

B E T W E E N:

ONTARIO SECURITIES COMISSION

Applicants

- and -

**1725887 Ontario Inc., carrying on business as HEALTH AND HARMONEY
and HARMONEY CLUB INC.**

Respondents

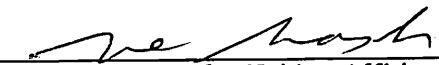
AFFIDAVIT OF BLAIR DAVIDSON

I, BLAIR DAVIDSON, of the Town of Newmarket, in the Province of Ontario, MAKE OATH AND SAY that:

1. I am the President of BDO Canada Limited, and as such have personal knowledge of the matters referred to herein.
2. By Order of the Honourable Madam Justice Hoy, dated August 5, 2010 (the Appointment Order), BDO Canada Limited was appointed Receiver and Manager of 1725887 Ontario Inc., carrying on business as Health and Harmony and Harmony Club Inc.
3. Pursuant to the Appointment Order, the Receiver has provided services and incurred disbursements which are more particularly described in the detailed accounts attached hereto and marked as Exhibit "A".
4. The time shown in the detailed accounts attached as Exhibit "A" are a fair and accurate description of the services provided and the amounts charged by the Monitor, which reflect the Monitor's time as billed at its standard billing rates.

5. The Monitor requests that the Court approve its fees and disbursements for the period from September 3, 2010 to January 25, 2011 in the amount of \$38,893.99 including HST of \$4,474.53, for the services set out in Exhibit "A".
6. This affidavit is sworn in support of the Receiver's motion for, among other things, approval of its fees and disbursements and those of its legal representatives and for no other or improper purpose.

SWORN BEFORE ME at the City of)
 Toronto, in the Province of Ontario, this)
4th day of March, 2011)


 Commissioner for Taking Affidavits, etc)


 Blair Davidson, CA-CIRP, CBV, CMC)

~~Uwe Manski, a Commissioner, etc.,~~
 Province of Ontario, for ~~BDO Canada LLP~~, Chartered
 Accountants and Consultants and BDO Canada Limited,
 Trustee in Bankruptcy, and their subsidiaries, associates
 and affiliates. Expires January 1, 2013.



Tel: 416 865 0210
Fax: 416 865 0904
www.bdo.ca

BDO Canada Limited
123 Front Street W, Suite 1200
Toronto ON M5J 2M2 Canada

INVOICE

Health & Harmony
c/o BDO Canada Limited
123 Front Street, Suite 1200
Toronto, Ontario M5J 2M2

Date

January 27, 2011

Invoice No.

10350689

Re: Health & Harmony

TO PROFESSIONAL SERVICES RENDERED in connection with the above-noted Bankruptcy for the period from 3 September 2010 to 25 January 2011 as per the details below:

Our fee in All:		\$ 34,289.03
Add Disbursements:		
Travel	20.43	
Postage / Courier	110.00	130.43
Sub-Total		34,419.46
HST (13%) - R101518124		4,474.53
Total Due:		38,893.99

Summary of Time Charges:	Hours	Rate	Amount
B. Davidson, Partner	7.50	495 / 550	\$ 3,717.50
E. Migus, Partner	1.75	495.00	866.25
G. Cerrato, Senior Manager	49.30	400 / 435	21,617.00
L. Rollo, Senior	30.75	230 / 232	7,118.00
Administrative Support	8.12		970.28



<i>Date</i>	<i>Professional</i>	<i>Comments</i>	<i>Time</i>
2-Sept-10	Cerrato, Gary	Draft court report; meet with B. Davidson to review report.	4.0
3-Sep-10	Cerrato, Gary	Discussions with B. Davidson re report; discussions with D. Nunes re his comments to report; amendments to the report; assemble all of the appendices for the report; conference call with D. Nunes and J. Grout re report and to strategize re Winsome Trust.	5.5
3-Sep-10	Davidson, Blair	Review and revise report for court; conference call with D. Nunes and J. Grout.	2.0
3-Sep-10	Rollo, Laryssa	Prepare supporting schedules/photocopy for the court report being prepared by G. Cerrato; conference call.	3.75
7-Sep-10	Davidson, Blair	Review and finalize court report; email R. Andres.	2.0
12-Sep-10	Migus, Eugene	Review court materials.	0.75
13-Sep-10	Migus, Eugene	Prepare for court motion.	1.0
15-Sep-10	Cerrato, Gary	Review of final report; discussions with B. Davidson re administration; meet with L. Rollo re completing the Claims Bar process; discussions with D. Nunes re moving forward with examination of Mr. Andres.	2.0
15-Sep-10	Davidson, Blair	Review court order; follow up on claims process and contact R. Andres for examination.	0.5
15-Sep-10	Rollo, Laryssa	Meet with G. Cerrato; update of user website for court documents; update of schedules in DMS.	2.0
22-Sep-10	Cerrato, Gary	Review Oshawa this week proof; creditor calls.	0.5
23-Sep-10	Cerrato, Gary	Follow with B. Davidson re status of locating and examining Mr. Andres; call to J. Blake re same; call to Mr. Andres; creditor calls; review of final proof for ad.	1.5
28-Sep-10	Cerrato, Gary	Call from B. Koitsis re status of claims process and discussions re possible trust claim issue.	0.5
30-Sep-10	Cerrato, Gary	Meet with L. Rollo to discuss sending of the Claims Bar Package; discussions with B. Chiasson re the preparation of the Customer Statements; discussions with B. Davidson re Mr. Andres.	1.0
30-Sep-10	Rollo, Laryssa	Meet with G. Cerrato, preparation of mailing to investors.	2.25



<i>Date</i>	<i>Professional</i>	<i>Comments</i>	<i>Time</i>
1-Oct-10	Rollo, Laryssa	Review of mailing; look for unknown 3 investors and prepare for mailing.	1.25
4-Oct-10	Rollo, Laryssa	Return phone calls from investors re creditor package received.	0.5
5-Oct-10	Cerrato, Gary	Various discussions with A. Goldate from the Texas Securities Bureau to discuss issues as they relate to Winsome Trustee; email exchanges with A. Goldate; review of material from D. Nunes re Winsome trust; search internet re fraud issues with Winsome trust; calls from investor re possible trust claim and issues; further investigations re Winsome trust.	3.5
5-Oct-10	Davidson, Blair	Review Winsome trust and Andres fraud claims.	1.0
8-Oct-10	Cerrato, Gary	Respond to customer calls re claims process.	0.8
12-Oct-10	Cerrato, Gary	Follow up discussions with A. Goldate; calls with C. Peel counsel for individual in Texas suing Winsome Trust for fraud; meet with L. Rollo re I. Buchanan claims; call with I. Buchanan re fraud issues re Winsome Trust; call to J. Blake; correspondence from Andres.	4.0
12-Oct-10	Rollo, Laryssa	Meet with G. Cerrato; review of Buchanan claims; phone calls from investors.	3.25
15-Oct-10	Rollo, Laryssa	Return investors calls.	0.5
18-Oct-10	Davidson, Blair	Review documents from Winsome; email R. Andres.	1.0
19-Oct-10	Cerrato, Gary	Investor calls re claims process.	0.5
19-Oct-10	Rollo, Laryssa	Call back of voicemails left; update of website.	1.25
20-Oct-10	Rollo, Laryssa	Return calls to investors.	0.5
21-Oct-10	Rollo, Laryssa	Calls with investors.	0.75
22-Oct-10	Cerrato, Gary	Return investor calls.	0.5
25-Oct-10	Cerrato, Gary	Calls from investors.	0.6
25-Oct-10	Rollo, Laryssa	Calls with investors re proof of claim filing.	1.0
26-Oct-10	Rollo, Laryssa	Calls with investors.	0.5
27-Oct-10	Rollo, Laryssa	Return calls with investors.	1.5



<i>Date</i>	<i>Professional</i>	<i>Comments</i>	<i>Time</i>
28-Oct-10	Cerrato, Gary	Respond to investor calls re claims process; review of claims received to date.	0.8
3-Nov-10	Rollo, Laryssa	Call back investors re claims process.	0.75
4-Nov-10	Rollo, Laryssa	Call back investors re claims process.	0.75
8-Nov-10	Rollo, Laryssa	Phone calls with investors re claims bar process.	1.0
15-Nov-10	Rollo, Laryssa	Call back investors re claims process.	1.25
22-Nov-10	Rollo, Laryssa	Call back investors re claims process.	0.75
24-Nov-10	Rollo, Laryssa	Calls from investors re claims bar process to explain next steps.	0.5
2-Dec-10	Cerrato, Gary	Discussions with L. Rollo re claims; call from creditor re status of claims bar.	0.5
9-Dec-10	Cerrato, Gary	Call from S. Ligon re Elgin Clemons and his association with the Winsome Trust.	0.5
10-Dec-10	Cerrato, Gary	Meet with L. Rollo to review claims.	3.0
10-Dec-10	Rollo, Laryssa	Review of claims received; preparation of letters of revision/disallowance to creditors.	2.25
15-Dec-10	Cerrato, Gary	Meet with L. Rollo re disallowances and review of same; various discussions with D. Nunes re same; call to J. Blake re his claim; review of correspondence from I. Buchannan.	2.5
15-Dec-10	Rollo, Laryssa	Preparation of notice of revision/disallowance to investors.	3.5
16-Dec-10	Cerrato, Gary	Call from I. Buchanan re disallowance; discussions with L. Rollo re problems with disallowances.	1.0
4-Jan-11	Cerrato, Gary	Review of information provided by I. Buchannan to support his family's claims; meet with L. Rollo re same.	0.5
13-Jan-11	Cerrato, Gary	Work on report; discussions with D. Nunes re update on status of receivership.	1.3
14-Jan-11	Cerrato, Gary	Meet with L. Rollo to review final claims list; prepare distribution list in excel; prepare schedule of estimated distribution.	2.5



<i>Date</i>	<i>Professional</i>	<i>Comments</i>	<i>Time</i>
14-Jan-11	Rollo, Laryssa	Meet with G. Cerrato re claims, prepare affidavit of time for mailing.	1.0
17-Jan-11	Cerrato, Gary	Work on report.	3.0
19-Jan-11	Cerrato, Gary	Call with D. Nunes re the Buchanan claims; working on report.	2.3
20-Jan-11	Cerrato, Gary	Work on report.	1.5
21-Jan-11	Cerrato, Gary	Draft report.	3.5
24-Jan-11	Cerrato, Gary	Work on report.	1.5
25-Jan-11	Davidson, Blair	Review report #2.	1.0