



Canada Revenue Agency
Agence du revenu du Canada

Tax Services Office
Mississauga ON L5A 4E9

December 19, 2006

BDO DUNWOODY LIMITED
1 CITY CENTRE DRIVE
SUITE 1040
MISSISSAUGA ON L5B 1M2

Dear Sir:

SHIELD SPRINKLER FIRE SYSTEMS INC
Account number: 87944 9221 RP0001

We have been advised that you have been appointed Interim Receiver for the above referenced. At present there is an indebtedness to Canada Revenue Agency for employee source deductions amounting to \$521,280.22.

Particulars of this liability are as follows:

Date of Assessment	Tax Deduct.	CPP	EI	Penalty & Interest	Total
8-29-05	\$151,919.23	50,656.58	23,910.43	53,606.67	\$280,092.91
1-17-06	25,995.24	00.00	00.00	2,583.43	28,578.67
8-3-06	144,794.85	00.00	00.00	26,392.50	171,187.35
10-13-06	00.00	00.00	00.00	37,707.96	37,707.96
Accrued interest				3,713.33	3,713.33
TOTAL	\$322,709.32	50,656.58	23,910.43	124,003.89	\$521,280.22

Pursuant to the provisions of subsection 227(4) of the "Income Tax Act" of Canada, subsection 23(3) of the "Canada Pension Plan," subsection 57(2) of the "Unemployment Insurance Act" and subsection 86(2) of the "Employment Insurance Act," the following amounts, which are included in the above totals, are trust funds and form no part of the property, business, or estate of SHIELD SPRINKLER FIRE SYSTEMS INC in receivership.

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Toronto West Tax Services Office
P.O. Box 6000
5800 Hurontario Street
Mississauga ON L5A 4E9

Local: (905) 566-6663
Fax: (905) 615-2349
Web site: www.cra.gc.ca

- 2 -

Income Tax		CPP Employee	EI Employee	Total
Federal	Provincial	Portion	Portion	
\$236,404.59	\$86,304.73	\$25,328.29	\$9,962.68	\$358,000.29

Payment of the total amount of this trust, namely \$358,000.29 should be made to the Receiver General out of the realization of any property that is subject to these statutory trusts in priority to all other creditors. Please forward payment by return mail. In the event this is not possible, please indicate when payment will be forthcoming.

Please advise when payment of the remaining balance of \$163,279.93 plus interest to date of payment may be forthcoming. Your attention is drawn to section 159 of the "Income Tax Act," subsection 23(5) of the "Canada Pension Plan," subsection 57(4.1) of the "Unemployment Insurance Act" and subsection 86(4) of the "Employment Insurance Act."

This letter also serves as notice that should payment be made of any amount described in subsection 153(1) of the "Income Tax Act" for periods prior or subsequent to your appointment, tax deductions must be withheld and remitted in accordance with this subsection and Income Tax Regulations 101 and 108. Your attention is also directed to section 3 of the "Unemployment Insurance Act" (Collection of Premiums) Regulations, section 5 of the "Employment Insurance Act" and section 8 of the "Canada Pension Plan" Regulations.

Yours truly,



J. Henry
Resource/Complex Case Officer

PROXY

IN THE MATTER OF
THE RECEIVERSHIP OF:

SHIELD SPRINKLER FIRE SYSTEMS INC.

Her Majesty The Queen in Right of Canada, as represented by the Minister of National Revenue, a creditor, hereby appoints **Joan Henry**, of the City of Mississauga, in the Province of Ontario, an officer of the Department of National Revenue to be *Her* general proxy in the above insolvency proceeding, except for receipt of dividends.

Dated at Mississauga, this 19th day of DECEMBER 2006.

Her Majesty The Queen in Right of Canada, as
represented by the Minister of National Revenue

per:

A. Hansetta

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J. Littlejohn
Witness

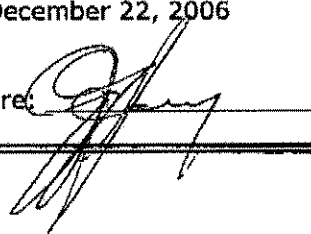
for the Director - Toronto-West Tax Services
Department of National Revenue



Resant 9/1/07
par Darryl Inquest

**FACSIMILE
TRANSMITTAL NOTICE**

**AVIS DE TRANSMISSION DE
FACSIMILE**

To/A : BDO Dunwoody Limited	From/De: J. Henry
Facsimile Telephone No. No de telephone du facsimile: (905) 615-1333	Facsimile telephone No. No de telephone du facsimile: (905) 615-2349
Subject/Object: Shield Sprinkler Fire Systems Inc	
Number of pages including this page Nombre de pages incluant cette page: 3	
Message: Please find attached an amendment to the Receiver/Manager letter sent on December 19 th 2006. As per our discussion on December 20, 2006 please provide us with a list of receivables, including details of the ones outstanding and what you have collected to date. Thank you.	
Telephone No. No de telephone: (905) 566-6663	Date: December 22, 2006 Signature: 

This fax document is directed solely to the persons named above. This fax transmission may contain protected client information that is not intended for unauthorized recipients. If you are not the addressee or an authorized representative thereof, please contact Security at 905-566-6661 and they will arrange for retrieval of the document. Any unauthorized use of this fax document by a person other than the intended addressee/recipient, is strictly forbidden. Thank you for your cooperation.

Ce document s'adresse uniquement aux personnes susmentionnées. Il pourrait contenir des renseignements protégés sur les clients qui ne sont pas destinés aux destinataires non autorisés. Si vous n'êtes pas le destinataire prévu ou son représentant autorisé, veuillez communiquer avec Sécurité au 905-566-6661 afin que l'on puisse récupérer le document en question. Toute utilisation non autorisée de ce document par une personne autre que le destinataire prévu est strictement interdite. Merci de votre collaboration.

Facs: (905) 615-2349
Toronto West Tax Services Office
5800 Hurontario Street
P.O. Box 8000
Mississauga, Ontario
L5A 4E9

Télécopieur: (905) 615-2349
Bureau des services fiscaux de Toronto-Ouest
5800, rue Hurontario
Case Postale 8000
Mississauga (Ontario)
L5A 4E9

Canada



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Tax Services Office
Mississauga ON L5A 4E9

December 22, 2006

BDO DUNWOODY LIMITED
1 CITY CENTRE DRIVE
SUITE 1040
MISSISSAUGA ON L5B 1M2

Dear Sir:

SHIELD SPRINKLER FIRE SYSTEMS INC
Account number: 87944 9221 RP0001

We have been advised that you have been appointed Interim Receiver for the above referenced. At present there is an indebtedness to Canada Revenue Agency for employee source deductions amounting to \$517,566.89.

Particulars of this liability are as follows:

Date of Assessment	Tax Deduct.	CPP	EI	Penalty & Interest	Total
8-29-05	\$151,919.23	00.00	00.00	19,458.00	\$171,377.23
1-17-06	25,995.24	00.00	00.00	2,583.43	28,578.67
8-3-06	144,794.85	50,656.58	23,910.43	25,007.24	244,369.10
Accrued interest				33,710.48	33,710.48
Accrued penalty				39,531.41	39,531.41
TOTAL	\$322,709.32	50,656.58	23,910.43	120,290.56	\$517,566.89

Pursuant to the provisions of subsection 227(4) of the "Income Tax Act" of Canada, subsection 23(3) of the "Canada Pension Plan," subsection 57(2) of the "Unemployment Insurance Act" and subsection 86(2) of the "Employment Insurance Act," the following amounts, which are included in the above totals, are trust funds and form no part of the property, business, or estate of SHIELD SPRINKLER FIRE SYSTEMS INC in receivership.

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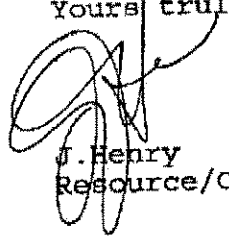
Income Tax		CPP Employee	EI Employee	Total
Federal	Provincial	Portion	Portion	
\$236,404.59	\$86,304.73	\$25,328.29	\$9,962.68	\$358,000.29

Payment of the total amount of this trust, namely \$358,000.29 should be made to the Receiver General out of the realization of any property that is subject to these statutory trusts in priority to all other creditors. Please forward payment by return mail. In the event this is not possible, please indicate when payment will be forthcoming.

Please advise when payment of the remaining balance of \$159,566.60 plus interest to date of payment may be forthcoming. Your attention is drawn to section 159 of the "Income Tax Act," subsection 23(5) of the "Canada Pension Plan," subsection 57(4.1) of the "Unemployment Insurance Act" and subsection 86(4) of the "Employment Insurance Act."

This letter also serves as notice that should payment be made of any amount described in subsection 153(1) of the "Income Tax Act" for periods prior or subsequent to your appointment, tax deductions must be withheld and remitted in accordance with this subsection and Income Tax Regulations 101 and 108. Your attention is also directed to section 3 of the "Unemployment Insurance Act" (Collection of Premiums) Regulations, section 5 of the "Employment Insurance Act" and section 8 of the "Canada Pension Plan" Regulations.

Yours truly,



J. Henry
Resource/Complex Case Officer