

FILE COPY	
GENERAL FILE	
CLAIMS	
CREDITOR CORRESP.	
ASSETS	
RETURNS - FINANCIAL	
ACCOUNTS	
SPARES	
OTHER ( DESCRIBE )	

25 October 2006

MTC Leasing Inc.  
3310 South Service Road  
Burlington, Ontario  
L7N 3M6

Dear Sirs:

**Re: Shield Sprinkler Fire Systems Inc., Interim Receivership**

On 16 October 2006 the Ontario Superior Court of Justice issued an Order appointing BDO Dunwoody Limited as Interim Receiver (the "Interim Receiver") of Shield Sprinkler Fire Systems Inc. ("Shield"). Shield subsequently filed an assignment in bankruptcy on 23 October 2006.

Please find enclosed:

1. A copy of the Court Order ("Order") appointing BDO Dunwoody Limited as Interim Receiver;
2. A copy of the Certificate of Appointment, appointing BDO Dunwoody Limited as Trustee of the estate;
3. Notice by Trustee Requiring Filing of Proof of Security;
4. Statement of Affairs of Shield;
5. Proof of claim and Proxy form; and
6. Property Proof of Claim form.

We draw your attention to paragraph 5 of the Order requiring you to provide any information to the Interim Receiver as requested. Further, Section 128 of the *Bankruptcy and Insolvency Act* requires that within 30 days of this notice, you prove any secured claims you may have.

Accordingly, if you feel you have a secured claim against Shield please forward the completed proof of claim with support, including all security documents and postponements, if any. Failure to prove a claim within 30 days will result in the Interim Receiver selling the assets, upon court approval.

All correspondence must be sent to:

BDO Dunwoody Limited  
1 City Centre Drive, Suite 1040  
Mississauga, Ontario  
L5B 1M2  
Attention: Peter Naumis

We also draw your attention to paragraphs 17, 18 and 29 of the order, which provide a first charge against all assets of Shield in favour of the costs of the Interim Receiver and the right of any party affected by this Order to make an application to the Court to amend or vary the Order upon seven (7) days notice to the Interim Receiver and any other party likely to be affected by the Order sought.

If you have any inquiries, please contact Peter Naumis at (905) 615-8087 ext. 4233.

Yours very truly,

**BDO DUNWOODY LIMITED**

Interim Receiver and Trustee in Bankruptcy

In the matter of Shield Sprinkler Fire Systems Inc.

Per:



D.R. McConnell, CGA, CIRP  
Vice President

Encl.



**BDO Dunwoody Limited**  
Trustee in Bankruptcy

1 City Centre Drive Suite 1040  
Mississauga Ontario Canada L5B 1M2  
Telephone: (905) 615-8787  
Fax: (905) 615-1333

[www.bdo.ca](http://www.bdo.ca)

**District of Ontario**  
**Division No. 9 – Toronto**  
**Court No. 32-156397**  
**Estate No. 32-156397**

**NOTICE BY TRUSTEE REQUIRING FILING OF PROOF OF  
SECURITY(Subsection 128(1) of the Act)**

**IN THE MATTER OF THE BANKRUPTCY OF  
SHIELD SPRINKLER FIRE SYSTEMS INC.  
OF THE CITY OF BRAMPTON,  
IN THE REGIONAL MUNICIPALITY OF PEEL,  
IN THE PROVINCE OF ONTARIO.**

TAKE NOTICE THAT:

1. You are hereby required, pursuant to Subsection 128(1) of the Act, to file with us a proof of claim and proof of security (security documents) relating to any security that you hold on the property of Shield Sprinkler Fire Systems Inc., a bankrupt, which property is described below:

**Equipment**

2. The proof of claim and proof of security must give full particulars of the security, including the date on which it was given and the value at which you assess it.
3. If you do not file with us a proof of claim and proof of security in respect of the property, within the 30 days after the day on which this notice is served we may, with leave of the Court, sell or dispose of the property, free of your security.
4. A proof of claim in the required form is attached.

DATED at Mississauga, this 23<sup>rd</sup> day of October 2006.

**BDO DUNWOODY LIMITED**

Trustee

Per:

  
D.R. McConnell, B. Comm., CGA, CFE, CIRP  
Vice-President

Encl.

MTC Leasing Inc.  
3310 South Service Road  
Burlington, Ontario  
L7N 3M6

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	GENERAL FILE
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November 22, 2006

MTC Leasing Inc.  
3310 South Service Road,  
Burlington, Ontario  
L6T 5K9

Dear Sirs:

**Re: Estate of Shield Sprinkler Fire Systems Inc., a bankrupt**

Notice was previously forwarded to you that the Ontario Superior Court of Justice issued an Order appointing BDO Dunwoody Limited as Interim Receiver (the "Interim Receiver") of Shield Sprinkler Fire Systems Inc. ("Shield") on October 16, 2006. Shield filed an assignment into bankruptcy on October 23, 2006. BDO Dunwoody Limited was appointed the Trustee. Notice of the appointments was provided to you on October 23, 2006. The Order is also available on our web site at [www.bdo.ca/shield](http://www.bdo.ca/shield).

Our review of the search results on the Personal Property Security Registry reports the registration of a security interest in the assets by you, and a subsequent postponement of the interest in favour of the registration of the Royal Bank of Canada. We have not yet received a claim from you. Accordingly, we are writing to you in an attempt to determine your position with respect to the potential existence of a secured claim in your favour, and its enforceability against intervening creditors. It will obviously assist, and minimize costs, if we can identify the areas of concurrence and dispute.

**Please find enclosed our demand that you prove your secured claim, if any, within 30 days of this notice. If you do not file with us a proof of claim and proof of security in respect of the property, within the 30 days after the day on which this notice is served we may, with leave of the court, sell or dispose of the property, free of your security.**

**If you do not claim a security interest in these assets, or you do not intend to file a Proof of Claim, please advise us accordingly at your earliest opportunity.**

The secured claims against the assets far exceed their value. As Trustee, therefore, we do not have any practical reason to take issue with any secured claims against this bankrupt estate although we must reserve the right to obtain a legal opinion and take a position in the unlikely event the property comes into our possession as Trustee. The perfection or enforceability of your secured claim against the estate, however, does not necessarily have any bearing on its enforceability against intervening secured creditors, who may have rights in addition to those of the Trustee, in particular the postponement.

It is anticipated that all receipts and disbursements, and any release of assets, will be conducted in our capacity as Interim Receiver, and will be subject to the final approval of

the court. Our duties as Interim Receiver are similar to the Trustee, to review the claims, protect the assets and distribute the receipts, although the formal process may vary. We will not take a position on disputes on the distribution between competing claims, except, if it should become necessary to carry out our duties to preserve a right, or if we are placed in an adversarial position.

All disputed issues must be settled by agreement between all interested parties, or by further order of the court. We are canvassing all known parties believed to have an interest. Any distribution or release of assets will be subject to court approval.

Please provide us with your secured claim, if any, and your position on the priority of that claim, including consideration of the registered postponement. Also with legible copies of all documents in your possession pertaining to the security in general, and the postponement to the Royal Bank of Canada in particular. Competing claims may include a Deemed Trust claim expected to be filed by Canada Revenue Agency, and the security registered to Royal Bank of Canada and Ms. Anna Marciano-De Giorgio and other security registered on specific assets.

Please also provide us with the contact information if you wish to be represented by legal counsel in this matter.

Information pertaining to Shield, including the Court Order and the secured claims filed, may be accessed on our web site at [www.bdo.ca/shield](http://www.bdo.ca/shield). To access the secured claims you will require the following security access codes: User Name: bdo; Password: pass8.

We trust you will find the foregoing satisfactory and appreciate your cooperation. If any questions arise, please contact me at 905-615-6202 (Fax 905-615-1333)(e-mail [dmccconnell@bdo.ca](mailto:dmccconnell@bdo.ca)).

Yours very truly,

**BDO DUNWOODY LIMITED**

Trustee in Bankruptcy and Interim Receiver

In the matter of  
Shield Sprinkler Fire Systems Inc.

Per:



D.R. McConnell, B.Comm., CGA, CFE, CIRP  
Vice President

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**BDO Dunwoody Limited**  
Trustee in Bankruptcy

1 City Centre Drive, Suite 1040  
Mississauga, Ontario, Canada L5B 1M2  
Telephone: (905) 615-8787  
Fax: (905) 615-1133

[www.bdo.ca](http://www.bdo.ca)

**District of ONTARIO**  
**Division No. 9-MISSISSAUGA**  
**Court No. 32-156397**  
**Estate No. 32-156397**

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

**IN THE MATTER OF THE BANKRUPTCY OF  
SHIELD SPRINKLER FIRE SYSTEMS INC.  
OF THE CITY OF BRAMPTON,  
IN THE REGIONAL MUNICIPALITY OF PEEL,  
IN THE PROVINCE OF ONTARIO.**

**Form 76 – Notice by Trustee Requiring Filing of Proof of Security  
(Subsection 128(1) of the Act)**

Take notice that:

1. You are hereby required, pursuant to subsection 128(1) of the Act, to file with me a proof of claim and proof of security (security documents) relating to any security that you hold on the property of Shield Sprinkler Fire Systems Inc., a bankrupt, which property is described below:  
  
Equipment, accounts and other, described as equipment.
2. The proof of claim and proof of security must give full particulars of the security, including the date on which it was given and the value at which you assess it.
3. If you do not file with us a proof of claim and proof of security in respect of the property, within the 30 days after the day on which this notice is served we may, with leave of the court, sell or dispose of the property, free of your security.
4. A proof of claim in the required form is attached.

Dated at Mississauga, Ontario, this 22<sup>nd</sup> day of November, 2006.

BDO Dunwoody Limited  
As Trustee in Bankruptcy in the matter of  
Shield Sprinkler Fire Systems Inc.

**To:**

MTC Leasing Inc.  
3310 South Service Road,  
Burlington, Ontario  
L6T 5K9