

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

25 October 2006

Onset Capital Corporation
300-666 Burrard Street
Vancouver, Ontario
V6C 2X1

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.

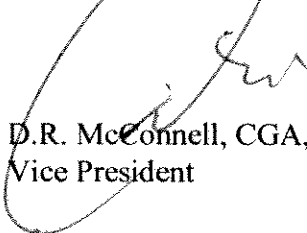
Yours very truly,

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

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:

**8 Pipe Cutter, 700 Power Drive, and Rigid 535 Machine
Ridget 2" 300C Threader Ridget Stand/Vise, Ridget 916 Ross Groover,
2" to 4" Heavy Pipe Cutter**

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 23rd day of October 2006.

BDO DUNWOODY LIMITED

Trustee

Per:



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

Onset Capital Corporation
300-666 Burrard Street
Vancouver, ON
V6C 2X1

Encl.

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

November 22, 2006

Onset Capital Corporation
666 Burrard Street, Suite 300
Vancouver, B.C.
V6C 2X8

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.

Our review of the search results on the Personal Property Security Registry reveals a registration of a security interest in the assets may have been made by you, and a subsequent postponement of the interest made in favour of the registration of the Royal Bank of Canada. We have not yet received a claim from you. We have received a claim filed by Irwin Commercial Finance which may pertain to your registered security, although it does not describe or prove any relationship to it or your. 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 debt due from this bankrupt, with or without 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.

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 dmconnell@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) 615-1333

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 and Other described as 535 Machine (s), Rigid Threading Machine (s) together with all attachment accessories accessions replacements substitutions additions and improvements thereto and all proceeds in any form derived directly or indirectly from any sale and or dealings with the collateral and a right to an insurance payment or other payment that indemnifies or compensates for loss or damage to the collateral or proceeds from the collateral.
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 22nd day of November, 2006.

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

To:

Onset Capital Corporation
666 Burrard Street, Suite 300
Vancouver, B.C., V6C 2X8

BDO Dunwoody Limited

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

PROOF OF CLAIM

(Subsections 50(13), 50.1(1) and 65.2(4), paragraphs 51(1)(e) and 66.14(b); subsections 81.2(1), 102(2), 124(2) and 128(1) of the Bankruptcy and Insolvency Act)

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

IN THE MATTER OF THE BANKRUPTCY / PROPOSAL / RECEIVERSHIP of _____
(name of debtor), of _____ (City and Province) and the claim of _____, creditor.

I, _____ (name of creditor), of _____ (City and Province), do hereby certify:

1. That I am a creditor of the above-named debtor (or that I am _____ (state position or title) of _____ (name of creditor).

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 _____ day of _____ 20____, and still is indebted to the creditor in the sum of \$_____, as specified in the statement of account (or affidavit or solemn declaration) attached and marked "Schedule A", after deducting any counterclaims to which the debtor is entitled. (The attached statement of account, or affidavit or solemn declaration must specify the vouchers or other evidence in support of the claim.)

4. (Check and complete appropriate category.)

() A. UNSECURED CLAIM OF \$_____.

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 do not claim a right to a priority.

() Regarding the amount of \$_____, I claim a right to a priority under Section 136 of the Act. (Set out on an attached sheet details to support priority claim.)

() A.I. CLAIM OF LANDLORD 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)

() B. SECURED CLAIM \$_____.

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.)

() C. 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.)

() D. CLAIM AGAINST DIRECTOR \$_____.

(To be filed 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).

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.

6. That the following are the payments that I have received from, and the credits that I have allowed to, the debtor within the three months (or, if the creditor and the debtor are related within the meaning of Section 4 of the Act, within the 12 months) immediately before the date of the initial bankruptcy event within the meaning of Section 2 of the Act: (Provide details of payments and credits.)

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

() I request to be advised of any material change in the financial situation of the bankrupt, pursuant to subparagraph 102(3)(b)(I) of the Act.

() I request to be advised of any amendment made regarding the amount that the bankrupt is required to pay, pursuant to subsection 68(4) of the Act.

() 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 _____, this _____ day of _____,

Phone No: _____
Fax No: _____
E-mail: _____

Witness
NOTE:

Creditor

If an affidavit or solemn declaration is attached, it must have been made before a person qualified to take affidavits or solemn declarations.

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 Bankruptcy and Insolvency Act provides severe penalties for making any false claim, proof, declaration or statement of account.



SHIELD

SPRINKLER FIRE SYSTEMS INC.

13 KENVIEW BLVD., UNIT #10
BRAMPTON, ONTARIO L8T 5K9

Telephone: (905) 791-3456 - Fax (905) 791-3635

June 2, 2006

Royal Bank of Canada
Business Service Centre
180 Wellington St. West
3rd Floor
Toronto, Ontario
M5J 1J1

Attention: Huen Knox

Dear Huen:

Re: Onset Capital Corporation

As requested we are confirming that Shield Sprinkler Fire Systems Inc. will not proceed in obtaining credit from Onset Capital as of June 2, 2006.

Yours truly,

Shield Sprinkler Fire Systems Inc.

Frank Marclano
President

FM/ap

