

EDUCATION		MARKED	CITY	TOTAL 1993 INTERIM
PUBLIC	SEPARATE			
3,575.40		1,754.71	1,253.18	6,583.29

### STATEMENT OF ACCOUNT

INCLUDES PAYMENTS RECEIVED BY: JANUARY 8, 1993

#	INSTALLMENT DUE DATE	INSTALLMENT AMOUNT	PENALTIES/INTEREST TO:	DISCOUNT IF PAID BY: FEB 15	NET IF PAID BY: FEB 15
1	FEB 15	1,645.29			
2	MAR 15	1,645.00			
3	APR 15	1,645.00			
4	MAY 10	1,645.00			
TOTAL INTERIM		6,583.29			
TOTAL		6,583.29		-19.28	6,564.01

*Pd on Galty cheque # 0674 dated Feb 11/93 1021 169.*

10 1 620 0410 0000

MINIMUM AMOUNT DUE

### PAYMENT OPTION

IF PAYING BY INSTALMENTS  
MINIMUM AMOUNT DUE BY: FEB 15

INDICATE AMOUNT PAID

IF PAYING THE FULL BILL  
THE AMOUNT PAYABLE BY: FEB 15

1,645.29  
 NO DISCOUNT ALLOWED

[ ]

6,564.01  
 MAXIMUM DISCOUNT ALLOWED

IMPORTANT: READ INFORMATION ON REVERSE

GALTY B.V.  
 P.O. BOX 165, ST. HELLER  
 JERSEY, CHANNEL ISLANDS

0674

Feb. 11 19 93

PAY TO THE ORDER OF THE TREASURER, CITY OF TORONTO

1645.29

One Thousand Six Hundred and Forty Five Dollars -----29

DOLLARS

GALTY B.V.

# REALTY TAX STATEMENT - 1993

**EASE STAMP HERE**

**ASSESSED OWNER AND PROPERTY DESCRIPTION**  
**GALTY B.V.**  
**88 ELM AVE**  
**133.92FR 185.750**  
**133.920 X 185.750**

**NAME AND MAILING ADDRESS**  
**GUINN C**  
**88 ELM AVE**  
**TORONTO ONT**

**CITY OF TORONTO**  
**24153 S**

**TAX ACCOUNT NUMBER**  
**10 1 820 0410 0000 8**

**AT SEE REVERSE**

**MARKS**

**M4W 1P2**

**CITY WARD 13**

## STATEMENT OF ACCOUNT

INCLUDES PAYMENTS RECEIVED BY: FEBRUARY 28, 1993

INSTALMENT #	INSTALMENT DUE DATE	INSTALMENT AMOUNT	PENALTIES/INTEREST TO:	DISCOUNT IF PAID BY: MAR 15	NET IF PAID BY: MAR 15
2	MAR 15	1,848.00			
3	APR 15	1,848.00			
4	MAY 10	1,848.00			
<b>TOTAL</b>		<b>4,928.00</b>		<b>-0.80</b>	<b>4,928.20</b>

*Pay on Galty cheque # 01693 dated Mar 10/93*

*1021169*

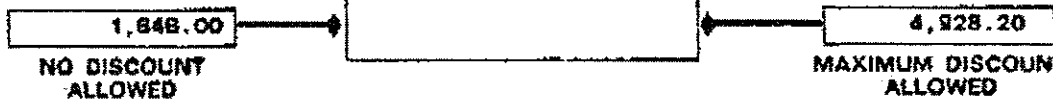
1 820 0410 0000

**MENTION**

IF PAYING BY INSTALMENTS  
MINIMUM AMOUNT DUE BY: MAR 15

INDICATE AMOUNT PAID

IF PAYING THE FULL BILL  
THE AMOUNT PAYABLE BY: MAR 15



TEAR ALONG DOTTED LINE IMPORTANT READ INFORMATION ON REVERSE

**GALTY B.V.**  
**P.O. BOX 185, ST. HELLER**  
**JERSEY, CHANNEL ISLANDS**

**0680**

March 10 19 93

PAY TO THE ORDER OF THE TREASURER, CITY OF TORONTO \$ 1,646.00

--One Thousand Six Hundred & Forty Six Dollars --00

DOLLARS

100

GALTY B.V.

11

e. followe  
plied to  
S.  
S

0713

April 13th 19 93

\$ 1646.00

PAY TO THE ORDER OF Treasurer, City of Toronto

--One Thousand Six Hundred and Forty Six Dollars Only DOLLARS

100

GALTY B.V.

Bank of Montreal  
FIRST CANADIAN PLACE  
TORONTO, ONTARIO M5X 1A3

PER J Remou

3rd. installment realty taxes - 88 Elm Ave.

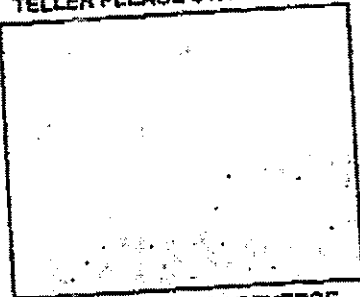
⑆00022⑆001⑆ 1021⑆169⑆

▲ PLEASE DETACH HERE ▲

PLEASE ENCLOSE THIS STUB WITH PAYMENT

CITY OF TORONTO  
BOX 2500, TERMINAL A  
TORONTO, ONTARIO M5W

TELLER PLEASE STAMP HERE



PAYABLE AT: SEE REVERSE  
1993 REALTY TAX

DUE DATE: APR 15

INDICATE AMOUNT PAID

\$ 1646.00

MAXIMUM PAYABLE

3,289.

MINIMUM AMOUNT DUE

1,646.00

PROPERTY ADDRESS  
88 ELM AVE

TAX ACCOUNT NUM:  
10 1 820 0410 0000

23101620041000005930415000328918000164

*Pay on Galty B.V. 0713  
date April 13/93*

PLEASE DETACH HERE

PLEASE STAMP HERE

PLEASE ENCLOSE THIS STUB WITH PAYMENT

CITY OF TORONTO  
BOX 2500, TERMINAL A  
TORONTO, ONTARIO M5W 1N2

DUE DATE: MAY 10

MINIMUM AMOUNT DUE

INDICATE AMOUNT PAID

MAXIMUM PAYABLE

1,646.00

\$1046 : 00

1,646.00

PROPERTY ADDRESS  
88 ELM AVE

TAX ACCOUNT NUMBER  
10 1 620 0410 0000 5

PAYABLE AT: SEE REVERSE

1993 REALTY TAX

2410162004100000593051000016460000164600

GALTY B.V.  
P.O. BOX 166, ST. HELLER  
JERSEY, CHANNEL ISLANDS

8932

May 6th 1993

PAY TO THE ORDER OF TREASURER, CITY OF TORONTO \$ 1,646.00

--One Thousand Six Hundred and Forty Six Dollars Only----- DOLLARS

GALTY B.V.

Bank of Montreal  
FIRST CANADIAN PLACE  
TORONTO, ONTARIO M5X 1A3

PER

*Remuel*

Re: 88 Elm Avenue a/c 10 1 620 0410 0000 5

⑆00022⑆00⑆⑆⑆ ⑆02⑆⑆⑆169⑆

⑆0000164600⑆

# REALTY TAX BILL - 1993

392-7115

### ASSESSED OWNER AND PROPERTY DESCRIPTION

GALTY B.V.  
 85 ELM AVE  
 133,920 X 185,750  
 133,920 X 185,750



### NAME AND MAILING ADDRESS

GUINN C  
 88 ELM AVE  
 TORONTO ONT

CITY OF TORONTO  
 12871 5

M4B 1P2

TAX ACCOUNT NUMBER  
 10 1 820 0410 0000 6

PAYABLE AT: SEE REVERSE

### ASSESSMENT

RESIDENTIAL		COMMERCIAL		CITY WARD 13
PUBLIC SCHOOL	SEPARATE SCHOOL	PUBLIC SCHOOL	SEPARATE SCHOOL	TOTAL ASSESSMENT
28,800				28,800

### REALTY TAX BILL - 1993

EDUCATION		METRO		CITY		OTHER CHARGES		TOTAL 1993 TAXES
PUBLIC	SEPARATE							
7,454.48		3,914.89		2,506.08				13,875.45
1993 MILL RATE INCREASE (DECREASE) OVER 1992:								
EDUCATION	METRO	CITY	CITY CREDITS		INTERIM BILL		TOTAL FINAL BILL	
4.81%	0.16%	10.01%			8,583.28		8,932.18	

### STATEMENT OF ACCOUNT

INCLUDES PAYMENTS RECEIVED BY: MAY 14, 1993

INSTALMENT	INSTALMENT	PENALTIES/INTEREST	DISCOUNT IF PAID	NET IF PAID
DUE DATE	AMOUNT	TO: JUN 15	BY: JUN 15	BY: JUN 15
1 JUN 18	1,732.18			
2 JUL 18	1,732.00			
3 AUG 18	1,732.00			
4 SEP 18	1,732.00			
TOTAL FINAL	8,932.18			
PAST DUE	20.55	0.28		20.84
TOTAL	8,952.77	0.28	-21.84	8,931.18

*Pd on Galtys Cheque  
0752 dated  
June 13  
10/1/93*

10 1 820 0410 0000

OVERPAID AMOUNT

### PAYMENT OPTION

1,732.18 IF PAYING BY INSTALMENTS  
 20.55 MINIMUM AMOUNT DUE BY JUN 15

INDICATE AMOUNT PAID

IF PAYING THE FULL BILL  
 THE AMOUNT PAYABLE BY: JUN 15

1,754.03

1,754.03

NO DISCOUNT ALLOWED

8,931.18

MAXIMUM DISCOUNT ALLOWED

IMPORTANT: READ INFORMATION ON REVERSE

GALTY B.V.  
 P.O. BOX 165, ST. HELLER  
 JERSEY, CHANNEL ISLANDS

0752

June 13th 1993

PAY TO THE ORDER OF Treasurer, City of Toronto

\$ 1754.03

One Thousand Seven Hundred and Fifty Four Dollars -----03

DOLLARS 100

GALTY B.V.

# REALTY TAX STATEMENT - 1993

ASSESSOR, OWNER AND PROPERTY DESCRIPTION

GALTY B.V.  
88 ELM AVE  
133, 52PR, 188, 750  
100, 820 X 188, 750



CITY OF TORONTO

24217

QUINN C  
88 ELM AVE  
TORONTO ONT

M4W 1P2

ACCOUNT NUMBER  
10 1 820 0410 0000

CITY WARD 13

PLEASE STAMP HERE

PAYABLE AT: SEE REVERSE

REMARKS

STATEMENT OF ACCOUNT INCLUDES PAYMENTS RECEIVED BY: JUNE 25, 1993

INSTALMENT #	INSTALMENT DUE DATE	INSTALMENT AMOUNT	PENALTIES/INTEREST TO	DISCOUNT IF PAID BY JUL 15	NET IF PAID BY JUL 15
6	JUL 15	1,733.00			
7	AUG 15	1,733.00			
8	SEP 15	1,733.00			
TOTAL		5,198.00		-11.10	5,187.84

*0774 dated July 15/93*

10 1 820 0410 0000

### PAYMENT OPTION

IF PAYING BY INSTALMENTS  
MINIMUM AMOUNT DUE BY JUL 15

1,733.00

NO DISCOUNT ALLOWED

INDICATE AMOUNT PAID

[Empty box for amount paid]

IF PAYING THE FULL BILL  
THE AMOUNT PAYABLE BY JUL 15

5,187.84

MAXIMUM DISCOUNT ALLOWED

PLEASE TEAR ALONG DOTTED LINE

GALTY B.V.  
P.O. BOX 185, ST. HELLER  
JERSEY, CHANNEL ISLANDS

0774

July 15 1993

PAY TO THE ORDER OF

*Realty Tower - City of Toronto*

1,733.00

*One thousand seven hundred and thirty three* DOLLARS

GALTY B.V.

*Remainder*

Bank of Montreal  
FIRST CANADIAN PLACE  
TORONTO, ONTARIO M5X 1A3

00002200010 1021 189

0000173300

▲ PLEASE DETACH HERE ▲

TELLER PLEASE STAMP HERE

PLEASE ENCLOSE THIS STUB WITH PAYMENT

CITY OF TORONTO  
BOX 2500, TERMINAL A  
TORONTO, ONTARIO M5W 1H2

DUE DATE: AUG 18

MINIMUM AMOUNT DUE

1,754.93

INDICATE AMOUNT PAID

\$1754:93

MAXIMUM PAYABLE

3,484.37

PROPERTY ADDRESS  
88 ELM AVE

TAX ACCOUNT NUMBER  
10 1 820 0410 0000 5

PAYABLE AT: SEE REVERSE

1993 REALTY TAX

27101620041000005730616000348437000175493

<b>GALTY B.V.</b> P.O. BOX 185, ST. HELLER JERSEY, CHANNEL ISLANDS		0787
		August 10 19 93
PAY TO THE ORDER OF	TREASURER, CITY OF TORONTO	\$ 1754.93
One Thousand Seven Hundred and Fifty Four Dollars		-----93 DOLLARS
		100
		GALTY B.V.
Bank of Montreal FIRST CANADIAN PLACE TORONTO, ONTARIO M5X 1A3	PER <u>J. K. [Signature]</u>	
7th Installment Realty Taxes 88 Elm		
⑆00022⑈001⑆ 1021⑈159⑈		



Central Toronto's  
local general services  
commercial and industrial property  
assessments are approved by the C  
Municipal Property Assessment Authority



# 1993 REALTY TAX STATEMENT

PROPERTY DESCRIPTION  
88 ELM AVE 122.92FR 126.760  
123.920 X 125.760

TAX ACCOUNT NUMBER  
10 1 620 0410 0000 5  
24944 5  
CITY WARD 12

NAME AND MAILING ADDRESS  
GUINN C  
88 ELM AVE  
TORONTO ONT

M4W 1P2

## STATEMENT OF ACCOUNT:

#	INSTALLMENT DUE DATE	INSTALLMENT AMOUNT	PENALTIES/INTEREST TO: AUG 10	DISCOUNT IF PAID BY: AUG 10	NET IF PAID BY: AUG 10
7	AUG 10	1,733.00			
8	SEP 10	1,733.00			21.93
	PAST DUE	21.93	0.27		
	TOTAL	3,487.93	0.27	-3.58	3,484.37

INCLUDES PAYMENTS RECEIVED BY: JULY 28, 1993 10 1 620 0410 0000 5  
REMARKS:

KEEP THIS PORTION FOR YOUR RECORDS

GALTY B.V.  
P.O. BOX 166, ST. HELLER  
JERSEY, CHANNEL ISLANDS

0800 ✓

PAY TO THE ORDER OF Treasurer, City of Toronto *Triple J.R.* Sent. 9th 19 93  
\$ 1733.00  
---One Thousand Seven Hundred and Thirty five Dollars Only --- 100 DOLLARS  
GALTY B.V.

Bank of Montreal  
FIRST CANADIAN PLACE  
TORONTO, ONTARIO M5X 1A3

8th installment realty taxes 88 Elm Ave.  
#0000173300



**KEARD**

**INSURANCE BROKERS LIMITED**  
141 ADELAIDE ST. W., SUITE 1706  
TORONTO, ONT. M5H 3L5

November 26, 1993

La Hougue Financial Management  
Services Limited  
P.O. Box 165, 19 Seaton Place  
St. Helier, Jersey  
JE4 8RZ  
Channel Islands

Attention: Miss J. Rimeur

Dear Miss Rimeur:

Re: Property Insurance - Mr & Mrs V. Heinrichs & Galty B.V.  
General Accident Assurance Policy No. PP 0208083

Please note, the above policy came due for renewal on November 16, 1993. As we no longer deal with General Accident, we have remarketed the above policy through The Guarantee Company of North America. The coverages through Guarantee Company shall be as follows:

- \$6,408,000 - Damage to Property at 88 Elm Street. Comprehensive Policy Form. \$1,000 Deductible.
- \$ 480,000 - Damage to Dwelling at 43 St. Hilda's Avenue. \$250 Deductible.
- \$ 81,707 - Fine Arts Floater. Items located at 88 Elm Street.
- \$ 177,232 - Personal Articles Floater. Silverware located at 88 Elm Street.
- \$2,000,000 - Personal Liability.

The estimated annual premium for these coverages is \$11,376. + 8% Retail Sales Tax. We have been waiting to hear from Ms. Deborah Steritt concerning the possibility of increasing the deductible to \$5,000, however, as we have not yet heard, we have requested that the policy be issued as noted above. Should Mr. Heinrichs wish to amend his deductible to \$5,000, we can request an endorsement to this policy mid-term.

Please note, we will forward the new policy to your attention, as soon as it has been received from The Guarantee Company. In the meantime, please accept this letter as confirmation of continuing coverage.

**KEARD**

**INSURANCE BROKERS LIMITED**  
141 ADELAIDE ST. W., SUITE 1706  
TORONTO, ONT. M5H 3L5

La Hougue Financial Management  
Services Limited  
November 26, 1993  
Page Two

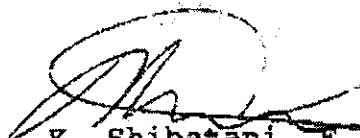
Please note, as this is new business for the Guarantee Company, they will be conducting inspections of the two residences. Should they find that the limit of insurance for either of these properties is insufficient, they will notify us immediately.

Please also note, they will likely require current appraisals for the scheduled fine arts, and silverware. We understand that Mr. Heinrichs is in the process of having these articles re-appraised. Kindly inform him that they will require copies of written appraisals from a dealer, at his earliest convenience.

We trust that you will find the above to be in order. If you should have any questions concerning this matter, please do not hesitate to contact us.

Yours very truly,

**KEARD INSURANCE BROKERS LIMITED**

  
K. Shibatani, F.I.A.C.  
President

/jw

cc. Mr. V. Heinrichs  
cc. Ms. D. Steritt  
c/o Vace Securities Limited  
871 Equestrian Court  
Unit 1  
Oakville, Ontario  
L6L 6L7



# Alison Knowles Abstracts Ltd.

120 Munro Blvd.  
Willowdale, Ontario M2P 1C6

TITLE SEARCHING • CONVEYANCING

Cellular: 930-5176  
Fax: 444-7722

IN ACCOUNT WITH

INVOICE: No 6165

V. Seabrook

Ste 1900

DATE: Dec 1/93

Royal Trust Tower  
PO Box 40 TD Centre  
M5K 1B7

REFERENCE

Gatty BV  
88 Elm St  
Reg'n mtr

#1138  
Dec 7/93  
#98

DISBURSEMENTS

BOOK/ABSTRACT

PHOTOCOPIES

PLANS

EXECUTIONS

MISCELLANEOUS

50.00 Reg'n  
(no GST)

TOTAL - DISB'S

50.00

FEE - lot & plan

FEE -

45.00

G.S.T. #R10013S601

3.15

TOTAL:

98.15

E & O E

TERMS OF PAYMENT:

Due upon receipt of invoice.  
Interest at 24% per annum  
will be charged on all  
overdue accounts.

PLEASE RETURN  
YELLOW COPY WITH PAYMENT



**V. M. SEABROOK, Q.C.**  
BARRISTER & SOLICITOR

Suite 1900, Royal Trust Tower  
Toronto-Dominion Centre, P.O. Box 4  
Toronto, Canada  
M5K 1B7

Telephone: (416) 801-8826  
Telex: 065-28085  
Fax: (416) 363-7875

PLEASE QUOTE  
OUR FILE No.

7520

December 15, 1993

Mr. K. Shibatani  
President  
Keard Insurance Brokers Limited  
141 Adelaide Street West  
Suite 1706  
Toronto, Ontario  
M5H 3L5

Dear Sir:

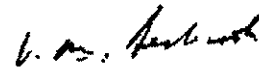
Re: Galty B.V. - La Hougue Financial  
Management Services Limited - 88 Elm Street, Toronto

We act for La Hougue Financial Management Services Limited which holds a first mortgage on the above property.

Enclosed please find, in triplicate, Transfer and Consent of Galty B.V. in favour of La Hougue Financial Management Services Limited as First Mortgagee as its interest may appear with respect to Policy No. G 146564 of the Guarantee Company of North America. Would you kindly provide us with a certified copy of such policy showing the interest of our client in such policy with the usual mortgage clause attached.

If any matter requires clarification, would you kindly telephone the undersigned.

Yours very truly,



V. M. Seabrook, Q.C.

VMS/mb  
Encls.



TRANSFER AND CONSENT

DYE AND DURHAM LIMITED  
FORM NO 659

COMPANY The Guarantee Company of North America POLICY No. G 146564

AGENCY Keard Insurance Brokers Limited

INSURED Galtv B.V. DATE OF EXPIRY November 16, 1994

For value received we hereby transfer, assign and set over unto La Hougue Financial Management Services Limited of P.O. Box 165, 19 Seaton Place, St. Helier, Jersey \*all right, title and interest in Item(s) of this Policy of Insurance

Channel Islands and all benefits and advantages to be derived therefrom La Hougue Financial Management Services Limited  
(Insert the words--the Purchaser or the Mortgagee of the Property or as Collateral Security as the case may be) (Insert name of Mortgagee or other Payee, if any)  
JE4 8RZ  
First as First Mortgagee as its interest may be  
Mortgagee

Witness hand and seal at Toronto this 14th day of November 19 93

Signed, sealed and delivered in presence of

GALTY B.V.  
By its Managing Director

by V. M. Seabrook (Seal)

V. M. Seabrook

CONSENT

(Name of Company), hereby consents to the above assignment, subject, however, to all the provisos, conditions and stipulations contained in said Policy, or endorsed thereon, it being understood that if the assignment be made in favor of a mortgagee, or for collateral security, the insurance under said Policy shall continue in the name of the Insured, whose loss, if any, shall be payable to the Assignee, as the interest of such Assignee may appear.

Date \_\_\_\_\_

Authorized Representative



December 15, 1993

Mr. Richard Wigley  
Managing Director  
La Hougue Financial Management Services Limited  
P.O. Box 165, 19 Seaton Place  
St. Helier, Jersey,  
Channel Islands JE4 8RZ

Dear Richard:

Re: Galty B.V. - Loan £472,790

We wish to report on the Mortgage given by Galty B.V. ("Galty") on the property known as 88 Elm Street, Toronto ("Property") and the other security given in connection therewith.

In accordance with your instructions we have prepared and obtained from Galty and enclose the following:

1. A Promissory Note of Galty in favour of La Hougue Financial Management Services Limited ("La Hougue") for £472,790 dated November 1, 1993 and maturing on October 31, 1994, subject to the possible extension to October 31, 1995, if Galty and La Hougue so agree on or about July 31, 1994.
2. A Charge/Mortgage in the amount of £472,790 made by Galty in favour of La Hougue and dated November 1, 1993 and which was recorded against title to the Property on December 1, 1993 in the Toronto Registry (No. 64) as CA257826 ("Mortgage").
3. Set of Standard Charge Terms filed by Dye & Durham Co. under the Land Registration Reform Act, 1984 on January 2, 1991 and as filing No. 911 made by Galty in favour of La Hougue.
4. The personal guaranty of W. C. Heinrichs in favour of La Hougue and dated November 1, 1993.
5. Corporate Resolution of the Directors.

Prior to registration of the Mortgage we investigated the title to the Property and based on the registered documents, we are of the opinion that Galty has a good and marketable title in fee simple thereto subject to the following:

- (i) The reservation contained in the original grant from the Crown; and
- (ii) Any right of expropriation conferred by any statute of Canada or of the Province of Ontario.

Prior to registration of the Mortgage we made a search of the Sheriff of the Municipality of Metropolitan Toronto to ascertain whether there are any writs of execution on file against Galty and found none.

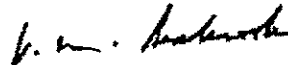
Prior to registration of the Mortgage we confirmed with you that there are no overdue realty taxes outstanding concerning the Property.

We have arranged with Keard Insurance Brokers Limited, insurance brokers for Galty with respect to Policy No. G 146564 issued by The Guarantee Company of North America in favour of Galty and expiring on November 16, 1994, to note the interest of La Hougue as First Mortgagee in such policy and to provide to La Hougue with a certified copy of such insurance policy showing loss payable to La Hougue as its interest may appear in the amount of not less than the face amount of the Mortgage and with the standard mortgage clause attached and continuing the coverage and complying in all respect with provisions of the insurance section of the Mortgage.

We are of the opinion that the Mortgage has been duly executed and delivered and registered where required by law and based on the registered documents it is also our opinion that La Hougue has a valid and legally binding First Mortgage.

As this matter is complete, we enclose our account in the amount as agreed which we would appreciate being satisfied promptly.

Yours very truly,



V. M. Seabrook, Q.C.

VMS/mb

TO: Galty B.V.  
c/o De Twentche Trust-Maatschappij N.V.  
Postbus 3980  
Herengracht 436  
1991 AT Amsterdam  
The Netherlands

IN ACCOUNT WITH

V. M. SEABROOK, Q.C.  
BARRISTER & SOLICITOR

Suite 1900, Royal Trust Tower  
Toronto-Dominion Centre, P.O. Box 40  
Toronto, Canada  
M5K 1B7

December 15, 1993

Re: La Hougue Financial Management Services Limited  
- Loan £472,790

Oct. 28, 1993 TO PROFESSIONAL SERVICES rendered during the marginally noted period in connection with the loan made by La Hougue Financial Management Services Limited to Galty B.V., including the following:

to

Dec. 15, 1993 Preparing Promissory Note, Mortgage, Sub-search of Title, Search for Executions, issuing opinion letter, arranging for certified copy of insurance policy, preparing personal guaranty of W. C. Heinrichs, and all advice, services, correspondence and attendances not otherwise billed.

OUR FEE: \$ 2,500.00

Disbursements:

Paid reproduction charges	\$12.60	
Paid for searches	98.50	
Paid for registration	50.00*	
Paid fax charges	<u>43.55</u>	<u>204.65</u>

GST (7% on \$154.65) 10.83

\$ 2,715.48

\* GST not applicable

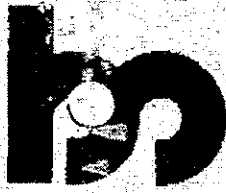
GST Registration  
No. R118219997

THIS IS OUR ACCOUNT HEREIN

V.M. SEABROOK, Q.C.

per: *V. M. Seabrook*





BAUMAN MCKAY & COMPANY  
INSURANCE BROKERS INC.

FAX: 905-529-4497  
PHONE: 905-523-8400

REAL PEOPLE ♦ REAL SOLUTIONS

Effort Square, Suite 602, 105 Main Street East, Hamilton, Ontario L8N 1G6

**TELECOPIER COVER LETTER**

PLEASE DELIVER TO: Name Victor Seabrook, Q.C.

Company \_\_\_\_\_

City Toronto Ont Fax# 363-7875

FROM: Margaret Bauman # PAGES: 3  
(Incl. Cover Page)

DATE: Dec. 16, 1993 TIME: 1157 AM/PM

MESSAGE: Attention: Margaret

Please have Mr. Seabrook sign and  
FAX back to me. Could he mail the original  
of his signature back to me.

Thank you.

# SINCOE FIRE GROUP

Replacing Policy No.  Agency Bill  Company Bill  Other  
 Policy Language:  English  French

Applicant's Full Name and Postal Address  
**MALTY B.V.**  
**8 ELM AVE**  
**TORONTO ONT**  
 Postal Code **M4W1P2**

Agent / Broker Code(s)  
**BAUMAN MCKAY**

Policy From Time **12:01** a.m. / p.m.  Date (Y/M/D) **98/12** To 12:01 a.m. **99/12**  
 All times are local times at the applicant's postal address stated herein.

Risk Location 1. Address (Include Postal Code)  Same as above or  
 Risk Location 2. Address (Include Postal Code)

Insured Party(s) Name, Address & Postal Code  
**A HOULIE FINANCIAL MANAGEMENT LIMITED**  
**9 SEATON PLACE**  
**ST. HELLIER JERSEY**  
**CHANNEL ISLANDS**

Applicable To Loc. 1 Loc. 2 Nature of Interest

Occupancy	Structure Type	Construction	Special Company Rating
<input checked="" type="checkbox"/> Principal Residence <input type="checkbox"/> Seasonal Residence No. of Adults in household _____ <input type="checkbox"/> No. of Adults in household _____ <input type="checkbox"/> No. of Families _____ <input type="checkbox"/> No. of Families _____ <input type="checkbox"/> No. of Apts. _____ <input type="checkbox"/> No. of Apts. _____ <input checked="" type="checkbox"/> Condominium <input checked="" type="checkbox"/> Owner Occupied <input type="checkbox"/> Tenant Occupied <input type="checkbox"/> Rooms Rented to Others <input type="checkbox"/> Commercial <input type="checkbox"/> Unoccupied <input type="checkbox"/> Vacant <input type="checkbox"/> Under Construction	<input checked="" type="checkbox"/> Detached <input type="checkbox"/> Semi-detached <input type="checkbox"/> Townhouse/Rowhouse <input type="checkbox"/> Mobile Home Refer to Company Requirements Residence Type (e.g. 1 story) Loc. 1 Loc. 2 <input type="checkbox"/> Protection Loc. 1 Loc. 2 <input checked="" type="checkbox"/> Within 300 m of a hydrant Within 8 km of the responding firehall at; <input type="checkbox"/> <input type="checkbox"/> Unprotected Alarm System: Describe Loc. 1 Loc. 2 <input checked="" type="checkbox"/> <b>CHUBB FIRE</b> <input type="checkbox"/> <b>4 BURD.</b>	<input checked="" type="checkbox"/> Masonry <input type="checkbox"/> Brick Veneer <input type="checkbox"/> Frame <input type="checkbox"/> Fire Resistant Heating Primary Loc. 1 Loc. 2 <input checked="" type="checkbox"/> Furnace (central) <input type="checkbox"/> Combination with wood <input type="checkbox"/> Combination without wood <input type="checkbox"/> Furnace (central) with add-on woodburning unit <input type="checkbox"/> Space heater <input type="checkbox"/> Electric <input type="checkbox"/> Fireplace insert <input type="checkbox"/> Solid fuel heating unit <input type="checkbox"/> Other Fuel Used _____ Auxiliary Loc. 1 Loc. 2 <input type="checkbox"/> <input type="checkbox"/>	Discounts _____ Date of Birth (y/m/d) (if applicable) _____ Surcharges _____ Premium Table _____ Original Year Building Constructed/Manufactured <b>1929</b> If constructed over 20 years ago, indicate year the following were last renewed: Full Partial Electrical <input type="checkbox"/> <input type="checkbox"/> Heating <input type="checkbox"/> <input type="checkbox"/> Plumbing <input type="checkbox"/> <input type="checkbox"/> Roofing <input type="checkbox"/> <input type="checkbox"/> If partial upgrading, describe in Remarks

Note: If answer to any of the above is other than shown or if "other" is checked, explain in Remarks. \* Solid fuel heating questionnaires may be required

Coverage Form	Form & Type	Deductible \$
<b>EXEMPTIVE</b>		
A. Dwelling Building	B. Detached Private Structures	C. Personal Property
\$2,000,000	\$300,000	\$2,250,000
D. Additional Living Expense	E. Legal Liability	F. Vol. Med. Payments
\$600,000	\$2,000,000	\$1,000
G. Vol. Property Damage	Estimated Premium	
\$250. or \$	\$	

Other Forms	Deductible \$	Premium	Estimated Premium
Dwelling Building		\$	\$
		\$	\$

**Optional Coverages**

Is there a co-occupant who requires coverage?  no  yes, explain in remarks

Is there a guaranteed Replacement Cost - Building?  no  yes

Is there a replacement cost on contents (principal residence)?  no  yes

Is there a condominium additional protection endorsement?  all risks  named perils

Is there an aircraft and trailers (see reverse)?  Amount of insurance \$ \_\_\_\_\_

Is there an additional liability exposures (see reverse)?  Total Amount of Insurance \$ \_\_\_\_\_

Other (specify) \_\_\_\_\_



Shared Cost  No  Yes

Swimming Pool - In-ground  Above-ground

Saddle/Draft Animals - no.

Incidental office use - describe

Day Care - no. of children

Additional residences/properties - no. of units Location(s)

Watercraft - Give details in Watercraft and Tanners Coverage below

No. of Servants - in out of staff vol. comp. req'd

Commercial operations on premises - describe in Remarks

Any other income producing activities - describe in Remarks

**Perils Required**

Deductible \$	Age(s) of Operator
1	
2	
3	
4	
5	

Serial No.	Length	Motor Size	Max. Speed	Amount of Insurance
1				\$
2				
3				
4				
5				

Inland  Coastal Use:  Pleasure only  Other

State all losses or claims by the applicant or other members of the applicant's household in the past 5 years.

Date (y/m/d)	Cause	Amount
N/A		

Occupation

Years continuously employed

Has applicant changed address in last 3 years?  no  yes

If yes - provide previous address

owner  tenant

Has any insurer cancelled, declined or refused to renew or issue habitation insurance to the applicant within the past 5 years?	Name of Previous Insurer	List policy number of other insurance with this company.
<input checked="" type="checkbox"/> no <input type="checkbox"/> yes	Policy Number	
If "yes" provide details	Expiration Date (y/m/d)	

Enter Total Base Cost

Small detached and End Use:  None; use Detached Base Cost,

Inside Rear House, use Detached Base Cost

Home Built 1940-1979

Home Built Pre-1940

**STEP 3 BASIC ADDITIONAL FEATURES**

Belowground (Access of one with 3 basements)

Full B (basement) (3 basements) No.  @ \$

Half B (basement) (2 basements) No.  @ \$

Each Additional Plumbing fixture No.  @ \$

Finished Attic

\$  x  sq. ft. or \$  x  m<sup>2</sup>

Finished Basement

\$  x  sq. ft. or \$  x  m<sup>2</sup>

Parties

Masonry

\$  x  sq. ft. or \$  x  m<sup>2</sup>

Wood

\$  x  sq. ft. or \$  x  m<sup>2</sup>

For two storey porches add 40% to above area cost.

Wood/Cement Decks

\$  x  sq. ft. or \$  x  m<sup>2</sup>

Fireplaces

Inside Chimney (located inside exterior walls) No.  @ \$

Outside Chimney (located on exterior walls) No.  @ \$

Extra Fireplaces (Same Chimney) No.  @ \$

Prefabricated Metal Fireplace No.  @ \$

Prefabricated Fireplace Inserts No.  @ \$

Air Conditioning (Central)

Adjust on ground floor area

Using Heating Ducts

1 Storey \$  per sq. ft. or \$  m<sup>2</sup>

1 1/2 Storey/Tri-Level \$  per sq. ft. or \$  m<sup>2</sup>

2 Storey/Bi-Level \$  per sq. ft. or \$  m<sup>2</sup>

2 1/2 Storey/3 Storey \$  per sq. ft. or \$  m<sup>2</sup>

Duplex (per unit) \$  per sq. ft. or \$  m<sup>2</sup>

Triplex (per unit) \$  per sq. ft. or \$  m<sup>2</sup>

Separate Ducts

1 Storey \$  per sq. ft. or \$  m<sup>2</sup>

1 1/2 Storey/Tri-Level \$  per sq. ft. or \$  m<sup>2</sup>

2 Storey/Bi-Level \$  per sq. ft. or \$  m<sup>2</sup>

2 1/2 Storey/3 Storey \$  per sq. ft. or \$  m<sup>2</sup>

Duplex (per unit) \$  per sq. ft. or \$  m<sup>2</sup>

Triplex (per unit) \$  per sq. ft. or \$  m<sup>2</sup>

Garages and Carports

1 Car 2 Car 3 Car

Attached \$  \$  \$

Basement \$  \$  \$

Carport \$  \$  \$

Subtotal \$

**STEP 4 OTHER ADDITIONAL FEATURES**

Detached Garage 1 Car 2 Car 3 Car

Many policy forms provide coverage on detached garages equal to 10% of the insured amount of the building. Any additional amount required for adequate coverage should be referred to the company for consideration.

Roof Covering Materials - Base Cost includes Asphalt Shingles. For other Coverings adjust on ground floor area.

Clay/State tile \$  per sq. ft. or \$  m<sup>2</sup>

Metal Tile \$  per sq. ft. or \$  m<sup>2</sup>

Wood Shakes \$  per sq. ft. or \$  m<sup>2</sup>

Other \$  per sq. ft. or \$  m<sup>2</sup>

Belvedere/Sunroom

\$  x  sq. ft. or \$  x  m<sup>2</sup>

Swimming Pool - In Ground

Surface Area	450 sq. ft. 42 m <sup>2</sup>	500 sq. ft. 46 m <sup>2</sup>	650 sq. ft. 60 m <sup>2</sup>
Reinforced Concrete	\$ <input type="checkbox"/>	\$ <input type="checkbox"/>	\$ <input type="checkbox"/>
Vinyl Liner	\$ <input type="checkbox"/>	\$ <input type="checkbox"/>	\$ <input type="checkbox"/>
Fibre Glass	\$ <input type="checkbox"/>	\$ <input type="checkbox"/>	\$ <input type="checkbox"/>

Swimming Pool - Above Ground \$

Sauna(s) No.  @ \$

Wood Burning Stove(s) incl. Chimney No.  @ \$

Heat Pump Heating System (using heating ducts)

Adjust on ground floor area

1 Storey \$  per sq. ft. or \$  m<sup>2</sup>

1 1/2 Storey/Tri-Level \$  per sq. ft. or \$  m<sup>2</sup>

2 Storey/Bi-Level \$  per sq. ft. or \$  m<sup>2</sup>

2 1/2 Storey/3 Storey \$  per sq. ft. or \$  m<sup>2</sup>



**1994**





## Memorandum

To: MR V M SEABROOK

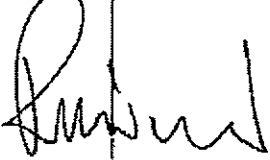
From: RICHARD WIGLEY

Date: 28TH OCTOBER 1994

Subject: GALTY B.V.  
LOAN £472,790

The term of the above loan was for one year and the period will end on the 31st October. The loan is being extended for a further year and I should be grateful if you could kindly advise me if any revised paperwork will be required or if an extension confirmation will be adequate.

Please let me know if additional documentation will be required.



R G de W WIGLEY



GALTY B.V.

Consent Resolutions

Resolved that:

(a) Galty B.V. ("Corporation") be and is hereby authorized to borrow directly or indirectly from La Hougue Financial Management Services Limited ("La Hougue") the sum of £472,790 for a further term of 12 months as of November 1, 1994 with interest thereon at the rate of 10.5% per annum payable to or to the order of La Hougue in monthly instalments and if deemed desirable, on or about July 31, 1995, with the prior consent of La Hougue, to extend such term for a further term of 12 months and in connection therewith, execute a promissory note reflecting such terms and a first charge/mortgage on the lands municipally known as 88 Elm Street, Toronto, Canada, in favour of La Hougue.

(b) Any officer or director of the Corporation is hereby authorized and directed in the name and on behalf of the Corporation to take or cause to be taken any and all action to execute and deliver the said promissory note and the said first charge/mortgage unto La Hougue and any and all other agreements, certificates, instructions, notices and other documents (all of which are to be in form and substance as the officer or director executing the same may, upon the advice of counsel, deem necessary or desirable, the execution by such officer or director to be conclusive evidence of the approval of such form and substance by such officer or director) and



to do, sign, execute and deliver all acts, things, instruments and deeds which in his or its absolute discretion he or it may deem to be necessary or desirable to carry out the foregoing resolutions.

The foregoing resolutions are hereby passed with the consent of and are hereby adopted by the directors of Galty B.V. as evidenced by their respective signatures hereto.

DATED this 1st day of November, 1994.

ABN-AMRO TRUSTCOMPANY (NEDERLAND) B.V.  
Per:

---

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V. M. Seabrook

---



TELEFAX COVER PAGE

TO: Mr. V.H Seabrook FROM: Richard Wigley

DATE: 4 November 1994 NO. OF PAGES: 5 (INC. COVER PAGE)

SUBJECT: (1) Loan arrangement (2) The Ontario Trust  
(3) Danny L. Witt

IF ALL PAGES ARE NOT RECEIVED OR IF ANY ARE NOT RECEIVED CLEARLY,  
PLEASE TELEPHONE 0534 66664 (FAX 0534 66677) AND WE WILL RE-SEND  
AS NECESSARY.

MESSAGE:-

[A series of horizontal lines for writing the message content.]

## Memorandum

To: MR V M SEABROOK                      From: RICHARD WIGLEY

Date: 4TH NOVEMBER 1994                  Subject: LOAN ARRANGEMENT  
LA HOUGUE CLIENT 0085  
FROM LA HOUGUE CL.0104

---

As discussed with you on the telephone, a fixed interest twelve months loan arrangement has been agreed between the two La Hougue clients and I am seeking your assistance in effectively amending the existing security position on behalf of our client 0104.

Details of the revised arrangement are:-

Twelve months fixed loan of £472,789.93 reviewable after nine months regarding a possible extension for a further period of twelve months at the then agreeable interest rate.

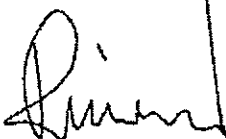
Security:                      The property 88 Elm Avenue, Toronto, Ontario, Canada.

Interest Rate: To lender 9.75% fixed, payable monthly in the sum of £3,841.42.

To borrower 10.5%, payable monthly in the sum of £4,136.91

The difference between the lender's and the borrower's amount being due to La Hougue as a fee (0.75%) for arranging this transaction.

I should be grateful if you would advise me what amendments to the existing documentation will be required to protect Client 0104 and, before preparing the necessary paperwork and completing the other requirements, would you please indicate your fees for carrying out this work.



R G de W WIGLEY

- Need
- ① note - Amended Promissory Note
  - ② Bd resolution
  - ③ Amended charge
  - ④ Opinion
  - ⑤ Form of payment of 1994 rally class

Charge: - why the increase from  $5\frac{1}{2}\%$  to  $7\frac{1}{2}\%$   
- should there be a fee based on past  
deser. award  
- v.v.s fee: 1500

V. M. SEABROOK, Q. C.

MEMORANDUM

TO RICHARD WIGLEY

DATE NOVEMBER 15, 1994

FROM: V. M. SEABROOK, Q.C.

RE OUR FILE No 7520

---

Re: Galty B.V. - Loan £472,790

We refer to your memorandum of November 4, 1994 and our subsequent telephone discussion.

In view of the revision in the loan transaction, we would recommend the following:

1. An amended Promissory Note.
2. A further Board Resolution of Galty B.V.
3. An amended Charge.
4. A Subsearch of Title.
5. Evidence of payment of the 1994 realty taxes.

In view of the possibility of a further extension, it would be suggested that rather than showing a one year maturity date with the provision for a further extension, the Note and Charge should indicate that the loan is payable on demand and thus minimize future documentation if same should be required.

It would appear in view of the above that our fee would be \$1,500 plus disbursements based on the anticipated time. This amount may be adjusted upward or downward if additional or less time is required. Please advise if you wish us to deal with the above work. Until we hear from you no work in connection with the above matter will be effected.

VMS/mb

## Memorandum

To: V M SEABROOK Q.C.

From: RICHARD WIGLEY

Date: 28TH NOVEMBER 1994

Subject: YOUR FILE 7520  
GALTY B.V.  
LOAN £472,790

---

Further to your memorandum of the 15th November, we confirm your fee for completing the paperwork but would request that the renewal is not arranged with a demand note but still a fixed term with a possible renewal clause, as the borrower would not wish to be called upon to repay the monies at an inconvenient time.

I assume that you will arrange for the necessary paperwork to be completed in Toronto but should you wish me to deal with it, please let me know.



R. de WW/CW

November 30, 1994

BY COURIER

ABN-AMRO Trust Company (Nederland) B.V.  
Hoekenrode 6-8  
Postbox 1469  
1000 BL Amsterdam  
The Netherlands

Attention: Mr. Bert Zwart

Re: Galty B.V.

Dear Mr. Zwart:

Enclosed please find four copies of Consent Resolution duly signed by the undersigned for signature by the proper signing officers of your company as one of the Directors of Galty B.V.

We believe that the Resolution is self explanatory, but if you require additional information or clarification, please advise the undersigned.

We would appreciate receiving three copies of the enclosed Resolution duly completed and, if possible, a fax of such Resolution in order that the transaction in question can be completed without delay.

Yours very truly,



V. M. Seabrook, Q.C.

VMS/mb  
Encls.



V. M. SEABROOK, Q. C.

MEMORANDUM

TO ALISON KNOWLES

DATE NOVEMBER 30, 1994

FROM V. M. SEABROOK, Q.C.

RE OUR FILE No 7520

---

Re: Galty B.V.

*subsequent to 11/30/94*

Please have the attached Charge/Mortgage of Land recorded and do a subsearch. Also please obtain a Sheriff's Certificate re Galty B.V. Thanks.

VMS/mb  
Encl.

# Alison Knowles Abstracts Ltd.

120 Munro Blvd.  
Willowdale, Ontario M2P 1C6

TITLE SEARCHING • CONVEYANCING

Pager: 424-8624  
Fax: 444-7722

IN ACCOUNT WITH \_\_\_\_\_

INVOICE: N<sup>o</sup> 006379

V Sealbrook

DATE: Dec 1/94

REFERENCE <u>file 7520</u> <u>Reg'n Galty mfg</u>  <u># 1351 / 94</u> <u>Dec 15 / 94</u> <u>\$64.20</u>	<b>DISBURSEMENTS</b>		
	BOOK/ABSTRACT		10 00
	PHOTOCOPIES		
	PLANS		
	EXECUTIONS		
	MISCELLANEOUS		
	PARTICULARS		
	MISCELLANEOUS		
	<b>TOTAL - DISB'S</b>		10 00
	FEE - lot & plan		
	FEE -		50 00
	G.S.T. #R10013S601		4 20
<b>TOTAL:</b>		64 20	

**TERMS OF PAYMENT:**  
Due upon receipt of invoice.  
Interest at 24% per annum  
will be charged on all  
overdue accounts.

E & O E.

PLEASE RETURN  
YELLOW COPY WITH PAYMENT

\*\*\*\*\*  
\* CLEAR / LIBRE \*  
\*\*\*\*\*

CERTIFICATE #:  
NO DE CERTIFICAT:  
00261958-5366209B

C E R T I F I C A T E / C E R T I F I C A T

SHERIFF AT / SHERIF A: Land Titles 66 Toronto  
DATE OF CERTIFICATE / DATE DU CERTIFICAT : 1994-12-01

THIS CERTIFIES THAT THERE ARE NO WRITS OF EXECUTION, EXTENT OR  
CERTIFICATES OF LIEN IN MY HANDS AT THE TIME OF SEARCHING AGAINST  
THE REAL AND PERSONAL PROPERTY OF:

JE CERTIFIE, PAR LES PRESENTES, NE PAS AVOIR DE BREF D'EXECUTION OU  
DE SAISIE, NI DE CERTIFICAT DE PRIVILEGE EN MA POSSESSION AU MOMENT  
DE LA RECHERCHE VISANT LES BIENS MEUBLES OU IMMEUBLES DE:

SURNAME / NOM GIVEN NAMES / PRENOM(S)

=====

(COMPANY/COMPAGNIE) GALTU B.V.

CAUTION TO PARTY REQUESTING SEARCH:  
ENSURE THAT THE ABOVE INDICATED NAME IS THE SAME AS THE NAME SEARCHED  
THIS NAME WILL REMAIN CLEAR UNTIL THE CLOSE OF BUSINESS THIS DATE.

AVERTISSEMENT A LA PARTIE QUI DEMANDE LA RECHERCHE:  
ASSUREZ-VOUS QUE LE NOM INDIQUE CI-DESSUS EST LE MEME QUE CELUI QUI  
EST RECHERCHE. CET ETAT DEMEURE VALIDE JUSQU'A LA FIN DE LA JOURNEE  
DE TRAVAIL.

CHARGE FOR THIS CERTIFICATE / FRAIS POUR CE CERTIFICAT: \$ 11.00  
SEARCHER REFERENCE / REFERENCE CONCERNANT L'AUTEUR DE LA DEMANDE:

SEABROOK



ABN AMRO Trust Company (Nederland) BV  
Hoekenrode 6-8  
Postbox 1469  
1000 BL Amsterdam  
The Netherlands  
Telephone 31-20-6298033  
Telefax 31-20-6294661

To : V.M. Seabrook Q.C.  
Attention : Mr. Seabrook  
Country : Canada  
Telefax : 1.416.363.7875  
  
Date : 8 December, 1994  
Sender : Bert Zwart  
Reference : 45.83124/QCZ  
Total number of pages : 3  
Remarks : GALTY B.V.

Dear Mr. Seabrook,

Please find attached a copy of the Consent Resolution duly signed.

Kind regards,

Bert Zwart

Galty B.V.  
Hoeckenrode 6, 1102 BR  
P.O. Box 1469  
1000 BL Amsterdam  
The Netherlands

IN ACCOUNT WITH

**V. M. SEABROOK, Q.C.**  
BARRISTER & SOLICITOR

Suite 2200  
181 University Avenue  
Toronto, Ontario, M5H 3M7

December 8, 1994

Re: La Hougue Financial Management Services  
Limited - Loan £472,790

Nov. 4, 1994 TO PROFESSIONAL SERVICES rendered during the  
marginally noted period in connection with the loan  
made by La Hougue Financial Management Services  
Limited to Galty B.V., including the following:

to

Dec. 8, 1994 Preparing Promissory Note, Mortgage, Sub-search of  
Title, Search for Execution, issuing opinion letter  
and all other advice, services, correspondence and  
attendances not otherwise billed.

OUR FEE: \$ 1,500.00

Disbursements:

Paid reproduction charges	\$ 8.00	
Paid fax charges	2.50	
Paid registration charges	<u>61.00*</u>	<u>71.50</u>

\$ 1,571.50

GST (7% on \$10.50) 0.74

\$ 1,572.24

\*GST not applicable

GST Registration  
No. R118219997

THIS IS OUR ACCOUNT HEREIN

V.M. SEABROOK, Q.C.

per:

*V. M. Seabrook*



TELEFAX COVER PAGE

TO: Mr. V.M. Seabrook FROM: Richard Wigley

DATE: 14 December 1974 NO. OF PAGES: 2 (INC. COVER PAGE)

SUBJECT: 88 Elm Avenue

IF ALL PAGES ARE NOT RECEIVED OR IF ANY ARE NOT RECEIVED CLEARLY, PLEASE TELEPHONE 0534 66664 (FAX 0534 66677) AND WE WILL RE-SEND AS NECESSARY.

MESSAGE:-

Multiple horizontal lines for message content.

## Memorandum

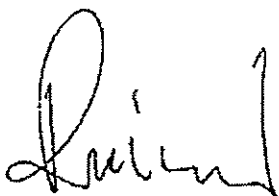
To: MR V M SEABROOK From: RICHARD WIGLEY

Date: 14th DECEMBER 1994 Subject: 88 ELM AVENUE

---

A note to confirm that the Realty Taxes relating to the above property for the year 1994 have been paid. If you would like to see copies of the accounts and paid cheques, I will be pleased to send these to you.

I am obtaining confirmation relating to the insurance and will advise you on this shortly.



R G de W WIGLEY





December 15, 1994

BY COURIER

Mr. Richard Wigley  
Managing Director  
La Hougue Financial Management Services Limited  
P.O. Box 165, 19 Seaton Place  
St. Helier, Jersey,  
Channel Islands JE4 8RZ

Dear Richard:

Re: Galty B.V. - Loan £472,790

We wish to report on the extension of the loan given to Galty B.V. ("Galty") evidenced by its amended promissory note referred to below and secured by an amended Charge/Mortgage on the property known as 88 Elm Street, Toronto, Ontario ("Property").

In accordance with your instructions we have prepared and obtained from Galty the following:

1. A Promissory Note of Galty in favour of La Hougue Financial Management Services Limited ("La Hougue") for £472,790 dated November 1, 1994 and maturing on October 31, 1995, subject to the possible extension to October 31, 1996, if Galty and La Hougue so agree on or about July 31, 1995.
2. A Charge/Mortgage in the amount of £472,790 made by Galty in favour of La Hougue and dated November 1, 1993, which was recorded against title to the Property on December 1, 1994 in the Toronto Registry (No. 64) as CA 320126 ("Mortgage").
3. Set of Standard Charge Terms filed by Dye & Durham Co. under the Land Registry Registration Reform Act, 1984 on January 2, 1991 and as filing No. 911 made by Galty in favour of La Hougue.
4. Corporate Resolution of the Directors of Galty.

We reviewed the provisions of the personal guarantee of W. C. Heinrichs in favour of La Hougue and dated November 1, 1993. Inasmuch as the above-mentioned Loan made as of November 1, 1994 is both a modification and a renewal of Galty's obligation under a note dated November 1, 1993, it was our view that it was not necessary to obtain a further Payment Guarantee from Mr. Heinrichs. If you feel otherwise, please let us know.

Prior to registration of the Mortgage we investigated the Title to the Property and based on the Register of Documents, we are of the opinion that Galty has a good and marketable title in fee simple thereto, subject to the following:

- (i) The reservations contained in the original grant from the Crown; and
- (ii) Any right of expropriation conferred by any statute of Canada or of the Province of Ontario.

Prior to registration, we also made a search with the Sheriff of the Municipality of Metropolitan Toronto to ascertain whether there were any Writs of Execution on file against Galty and found none.

Prior to registration of the Mortgage you confirmed to us that there were no overdue realty taxes outstanding concerning the Property and accordingly, we did not undertake any search in such regard.

We understand that you have made the necessary arrangements directly with the insurance brokers for Galty to note the interest of La Hougue as first mortgagee in the present fire insurance policy taken out by Galty with respect to the dwelling forming part of the Property and that you have a certified copy of such insurance policy showing loss payable to La Hougue as its interest may appear in the amount of not less than the face amount of the Mortgage and with the standard mortgage clause attached and continuing the coverage and complying on all respects with the provisions of the insurance section of the Mortgage.

We are of the opinion that the Mortgage has been duly executed and delivered and registered where required by law and based on the Registry of Documents it is also our opinion that La Hougue has a valid and legally binding first mortgage.

We now enclose the following:

1. Original of Promissory Note dated November 1, 1994 for \$472,790 in favour of La Hougue.
2. Corporate Resolution of the Directors of Galty.

3. Duplicate original copy of the Mortgage.

We also enclose, in duplicate, Discharge of Charge/Mortgage Registration No. CA257826 relating to the original loan on November 1, 1993.

Please sign as Managing Director and have Jenny Rimeur sign as Secretary, affix the corporate seal and insert the date of signature where indicated, and return same with the duplicate original of Charge/Mortgage CA257826 which is in your possession, in order that the original Charge/Mortgage can be discharged on Title of 88 Elm Street, Toronto.

As this matter is complete, we enclose our account in the amount as agreed which we would appreciate being satisfied promptly.

Yours very truly,



V. M. Seabrook, Q.C.

VMS/mb  
Encls.



# Memorandum

To: MR V M SEABROOK      From: JENNY RIMEUR

Date: 28TH DECEMBER 1994      Subject: GALTY B.V.  
LOAN £472,790

---

Thank you for your memorandum of the 15th December, with enclosures.

As requested, I am now returning, in duplicate, duly signed, the Discharge of Charge/Mortgage Registration number CA257826 relating to the original loan on the 1st November, 1993.

Also enclosed is the duplicate original of Charge/Mortgage CA257826.

Whilst writing, please find attached a draft in your favour in the amount of C\$1572.24 in settlement of your account of the 8th December.

*Revised Jan 3/95*

  
MISS J RIMEUR

**1995**

# Alison Knowles Abstracts Ltd.

120 Munro Blvd.  
 Willowdale, Ontario M2P 1C6

TITLE SEARCHING • CONVEYANCING

Phone: 424-8824  
 Fax: 444-7722

IN ACCOUNT WITH \_\_\_\_\_  
*V. Leabrook*  
 \_\_\_\_\_  
 \_\_\_\_\_

INVOICE: N<sup>o</sup> 006786 416-930-5171

DATE: *Jan 30/95*

REFERENCE	DISBURSEMENTS		
	BOOK/ABSTRACT		
	PHOTOCOPIES		
	PLANS		
	EXECUTIONS		
	MISCELLANEOUS		
	<b>TOTAL - DISP'S</b>		
	FEE - lot & plan		
	FEE -		25 00
	G.S.T. #R10013S601		1 75
	<b>TOTAL:</b>		<b>26 75</b>

*Reg'n DM*  
*88 Elm St*  
*Le Batty BV*

*1,286*  
*12/19/95*  
*1/26*

**TERMS OF PAYMENT:**  
 Due upon receipt of invoice.  
 Interest at 24% per annum

E & O E

PLEASE RETURN  
 YELLOW COPY WITH PAYMENT



1996

# Memorandum

To: MR V M SEABROOK

From RICHARD WIGLEY

Date: 22ND JULY 1996

Subject:

---

The loan is due for review on the 31st October, 1996. Before I go back to C.0104, I would appreciate your view as to renewal at the same rate - 9.75%.

Once I have your views, I will then speak with her.

*Jenny*  
R G de W WIGLEY

---

**1999**

## Memorandum

To: Mr V M Seabrook                      From: Richard Wigley  
Date: 27<sup>th</sup> September 1999              Subject:

---

I am writing with reference to the investment of funds for the separate connected client which, as you will know, have been attracting a good interest return for a number of years whilst secured against the 88 Elm Avenue property.

You will recall that the arrangement was amended so that a minimum three months' notice of repayment would be required and the current rate of interest is 9.75%, the facility being due for review on the 1<sup>st</sup> November next.

You will be aware that the borrower will most probably have significant funds available from the sale of STP shares, and I believe that, once the monies flow, he will wish to give notice of repayment of the loan.

My reason for writing is to seek your suggestions as to how I should then approach the re-investment of funds because there will obviously be a significant drop in income and I am sure this will cause some reaction.

I know it is our problem, but I thought you should be informed, and your advice and suggestions would be appreciated.

RICHARD WIGLEY

SEPTEMBER 27, 1999

V. M. SEABROOK, Q.C.

7520

We refer to your memo of September 27, 1999.

We have noted your comments. Have you considered the requirement of Cdn. \$500,000 payable to the Equitable Trust Company on March 1, 2000?

Our suggestion is that further consideration be given by you to extending the loan to the present client or have other clients borrow the sum of £472,790 with appropriate security with some reduction in or waiver of your fee so that the net cost of the borrowing is say 10% with the continuing lender receiving the net sum of 9.75% per annum. Presumably you have clients in need of funds that you would recommend who would be prepared to pay a rate equal to the abovementioned net cost so that the party in question will continue to receive the same amount in question. In other words, there must be alternatives to bank interest on the funds in question that you would suggest.

Your comments on the above would be appreciated.

VMS/dek

MEMORANDUM

7526

To: Mr V. M. Seabrook

From: Richard Wigley

Date: 28<sup>th</sup> September, 1999

Subject:

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Reference my memo 27<sup>th</sup> September and your reply same date.

1. We are aware of equitable trust repayment and believe client will have available funds.
2. Will try to continue loan, but as indicated present borrower may not have a continuing need to borrow.
3. At this time do not have clients needing to borrow except the possibility of JWD being interested, but I have not mentioned it to him. He would, I feel sure, be interested in a one/two year loan, but the security aspect would need careful consideration.
4. Agree there must be better alternatives to bank interest, but don't want there to be any risk.

Await your comments.

# V. M. SEABROOK, Q.C.

## MEMORANDUM

TO: RICHARD WIGLEY

DATE: SEPTEMBER 28, 1999

FROM: V. M. SEABROOK, Q.C.

RE: OUR FILE NO. 7520

---

We refer to your memo of September 28, 1999.

We agree that there should be no risk but feel that your firm should be the best judge of the borrower's ability to repay and to provide adequate security. We had assumed that the present borrower would continue with the present loan since it would enable him to continue to utilize his other funds to make investments providing him with a greater return than the cost of funds in the present borrowing. From our perspective, this seemed to be a sensible game plan to follow.

We would prefer the present arrangements to continue. If not, please let us have your recommendation in the light of need to generate the present income level derived from the present loan.

VMS/dek

# V. M. SEABROOK, Q.C.

## MEMORANDUM

TO: RICHARD WIGLEY

DATE: SEPTEMBER 28, 1999

FROM: V. M. SEABROOK, Q.C.

RE: OUR FILE NO. 7520

---

We refer again to your memo of September 27, 1999.

In further reviewing our file, it was our understanding that the 3 months notice was required to be given by July 31 in each year and if not it would continue for a further year from November 1. We do not appear to have received a copy of such notice. If not given, does this not defer the issue raised by you until next year?

We await your comments.

VMS/dek



**LA HOUGUE FINANCIAL MANAGEMENT SERVICES LIMITED**

**19 SEATON PLACE, ST HELIER, JERSEY CI JE4 8RZ**

**TELEPHONE NO: 01534 766664**

**FACSIMILE NO: 01534 766677**

**TO:** Mr. V. M. Seabrook.  
**FAX NUMBER:** Auto-dial (Toronto)  
**FROM:** Richard Wigley  
**DATE:** 29<sup>th</sup> September, 1999  
**NO OF PAGES** 6 (INC COVER PAGE)  
**SUBJECT:**

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**MESSAGE:**

Please see attached memorandum.

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## Memorandum

To: Mr V. M. Seabrook From: Richard Wigley

Date: 29<sup>th</sup> September, 1999 Subject:

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Thank you for your reply.

It was not our intention to make recommendations at the present time, but merely to keep you advised of the possibility that the present arrangement might be discontinued.

We agree the continuation of the present arrangement would be the best solution, but the borrower has the right to repay and at least we have secured a notice period. A similar type of arrangement at what is well above market rate for secured facilities, may not be possible. Perhaps you have access to this type of arrangement.

We will advise you immediately should the three months' notice of repayment be given and then seek out the safest high income/loan arrangement available for consideration by both yourself and the client. The enclosed bond list will give an indication of current yields. Increasing the yield naturally increases the risk. It should be borne in mind that if the UK goes fully into Europe, rates must fall to circa 3% to comply with the terms of entry. Any move may well be 2 to 3 years away, but it could happen today.

# COLLINS STEWART (CI) Limited

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## *BOND COMMENTARY* *September 21, 1999*

Money markets seem to disbelieve the Bank of England when it raised the repo rate to 5¼% on 8<sup>th</sup> September. The Bank's Monetary Policy Committee claimed that "an early move would lower the level at which interest rates might otherwise need to be set". Since then, however, the December 2000 short sterling contract has fallen, implying that interest rate expectations might have risen.

The rate implied by this contract is now over 7.2%. This is well above most economists' expectations. Even Richard Jeffrey at Charterhouse Securities, who has long been forecasting higher rates, sees base rates only reaching 6.75% by then. Few, however, expect short sterling prices to rise soon. This is because these reflect not only rate expectations but also a risk premium to compensate for the danger that rates could rise more than expected. For nobody, not even the M.P.C., knows how far rates need to rise.

A particular danger could be the pound. If this falls sharply, either because the euro recovers or because the rising trade deficit drags down sterling, rates could rise even further than short sterling rates imply. Indeed, the experience of previous rate-hike cycles suggests that short sterling may well stay cheap until signs emerge to signal that rates are near their peak. That stage is probably a long way off.

On Thursday the European Central Bank announces its latest interest rate decision. Despite fears of a monetary tightening, the E.C.B. will probably keep its refinancing rate at 2.50%. With the euro now stabilising, the threat of an increase to bolster the Bank's credibility has receded. Instead, the Bank can focus on the likelihood that inflation will remain below its 2% target for the next 2 years.

This is because price rises will be restrained by abundant spare capacity in the eurozone. Furthermore, demand may be held back by fiscal retrenchment in Germany and Italy, and development may help to cut prices. All this means any rate rise will be precautionary only.

Guernsey Office: Charlie Roger  
Jersey Office: James Sherbourne

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**SELECTIVE EUROBOND ISSUES**

Attractive issues in bold type

**STERLING BONDS**

Issue Size	Moody's	S&P	Issuer	Coupon %	Maturity	Mid Price	Y.T.M. %
£500m	A+2	AA	ABBEY NATL TREASURY SERV	7 3/8	14/03/2001	£100.89	6.43
£200m	A+4	NA	LBW FINANCE NV	7 3/8	18/12/2001	£101.29	6.72
£400m	A+2	AA	ABBEY NATL TREASURY SERV	7 5/8	30/12/2002	£102.04	6.89
£1bn	A+2	AA	ABBEY NATL TREASURY SERV	8	02/04/2003	£103.26	6.91
£300m	A+1	AA	HALIFAX PLC	5 3/4	04/12/2003	£96.25	6.60
£500m	A+4	AAA	GENERAL ELEC CAP CORP	5 1/4	12/01/2004	£92.95	6.78
£500m	A+2	AA	ABBEY NATL TREASURY SERV	5 1/4	21/01/2004	£94.05	6.88
£500m	A+2	AA	BARCLAYS BANK PLC	6 1/2	18/02/2004	£98.72	6.83
£265m	A+1	AA	HALIFAX PLC	6 1/2	18/02/2004	£98.68	6.74
£500m	A+2	AA	ABBEY NATL TREASURY SERV	6 1/2	05/03/2004	£98.56	6.88
£400m	A+2	AA	LLOYDS TSB BANK PLC	7 3/8	11/03/2004	£100.92	7.11
£150m	A+1	AA+	BP AMOCO CAPITAL PLC	6	30/04/2004	£96.87	6.78
£200m	A+2	AA	REUTERS GROUP PLC	5 3/8	26/11/2004	£93.84	6.83
£300m	A+2	AA	GLAXO WELLCOME PLC	8 3/4	01/12/2005	£109.38	6.13
£100m	Baa3	BB+	REP OF SOUTH AFRICA	9 3/8	06/02/2006	£100.53	9.24
£400m	A+2	AA	HALIFAX PLC	6 3/4	10/02/2006	£108.47	7.13
£950m	Aaa	AAA	EUROPEAN INVESTMENT BANK	7 5/8	07/12/2006	£115.54	5.00
£200m	Baa3	BB	REPUBLIC OF ARGENTINA	10	25/06/2007	£91.00	11.82
£350m	A	A	BASS PLC	5 3/4	21/12/2007	£92.53	6.97
£400m	A+4	AAA	CAISSE D'AMORT DETTE SOC	6 1/4	05/03/2008	£98.32	6.51
£400m	A+1	AA	HALIFAX PLC	6 3/8	03/04/2008	£98.30	6.63
£200m	A1	A+	BRITISH STEEL PLC	6 3/4	20/05/2008	£96.12	7.36
£875m	Aaa	AAA	EUROPEAN INVESTMENT BANK	6 1/4	07/12/2008	£98.70	6.44
£250m	NA	A	CARLTON COMMUNICATIONS	5 5/8	02/01/2009	£90.34	7.85
£150m	NA	A	CAPITAL SHOPPING CENTRES	5 3/4	05/02/2009	£91.32	7.14
£300m	A3	A	WESSEX WATER SERVS FIN	5 7/8	30/03/2009	£92.00	7.03
£300m	A3	AA	STANDARD CHARTERED BANK	6 3/4	27/04/2009	£94.95	7.59
£250m	A+3	AA+	PRUDENTIAL CORP PLC	5 1/2	11/05/2009	£91.44	6.67
£300m	A1	NA	ROOTS CO PLC	5 1/2	26/05/2009	£91.99	6.64
£200m	A2	A	BG PLC	5 3/8	07/12/2009	£88.36	7.01
£330m	A2	AA+	RAILTRACK PLC	5 7/8	07/12/2009	£92.46	6.93
£350m	A+3	NA	TESCO PLC	5 1/4	18/12/2009	£89.05	6.63
£400m	A+2	AA	ABBEY NATL TREASURY SERV	5 3/8	30/12/2009	£91.43	6.54

**STERLING - ZERO COUPON**

Issue Size	Moody's	S&P	Issuer	Coupon %	Maturity	Mid Price	Y.T.M. %
£250m	A+3	AA	DEUTSCHE BANK FINANCE NV	0	28/02/2001	£91.28	6.59
£100m	Aaa	AAA	BAYERISCHE LANDESBK GIRO	0	26/02/2009	£55.41	6.47
£200m	A+1	AA+	UBS FINANCE (C.I.) LTD	0	18/02/2001	£91.33	6.55
£100m	NA	NA	BRITEL 12 1/4 03-RESIDUAL	0	11/03/2003	£78.93	6.96

**CANADIAN DOLLARS**

Issue Size	Moody's	S&P	Issuer	Coupon %	Maturity	Mid Price	Y.T.M. %
C\$100m	Aa3	AA+	TORONTO-DOMINION BANK	5 1/4	04/02/2000	C\$99.92	3.30
C\$200M	A+1	AA+	EXPORT DEVELOPMENT CORP	5 1/8	27/02/2001	C\$99.31	5.62
C\$200M	Aaa	AAA	KFV INTERNATL FINANCE	5 3/4	30/12/2001	C\$99.41	5.94
C\$100M	A+3	AA+	KINGDOM OF DENMARK	6	30/12/2002	C\$100.23	5.91
C\$200M	Aaa	NA	BAYERISCHE LANDESBK GIRO	5 1/4	05/02/2001	C\$97.73	6.01
C\$250M	Aa3	AA+	ONTARIO ELECTRICITY FINL	5 3/8	17/04/2003	C\$98.09	5.96
C\$200M	Aaa	AAA	HELABA FINANCE BV	6 1/2	25/02/2004	C\$102.57	6.87
C\$150M	Aaa	AAA	EUROPEAN INVESTMENT BANK	7 1/4	13/03/2006	C\$105.62	6.16
C\$250M	A+2	AA	BRITISH COLUMBIA PROV OF	5 1/4	01/12/2006	C\$95.40	6.14
C\$250M	A+3	AA	ONTARIO (PROVINCE OF)	5	27/02/2009	C\$91.45	6.23

• Trades in multiples of £50,000 nominal

**U.S. DOLLARS**

Issue Size	Moody's	S&P	Issue	Coupon %	Maturity	Mid Price	Y.T.M. %
\$500m	Aa2	AA	ABBVEY NATL TREASURY SERV	6.50	23/05/2001	\$100.49	6.28
\$2bln	Aaa	AAA	INTL BK RECON & DEVELOP	4.75	03/12/2001	\$97.43	6.15
\$1bln	Aa2	AAA	BK NEDERLANDSE GEMEENTEN	6.375	08/07/2002	\$100.02	6.25
\$350m	Aa2	AA	FROCTER & GAMBLE	6	19/01/2003	\$98.51	6.48
\$500m	A2	A	BRITISH GAS INTL FINANCE	6.175	22/04/2003	\$97.85	6.81
\$1bln	Aa2	AA	ABBVEY NATL TREASURY SERV	6.12	12/05/2003	\$99.67	6.59
\$1bln	Aa2	AAA	INTL BK RECON & DEVELOP	4.375	05/11/2003	\$84.23	6.38
\$600m	Aa2	AAA	GENERAL ELEC CAP CORP	5	17/11/2003	\$94.73	6.48
\$1bln	Aa2	AAA	BK NEDERLANDSE GEMEENTEN	5.175	22/01/2004	\$95.11	6.38
\$400m	Aa1	AA+	MARKS & SPENCER FINANCE	3	02/02/2004	\$94.11	6.59
\$1.5bln	Aa2	AAA	KFW INTERNATL FINANCE	5.575	10/03/2004	\$96.69	6.49
\$500m	A2	A	XEROX CAP EUROPE PLC	5.775	15/05/2004	\$96.79	6.80
\$500m	Aa3	AA	DEUTSCHE FINANCE BV	6.375	24/06/2004	\$100.47	6.62
\$500m	Aa2	AA+	DENMARK KINGDOM	5.375	08/04/2005	\$98.73	6.46
\$500m	Aa2	AA	GLAXO WELLCOME PLC	6.175	25/01/2006	\$96.99	6.71
\$500m	Aa2	AAA	EUROPEAN INVESTMENT BANK	5.175	01/02/2006	\$93.43	6.54
\$650m	Aa2	AAA	NORDIC INVESTMENT BANK	5.775	04/02/2008	\$94.01	6.83
\$2.5bln	Aa3	AAA	INTL BK RECON & DEVELOP	5.375	06/02/2008	\$94.16	6.68
\$1bln	Aa3	AA	SIEMENS CAPITAL CORP	6	11/02/2008	\$94.28	6.91
\$500m	Aa1	AA	HALIFAX PLC	6	26/01/2008	\$94.01	6.96
\$750m	Aa3	AA-	MERRILL LYNCH & CO	6.375	03/03/2008	\$94.06	7.33
\$2bln	Aa2	AAA	EUROPEAN INVESTMENT BANK	5.375	10/09/2008	\$91.29	6.73
\$1bln	Aa3	AAA	EUROPEAN INVESTMENT BANK	5.175	12/01/2009	\$90.25	6.69

**U.S. DOLLARS - ZERO COUPON**

Issue Size	Moody's	S&P	Issue	Coupon %	Maturity	Mid Price	Y.T.M. %
\$1bln	Aa1	AAA	ASIAN DEVELOPMENT BANK	0	31/08/2004	\$72.82	6.64
\$1.5bln	Aa2	AAA	EXXON CORP	0	15/11/2004	\$72.29	6.51

**EUROBONDS**

Issue Size	Moody's	S&P	Issue	Coupon %	Maturity	Mid Price	Y.T.M. %
1.7bln	Aa2	AAA	EUROPEAN ECONOMIC COMM	6	03/11/2000	102.87	3.32
300m	Aa2	AA	ABBVEY NATL TREASURY SERV	4.172	03/08/2001	101.32	3.75
1bln	Aa2	AA	ABBVEY NATL TREASURY SERV	4.775	14/02/2003	101.49	4.42
700m	NA	NA	OLIVETTI INTERNATIONAL	5.775	22/05/2003	101.92	5.28
\$500m	Aa2	AAA	LBW FINANCE NV	5.175	05/03/2001	101.74	4.68
1.14bln	Aa2	AAA	EUROPEAN INVESTMENT BANK	5.175	15/04/2004	107.70	4.57
2bln	Aa2	AAA	CAISSE D'AMORT DETTE SOC	3.375	12/07/2004	94.92	4.58
500m	Aa3	AA	DEUTSCHE FINANCE BV	5	19/05/2005	100.09	4.98
500m	A3	NA	LAFARGE	5.175	26/06/2006	98.56	5.38
750m	Ba3	BB	REPUBLIC OF ARGENTINA	8.175	21/04/2008	92.07	9.50
750m	Aa2	AAA	OESTERRICH KONTROLLBANK	5.175	25/04/2008	99.37	5.34
1bln	Aa3	AAA	LBW FINANCE NV	5.375	25/04/2008	99.34	5.47
4bln	NR	NR	REPUBLIC OF ITALY	5	01/05/2001	107.88	3.95
3bln	Aa3	AAA	DEIFA PFANDBRIEFBANK	3.375	26/10/2004	95.51	4.76
1bln	Aa2	AA-	INTL NEDERLAND BANK NV	4.175	29/01/2009	90.17	5.63
1.7bln	A2	A	BAT INTL FINANCE PLC	4.775	25/02/2009	90.75	6.20
450m	Aa2	AA-	HALIFAX PLC	4.375	24/03/2009	91.13	6.00
4bln	Aa2	AAA	EUROPEAN INVESTMENT BANK	4	15/04/2009	90.07	5.35
1bln	Aa3	AA-	ABN AMRO BANK NV	4.575	12/05/2009	90.50	5.95
2.250m	Aa3	AA	DEUTSCHE FINANCE BV	4.175	28/07/2009	90.04	5.56
300m	Aa3	AA-	ABBVEY NATIONAL PLC	4.575	11/02/2011	87.66	6.16

**EUROZEN**

Issue Size	Moody's	S&P	Issue	Coupon %	Maturity	Mid Price	Y.T.M. %
JPY100bln	Aa2	AAA	INTL BK RECON & DEVELOP	5	18/02/2008	72.10177	1.48

## AUSTRALIAN DOLLARS

Issue Size	Moody's	S&P	Issuer	Coupon %	Maturity	Mid Price	Y.T.M %
A\$100m	Aaa	AAA	BAYERISCHE LANDESBK GIRO	5 1/4	31/12/2001	\$98.39	6.02
A\$100m	Aa3	AA	NATIONAL AUSTRALIA BANK	5	08/02/2002	\$97.55	6.13
A\$100m	Aaa	AAA	KFW INTERNATL FINANCE	5 5/8	05/02/2003	\$98.04	6.28
A\$250m	Aaa	AAA	STATE BANK NEW S WALES	7	16/02/2004	\$101.48	6.59
A\$100m	Aa3	AA	NATL AUSTRALIA BANK	6	09/02/2005	\$97.86	6.48
A\$100m	Aa1	AAA	TREASURY CORP VICTORIA	7 1/8	29/11/2005	\$103.03	6.51
A\$100m	Aaa	AAA	INTL BK RECON & DEVELOP	6	25/02/2008	\$96.12	6.61
A\$100m	Aaa	AAA	BK NEDERLANDSE GEMBENTEN	5	29/01/2009	\$88.08	6.76

## NEW ZEALAND DOLLARS

Issue Size	Moody's	S&P	Issuer	Coupon %	Maturity	Mid Price	Y.T.M %
NZ\$100m	Aaa	AAA	KFW INTERNATL FINANCE	7 1/2	08/11/2001	\$101.15	6.89
NZ\$100m	Aaa	AAA	KFW INTERNATL FINANCE	7 5/8	29/04/2002	\$101.04	7.15
NZ\$150m	Aaa	AAA	INTL BK RECON & DEVELOP	7 1/4	27/05/2003	\$100.36	7.26
NZ\$100m	Aa2 / *	AA / *	TELECOM CORP NEWZEAL FIN	7 1/2	14/07/2003	\$99.47	7.65
NZ\$100m	Aaa	AAA	EUROPEAN INVESTMENT BANK	6	05/02/2004	\$95.36	7.27
* NZ\$500m	Aaa	AAA	INTER-AMERICAN DEVEL BK	5 3/4	15/04/2004	\$94.00	7.46

## STERLING EURO-CONVERTIBLE BONDS

Issuer	Coupon	Maturity	Mid Price	Premium %	Redemption Yield %
<sup>1</sup> AIRFOURS PLC	5 3/4	05/01/2004	£106.75	15.00	4.02
<sup>2</sup> BAA PLC	4 7/8	29/09/2004	£107.50	14.00	3.24
BAA PLC	5 3/4	29/03/2006	£118.88	8.00	2.58
THE BRITISH LAND CO PLC	6 1/2	17/11/2007	£101.81	35.00	6.21
COATS VIVELLA PLC	6 1/4	09/08/2003	£93.25	344.00	8.32
COOKSON GROUP PLC	7	02/11/2004	£98.66	45.00	7.32
CORPORATE SERVICES GROUP	7 1/2	08/07/2005	£78.13	108.00	12.98
GREAT PORTLAND ESTATES	5 1/4	27/02/2008	£92.38	33.00	6.44
GREENALLS GROUP PLC	7	24/09/2003	£102.00	48.00	6.43
LAND SECURITIES FINANCE	6	30/03/2007	£108.44	14.00	4.66
LAND SECURITIES PLC	7	30/09/2008	£127.00	-2.00	3.49
<sup>3</sup> LONMIN FINANCE PLC	6	27/02/2004	£98.38	16.00	6.43
<sup>4</sup> LONMIN FINANCE PLC	8	27/02/2006	£105.00	25.00	7.02
<sup>5</sup> NATIONAL GRID CO PLC	4 1/4	17/02/2008	£114.19	10.00	4.31
NORTHERN FOODS PLC	6 3/4	08/08/2008	£96.69	76.00	7.26
RAILTRACK PLC	3 1/2	18/03/2009	£87.25	37.00	5.22
<sup>6</sup> TARMAC FINANCE (JERSEY)	9 1/2	04/04/2006	£102.46	-35.00	8.99
UNITED NEWS & MEDIA PLC	6 1/8	03/12/2003	£102.63	28.00	5.41

<sup>1</sup> Can be called @ £100 if stock trades at or above £5.759 after 18/01/00

<sup>2</sup> Can be called @ £100 if stock trades at or above £8.736 for 30 days consecutively between 29/09/00 and 29/09/02. Callable thereafter at the company's request.

<sup>3</sup> Can be called @ £100 if stock trades at or above £9.058 for 30 consecutive business days until 13/03/99. Callable thereafter at the company's request.

<sup>4</sup> Can be redeemed @ £100 on 13/06/00 if 85% of bonds have already been converted/cancelled.

<sup>5</sup> National Grid has a redemption value of £120.931 in 2008

<sup>6</sup> Can be called @ £100 until 03/04/01 if the stock trades at or above £1.692 for 30 days consecutively. Thereafter it is callable @ £100 at the company's request. These can be redeemed @ £100 if 85% have already been converted.

All of the above convertibles pay coupons semi-annually.

Charlie Roger - Guernsey Office  
[CRoger@ci.collins-stewart.com](mailto:CRoger@ci.collins-stewart.com)

\* Pays coupons semi-annually





# Memorandum

To: Mr V. M. Seabrook From: Eric Le Rossignol

Date: 30<sup>th</sup> September, 1999 Subject: Client Loan

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I refer to your faxed memorandum of 28<sup>th</sup> September, addressed to Richard, who has asked me to look at the file and respond.

The arrangement has been looked at and renewed on a regular basis. However, the client was informed in October, 1997 that the borrower was likely to want to repay, but in order to avoid any short term problems in cash flow, we would be negotiating a three month notice arrangement.

This three month notice period was agreed and last September a further letter was sent to the client confirming the position. Indeed, Richard spoke to the client in November and the client confirmed that she understood that repayment was probable, but three months' notice would be given.

I cannot see anything which would support your understanding in regard to the period of notice and its effective date.

I believe that repayment is likely to take place next year and that three months' notice will probably be given in the near future.

As you will appreciate, it is not possible to obtain a similar return in the current climate without accepting increased risk and as trustees we will clearly have to consider what can be done to achieve the best return without unnecessary or unacceptable risk.

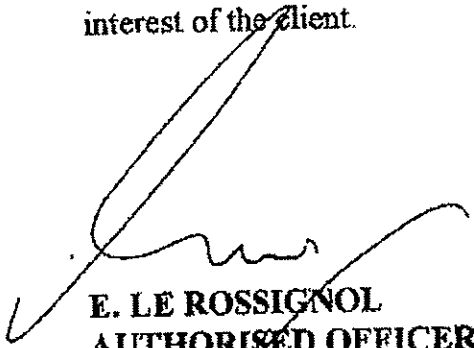
Ten year paper in Sterling will produce just over 7%, but the capital value could be hit hard if the U.K. does move fully into Europe. EU paper of ten years duration is under 5% at present. A more up-to-date Bond Commentary and price list is attached.

I feel that whether it is liked or not, notice will be given and repayment effected early next year and this should not be a shock to the client, although the significant drop in income may not have been fully taken on board.

Cont.

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I do believe that Richard has been trying to keep you informed in view of the relationship and I am sure that La Hougue as trustee will act in the best interest of the client.

A handwritten signature in black ink, appearing to read 'E. Le Rossignol', is written over the typed name and title.

**E. LE ROSSIGNOL**  
**AUTHORIZED OFFICER**

# COLLINS STEWART (CI) Limited

PO BOX 8 · 2<sup>ND</sup> FLOOR · TSB HOUSE · LE TRUCHET · ST PETER PORT · GUERNSEY GY1 4AE  
TELEPHONE: 01481 726511 · FAX: 01481 711483  
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## ***BOND COMMENTARY*** ***September 28, 1999***

Could stronger than expected government finances push gilt yields down? Figures released recently showed that the government's net cash requirement so far this financial year has been a mere £700 m, compared with £2.9 bn in the same period last year.

This improvement means the Treasury may issue fewer gilts than the £17.3 bn planned for this year, despite the fact that pension funds demand for the asset remains strong. This combination of scarce supply and strong demand should put downward pressure on gilt yields. Indeed, institutional investors, according to the Office for National Statistics, bought £5.8 bn of stock in the second quarter of 1997. Activity was led by pension funds with £4.6 bn of purchases.

Others, however, doubt this. For one thing, forecasts of government finances are notoriously unreliable. Economists at the National Institute of Economic and Social Research estimate that the average error on deficit forecasts at this time of year is £5.6 bn. Furthermore, foreign selling has offset institutions' buying. Overseas investors sold almost £4 bn of gilts in June and July on concerns about the pound's overvaluation.

Moreover, even if the government's figures are accurate, it does not necessarily follow that all gilts will benefit. The Debt Management Office says its first step, if it has to cut issuance, would be to cancel an auction of shorter-dated stock. Indeed, some believe supply and demand forces may actually push long-dated gilt yields up. Economists at Williams de Broe believe the D.M.O. may issue more 6% 2028 stock by buying back some 8.75% 2017 gilts. Also, a change in the minimum funding requirement is a further threat to long gilt yields. This has ensured healthy demand for these assets from pension funds as they are legally required to invest significant proportions of their cash in AAA rated gilts. A review of this situation is due to be published by the Department of Social Security next March.

Despite the unclear supply and demand picture, we would remain buyers of shorter term £ bonds, particularly quality eurobonds where spreads remain attractively high. With global equity markets suffering Y2K jitters, bonds offer a sensible safe-haven.

**Guernsey Office: Charlie Roger**

**Jersey Office: James Sherbourne**

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## SELECTIVE EUROBOND ISSUES.

active issues in bold type.

### STERLING BONDS

Issue Size	Moody's	S&P	Issuer	Coupon %	Maturity	Mid Price	Y.T.M. %
£500m	Aa2	AA	ABBEY NATL TREASURY SERV	7 1/8	14/03/2001	£100.89	6.42
£200m	Aaa	NA	LBW FINANCE NV	7 3/8	28/12/2001	£101.34	6.69
£400m	Aa2	AA	ABBEY NATL TREASURY SERV	7 5/8	30/12/2002	£102.91	6.90
£1bn	Aa2	AA	ABBEY NATL TREASURY SERV	8	02/04/2003	£103.12	6.94
£300m	Aa1	AA	HALIFAX PLC	5 3/4	04/12/2003	£96.09	6.85
£500m	Aa2	AAA	GENERAL ELEC CAP CORP	5 1/8	12/01/2004	£91.70	6.87
£500m	Aa2	AA	ABBEY NATL TREASURY SERV	5 1/4	21/01/2004	£93.98	6.91
£500m	Aa2	AA	BARCLAYS BANK PLC	6 1/2	16/02/2004	£98.46	6.91
£263m	Aa1	AA	HALIFAX PLC	6 1/2	16/02/2004	£98.43	6.92
£500m	Aa2	AA	ABBEY NATL TREASURY SERV	6 1/2	05/03/2004	£98.22	6.97
£400m	Aa2/**	AA-	LLOYDS TSB BANK PLC	7 3/8	11/03/2004	£100.76	7.15
£150m	Aa1	AA+	BP AMOCO CAPITAL PLC	6	30/06/2004	£96.69	6.83
£200m	Aa3	AA-	REUTERS GROUP PLC	5 3/8	26/11/2004	£93.79	6.84
£500m	Aa2	AA	GLAXO WELLCOME PLC	8 3/4	01/12/2005	£109.03	6.90
£100m	Baa3	BB+	REP OF SOUTH AFRICA	9 3/8	06/07/2006	£100.26	9.30
£400m	Aa2	AA-	HALIFAX PLC	8 3/4	10/07/2006	£108.09	7.19
£950m	Aaa	AAA	EUROPEAN INVESTMENT BANK	7 5/8	07/12/2006	£115.54	4.99
£200m	Baa3/**	BB	REPUBLIC OF ARGENTINA	10	25/06/2007	£90.42	11.94
£250m	A2	A	BASS PLC	5 3/4	21/12/2007	£91.65	7.12
£400m	Aaa	AAA	CAISSE D'AMORT DETTE SOC	6 1/4	05/03/2008	£97.93	6.57
£400m	Aa1	AA	HALIFAX PLC	6 3/8	03/04/2008	£97.65	6.74
£200m	A3	A-	BRITISH STEEL PLC	6 3/4	20/05/2008	£95.81	7.42
£87.5m	Aaa	AAA	EUROPEAN INVESTMENT BANK	6 1/4	07/12/2008	£98.14	6.52
£250m	NA	A	CARLTON COMMUNICATIONS	5 5/8	07/03/2009	£89.94	7.12
£150m	NA	A	CAPITAL SHOPPING CENTRES	5 3/4	05/03/2009	£90.96	7.21
£300m	A3	A	WESSEX WATER SERVS FIN	5 7/8	30/03/2009	£91.63	7.31
£300m	A3	AA-	STANDARD CHARTERED BANK	6 3/4	27/04/2009	£94.16	7.62
£350m	Aa3	AA+	PRUDENTIAL CORP PLC	5 1/2	31/05/2009	£91.37	6.74
£300m	A1	NA	BOOTS CO PLC	5 1/2	26/05/2009	£91.81	6.67
£200m	A2	A	BG PLC	5 3/8	07/12/2009	£87.86	7.09
£350m	A2	AA-/**	RAILTRACK PLC	5 7/8	01/12/2009	£92.03	7.00
£350m	Aa3	NA	TESCO PLC	5 1/8	18/12/2009	£88.49	6.72
£400m	Aa2	AA	ABBEY NATL TREASURY SERV	5 3/8	30/12/2009	£90.95	6.61

### STERLING - ZERO COUPON

Issue Size	Moody's	S&P	Issuer	Coupon %	Maturity	Mid Price	Y.T.M. %
£250m	Aa3	AA	DEUTSCHE BANK FINANCE NV	0	28/02/2001	£91.40	6.58
£100m	Aaa	AAA	BAYERISCHE LANDESBK GIRO	0	26/02/2009	£94.80	6.61
£200m	Aa1	AA+	UBS FINANCE (C.I.) LTD	0	28/02/2001	£91.45	6.54
£100m	NA	NA	BRITEL 12 1/4 03-RESIDUAL	0	31/03/2003	£78.92	7.00

### CANADIAN DOLLARS

Issue Size	Moody's	S&P	Issuer	Coupon %	Maturity	Mid Price	Y.T.M. %
C\$100m	Aa3	AA-	TORONTO-DOMINION BANK	5 1/4	04/02/2000	C\$99.94	5.26
C\$200M	Aa1	AA+	EXPORT DEVELOPMENT CORP	5 1/8	27/02/2001	C\$99.46	5.51
C\$200M	Aaa	AAA	KFW INTERNATL FINANCE	5 3/4	30/12/2002	C\$99.57	5.89
C\$100M	Aaa	AA+	KINGDOM OF DENMARK	6	30/12/2002	C\$100.46	5.83
C\$200M	Aa3	NA	BAYERISCHE LANDESBK GIRO	5 1/4	05/02/2003	C\$98.05	5.90
C\$250M	Aa3	AA-	ONTARIO ELECTRICITY FINL	5 3/8	17/04/2003	C\$98.24	5.93
C\$200M	Aaa	AAA	HELABA FINANCE BV	6 1/2	25/02/2004	C\$101.87	5.90
C\$150M	Aaa	AAA	EUROPEAN INVESTMENT BANK	7 1/4	15/03/2006	C\$106.22	6.05
C\$750M	Aa2	AA-	BRITISH COLUMBIA PROV OF	5 1/4	01/12/2006	C\$95.55	6.11
C\$250M	Aa3	AA-	ONTARIO (PROVINCE OF)	5	27/01/2009	C\$92.09	6.14

\*Trades in multiples of £50,000 nominal.

**U.S. DOLLARS**

<u>Issue Size</u>	<u>Moody's</u>	<u>S&amp;P</u>	<u>Issuer</u>	<u>Coupon %</u>	<u>Maturity</u>	<u>Mid Price</u>	<u>Y.T.M %</u>
\$500m	Aa2	AA	ABBEY NATL TREASURY SERV	6 3/8	23/05/2001	\$100.53	6.21
\$2bln	Aaa	AAA	INTL BK RECON & DEVELOP	4 7/8	03/12/2001	\$97.62	6.07
\$1bln	Aaa	AAA	BK NEDERLANDSE GEMEENTEN	6 3/8	08/07/2002	\$100.26	6.26
\$500m	Aa2	AA	PROCTER & GAMBLE	6	19/03/2003	\$98.85	6.37
\$500m	A2	A	BRITISH GAS INTL FINANCE	6 1/8	22/04/2003	\$98.04	6.75
\$1bln	Aa2	AA	ABBEY NATL TREASURY SERV	6 1/2	12/05/2003	\$99.94	6.50
\$1bln	Aa2	AAA	INTL BK RECON & DEVELOP	4 3/4	05/11/2003	\$94.68	6.26
\$600m	Aaa	AAA	GENERAL ELEC CAP CORP	5	17/11/2003	\$95.03	6.49
\$1bln	Aa1	AAA	BK NEDERLANDSE GEMEENTEN	5 1/4	22/01/2004	\$95.48	6.43
\$400m	Aa1	AA+	MARKS & SPENCER FINANCE	5	02/02/2004	\$94.49	6.49
\$1.5bln	Aaa	AAA	KFW INTERNATL FINANCE	5 5/8	10/03/2004	\$96.96	6.42
\$500m	A2	A	XEROX CAP EUROPE PLC	5 7/8	15/05/2004	\$97.05	6.73
\$500m	Aa3	AA	DEUTSCHE FINANCE BV	6 3/4	24/06/2004	\$100.77	6.55
\$500m	Aaa	AA+	DENMARK KINGDOM	5 3/4	08/04/2005	\$97.49	6.31
\$500m	Aa2	AA	GLAXO WELLCOME PLC	6 1/8	25/01/2006	\$97.35	6.64
\$500m	Aa2	AAA	EUROPEAN INVESTMENT BANK	5 1/4	01/02/2006	\$93.99	6.43
\$650m	Aaa	AAA	NORDIC INVESTMENT BANK	5 7/8	04/02/2008	\$94.52	6.75
\$2.5bln	Aa2	AAA	INTL BK RECON & DEVELOP	5 3/4	06/02/2003	\$94.62	6.68
\$1bln	Aa3	AA	SIEMENS CAPITAL CORP	6	11/02/2008	\$94.66	6.85
\$500m	Aa1	AA	HALIFAX PLC	6	26/02/2008	\$94.70	6.84
\$750m	Aa3	AA-	MERJILL LYNCH & CO	6 3/8	03/04/2008	\$94.66	7.23
\$2bln	Aaa	AAA	EUROPEAN INVESTMENT BANK	5 3/8	16/09/2008	\$91.95	6.59
\$1bln	Aaa	AAA	EUROPEAN INVESTMENT BANK	5 1/4	12/01/2009	\$91.06	6.56

**U.S. DOLLARS - ZERO COUPON**

<u>Issue Size</u>	<u>Moody's</u>	<u>S&amp;P</u>	<u>Issuer</u>	<u>Coupon %</u>	<u>Maturity</u>	<u>Mid Price</u>	<u>Y.T.M %</u>
\$1bln	Aaa	AAA	ASIAN DEVELOPMENT BANK	0	31/08/2004	\$73.13	6.58
\$1.5bln	Aaa	AAA	EXXON CORP	0	15/11/2004	\$72.50	6.48

**EUROBONDS**

<u>Issue Size</u>	<u>Moody's</u>	<u>S&amp;P</u>	<u>Issuer</u>	<u>Coupon %</u>	<u>Maturity</u>	<u>Mid Price</u>	<u>Y.T.M %</u>
€1.1bln	Aaa	AAA	EUROPEAN ECONOMIC COMM	6	03/11/2000	€102.83	3.30
€300m	Aa2	AA	ABBEY NATL TREASURY SERV	4 1/2	03/08/2001	€101.38	3.71
€1bln	Aa2	AA	ABBEY NATL TREASURY SERV	4 7/8	24/02/2003	€101.63	4.34
€700m	NA	NA	OLIVETTI INTERNATIONAL	5 7/8	22/05/2003	€102.27	5.17
€500m	Aaa	AAA	LBW FINANCE NV	5 1/8	05/03/2004	€101.78	4.66
€3.14bln	Aaa	AAA	EUROPEAN INVESTMENT BANK	5 1/4	15/04/2004	€102.84	4.54
€2bln	Aaa	AAA	CAISSE D'AMORT DETTE SOC	3 3/8	12/07/2004	€95.31	4.48
€500m	Aa3	AA	DEUTSCHE FINANCE BV	5	19/05/2005	€100.36	4.92
€500m	A3	NA	LAFARGE	5 1/8	26/06/2006	€98.99	5.31
€750m	Ba3 / *	BB	REPUBLIC OF ARGENTINA	8 1/8	21/04/2006	€91.40	9.63
€750m	Aaa	AAA	OESTERREICH KONTROLLBANK	5 1/4	25/04/2008	€99.71	5.29
€1bln	Aaa	AAA	LBW FINANCE NV	5 3/8	25/04/2008	€99.66	5.42
€4bln	NR	NR	REPUBLIC OF ITALY	5	01/05/2008	€107.88	3.95
€3bln	Aaa	AAA	DEPFA PFANDBRIEFBANK	3 3/4	26/10/2004	€95.42	4.79
€1bln	Aa2	AA-	INTL NEDERLAND BANK NV	4 1/4	29/01/2009	€90.65	5.56
€1.7bln	A2	A	BAT INTL FINANCE PLC	4 7/8	25/02/2009	€90.45	6.24
€650m	Aa2	AA-	HALIFAX PLC	4 3/4	24/03/2009	€91.44	5.95
€4bln	Aaa	AAA	EUROPEAN INVESTMENT BANK	4	15/04/2009	€90.28	5.32
€1bln	Aa3	AA-	ABN AMRO BANK NV	4 5/8	12/05/2009	€90.84	5.90
€2.25bn	Aa3	AA	DEUTSCHE FINANCE BV	4 1/4	28/07/2009	€90.16	5.58
€300m	Aa3	AA-	ABBEY NATIONAL PLC	4 5/8	11/02/2011	€88.03	6.11

**EUROYEN**

<u>Issue Size</u>	<u>Moody's</u>	<u>S&amp;P</u>	<u>Issuer</u>	<u>Coupon %</u>	<u>Maturity</u>	<u>Mid Price</u>	<u>Y.T.M %</u>
JPY100bln	Aaa	AAA	INTL BK RECON & DEVELOP	2	18/02/2008	JPY 104.15	1.48

## AUSTRALIAN DOLLARS

Issue Size	Moody's	S&P	Issuer	Coupon %	Maturity	Mid Price	Y.T.M %
A\$100m	Aaa	AAA	HAYERISCHE LANDESBK GIRO	5 1/4	31/12/2001	\$98.74	5.85
A\$100m	Aa3	AA	NATIONAL AUSTRALIA BANK	5	08/02/2002	\$97.92	5.96
A\$100m	Aa3	AAA	KFW INTERNATL FINANCE	5 5/8	05/02/2003	\$98.77	6.03
A\$250m	Aaa	AAA	STATE BANK NEW S WALES	7	16/02/2004	\$102.28	6.37
A\$100m	Aa3	AA	NATL AUSTRALIA BANK	6	09/02/2005	\$98.67	6.29
A\$100m	Aa1	AAA	TREASURY CORP VICTORIA	7 1/8	29/11/2005	\$103.65	6.35
A\$100m	Aa2	AAA	INTL BK RECON & DEVELOP	6	25/02/2008	\$97.28	6.42
A\$100m	Aaa	AAA	BK NEDERLANDSE GEMEENTEN	5	29/01/2009	\$89.18	6.58

## NEW ZEALAND DOLLARS

Issue Size	Moody's	S&P	Issuer	Coupon %	Maturity	Mid Price	Y.T.M %
NZ\$100m	Aa3	AAA	KFW INTERNATL FINANCE	7 1/2	08/11/2001	\$101.64	6.63
NZ\$100m	Aa3	AAA	KFW INTERNATL FINANCE	7 5/8	29/04/2002	\$101.66	6.88
NZ\$350m	Aa3	AAA	INTL BK RECON & DEVELOP	7 1/4	27/05/2003	\$101.06	7.03
NZ\$100m	Aa3 / *	AA / *	TELECOM CORP NEWZEAL FIN	7 1/2	14/07/2003	\$100.22	7.42
NZ\$100m	Aa3	AAA	EUROPEAN INVESTMENT BANK	6	05/02/2004	\$96.00	7.09
* NZ\$500m	Aa3	AAA	INTER-AMERICAN DEVEL BK	5 3/4	15/04/2004	\$94.53	7.31

## STERLING EURO-CONVERTIBLE BONDS

Issuer	Coupon	Maturity	Mid Price	Premium %	Redemption Yield %
<sup>1</sup> AIRTOURS PLC	5 3/4	05/01/2004	£105.13	19.00	4.41
<sup>2</sup> BAA PLC	4 7/8	29/09/2004	£105.63	16.00	3.63
BAA PLC	5 3/4	29/03/2006	£116.50	10.00	2.94
THE BRITISH LAND CO PLC	6 1/2	17/11/2007	£99.88	42.00	6.52
COATS VIVELLA PLC	6 1/4	09/08/2003	£94.38	361.00	7.97
COOKSON GROUP PLC	7	02/11/2004	£97.88	52.00	7.51
CORPORATE SERVICES GROUP	7 1/2	08/07/2005	£77.75	127.00	13.11
GREAT PORTLAND ESTATES	5 1/4	27/02/2008	£91.25	34.00	6.62
GREENALLS GROUP PLC	7	24/09/2003	£101.13	46.00	6.67
LAND SECURITIES FINANCE	6	30/03/2007	£108.50	14.00	4.64
LAND SECURITIES PLC	7	30/09/2008	£126.63	-3.00	3.52
<sup>3</sup> LONMIN FINANCE PLC	6	27/02/2004	£98.25	6.00	6.46
<sup>4</sup> LONMIN FINANCE PLC	8	27/02/2006	£104.25	13.00	7.16
<sup>3</sup> NATIONAL GRID CO PLC	4 1/4	17/02/2008	£113.13	10.00	4.45
NORTHERN FOODS PLC	6 3/4	08/08/2008	£96.75	85.00	7.25
RAILTRACK PLC	3 1/2	18/03/2009	£87.13	34.00	5.24
<sup>6</sup> TARMAC FINANCE (JERSEY)	9 1/2	04/04/2006	£102.38	-33.00	9.01
UNITED NEWS & MEDIA PLC	6 1/8	03/12/2003	£101.00	30.00	5.85

<sup>1</sup> Can be called @ £100 if stock trades at or above £5.759 after 18/01/00

<sup>2</sup> Can be called @ £100 if stock trades at or above £8.736 for 30 days consecutively between 29/09/00 and 29/09/02. Callable thereafter at the company's request.

<sup>3</sup> Can be called @ £100 if stock trades at or above £9.058 for 30 consecutive business days until 13/03/99. Callable thereafter at the company's request.

<sup>4</sup> Can be redeemed @ £100 on 13/06/00 if 85% of bonds have already been converted/uncancelled.

<sup>5</sup> National Grid has a redemption value of £130.931 in 2008

<sup>6</sup> Can be called @ £100 until 03/04/01 if the stock trades at or above £3.692 for 30 days consecutively. Thereafter it is callable @ £100 at the company's request. These can be redeemed @ £100 if 85% have already been converted.

All of the above convertibles pay coupons semi-annually.

Charlie Roger - Guernsey Office  
[CRoger@ci.collins-stewart.com](mailto:CRoger@ci.collins-stewart.com)

\* Pays coupons semi-annually



**2001**





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PROMISSORY NOTE

CANADIAN £1,006,123

NOVEMBER 1, 2001

FOR VALUE RECEIVED, the undersigned, GALTY B.V., a Netherlands corporation, promises to pay to or to the order of La Hougue Financial Management Services Limited at 19 Seaton Place, St. Helier, Jersey, Channel Islands JE4 8RZ, or such other place as may be designated in writing by the holder of this Promissory Note, the principal sum of ONE MILLION AND SIX THOUSAND, ONE HUNDRED AND TWENTY-THREE POUNDS STERLING (£1,006,123) ("Principal Sum") on October 31, 2006 ("Maturity Date"),

The unpaid principal balance of the Principal Sum shall bear interest at the rate of twelve percent (12%) per annum from and including November 1, 2001 and shall be payable in monthly instalments on the last day of each month commencing on November 30, 2006 until the Maturity Date or Revised Maturity Date, as the case may be.

Both Principal Sum and interest thereon shall be paid in lawful monies of England.

All payments on this Promissory Note shall be applied first to the payment of accrued interest and after all such interest has been paid, the remainder shall be applied to the reduction of the Principal Sum.

The undersigned waives diligence, presentment, protest and demand and also notice of protest, demand, dishonour and non-payment of this Note. The undersigned agrees to pay upon demand all costs and expenses incurred by the Holder hereof in enforcing this Promissory Note, including without limitation, all reasonable legal fees and expenses and court costs.

This Promissory Note shall be secured by a first charge/mortgage on like terms as

copy

herein set out, on the registered title of that parcel of real property in the City of Toronto being more particularly described in Exhibit A attached hereto, made a part hereof and incorporated herein by this reference.

This Promissory Note shall be governed by and construed in accordance with the laws of the Province of Ontario, Canada.

IN WITNESS WHEREOF, the undersigned, has caused this Note to be executed by its duly authorized representatives as of the date hereof.

GALTY B.V.  
By its Managing Director

"V. M. Hebert"  
(I have authority to bind  
the Corporation)

EXHIBIT A

SCHEDULE

All and singular that certain parcel or tract of land and premises situate, lying and being in the City of Toronto in the Municipality of Metropolitan Toronto and Province of Ontario, and being composed of a part of Lot Number One (1) according to a plan filed as Number 266-E, in the Registry Office for East Toronto, and now in the Registry Office for the Registry Division of Toronto, and of a part of Lot Number Sixteen (16) according to a plan filed as Number 433 in the Registry Office for East and West York, and now in the said Registry Office for the Registry Division of Toronto; and which said parcel is more particularly described as follows:

COMMENCING at a point in the northerly limit of Elm Avenue, distant thirty-three feet (33') westerly from the south easterly angle of said Lot Number One (1); THENCE northerly and parallel to the easterly limit of said Lot Number One (1), being along the westerly limit of lands conveyed by registered instrument Number 22084-M, and continuing along the production of the last named limit, in all a distance of one hundred and ninety-five feet and nine inches (195'9") more or less, to the northerly limit of said Lot Number Sixteen (16); THENCE westerly along the last mentioned limit forty feet and one inch (40'1") to the easterly limit of South Drive, formerly called Beau Street; THENCE southerly along the said limit of South Drive, fifty-six feet and two inches (56'2") to a point of curve; THENCE southerly and following the last mentioned limit, one hundred and thirty-six feet (136') to a stake planted at a point of curve; THENCE southerly still along the last mentioned limit, seven feet and five and a half inches (7'5-1/2") to a stake planted at an angle in the same; THENCE southerly still along the last mentioned limit seven feet and eight inches (7'8") to a stake planted at a point of curve; THENCE south-easterly on a curve to the left, being along the line connecting the said limit of South Drive with the said limit of Elm Avenue, forty-one feet and ten and a half inches (41'10-1/2") more or less, to a stake planted in the last mentioned limit; THENCE easterly along the said limit of Elm Avenue, ninety-two feet (92') more or less, to the point of commencement.

as per CT 532802



PROMISSORY NOTE

CANADIAN £1,006,123

NOVEMBER 1, 2001

FOR VALUE RECEIVED, the undersigned, GALTY B.V., a Netherlands corporation, promises to pay to or to the order of La Hougue Financial Management Services Limited at 19 Seaton Place, St. Helier, Jersey, Channel Islands JE4 8RZ, or such other place as may be designated in writing by the holder of this Promissory Note, the principal sum of ONE MILLION AND SIX THOUSAND, ONE HUNDRED AND TWENTY-THREE POUNDS STERLING (£1,006,123) ("Principal Sum") on October 31, 2006 ("Maturity Date"),

The unpaid principal balance of the Principal Sum shall bear interest at the rate of twelve percent (12%) per annum from and including November 1, 2001 and shall be payable in monthly instalments on the last day of each month commencing on November 30, 2006 until the Maturity Date or Revised Maturity Date, as the case may be.

Both Principal Sum and interest thereon shall be paid in lawful monies of England.

All payments on this Promissory Note shall be applied first to the payment of accrued interest and after all such interest has been paid, the remainder shall be applied to the reduction of the Principal Sum.

The undersigned waives diligence, presentment, protest and demand and also notice of protest, demand, dishonour and non-payment of this Note. The undersigned agrees to pay upon demand all costs and expenses incurred by the Holder hereof in enforcing this Promissory Note, including without limitation, all reasonable legal fees and expenses and court costs.

This Promissory Note shall be secured by a first charge/mortgage on like terms as

herein set out, on the registered title of that parcel of real property in the City of Toronto being more particularly described in Exhibit A attached hereto, made a part hereof and incorporated herein by this reference.

This Promissory Note shall be governed by and construed in accordance with the laws of the Province of Ontario, Canada.

IN WITNESS WHEREOF, the undersigned, has caused this Note to be executed by its duly authorized representatives as of the date hereof.

GALTY B.V.  
By its Managing Director

\_\_\_\_\_  
(I have authority to bind  
the Corporation)

EXHIBIT A

SCHEDULE

All and singular that certain parcel or tract of land and premises situate, lying and being in the City of Toronto in the Municipality of Metropolitan Toronto and Province of Ontario, and being composed of a part of Lot Number One (1) according to a plan filed as Number 266-E, in the Registry Office for East Toronto, and now in the Registry Office for the Registry Division of Toronto, and of a part of Lot Number Sixteen (16) according to a plan filed as Number 433 in the Registry Office for East and West York, and now in the said Registry Office for the Registry Division of Toronto; and which said parcel is more particularly described as follows:

COMMENCING at a point in the northerly limit of Elm Avenue, distant thirty-three feet (33') westerly from the south easterly angle of said Lot Number One (1); THENCE northerly and parallel to the easterly limit of said Lot Number One (1), being along the westerly limit of lands conveyed by registered instrument Number 22084-M, and continuing along the production of the last named limit, in all a distance of one hundred and ninety-five feet and nine inches (195'9") more or less, to the northerly limit of said Lot Number Sixteen (16); THENCE westerly along the last mentioned limit forty feet and one inch (40'1") to the easterly limit of South Drive, formerly called Beau Street; THENCE southerly along the said limit of South Drive, fifty-six feet and two inches (56'2") to a point of curve; THENCE southerly and following the last mentioned limit, one hundred and thirty-six feet (136') to a stake planted at a point of curve; THENCE southerly still along the last mentioned limit, seven feet and five and a half inches (7'5-1/2") to a stake planted at an angle in the same; THENCE southerly still along the last mentioned limit seven feet and eight inches (7'8") to a stake planted at a point of curve; THENCE south-easterly on a curve to the left, being along the line connecting the said limit of South Drive with the said limit of Elm Avenue, forty-one feet and ten and a half inches (41'10-1/2") more or less, to a stake planted in the last mentioned limit; THENCE easterly along the said limit of Elm Avenue, ninety-two feet (92') more or less, to the point of commencement.

as per CT 582802





**Land Registration Reform Act, 1984**  
**SET OF STANDARD CHARGE TERMS**

Filed by  
**Dye & Durham Co. Limited**

Filing Date: January 2, 1991

Filing number: 911

*The following Set of Standard Charge Terms shall be deemed to be included in every charge in which the set is referred to by its filing number, as provided in section 9 of the Act.*

*Exclusion of  
Statutory  
Covenants*

1. The implied covenants deemed to be included in a charge under sub-section 7(1) of the Land Registration Reform Act, 1984, and shown as paragraphs 1 and 2 of the said sub-section 7(1), shall be and are hereby expressly excluded and replaced by this Set of Standard Charge Terms which are covenants by the Chargor, for the Chargor and the Chargor's successors, with the Chargee and the Chargee's successors and assigns.

*Right to Charge  
the Land*

2. The Chargor now has good right, full power and lawful and absolute authority to charge the land and to give the Charge to the Chargee upon the covenants contained in the Charge.

*No Act to  
Encumber*

3. The Chargor has not done, committed, executed or wilfully or knowingly suffered any act, deed, matter or thing whatsoever whereby or by means whereof the land, or any part or parcel thereof, is or shall or may be in any way impeached, charged, affected or encumbered in title, estate or otherwise, except as the records of the land registry office disclose.

*Good Title in  
Fee Simple*

4. The Chargor, at the time of the execution and delivery of the Charge, is, and stands solely, rightfully and lawfully seized of a good, sure, perfect, absolute and indefeasible estate of inheritance, in fee simple, of and in the land and the premises described in the Charge and in every part and parcel thereof without any manner of trusts, reservations, limitations, provisos, conditions or any other matter or thing to alter, charge, change, encumber or defeat the same, except those contained in the original grant thereof from the Crown.

*Promise to Pay  
and Perform*

5. The Chargor will pay or cause to be paid to the Chargee the full principal amount and interest secured by the Charge in the manner of payment provided by the Charge, without any deduction or abatement, and shall do, observe, perform, fulfill and keep all the provisions, covenants, agreements and stipulations contained in the Charge and shall pay as they fall due all taxes, rates, levies, charges, assessments, utility and heating charges, municipal, local, parliamentary and otherwise which now are or may hereafter be imposed, charged or levied upon the land and when required shall produce for the Chargee receipts evidencing payment of the same.

*Interest After  
Default*

6. In case default shall be made in payment of any sum to become due for interest at the time provided for payment in the Charge, compound interest shall be payable and the sum in arrears for interest from time to time, as well after as before maturity, and both before and after default and judgement, shall bear interest at the rate provided for in the Charge. In case the interest and compound interest are not paid within the interest calculation period provided in the Charge from the time of default a rest shall be made, and compound interest at the rate provided for in the Charge shall be payable on the aggregate amount then due, as well after as before maturity, and so on from time to time, and all such interest and compound interest shall be a charge upon the land.

*No Obligation  
to Advance*

7. Neither the preparation, execution or registration of the Charge shall bind the Chargee to advance the principal amount secured, nor shall the advance of a part of the principal amount secured bind the Chargee to advance any unadvanced portion thereof, but nevertheless the security in the land shall take effect forthwith upon the execution of the Charge by the Chargor. The expenses of the examination of the title and of the Charge and valuation are to be secured by the Charge in the event of the whole or any balance of the principal amount not being advanced, the same to be charged hereby upon the land, and shall be, without demand therefor, payable forthwith with interest at the rate provided for in the Charge, and in default the Chargee's power of sale hereby given, and all other remedies hereunder, shall be exercisable.

*Costs Added  
to Principal*

8. The Chargee may pay all premiums of insurance and all taxes, rates, levies, charges, assessments, utility and heating charges which shall from time to time fall due and be unpaid

Power of Sale

9. The Chargee on default of payment for at least fifteen (15) days may, on at least thirty-five (35) days' notice in writing given to the Chargor, enter on and lease the land or sell the land. Such notice shall be given to such persons and in such manner and form and within such time as provided in the Mortgages Act. In the event that the giving of such notice shall not be required by law or to the extent that such requirements shall not be applicable, it is agreed that notice may be effectually given by leaving it with a grown-up person on the land, if occupied, or by placing it on the land if unoccupied, or at the option of the Chargee, by mailing it in a registered letter addressed to the Chargor at his last known address, or by publishing it once in a newspaper published in the county or district in which the land is situate; and such notice shall be sufficient although not addressed to any person or persons by name or designation; and notwithstanding that any person to be affected thereby may be unknown, unascertained or under disability. Provided further, that in case default be made in the payment of the principal amount or interest or any part thereof and such default continues for two months after any payment of either falls due then the Chargee may exercise the foregoing powers of entering, leasing or selling or any of them without any notice, it being understood and agreed, however, that if the giving of notice by the Chargee shall be required by law then notice shall be given to such persons and in such manner and form and within such time as so required by law. It is hereby further agreed that the whole or any part or parts of the land may be sold by public auction or private contract, or partly one or partly the other; and that the proceeds of any sale hereunder may be applied first in payment of any costs, charges and expenses incurred in taking, recovering or keeping possession of the land or by reason of non-payment or procuring payment of monies, secured by the Charge or otherwise, and secondly in payment of all amounts of principal and interest owing under the Charge; and if any surplus shall remain after fully satisfying the claims of the Chargee as aforesaid same shall be paid as required by law. The Chargee may sell any of the land on such terms as to credit and otherwise as shall appear to him most advantageous and for such prices as can reasonably be obtained therefor and may make any stipulations as to title or evidence or commencement of title or otherwise which he shall deem proper, and may buy in or rescind or vary any contract for the sale of the whole or any part of the land and resell without being answerable for loss occasioned thereby, and in the case of a sale on credit the Chargee shall be bound to pay the Chargor only such monies as have been actually received from purchasers after the satisfaction of the claims of the Chargee and for any of said purposes may make and execute all agreements and assurances as he shall think fit. Any purchaser or lessee shall not be bound to see to the propriety or regularity of any sale or lease or be affected by express notice that any sale or lease is improper and no want of notice or publication when required hereby shall invalidate any sale or lease hereunder.

Quiet Possession

10. Upon default in payment of principal and interest under the Charge or in performance of any of the terms or conditions hereof, the Chargee may enter into and take possession of the land hereby charged and where the Chargee so enters on and takes possession or enters on and takes possession of the land on default as described in paragraph 9 herein the Chargee shall enter into, have, hold, use, occupy, possess and enjoy the land without the let, suit, hindrance, interruption or denial of the Chargor or any other person or persons whomsoever.

Right to Distrain

11. If the Chargor shall make default in payment of any part of the interest payable under the Charge at any of the dates or times fixed for the payment thereof, it shall be lawful for the Chargee to distrain therefor upon the land or any part thereof, and by distress warrant, to recover by way of rent reserved, as in the case of a demise of the land, so much of such interest as shall, from time to time, be or remain in arrears and unpaid, together with all costs, charges and expenses attending such levy or distress, as in like cases of distress for rent. Provided that the Chargee may distrain for arrears of principal in the same manner as if the same were arrears of interest.

Further Assurances

12. From and after default in the payment of the principal amount secured by the Charge or the interest thereon or any part of such principal or interest or in the doing, observing, performing, fulfilling or keeping of some one or more of the covenants set forth in the Charge then and in every such case the Chargor and all and every other person whatsoever having, or lawfully claiming, or who shall have or lawfully claim any estate, right, title, interest or trust of, in, to or out of the land shall, from time to time, and at all times thereafter, at the proper costs and charges of the Chargor make, do, suffer and execute, or cause or procure to be made, done, suffered and executed, all and every such further and other reasonable act or acts, deed or deeds, devises, conveyances and assurances in the law for the further, better and more perfectly and absolutely conveying and assuring the land unto the Chargee as by the Chargee or his solicitor shall or may be lawfully and reasonably devised, advised or required.

...the any amount paid by the Chargee hereof shall be payable forthwith by the Chargor with interest at the rate provided for in the Charge and shall also be a charge upon the land. Policies of insurance herein required shall provide that loss, if any, shall be payable to the Chargee as his interest may appear, subject to the standard form of mortgage clause approved by the Insurance Bureau of Canada which shall be attached to the policy of insurance.

*Obligation to Repair*

16. The Chargor will keep the land and the buildings, erections and improvements thereon, in good condition and repair according to the nature and description thereof respectively, and the Chargee may, whenever he deems necessary, by his agent enter upon and inspect the land and make such repairs as he deems necessary, and the reasonable cost of such inspection and repairs with interest at the rate provided for in the Charge shall be added to the principal amount and be payable forthwith and be a charge upon the land prior to all claims thereon subsequent to the Charge. If the Chargor shall neglect to keep the buildings, erections and improvements in good condition and repair, or commits or permits any act of waste on the land (as to which the Chargee shall be sole judge) or makes default as to any of the covenants, provisos, agreements or conditions contained in the Charge or in any charge to which this Charge is subject, all monies secured by the Charge shall, at the option of the Chargee, forthwith become due and payable, and in default of payment of same with interest as in the case of payment before maturity the powers of entering upon and lessing or selling hereby given and all other remedies herein contained may be exercised forthwith.

*Extensions  
not to Prejudice*

17. No extension of time given by the Chargee to the Chargor or anyone claiming under him, or any other dealing by the Chargee with the owner of the land or of any part thereof, shall in any way affect or prejudice the rights of the Chargee against the Chargor or any other person liable for the payment of the money secured by the Charge, and the Charge may be renewed by an agreement in writing at maturity for any term with or without an increased rate of interest notwithstanding that there may be subsequent encumbrances. It shall not be necessary to register any such agreement in order to retain priority for the Charge so altered over any instrument registered subsequent to the Charge. Provided that nothing contained in this paragraph shall confer any right of renewal upon the Chargor.

*Non-Merger of  
Covenants*

18. The taking of a judgment or judgments on any of the covenants herein shall not operate as a merger of the covenants or affect the Chargee's right to interest at the rate and times provided for in the Charge; and further that any judgment shall provide that interest thereon shall be computed at the same rate and in the same manner as provided in the Charge until the judgment shall have been fully paid and satisfied.

*Change in Status*

19. Immediately after any change or happening affecting any of the following, namely: (a) the spousal status of the Chargor, (b) the qualification of the land as a family residence within the meaning of Part II of the Family Law Act, 1986, and (c) the legal title or beneficial ownership of the land, the Chargor will advise the Chargee accordingly and furnish the Chargee with full particulars thereof, the intention being that the Chargee shall be kept fully informed of the names and addresses of the owner or owners for the time being of the land and of any spouse who is not an owner but who has a right of possession in the land by virtue of Section 19 of the Family Law Act, 1986. In furtherance of such intention, the Chargor covenants and agrees to furnish the Chargee with such evidence in connection with any of (a), (b) and (c) above as the Chargee may from time to time request.

*Discharge*

20. The discharge of the Charge shall be prepared by the Chargee and all legal and other expenses for the preparation and execution of such discharge shall be borne by the Chargor.

*Guarantee*

21. Each party named on page 1 of the Charge as a Guarantor hereby agrees with the Chargee as follows:
- (a) In consideration of the Chargee advancing all or part of the Principal Amount to the Chargor, and in consideration of the sum of TWO DOLLARS (\$2.00) of lawful money of Canada now paid by the Chargee to the Guarantor (the receipt and sufficiency whereof are hereby acknowledged), the Guarantor does hereby absolutely and unconditionally guarantee to the Chargee, and its successors, the due and punctual payment of all principal moneys, interest and other moneys owing on the security of the Charge and observance and performance of the covenants, agreements, terms and conditions herein contained by the Chargor, and the Guarantor, for himself and his successors, covenants with the Chargee that, if the Chargor shall at any time make default in the due and punctual payment of any moneys payable hereunder, the Guarantor will pay all such moneys to the Chargee without any demand being required to be made.

- (c) Any payment by the Guarantor of any moneys under this guarantee shall not in any event be taken to affect the liability of the Chargor for payment thereof but such liability shall remain unimpaired and enforceable by the Guarantor against the Chargor and the Guarantor shall, to the extent of any such payments made by him, in addition to all other remedies, be subrogated as against the Chargor to all the rights, privileges and powers to which the Chargee was entitled prior to payment by the Guarantor; provided, nevertheless, that the Guarantor shall not be entitled in any event to rank for payment against the lands in competition with the Chargee and shall not, unless and until the whole of the principal, interest and other moneys owing on the security of the Charge shall have been paid, be entitled to any rights or remedies whatsoever in subrogation to the Chargee.
- (d) All covenants, liabilities and obligations entered into or imposed hereunder upon the Guarantor shall be equally binding upon his successors. Where more than one party is named as a Guarantor all such covenants, liabilities and obligations shall be joint and several.
- (e) The Chargee may vary any agreement or arrangement with or release the Guarantor, or any one or more of the Guarantors if more than one party is named as Guarantor, and grant extensions of time or otherwise deal with the Guarantor and his successors without any consent on the part of the Chargor or any other Guarantor or any successor thereof.

**Date of Charge** 22. The date of the Charge unless otherwise provided shall be the earliest date of signature by a Chargor.

**Interpretation** 23. In construing these covenants the words "Charge", "Chargee", "Chargor", "Land" and "successor" shall have the meanings assigned to them in Section 1 of the Land Registration Reform Act, 1994 and the words "Chargor" and "Chargee" and the personal pronouns "he" and "his" relating thereto and used therewith, shall be read and construed as "Chargor" or "Chargors", "Chargee" or "Chargees", and "he", "she", "they" or "it", "his", "her", "their" or "its", respectively, as the number and gender of the parties referred to in each case require, and the number of the verb agreeing therewith shall be construed as agreeing with the said word or pronoun so substituted. And that all rights, advantages, privileges, immunities, powers and things hereby secured to the Chargor or Chargors, Chargee or Chargees, shall be equally secured to and exercisable by his, her, their or its heirs, executors, administrators and assigns, or successors and assigns, as the case may be. The word "successor" shall also include successors and assigns of corporations including amalgamated and continuing corporations. And that all covenants, liabilities and obligations entered into or imposed hereunder upon the Chargor or Chargors, Chargee or Chargees, shall be equally binding upon his, her, their or its heirs, executors, administrators and assigns, or successors and assigns, as the case may be, and that all such covenants and liabilities and obligations shall be joint and several. And the headings beside each paragraph herein are for reference purposes only and do not form part of the covenants herein contained.

**ACKNOWLEDGMENT**

This Set of Standard Charge Terms is included in a Charge dated the 1st day of November, 2001, made by

GALTY B.V. as Chargor(s)

To

LA HOUGUE FINANCIAL MANAGEMENT SERVICES LIMITED as Chargee(s)

as Guarantor(s)

and each Chargor and Guarantor hereby acknowledges receipt of a copy of this Set of Standard Charge Terms before signing the Charge.

*Galty B.V.*  
By its Managing Director  
*V.V. Tubrecht* Chargor(s)

Guarantor(s)



## PAYMENT GUARANTY

Dated: November 1, 2001.

### Parties/Definition

Borrower: Galty B.V.  
Atrium 7th Floor  
Strawinskylaan 3105  
P.O. Box 1469  
1077 ZX  
Amsterdam, The Netherlands

Guarantor: Werner Cornelius Heinrichs  
Flat 1, No. 1 Upper Brook Street  
London, England M1Y 1PA

Lender: La Hougue Financial Management  
Services Limited  
19 Seaton Place  
St. Helier, Jersey  
Channel Islands JE4 8RZ

Indebtedness: -

The word "Indebtedness" as used herein means any and all advances, debts, obligations and liabilities of the Borrower under or pursuant to the Promissory Note dated November 1, 2001 in the amount of £1,006,123 payable to the Lender, including any and all amendments, modifications, renewals or extensions of the Note and all of the Borrower's obligation under any documents executed in connection with or as security for the Facility.

Amount Guaranteed:

The Guarantor's liability hereunder shall not exceed £1,006,123 plus interest, costs, expenses and solicitors' fees.

### 1. Statement of Guaranty

For valuable consideration, the receipt of which is hereby acknowledged, and to induce the Lender to make the loan under the Note, the Guarantor hereby unconditionally guarantees and promises to pay to the Lender, or order, on demand, after maturity (whether such maturity is the result of the passage of time or acceleration upon default) in lawful money of England, any and all Indebtedness of the Borrower owed to the Lender, plus interest thereon at such rate as shall be agreed upon by the Lender and the

Borrower; and the Guarantor further agrees to pay all costs, expenses and solicitors' fees incurred by the Lender in its efforts to collect such Indebtedness, foreclose upon or resort to any security for such Indebtedness, or to enforce this Guaranty. The Guarantor's liability hereunder shall be subject to the limitations as to the Amount Guaranteed as set forth above, but such limitation shall not apply to the Guarantor's liability for such interest, costs, expenses, or solicitors' fees.

The Guarantor's liability and obligations hereunder shall not be relieved or reduced as a result of any of the following:

- (a) Any right or power of the Borrower or anyone else to assert any claim or defense as to the genuineness, regularity, validity, or enforceability of any of the Indebtedness, any collateral security therefor, or any other guaranty thereof.
- (b) The existence or expiration of any statute of limitations with respect to the Indebtedness, or this Guaranty, or any part of either thereof.
- (c) The fact that the Borrower is in default on any of the Indebtedness, or the fact that the Lender has knowledge of facts with respect to the Borrower which might be construed as materially prejudicial to the interests of the Guarantor, the Lender being hereby relieved of any duty to disclose any such facts to the Guarantor.
- (d) Any other matters to which the Guarantor has consented or with respect to rights which the Guarantor has waived, in this Guaranty.

## 2. Lender's Rights and Powers

The Guarantor acknowledges and agrees that the Lender shall have the following rights and powers with respect to this Guaranty, the Guarantor's obligations hereunder, and the Indebtedness covered hereby:

- (a) Lender's remedies. The obligation of the Guarantor hereunder is separate and independent from the obligation of the Borrower and the Lender may bring a separate action or actions against the Guarantor whether another action is brought against the Lender or whether the Lender is joined in any action or actions against the Guarantor. Any failure with regard to the accuracy, completeness or maintenance of any representation or warranty provided in Sections 7(a) or (b) hereof shall constitute an event of default entitling the Lender to immediately require payment pursuant to the Guaranty, whether or not there has been an event of default or default by the Borrower in or under any document relating to the Indebtedness.
- (b) Certain actions by or with respect to Borrower or Guarantor. If the Borrower or the Guarantor or either of them should at any time become insolvent or make a



general assignment, or if a petition in bankruptcy or any insolvency or reorganization proceedings shall be filed or commenced by, against, or in respect of the Borrower, or the Guarantor, or either of them, or upon the death or dissolution of the Borrower or the Guarantor or either of them, the Indebtedness and the obligation of the Guarantor hereunder shall, at the Lender's option, become immediately due and payable without notice.

- (c) Action with respect to Indebtedness, security or Guarantors. The Lender may, without notice to or the consent of the Guarantor, and without affecting the Guarantor's liability under this Guaranty: (i) renew, settle, compromise, consolidate, extend, accelerate or otherwise change the time for payment of, or otherwise change the terms of the Indebtedness or any part thereof (other than an increase or decrease in the rate of interest on the Indebtedness or any part thereof), and notwithstanding the fact that new evidence of Indebtedness might be executed to reflect such changes; (ii) take and hold security for the payment of this Guaranty or the Indebtedness, and exchange or enforce any such security, or take additional security; (iii) apply any such security and direct the order or manner of sale thereof as the Lender may in its sole discretion determine; and (iv) acquire additional Guarantors or release any such additional Guarantors.
- (d) Amount of Indebtedness. Notwithstanding the fact that the Guarantor's liability for the Amount Guaranteed is specifically limited hereunder, the Lender may, at its sole option and without any notice to or consent of the Guarantor, allow the Indebtedness to exceed such amount without in any way adversely affecting the Guarantor's liability hereunder.
- (e) Authority of Borrower to incur Indebtedness. The Lender shall not be required to inquire into or otherwise investigate the authority of the Borrower to incur any particular Indebtedness, or the authority of officers, directors, partners or agents acting or purporting to act on behalf of the Borrower.

### 3. Waivers by Guarantor

The Guarantor, as a part of the substance of this Guaranty, waives certain rights the Guarantor may otherwise have with respect to the Lender and the Indebtedness:

- (a) Right to require certain action by the Lender. The Guarantor waives any right to require the Lender to: (i) proceed against the Borrower, (ii) proceed against or exhaust any security held for the Indebtedness, (iii) to proceed against any other party or any other Guarantor, and (iv) to pursue any other remedy in the Lender's power whatsoever.
- (b) Notices. The Guarantor waives (i) notice of the acceptance of the Guaranty, (ii) notice of the existence or creation of all or any part of the Indebtedness, (iii)

notice of termination as to further liability given by any other Guarantor, (iv) all presentments, demands for performance, notices of non-performance, protests and all other notices whatsoever.

- (c) Statute of limitations or other claims or defense. The Guarantor waives (i) any right to contest the enforcement of this Guaranty by virtue of any statute of limitations or other law varying the terms of this Guaranty, or (ii) any claim or defense to this Guaranty by reason of any disability or the defense of the Borrower or by reason of the cessation from any cause whatsoever of the liability of the Borrower under any of the Indebtedness (except payment in full), or as a result of the invalidity, irregularity, or unenforceability of all or any part of the Indebtedness or the collateral security therefor.

4. Payments by Guarantor

The amount of liability of the Guarantor under this Guaranty shall be reduced by any sum that may at any time during the existence of this Guaranty be paid by the Guarantor and Lender.

5. Subrogation and Subordination

Until all the Indebtedness of the Borrower to the Lender shall have been paid in full, the Guarantor shall have no right of subrogation and waives any right to enforce any remedy which the Lender now has or may hereafter have against the Borrower under the Indebtedness and waives any benefit of, any right to participate in or foreclose on, any collateral security now or hereafter held by the Lender to secure the Indebtedness or otherwise.

Any indebtedness or obligation of the Borrower, or any other claim against or liability of the Borrower, now or hereafter held by or owed to the Guarantor ("Guarantor's Claims") is hereby subordinated by the Guarantor to the Indebtedness of the Borrower to the Lender.

6. Liens and Rights of Set-Off

In addition to all liens upon, and right of set-off against, the property of the Guarantor existing under applicable law, the Lender may, without demand or notice of any kind, and at any time when any amount shall be due and payable hereunder by the Guarantor, appropriate and apply toward the payment of such amount, in such order of application as the Lender may elect, any property, balances, credits, deposits, accounts or monies of the Guarantor in the possession or control of the Lender for any purpose. The Guarantor hereby grants to the Lender a right of set-off and security interest in such property and funds in the possession or control of the Lender. The Guarantor further expressly grants to the Lender the right, to be exercised at the Lender's discretion, to file one or more

financing statements under the Personal Property Security Act naming the Guarantor as debtor and the Lender as secured party with respect to such property and funds and the Guarantor hereby agrees to sign any such statement.

7. Waiver by Lender

No delay on the part of the Lender in exercising any of its options, powers or rights shall constitute a waiver thereof. No waiver of any rights hereunder and no modification or amendment of this Guaranty shall be deemed to have been made by the Lender unless the same shall be in writing, duly signed on behalf of the Lender, and each such waiver, if any, shall apply only with respect to the specific instance involved, and shall in no way impair the rights of the Lender or the obligations of the Guarantor to the Lender in any other respect or any other time.

8. Guarantor's Representations, Warranties and Acknowledgements

The Guarantor hereby represents, warrants and acknowledges to the Lender as follows:

- (a) Execution and binding nature. This Guaranty has been duly executed and delivered on behalf of the Guarantor and is the legal, valid and binding obligation of the Guarantor, enforceable in accordance with its terms, and the making and performance of the Guaranty do not and will not violate or constitute a default under any law, any presently existing requirements or restrictions imposed by any judgment or order or any agreement or other instrument by which the Guarantor is bound.
- (b) Financial Statements. All financial statements heretofore and hereafter delivered by the Guarantor to the Lender are and will be true and correct, have been and will be prepared pursuant to generally accepted accounting principles and practice and fairly represent the Guarantor's financial condition as of the date thereof, and there have been and there will be no material adverse changes as of the date of this Guaranty or as of the date of any subsequent financial statements provided pursuant to requests under Section 11(d) of this Guaranty. Failure to provide financial statements requested pursuant to Section 11(d) within a reasonable time after requested shall be presumed to be a material, adverse change.
- (c) Information to Lender. The Guarantor acknowledges that he has assumed full responsibility for keeping Lender fully informed of the financial condition of the Borrower and all other circumstances affecting the Borrower's ability to pay and perform the Indebtedness and agrees that the Lender shall have no duty to report to the Guarantor any information which the Lender shall receive on the financial condition of the Borrower or any circumstances bearing on the Borrower's ability to perform, and the Guarantor hereby expressly and unconditionally waives any defense based upon the failure of the Lender to report such information.

9. Inclusion of Rescinded or Returned Payments

The Guarantor agrees and acknowledges that if any time all or any part of any payment (from whatever source) theretofore applied by the Lender to all or any portion of the Indebtedness (or to interest, costs or expenses covered by this Guaranty) is or must be rescinded or returned by the Lender for any reason whatsoever (including, without limitation, the insolvency, bankruptcy or reorganization of the Borrower, or of any other person or entity), such Indebtedness shall for the purpose of this Guaranty to the extent that such payment is or must be rescinded or returned, be deemed to have continued in existence, notwithstanding such application by the Lender, and this Guaranty shall continue to be effective or to be reinstated, as the case may be, as to all such Indebtedness, all as though such payment had not been received and such application by the Lender has not been made.

10. Irrevocable Nature

This Guaranty shall be irrevocable, absolute, continuing and unconditional. The death of the Guarantor shall not operate as a revocation of liability hereunder of the Guarantor's estate.

11. General Terms and Conditions

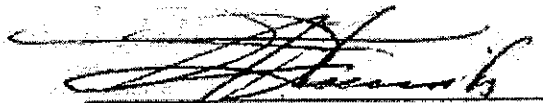
The following terms and conditions shall be applicable to this Guaranty:

- (a) Application law. This Guaranty shall be governed by and construed in accordance with the laws of the Province of Ontario, Canada.
- (b) Indebtedness created in reliance. Any and all Indebtedness to which this Guaranty applies or may apply under the terms hereof shall be conclusively presumed to have been created in reliance hereon and upon the representations of the Guarantor made in connection herewith.
- (c) Joint and several liability. If there is more than one Guarantor hereunder, each shall be bound and liable hereunder jointly and severally.
- (d) Additional financial statements. The Guarantor covenants and agrees to provide the Lender with such updated financial statements as and when the Lender may request.
- (e) Entire agreement. This Guaranty embodies the entire agreement on the part of the Lender. There are no promises, terms, conditions or obligations of the Lender other than those contained herein, and this Guaranty shall supersede all previous communications, representations or agreements, either verbal or written, on the

part of the Lender.

- (f) Binding effect. This Guaranty shall bind and obligate the Guarantor, and his heirs, legatees, devisees, administrators, executors, successors and assigns for the payment of the Indebtedness.
- (g) Personal jurisdiction. The Guarantor hereby (i) submits to personal jurisdiction in the Province of Ontario, Canada for the enforcement of this Guaranty, and (ii) waives any and all personal rights under the law of any state or country to object to jurisdiction within the Province of Ontario, Canada for the purposes of litigation to enforce this Guaranty.
- (h) Additional Guarantors. This Guaranty shall be binding on the Guarantor whether or not any other guarantors execute any guarantees of the Indebtedness, and whether or not there was an expressed or implied agreement or representation, from the Lender, the Borrower, or an other person, that any other guarantors would execute this Guaranty or any other guaranty.
- (i) Severability. Whenever possible each provision of this Guaranty shall be interpreted in a manner as to be effective and valid, but if any provision hereof shall be prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Guaranty.
- (j) Plural/Singular. The terms "Borrower" and "Guarantor" shall be deemed to read "Borrowers" or "Guarantors" as the context requires whenever there are multiple Borrowers or Guarantors, or both.

IN WITNESS WHEREOF, the Guarantor has caused this Guaranty to be executed the date set forth above.



Werner Cornelius Heinrichs

**GALTY B.V.**

**Consent Resolutions**

RESOLVED that:

- (a) Galty B.V. ("Corporation") be and is hereby authorized to borrow directly or indirectly from La Hougue Financial Management Services Limited ("La Hougue") the sum of £1,006,123 for a term of 5 years as of November 1, 2001 with interest thereon at the rate of 12% per annum payable to or to the order of La Hougue in monthly instalments and in connection therewith, execute a promissory note reflecting such terms and a first charge/mortgage on the lands municipally known as 88 Elm Street, Toronto, Canada, in favour of La Hougue.
- (b) Any officer or director of the Corporation is hereby authorized and directed in the name and on behalf of the Corporation to take or cause to be taken any and all action to execute and deliver the said promissory note and the said first charge/mortgage unto La Hougue and any and all other agreements, certificates, instructions, notices and other documents (all of which are to be in form and substance as the officer or director executing the same may, upon the advice of counsel, deem necessary or desirable, the execution by such officer or director to be conclusive evidence of the approval of such form and substance by such officer or director) and to do, sign execute and deliver all acts, things, instruments and deeds which in his or its absolute discretion he or it may deem to be necessary or desirable to carry out the foregoing resolutions.

The foregoing resolutions are hereby passed with the consent of and are hereby

adopted by the directors of Galty B.V. as evidenced by their respective signatures hereto.

DATED this 1st day of November, 2001.

ABN-AMRO Trust Company (Nederland) B.V.

Per:

---

---

V. M. Seabrook

---







21-700701 10-74 FRONTIER RESOURCE 01007100011 10-418 000 1010 PAGE 001 000

## FAX COVER SHEET

Date: 27 November 2001 Time: 1.26  
To: Vic Seabrook  
Phone: 001-416-601-6826 Fax: 001-416-363-7875  
From: Wayne Weaver  
Phone: 011-44-1534-766664 Fax: 011-44-1534-766677  
Subject:  
No. of pages (incl. Cover sheet): 5

**IF ALL PAGES ARE NOT RECEIVED OR IF ANY ARE NOT RECEIVED CLEARLY,  
PLEASE TELEPHONE OR FAX ON THE ABOVE NUMBERS. IF YOU HAVE RECEIVED  
THIS COMMUNICATION IN ERROR, PLEASE NOTIFY US IMMEDIATELY.**

**MESSAGE:**

Dear Vic,

Please find to follow the original fax which you did not receive, and a recent letter from Ron Carr with regard to One Shaftesbury, for your information.

Thanks. ----- Wayne

---

**This message is intended only for the use of the individual or entity to which it is addressed and may contain information that is privileged, confidential, and exempt from disclosure under applicable law. If the reader of this message is not the intended recipient or the employee or agent responsible for delivering the message to the intended recipient, you are hereby notified that any dissemination, distribution or copying of this communication is strictly prohibited.**



ALISON KNOWLES

NOVEMBER 28, 2001

V. M. SEABROOK, Q.C.

7520

416-930-51

Re: Galty B.V.

Please have the attached Charge/Mortgage of Land recorded and do a subsearch subsequent to Instrument No. CA 320126. Also please obtain a Sheriff's Certificate re Galty B.V.. Many thanks.

VMS/mb  
Encls.

\$ 60.00 Registration  
11  

---

71.00

20 D  
3rd A  
75 Sahle .

# V. M. SEABROOK, Q.C.

## MEMORANDUM

TO: ALISON KNOWLES

DATE: NOVEMBER 28, 2001

FROM: V. M. SEABROOK, Q.C.

RE: OUR FILE NO.

7520

---

Re: Galty B.V.

Please have the attached Charge/Mortgage of Land recorded and do a subsearch subsequent to Instrument No. CA 320126. Also please obtain a Sheriff's Certificate re Galty B.V.. Many thanks.

LRI OK.

VMS/mb  
Encls.

10394-0281(LT)



10394-0281 (LT)

Ontario

\* CERTIFIED BY LAND REGISTRAR IN ACCORDANCE WITH LAND TITLES ACT \* SUBJECT TO RESERVATIONS IN CROWN GRANT

PROPERTY DESCRIPTION: PT LT 1 N/S CASTLEFRANK RD FORMERLY ELM AV PL 2666 TORONTO; PT LT 16 PL 433 TORONTO (ROSEDALE) AS IN CT533820; TORONTO

PROPERTY REMARKS:

ESTATE/QUALIFIER

FEE SIMPLE  
LT CONVERSION QUALIFIED

RECENTLY

FIRST CONVERSION  
FROM BOOK

PIN CREATION DATE

2001/04/23

OWNERS' NAMES

GALTY B. V.

PROPERTY IDENTIFIER	PROPERTY DESCRIPTION	ESTATE/QUALIFIER	RECENTLY FIRST CONVERSION FROM BOOK	PIN CREATION DATE	OWNERS' NAMES
CA330126	PRINTOUT INCLUDES ALL DOCUMENT TYPES AND DELETED INSTRUMENTS SINCE 2007/04/20	SUBJECT, CN FIRST REGISTRATION UNDER THE LAND TITLES ACT, TO:			
	SUBSECTION 44(1) OF THE LAND TITLES ACT, EXCEPT PARAGRAPH 11, PARAGRAPH 14, PROVINCIAL SUCCESSION DUTIES AND ESCHEATS OR FOREFTURE TO THE CROWN.				
	THE RIGHTS OF ANY PERSON WHO WOULD, BUT FOR THE LAND TITLES ACT, BE ENTITLED TO THE LAND OR ANY PART OF IT THROUGH LENGTH OF ADVERSE POSSESSION, PRESCRIPTION, MISDESCRIPTION OR BOUNDARIES SETTLED BY CONVENTION.				
	ANY LEASE TO WHICH THE SUBSECTION 70(2) OF THE REGISTRY ACT APPLIES.				
CT533820	DATE OF CONVERSION TO LAND TITLES: 2007/04/23	TRANSFER			GALTY B. V.
CA330126	1994/12/01	GARAGE			LA HOGGUE FINANCIAL MANAGEMENT SERVICES LTD.

NOTE: ADJOINING PROPERTIES SHOULD BE INVESTIGATED TO ASCERTAIN DESCRIPTIVE INCONSISTENCIES, IF ANY, WITH DESCRIPTION REPRESENTED. NOTE: ENSURE THAT YOUR PRINTOUT STATES THE TOTAL NUMBER OF PAGES AND THAT YOU HAVE PICKED THEM ALL UP.

\*\*\*\*\*  
\* CLEAR / LIBRE \*  
\*\*\*\*\*

CERTIFICATE #:  
NO DE CERTIFICAT:  
02022893-4289924B

C E R T I F I C A T E / C E R T I F I C A T

SHERIFF AT: LAND TITLES 66 TORONTO  
SHERIF A :

DATE OF CERTIFICATE: 2001-11-28  
DATE DU CERTIFICAT :

I CERTIFY THAT THERE ARE NO WRITS OF EXECUTION, ORDERS  
OR CERTIFICATES OF LIEN IN MY HANDS AT THE TIME OF SEARCHING AGAINST  
THE REAL AND PERSONAL PROPERTY OF:

JE CERTIFIE, PAR LA PRESENTE, DE NE PAS AVOIR DE BREF D'EXECUTION,  
NI DE CERTIFICAT DE PRIVILEGE, NI D'ORDONNANCE EN MA POSSESSION  
AU MOMENT DE LA RECHERCHE VISANT LES BIENS MEUBLES OU IMMEUBLES DE:

SURNAME / NOM                      GIVEN NAMES / PRENOM(S)

=====

(COMPANY/COMPAGNIE) GALTU B.V.

CAUTION TO PARTY REQUESTING SEARCH:  
ENSURE THAT THE ABOVE INDICATED NAME IS THE SAME AS THE NAME SEARCHED  
THIS NAME WILL REMAIN CLEAR UNTIL THE CLOSE OF BUSINESS THIS DATE.

AVERTISSEMENT A LA PARTIE QUI DEMANDE LA RECHERCHE:  
ASSUREZ-VOUS QUE LE NOM INDIQUE CI-DESSUS EST LE MEME QUE CELUI QUI  
EST RECHERCHE. CET ETAT DEMEURE VALIDE JUSQU'A LA FIN DE LA JOURNEE  
DE TRAVAIL.

CHARGE FOR THIS CERTIFICATE : \$ 11.00  
FRAIS POUR CE CERTIFICAT :





**Alison Knowles Abstracts Ltd.**

39 Longwood Dr.  
Don Mills, Ontario M3B 1T9

TITLE SEARCHING • CONVEYANCING

Cellular: (416) 930-5176  
Fax: (416) 444-7722

IN ACCOUNT WITH

*A. V. M. Seabrook*

INVOICE: No 14637

DATE: *Nov 28 2001*

REFERENCE	DISBURSEMENTS		
<i>7520</i>	BOOKABSTRACT		
	PHOTOCOPIES		
	PLANS		
	EXECUTIONS		
	MISCELLANEOUS	<i>8.00</i>	
<input type="checkbox"/> CLOSING			
<input type="checkbox"/> SEARCH			
<input type="checkbox"/> SUBSEARCH			
<input checked="" type="checkbox"/> REGISTRATION			
	<b>TOTAL - DISB'S</b>	<b>8.00</b>	
	FEE - lot & plan		
	FEE -	<i>50.00</i>	
	G.S.T. #R100138601	<i>4.06</i>	
	<b>TOTAL:</b>	<b>62.06</b>	

TERMS OF PAYMENT:  
Due upon receipt of invoice.  
Interest at 24% per annum  
will be charged on all  
overdue accounts.

PLEASE RETURN  
YELLOW COPY WITH PAYMENT

E 3 0 E

Margaret - you must put lot #, plan #, Reg'y  
Division in Description Box of all  
documents - (cannot just say 'see  
Schedule att'd')  
then 'see schedule' for complete  
description as per instrument #  
(ded). etc.

Alison  
Please  
reply &  
return

V. M. SEABROOK, Q.C.  
BARRISTER & SOLICITOR

Suite 2200  
181 University Avenue  
Toronto, Ontario  
M5H 3M7

Telephone: (416) 601-6826  
Fax: (416) 363-7875

OUR FILE NO.

7520

November 28, 2001

ABN-AMRO Trust (Nederland) B.V.  
Strawinskylaan 3105, 7th Floor  
1000 ZX  
P.O. Box 1469, 1000 BL  
Amsterdam, The Netherlands

Attention: Mr. Chris Oei


Dear Sirs:

Re: Galty B.V.

We enclose four copies of Consent Resolutions duly signed by the undersigned for the signature of the proper signing officers of your Corporation as one of the Directors of Galty B.V.

Please return three copies of the enclosed resolution duly completed as soon as possible.

Yours very truly,

  
V. M. Seabrook, Q.C.

VMS/mb  
Encls.





**ABN-AMRO**

ABN AMRO Trust Company  
(Nederland) B.V.

Amsterdam  
'Atrium' 7th Floor  
Strawinskylaan 3105  
1077 ZX Amsterdam  
E-mail: abnamro.trust.nl@nl.abnamro.com

**BY COURIER**

V.M. Seabrook, Q.C.  
Suite 2200  
181 University Avenue  
Toronto, Ontario M5H 3M7  
Canada

Mailing address  
P.O. Box 1469  
1000 BL Amsterdam

Telephone + 31 20 406 44 44  
Fax + 31 20 406 45 55  
Telex 15614 ALTRU NL  
Bankers ABN AMRO Bank N.V.  
account nr. 54 05 39 112

Department  
Adm./C. Oei

Reference  
45.83124/GBO

Telephone  
+31 20 406 4432

Fax  
+31 20 406 4555

Date  
December 4, 2001

Re: Galty B.V.

As arranged

For signing

Three duly signed Consent Resolutions

Upon receipt please call

Please reply

For your information

To be discussed

**GALTY B.V.**

**Consent Resolutions**

RESOLVED that:

- (a) Galty B.V. ("Corporation") be and is hereby authorized to borrow directly or indirectly from La Hougue Financial Management Services Limited ("La Hougue") the sum of £1,006,123 for a term of 5 years as of November 1, 2001 with interest thereon at the rate of 12% per annum payable to or to the order of La Hougue in monthly instalments and in connection therewith, execute a promissory note reflecting such terms and a first charge/mortgage on the lands municipally known as 88 Elm Street, Toronto, Canada, in favour of La Hougue.
- (b) Any officer or director of the Corporation is hereby authorized and directed in the name and on behalf of the Corporation to take or cause to be taken any and all action to execute and deliver the said promissory note and the said first charge/mortgage unto La Hougue and any and all other agreements, certificates, instructions, notices and other documents (all of which are to be in form and substance as the officer or director executing the same may, upon the advice of counsel, deem necessary or desirable, the execution by such officer or director to be conclusive evidence of the approval of such form and substance by such officer or director) and to do, sign execute and deliver all acts, things, instruments and deeds which in his or its absolute discretion he or it may deem to be necessary or desirable to carry out the foregoing resolutions.

The foregoing resolutions are hereby passed with the consent of and are hereby

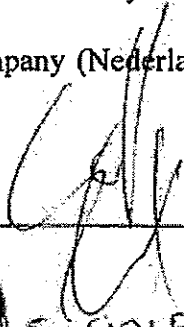
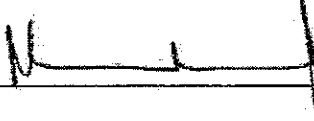
A handwritten signature in black ink, appearing to be 'K. G.', is located in the bottom right corner of the page.


adopted by the directors of Galty B.V. as evidenced by their respective signatures hereto.

DATED this 1st day of November, 2001.

ABN-AMRO Trust Company (Nederland) B.V.

Per:

  
\_\_\_\_\_  
  
\_\_\_\_\_  
J. GALESLOOT

  
\_\_\_\_\_  
V. M. Seabrook





December 10, 2001

COURIER

Mr. Wayne Weaver  
La Hougue Financial Management  
Services Limited  
P.O. Box 165  
19 Seaton Place  
St. Helier, Jersey  
Channel Islands  
JE4 8RZ

Dear Wayne:

Re: Galty B.V. - Loan Sterling £1,006,123

We wish to report on the revised loan given to Galty B.V. ("Galty") evidenced by a promissory note referred to below and secured by an amended charge\mortgage on the property known as 88 Elm Street, Toronto, Ontario ("Property").

In accordance with your instructions we have prepared and obtained from Galty the following:

1. A Promissory Note of Galty in favour of La Hougue Financial Management Services Limited ("La Hougue") for Sterling £1,006,123 dated November 1, 2001 and maturing on October 31, 2006;
2. A Charge/Mortgage in the amount of Sterling £1,006,123 made by Galty in favour of La Hougue and dated November 1, 2001 which was recorded against title to the Property on November 28, 2001 in Metro Toronto (66) Registry as No. E481312 ("Mortgage");

3. Set of Standard Charge Terms filed by Dye & Durham Co. under the Land Registry Registration Reform Act 1984, on January 2, 1991 and as filing No. 911 made by Galty in favour of La Hougue;
4. Corporate Resolution of the Directors of Galty dated as of November 1, 2001;
5. Personal Guaranty of W.C. Heinrichs in favour of La Hougue and dated November 1, 2001.

Prior to registration of the Mortgage we investigated the title to the Property and based on the Registry of Documents we are of the opinion that Galty has a good and marketable title in fee simple thereto subject to the following:

- (i) The reservations contained in the original grant from the Crown, and
- (ii) Any right of expropriation conferred by any statute of Canada or of the Province of Ontario.

Prior to registration, we also made a search with the Sheriff of the City of Toronto to ascertain whether there were any writs of execution on file against Galty and found none.

Prior to registration of the Mortgage you confirmed to us that there were no overdue realty taxes outstanding concerning the Property and accordingly we did not undertake any searches in such regard.

We understand that you have made the necessary arrangements directly with the insurance brokers for Galty to note the interest of La Hougue as first mortgagee in the present fire insurance policy taken out by Galty with respect to the dwelling part of the Property and that you have a certified copy of such insurance policy showing La Hougue as its interest may appear in the amount of not less than the face amount of the Mortgage and with the standard mortgage clause attached and continuing the coverage and complying in all respects with the provisions of the insurance section of the Mortgage.

We are of the opinion that the Mortgage has been duly executed and delivered and registered where required by law and based on the Registry of Documents it is also our opinion that La Hougue has a valid and legally binding first mortgage.

We now enclose the following:

1. Original Promissory Note dated November 1, 2001 £1,006,123.00 in favour of La Hougue;
2. Corporate Resolution of the Directors of Galty dated as of November 1, 2001;
3. Duplicate Original Copy of Mortgage showing the registration of particulars;
4. Personal Guaranty of W.C. Heinrichs dated November 1, 2001.

We also enclose in duplicate discharge of Charge/Mortgage registered as No. CA 32126 relating to the previous loan of November 1, 1993.

Please have the Managing Director and Secretary of La Hougue affix their corporate seal and insert the date of signature where indicated and return same to us with the duplicate original of Charge/Mortgage CA 321126 which is in your possession in order that such Charge/Mortgage can be discharged from the title of 88 Elm Street, Toronto.

We will forward our account under separate cover.

Yours very truly,

*V. M. Seabrook*

V.M. Seabrook, Q.C.

VMS/vb  
Encls.



# LA HOUGUE FINANCIAL MANAGEMENT SERVICES LIMITED

Telephone  
(01534) 766664

PO BOX 165, 19 SEATON PLACE, ST HELIER  
JERSEY JE4 8RZ, CHANNEL ISLANDS

Facsimile  
(01534) 766677

Your ref: 7520

Our ref: C0054

Mr V. M Seabrook  
Suite 2200  
181 University Avenue  
Toronto  
Ontario  
M5H 3M7

24<sup>th</sup> December 2001

Dear Vic

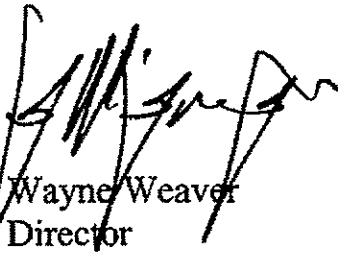
**Galty B.V.-Loan Sterling £1,006,123**

With reference to your letter dated 10<sup>th</sup> December 2001, please find enclosed the Discharge of Charge/Mortgage duly executed.

I trust the above is in order.

Wishing you a very Merry Christmas and a Happy New Year.

With kind regards  
Yours sincerely



Wayne Weaver  
Director

FOR OFFICE USE ONLY

E497719

CERTIFICATE OF RECEIPT  
RÉCÉPISSE  
TORONTO (66)

2002 JAN 17 14 : 49

New Property Identifiers

*[Signature]*

*[Signature]*

Additional Schedule

(1) Registry  Land Titles  (2) Page 1 of 7 pages

(3) Property Identifier(s) Block Property  
10394-0281  
Additional See Schedule

(4) Description  
Being Part of Lot 1, Plan 266E and Part of Lot 16, Plan 433 for the Registry Division No. 64 in the City of Toronto  
  
See attached Schedule  
  
*The Land Titles Division of the Toronto Registry Office No. 66*

(5) Charge to be Discharged  
Registration Number: CA320126  
Date of Registration: 1994 12 01

(6) This is a  
Complete Discharge  Partial Discharge  Final Partial Discharge

(7) Description (cont'd.), Recitals, Assignments

Continued on Schedule

(8) Chargee(s) I am the person entitled by law to grant the discharge and this charge is hereby discharged as to the land described herein.

Name(s)  
La Hougue Financial Management  
Services Limited

Signature(s)  
*[Signature]*

Date of Signature  
Y M D  
2001 12 24

## SCHEDULE

All and singular that certain parcel or tract of land and premises situate, lying and being in the City of Toronto in the Municipality of Metropolitan Toronto and Province of Ontario, and being composed of a part of Lot Number One (1) according to a plan filed as Number 266-E, in the Registry Office for East Toronto, and now in the Registry Office for the Registry Division of Toronto, and of a part of Lot Number Sixteen (16) according to a plan filed as Number 433 in the Registry Office for East and West York, and now in the said Registry Office for the Registry Division of Toronto; and which said parcel is more particularly described as follows:

COMMENCING at a point in the northerly limit of Elm Avenue, distant thirty-three feet (33') westerly from the south easterly angle of said Lot Number One (1); THENCE northerly and parallel to the easterly limit of said Lot Number One (1), being along the westerly limit of lands conveyed by registered instrument Number 22084-M, and continuing along the production of the last named limit, in all a distance of one hundred and ninety-five feet and nine inches (195'9") more or less, to the northerly limit of said Lot Number Sixteen (16); THENCE westerly along the last mentioned limit forty feet and one inch (40'1") to the easterly limit of South Drive, formerly called Beau Street; THENCE southerly along the said limit of South Drive, fifty-six feet and two inches (56'2") to a point of curve; THENCE southerly and following the last mentioned limit, one hundred and thirty-six feet (136') to a stake planted at a point of curve; THENCE southerly still along the last mentioned limit, seven feet and five and a half inches (7'5-1/2") to a stake planted at an angle in the same; THENCE southerly still along the last mentioned limit seven feet and eight inches (7'8") to a stake planted at a point of curve; THENCE south-easterly on a curve to the left, being along the line connecting the said limit of South Drive with the said limit of Elm Avenue, forty-one feet and ten and a half inches (41'10-1/2") more or less, to a stake planted in the last mentioned limit; THENCE easterly along the said limit of Elm Avenue, ninety-two feet (92') more or less, to the point of commencement.

as per CT 533802

# Charge/Mortgage of Land

Form 2 — Land Registration Reform Act, 1984

FOR OFFICE USE ONLY

A320126

REGISTRATION CERTIFICATE OF EASEMENT (NO. 64) DIVISION OF REGISTRATION

34 12 1 11 47

REGISTRAR

Additional: See Schedule

**New Property Identifiers**

**Executions**

Additional: See Schedule

(1) Registry  Land Titles  (2) Page 1 of 2 pages

(3) Property Identifier(s) Block Property Additional: See Schedule

(4) Principal Amount  
Four Hundred and Seventy-two Thousand, Seven Hundred and Ninety Pounds Sterling ~~£472,790~~ £472,790

(5) Description  
See attached schedule for particulars

As per CT 533820

(6) This Document Contains (a) Redescription New Easement Plan/Sketch  (b) Schedule for: Description  Additional Parties  Other  (7) Interest/Estate Charged Fee Simple

(8) Standard Charge Terms — The parties agree to be bound by the provisions in Standard Charge Terms filed as number \_\_\_\_\_ and the Chargor(s) hereby acknowledge(s) receipt of a copy of these terms.

(9) Payment Provisions (a) Principal Amount £ 472,790			(b) Interest Rate 10.5 % per annum	(c) Calculation Period Monthly	
(d) Adjustment Date	Y 1994	M 10	D 01	(e) Payment Date and Period Monthly	(f) First Payment Date Y 1994 M 11 D 31
(g) Last Payment Date	1995	10	31	(h) Amount of Each Payment To be determined	Dollars \$
(i) Balance Due Date	1995	10	31	(j) Insurance	Dollars \$ 3,000,000

(10) Additional Provisions

Continued on Schedule

(11) **Chargor(s)** The chargor hereby charges the land to the chargee and certifies that the chargor is at least eighteen years old and that

The chargor(s) acknowledge(s) receipt of a true copy of this charge.

Name(s) GALTY B.V.	Signature(s) <i>V. M. Seabrook</i>	Date of Signature Y 1994 M 11 D 31
	Managing Director (I have authority to bind the Corporation)	

(12) **Spouse(s) of Chargor(s)** I hereby consent to this transaction.

Name(s)	Signature(s)	Date of Signature Y M D

(13) **Chargor(s) Address for Service** c/o V. M. Seabrook, O.C., Suite 2200, 181 University Avenue Toronto, Ontario M5H 3M7



## SCHEDULE

All and singular that certain parcel or tract of land and premises situate, lying and being in the City of Toronto in the Municipality of Metropolitan Toronto and Province of Ontario, and being composed of a part of Lot Number One (1) according to a plan filed as Number 266-E, in the Registry Office for East Toronto, and now in the Registry Office for the Registry Division of Toronto, and of a part of Lot Number Sixteen (16) according to a plan filed as Number 433 in the Registry Office for East and West York, and now in the said Registry Office for the Registry Division of Toronto; and which said parcel is more particularly described as follows:

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# Discharge of Charge/Mortgage

Form 3 — Land Registration Reform Act, 1984

C

FOR OFFICE USE ONLY

(1) Registry  Land Titles  (2) Page 1 of 2 pages

(3) Property Identifier(s) Block Property Additional: See Schedule

(4) Description

Being Part of Lot 1, Plan 266E and Part of Lot 16, Plan 433 for the Registry Division No. 64 in the City of Toronto

See attached Schedule

New Property Identifiers

Additional: See Schedule

(5) Charge to be Discharged

Registration Number

Date of Registration  
Y M D

CA320126

1994 12 01

(6) This is a

Complete Discharge  Partial Discharge  Final Partial Discharge

(7) Description (cont'd.), Recitals, Assignments

Continued on Schedule

(8) Chargee(s) I am the person entitled by law to grant the discharge and this charge is hereby discharged as to the land described herein.

Name(s)

Signature(s)

Date of Signature  
Y M D

La Hougue Financial Management

2001 12

## SCHEDULE

All and singular that certain parcel or tract of land and premises situate, lying and being in the City of Toronto in the Municipality of Metropolitan Toronto and Province of Ontario, and being composed of a part of Lot Number One (1) according to a plan filed as Number 266-E, in the Registry Office for East Toronto, and now in the Registry Office for the Registry Division of Toronto, and of a part of Lot Number Sixteen (16) according to a plan filed as Number 433 in the Registry Office for East and West York, and now in the said Registry Office for the Registry Division of Toronto; and which said parcel is more particularly described as follows:

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as per CT 533802

# Charge/Mortgage of Land

**B**

Form 2 — Land Registration Reform Act, 1994

<p style="writing-mode: vertical-rl; transform: rotate(180deg);">FOR OFFICE USE ONLY</p> <p>New Property Identifiers</p> <p>Executions</p>	(1) Registry <input checked="" type="checkbox"/> Land Titles <input type="checkbox"/>	(2) Page 1 of 2 pages
	(3) Property Identifier(s)	Block _____ Property _____
	(4) Principal Amount	Four Hundred and Seventy-two Thousand, Seven Hundred and Ninety Pounds Sterling <del>XXXXXX</del> £472,790
	(5) Description	See attached schedule for particulars
	Additional: See Schedule <input type="checkbox"/>	Additional: See Schedule <input type="checkbox"/>

(6) This Document Contains	(a) Redescription New Easement Plan/Sketch <input type="checkbox"/>	(b) Schedule for: Description <input checked="" type="checkbox"/> Additional Parties <input type="checkbox"/> Other <input type="checkbox"/>	(7) Interest/Estate Charged Fee Simple
----------------------------	---	--	--

(8) Standard Charge Terms — The parties agree to be bound by the provisions in Standard Charge Terms filed as number \_\_\_\_\_ and the Chargor(s) hereby acknowledge(s) receipt of a copy of these terms.

(9) Payment Provisions			(b) Interest Rate	(c) Calculation Period		
(a) Principal Amount £ 472,790			10.5 % per annum	Monthly		
(d) Interest Adjustment Date	Y 1994	M 10	D 01	(e) Payment Date and Period	Monthly	
(g) Last Payment Date	1995	10	31	(h) Amount of Each Payment	To be determined Dollars \$	
(i) Balance Due Date	1995	10	31	(j) Insurance	Dollars \$ 3,000,000	

(10) Additional Provisions

Continued on Schedule

(11) Chargor(s) The chargor hereby charges the land to the chargee and certifies that the chargor is at least eighteen years old and that

The chargor(s) acknowledge(s) receipt of a true copy of this charge.

Name(s) GALTY B.V.	Signature(s) <i>V. M. Seabrook</i>	Date of Signature Y 1994 M 11 D 01
--------------------	------------------------------------	---------------------------------------

Managing Director  
(I have authority to bind the Corporation)

(12) Spouse(s) of Chargor(s) I hereby consent to this transaction.

Name(s)	Signature(s)	Date of Signature Y M D
---------	--------------	----------------------------

(13) Chargor(s) Address for Service c/o V. M. Seabrook, O.C., Suite 2200, 181 University Avenue Toronto, Ontario M5H 3M7

# Discharge of Charge/Mortgage

# C

Form 3 — Land Registration Reform Act, 1984

(1) Registry  Land Titles  (2) Page 1 of 2 pages

(3) Property Identifier(s) Block Property Additional See Schedule

(4) Description  
See attached Schedule for particulars

New Property Identifiers

Additional: See Schedule

5) Charge to be Discharged

Registration Number

Date of Registration  
Y M D

CA 257826

1993 12 01

(6) This is a

Complete Discharge  Partial Discharge  Final Partial Discharge

7) Description (cont'd.); Recitals, Assignments

Continued on Schedule

(8) Chargee(s) I am the person entitled by law to grant the discharge and this charge is hereby discharged as to the land described herein.

Name(s)

Signature(s)

Date of Signature  
Y M D

## SCHEDULE

All and singular that certain parcel or tract of land and premises situate, lying and being in the City of Toronto in the Municipality of Metropolitan Toronto and Province of Ontario, and being composed of a part of Lot Number One (1) according to a plan filed as Number 266-E, in the Registry Office for East Toronto, and now in the Registry Office for the Registry Division of Toronto, and of a part of Lot Number Sixteen (16) according to a plan filed as Number 433 in the Registry Office for East and West York, and now in the said Registry Office for the Registry Division of Toronto; and which said parcel is more particularly described as follows:

COMMENCING at a point in the northerly limit of Elm Avenue, distant thirty-three feet (33') westerly from the south easterly angle of said Lot Number One (1); THENCE northerly and parallel to the easterly limit of said Lot Number One (1), being along the westerly limit of lands conveyed by registered instrument Number 22084-M, and continuing along the production of the last named limit, in all a distance of one hundred and ninety-five feet and nine inches (195'9") more or less, to the northerly limit of said Lot Number Sixteen (16); THENCE westerly along the last mentioned limit forty feet and one inch (40'1") to the easterly limit of South Drive, formerly called Beau Street; THENCE southerly along the said limit of South Drive, fifty-six feet and two inches (56'2") to a point of curve; THENCE southerly and following the last mentioned limit, one hundred and thirty-six feet (136') to a stake planted at a point of curve; THENCE southerly still along the last mentioned limit, seven feet and five and a half inches (7'5-1/2") to a stake planted at an angle in the same; THENCE southerly still along the last mentioned limit seven feet and eight inches (7'8") to a stake planted at a point of curve; THENCE south-easterly on a curve to the left, being along the line connecting the said limit of South Drive with the said limit of Elm Avenue, forty-one feet and ten and a half inches (41'10-1/2") more or less, to a stake planted in the last mentioned limit; THENCE easterly along the said limit of Elm Avenue, ninety-two feet (92') more or less, to the point of commencement.

# Discharge of Charge/Mortgage

# C

Form 3 — Land Registration Reform Act, 1984

FOR OFFICE USE ONLY

CA 329792

CERTIFICATE OF REGISTRATION  
CERTIFICATE OF REGISTRATION  
TORONTO REGISTRY (NO. 84)  
DIVISION OF REGISTRATION

95 01 31 09 35

*David Thompson*

(1) Registry  Land Titles  (2) Page 1 of 2 pages

(3) Property Identifier(s) Block Property: Additional: See Schedule

(4) Description  
See attached Schedule for particulars

(5) Charge to be Discharged  
Registration Number: CA 257826  
Date of Registration: Y 1993 M 12 D 01

(6) This is a  
Complete Discharge  Partial Discharge  Final Partial Discharge

(7) Description (cont'd.), Recitals, Assignments  
  
*Please add preamble to descriptions in box (4) (see mtg)*

Continued on Schedule

(8) Charge(s) I am the person entitled by law to grant the discharge and this charge is hereby discharged as to the land described herein.

Name(s) Signature(s) Date of Signature Y M D



## SCHEDULE

All and singular that certain parcel or tract of land and premises situate, lying and being in the City of Toronto in the Municipality of Metropolitan Toronto and Province of Ontario, and being composed of a part of Lot Number One (1) according to a plan filed as Number 266-E, in the Registry Office for East Toronto, and now in the Registry Office for the Registry Division of Toronto, and of a part of Lot Number Sixteen (16) according to a plan filed as Number 433 in the Registry Office for East and West York, and now in the said Registry Office for the Registry Division of Toronto; and which said parcel is more particularly described as follows:

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as per CT 533802

# Charge/Mortgage of Land

**B**

Form 2 — Land Registration Reform Act, 1984

FOR OFFICE USE ONLY

CA 257826

CERTIFICATE OF REGISTRATION  
CERTIFICAT D'ENREGISTREMENT  
TECHNICAL SURVEYOR (CH. 54)  
REGISTERED PROFESSIONAL ENGINEER

1993 12 1 13 20

**DISCHARGE REGISTERED**

(1) Registry  Land Titles  (2) Page 1 of \_\_\_\_\_ pages

(3) Property Identifier(s) Block \_\_\_\_\_ Property \_\_\_\_\_ Additional: See Schedule

Principal Amount  
Four Hundred and Seventy-two Thousand, Seven Hundred and Ninety Pounds Sterling ~~£472,790~~

(5) Description  
See attached schedule for particulars  
Being part lot 1, plan 266 F,  
and part lot 16, plan 433,  
for the Registry Division No. 64,  
in the City of Toronto, for the  
Municipality of Metropolitan Toronto.

Executions Additional: See Schedule

(6) This Document Contains (a) Redescription New Easement Plan/Sketch  (b) Schedule for: Description  Additional Parties  Other  (7) Interest/Estate Charged Fees Simple

(8) Standard Charge Terms — The parties agree to be bound by the provisions in Standard Charge Terms filed as number 911 and the Chargor(s) hereby acknowledge(s) receipt of a copy of these terms.

(9) Payment Provisions

(a) Principal Amount \$	£472,790	(b) Interest Rate	9 % per annum	(c) Calculation Period	Monthly
(d) Adjustment Date	Y 1993 M 10 D 01	(e) Payment Date and Period	Monthly	(f) First Payment Date	Y 1993 M 11 D 30
(g) Last Payment Date	1994 10 31	(h) Amount of Each Payment	To be determined	Dollars \$	
(i) Balance Due Date	1994 10 31	(j) Insurance		Dollars \$3,000,000	

(10) Additional Provisions

Continued on Schedule

(11) Chargor(s) The chargor hereby charges the land to the chargee and certifies that the chargor is at least eighteen years old and that

The chargor(s) acknowledge(s) receipt of a true copy of this charge.

Name(s)	Signature(s)	Date of Signature Y M D
Galty B.V.	<i>[Signature]</i>	1993 11 01
	Managing Director (I have authority to bind the Corporation)	

(12) Spouse(s) of Chargor(s) I hereby consent to this transaction.

Name(s)	Signature(s)	Date of Signature Y M D

(13) Chargor(s) Address for Service c/o V. M. Seabrook, O.C. Suite 1900, Royal Trust Tower, Toronto-Dominion Centre, P.O. Box 40, Toronto, Ontario

## SCHEDULE

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as per CT 533802

**THIS IS EXHIBIT "G"**  
**TO THE AFFIDAVIT OF TIMOTHY SEABROOK**

**SWORN MAY 5, 2023**



**COLBY LINTHWAITE**  
**A Commissioner, etc.**

**2002**

MEMORANDUM

TO: WAYNE WEAVER

DATE: JANUARY 14, 2002

FROM: V. M. SEABROOK, Q.C.

RE: OUR FILE NO. 7520

---

Re: Galty B.V. - Loan £1,006,123

We refer to your letter of December 24, 2001.

Please see page 3 of our letter of December 10, 2001. We require from you the duplicate original of Charge/Mortgage CA321126 in order to register the discharge.

VMS/mb

**LA HOUGUE FINANCIAL MANAGEMENT SERVICES  
LIMITED**

Telephone  
(01534) 766664

PO BOX 165, 19 SEATON PLACE, ST HELIER  
JERSEY JE4 8RZ, CHANNEL ISLANDS

Facsimile  
(01534) 766677

Mr V M Seabrook Q.C.  
Suite 2200  
181 University Avenue  
Toronto  
Ontario  
M5H 3M7

15<sup>th</sup> January 2002

Dear Vic

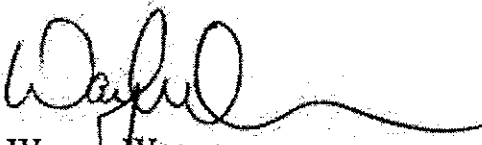
**Galty B.V. – Loan £1,006,123**

With reference to you fax dated 14<sup>th</sup> January 2002, please find enclosed the duplicate original of Charge/Mortgage. I apologise for the delay in sending this to you.

Also, please find enclosed two duplicate originals of the Payment Guaranty.

I trust the above is in order and look forward to hearing from you in due course.

Yours sincerely  
For and on behalf of  
La Hougue Financial Management Services Limited

  
Wayne Weaver  
Director

**THIS IS EXHIBIT "H"**  
**TO THE AFFIDAVIT OF TIMOTHY SEABROOK**

**SWORN MAY 5, 2023**



**COLBY LINTHWAITE**  
**A Commissioner, etc.**



## Colby Linthwaite

---

**From:** Brendan Bissell <bissell@gsnh.com>  
**Sent:** Monday, January 30, 2023 4:18 PM  
**To:** Colby Linthwaite  
**Subject:** RE: Re Galty BV

Hi Colby: I've discussed this with the trustee and where we've landed is that if The Avenue Road Trust ("ART") wants to add/rely upon these further documents then ART should bring a motion in that regard.

Among other things, the trustee and I will need further instructions from the estate inspectors on such matters if ART is going to pursue this, and it also seems unfortunately unlikely that the Feb. 16 special appointment can be kept if so. Given the passage of time on the proof of claim (to say nothing of the underlying litigation) it is within the realm of possibility that further interlocutory steps will be required to deal with these documents if they are going to be part of what ultimately goes before the Court on the appeal from the disallowance.

Please let me know if ART is going to pursue this. If not, we should get ourselves ready for hearing on Feb. 16 without these further documents. If so, then you and I should probably get a chambers appointment before Ilichenko, AJ to speak to this and (likely) get an adjournment of the special appointment.

Happy to discuss if you wish of course.

Regards,  
Brendan

**R. Brendan Bissell**



Suite 1600 | 480 University Avenue | Toronto ON | M5G 1V2

Direct 416 597 6489 | Fax 416 597 3370 | Mobile: 416 992 4979 | [www.gsnh.com](http://www.gsnh.com)

Assistant | Karen Jones | 416 597 9922 ext. 101 | [jones@gsnh.com](mailto:jones@gsnh.com)

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---

**From:** Colby Linthwaite <colby@fredtayar.com>  
**Sent:** January 24, 2023 11:38 AM  
**To:** Brendan Bissell <bissell@gsnh.com>  
**Subject:** Re Galty BV

Dear Brendan,

Tim Seabrook was recently going through some of his late father's personal effects, in his former residence, and came upon documents relevant to the dispute between our respective clients. I put them in chronological order and inserted sheets identifying them by year. They are attached. I think you will agree that they are relevant. For this reason, I propose to introduce them as evidence on the appeal, perhaps attached to an affidavit from Mr. Seabrook.

I'm aware that the agreed-upon deadline for the submission of additional documents has passed, but as I understand it the documents were in an unexpected location (and had apparently been forgotten by the senior Seabrook himself.)

Please review the attached and let me know if the trustee will consent to their admission. If you'd like to discuss this, give me a call.

Regards,

Colby Linthwaite  
Barrister and Solicitor  
Fred Tayar & Associates  
Professional Corporation  
65 Queen Street West, Suite 1200  
Toronto, ON M5H 2M5  
416.363.1800 ext. 300

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Court File No. BK-19-02484304-0031  
Estate No. 31-248304

**IN THE MATTER OF GALT B.V. HAVING ITS HEAD OFFICE IN THE CITY OF AMSTERDAM IN THE NETHERLANDS**

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
IN BANKRUPTCY AND INSOLVENCY**

Proceeding Commenced at Toronto

**AFFIDAVIT OF TIMOTHY SEABROOK  
(Sworn May 5, 2023)**

**FRED TAYAR & ASSOCIATES**  
**Professional Corporation**  
65 Queen Street West | Suite 1200  
Toronto, ON M5H 2M5  
T: 416-363-1800

**FRED TAYAR – LSO No. 23909N**  
E: [fred@fredtayar.com](mailto:fred@fredtayar.com)

**COLBY LINTHWAITE – LSO No. 49599K**  
E: [colby@fredtayar.com](mailto:colby@fredtayar.com)

**Lawyers for The Avenue Road Trust**

Court File No. BK-19-02484304-0031  
Estate No. 31-248304

**IN THE MATTER OF GALTBY B.V. HAVING ITS HEAD OFFICE IN THE CITY OF AMSTERDAM IN THE NETHERLANDS**

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
IN BANKRUPTCY AND INSOLVENCY**

Proceeding Commenced at Toronto

**MOTION RECORD  
(Returnable May 30, 2023)**

**FRED TAYAR & ASSOCIATES**  
Professional Corporation  
65 Queen Street West | Suite 1200  
Toronto, ON M5H 2M5  
T: 416-363-1800

**FRED TAYAR – LSO No. 23909N**  
E: [fred@fredtayar.com](mailto:fred@fredtayar.com)

**COLBY LINTHWAITE – LSO No. 49599K**  
E: [colby@fredtayar.com](mailto:colby@fredtayar.com)

**Lawyers for The Avenue Road Trust**