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

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BY MAIL & FAX: 905-465-3512

November 22, 2006

De Lage Landen Financial Services Canada Inc.
 100 – 1235 North Service Road West
 Oakville, Ontario
 L6M 2W2

Attention: Laura Pollock, Senior Collection Representative

Dear Sirs:

**Re: Estate of Shield Sprinkler Fire Systems Inc., a bankrupt
 Your Contract No. 001-006859-000**

We acknowledge receipt of your Proof of Claim dated October 27, 2006, with attachments.

We are writing to you in an attempt to determine your position with respect to the enforceability of your secured claim against intervening creditors. It will obviously assist, and minimize costs, if we can identify the areas of concurrence and dispute.

Unfortunately, not all of the attachments to your claim are legible, making it difficult for us to assess you position. It appears you are relying upon a Personal Property Security Act registration in the name of NEC Canada Inc. but it is not clear how that registration pertains to your claim of perfected security. Further, our review of the search results on the Personal Property Security Registry reports the NEC registration of a security interest in the assets has been postponed in favour of the registration of the Royal Bank of Canada.

As you are probably aware, 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. The Order is available on our web site at www.bdo.ca/shield.

The secured claims against the assets far exceed their value. As Trustee, therefore, we do not have any practical reason to take issue with your secured claim 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.

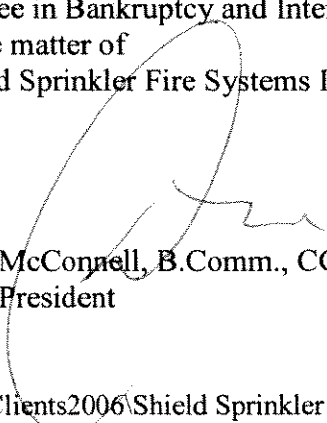
All disputed issues must be settled by agreement between all interested parties, or by further order of the court. We are canvassing all known parties believed to have an interest. Any distribution or release of assets will be subject to court approval.

Please provide us with your position on the priority of your claim, including consideration of your reliance on the NEC registration and 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.

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

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).

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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