

SHIELD INVESTMENTS LTD.
13 Kenview Blvd., Unit 10
Brampton, Ontario
L6T 5K9

October 25, 2005

Anna Marciano-DeGiorgio

Dear Ms. Marciano-DeGiorgio:

**Re: Frank Marciano Share and Debt Purchase from Anna Marciano-DeGiorgio
of all of her shares and debt of Shield Investments Ltd.**

This Letter of Agreement shall constitute a binding letter of intent by which Frank Marciano (the "**Purchaser**") will purchase from Anna Marciano-DeGiorgio (the "**Vendor**") all of her thirty-five (35) common shares of Shield Investments Ltd. and take an assignment of the debt owing to the Vendor by Shield Investments Ltd. Subject to the compliance with the terms of this Letter of Agreement, the parties will use their best efforts to close the share purchase transaction on November 30, 2005 (the "**Closing Date**"). The following terms and conditions will apply:

Purchase Price

The purchase price to be paid to the Vendor for shares and debt shall be the amount of **FOUR HUNDRED AND FOURTEEN THOUSAND (CDNS414,000.00) DOLLARS** (the "**Purchase Price**") payable by the delivery of a promissory note on the Closing Date issued by the Purchaser to the Vendor in a principal amount of **FOUR HUNDRED AND FOURTEEN THOUSAND (\$414,000.00) DOLLARS** (the "**Note**"). The Note shall be payable in accordance with Schedule "A", provided that the Purchaser may increase the amount of the payment due on December 30 in each of the years from 2005 to 2009 inclusive and the amount of any such pre-payment shall be credited to the last payment obligations under the Note. The Note shall be immediately due and payable in the event of a sale by the Purchaser of all or substantially all of his shares of Shield Investments Ltd. to an arm's length purchaser or in the event of a sale of substantially all of the assets of any of Shield Investments Ltd., Shield Sprinkler & Fire Systems Ltd. and Shield Sprinkler Fire Systems Inc. The Note shall immediately be due and payable in the event of default. In the event of default, interest at the rate of 5% per annum shall be due and payable on the outstanding balance at the time of default. The Note shall be guaranteed by Shield Investments Ltd., Shield Sprinkler & Fire Systems Ltd. and Shield Sprinkler Fire Systems Inc.

The Note shall be non-interest bearing. Prior to the repayment of the Note in full, the Vendor shall receive semi-annual financial statements for Shield Investments Ltd., Shield Sprinkler & Fire Systems Ltd. and Shield Sprinkler Fire Systems Inc. as such financial statements are prepared by the accountants.

- 2 -

The Note shall be secured against the assets of Shield Investments Ltd., Shield Sprinkler & Fire Systems Ltd. and Shield Sprinkler Fire Systems Inc. by issuing a general security agreement in favour of the Vendor, notice of which will be filed in the Ontario Personal Property Security Registration System, provided that such security shall be subordinate to any bank security that may be in effect from time to time for Shield Investments Ltd., Shield Sprinkler & Fire Systems Ltd. and/or Shield Sprinkler Fire Systems Inc.

The Purchaser shall execute a postponement and assignment of debt in favour of the Vendor solely with respect to any indebtedness owed to him by Shield Investments Ltd., Shield Sprinkler & Fire Systems Ltd. and Shield Sprinkler Fire Systems Inc.

The Purchase Price shall be structured in the most tax efficient manner. The Purchase Price shall be allocated firstly to the purchase of the debt and the balance allocated to the purchase of the shares. The Vendor is presently holding a promissory note issued by Shield Investments Ltd. in the amount of three hundred and forty-eight thousand (\$348,000.00) dollars with a balance outstanding of \$304,000.00 (the "Assigned Debt").

Conditions

The obligations of the Vendor, the Purchaser and Shield Investments Ltd. to complete the transaction contemplated by this Letter of Agreement shall be subject to the following conditions to be fulfilled on or prior to the Closing Date:

1. The Purchaser shall have completed a transaction with Tony Marciano and Angela Marciano to purchase or redeem all of their shares in Shield Investments Ltd. and Shield Sprinkler & Fire Systems Ltd.;
2. A definitive share and debt purchase agreement containing such representations and warranties as agreed upon by the parties and such documents as are contemplated by this Letter of Agreement, shall have been prepared and executed by the Purchaser, the Vendor, Shield Investments Ltd., Shield Sprinkler & Fire Systems Ltd. and Shield Sprinkler Fire Systems Inc.;
3. The approval of the Boards of Directors of Shield Investments Ltd.;
4. Mutual releases will be executed and delivered by the Vendor, the Purchaser, Shield Sprinkler & Fire Systems Ltd., Shield Sprinkler Fire Systems Inc., Tony Marciano, Angela Marciano, Anthony Marciano and Shield Investments Ltd. except for the obligations contemplated by this Letter of Agreement;
5. The Vendor shall resign as an officer and director of Shield Investments Ltd. and its affiliates;
6. The Vendor will be released from all personal guarantees provided on account of Shield Investments Ltd. and its affiliates.

General Terms

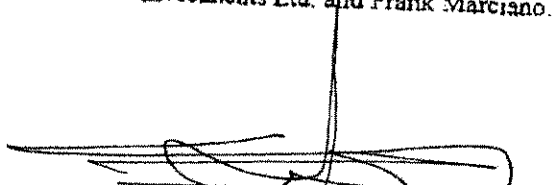
1. The Vendor and the Purchaser agree to retain in the strictest confidence all information with respect to this proposed transaction and the business and affairs of Shield

Investments Ltd and its affiliates, and undertake not to disclose any such confidential information without the express written consent of the other party.

- 2. Each party will bear their own costs and expenses in connection with this proposed transaction including, without limitation, fees for the respective legal counsel, accountants, agents and other advisors.
- 3. Time is of the essence.
- 4. This Letter of Agreement shall be interpreted and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.
- 5. This Letter of Agreement may be executed by facsimile and in one or more counterparts and by different parties hereto in separate documents, each of which when so executed shall be deemed to be an original and all of which when taken together shall constitute one and the same agreement.


Acceptance

This Offer is open for acceptance on or before 5:00 p.m. (Toronto time) on Tuesday, October 25, 2005 after which time it is null and void unless extended by the written consent of Shield Investments Ltd. and Frank Marciano.



FRANK MARCIANO

SHIELD INVESTMENTS LTD.



Per: Frank Marciano, President

All of the terms and conditions of this Letter of Agreement are hereby accepted and agreed to by the undersigned.

DATED: October ____, 2005



ANNA MARCIANO-DEGIORGIO

SCHEDULE "A"

| | | | |
|------------------------|----------|------------------|------------------------|
| Opening Balance | | 414,000.00 | Remaining Balance Owng |
| Payout Schedule | | | |
| For 2005 | | | |
| Dec 30th | | 20,000.00 | 394,000.00 |
| For 2006 | | | |
| Jan to Nov (per month) | 5,450.00 | 59,950.00 | |
| Dec 30th | | 20,000.00 | 334,050.00 |
| Total | | <u>79,950.00</u> | 314,050.00 |
| For 2007 | | | |
| Jan to Nov (per month) | 5,450.00 | 59,950.00 | |
| Dec 30th | | 20,000.00 | 254,100.00 |
| Total | | <u>79,950.00</u> | 234,100.00 |
| For 2008 | | | |
| Jan to Nov (per month) | 5,450.00 | 59,950.00 | |
| Dec 30th | | 20,000.00 | 174,150.00 |
| Total | | <u>79,950.00</u> | 154,150.00 |
| For 2009 | | | |
| Jan to Nov (per month) | 5,450.00 | 59,950.00 | |
| Dec 30th | | 20,000.00 | 94,200.00 |
| Total | | <u>79,950.00</u> | 74,200.00 |
| For 2010 | | | |
| Jan to Nov (per month) | 5,450.00 | 59,950.00 | |
| Dec 30th | | 14,250.00 | 14,250.00 |
| Total | | <u>74,200.00</u> | |

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

25 October 2006

De Giorgio, Anna Marciano
 172 Lio Avenue
 Woodbridge, Ontario
 L4H 2S3

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.

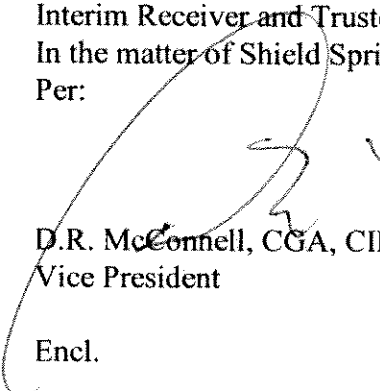
Yours very truly,

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.
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

De Giorgio, Anna Marciano
172 Lio Avenue
Woodbridge, Ontario
L4H 2S3

Encl.

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

November 22, 2006

Anna Marciano-De Giorgio
172 Lio Avenue
Woodbridge, Ontario
L4H 2S3

Dear Ms. Marciano-De Giorgio :

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

We acknowledge receipt of your Proof of Claim dated November 3, 2006, filing a secured interest in the assets of this bankrupt estate on your behalf by Mr. Michael A. Di Paolo.

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.

Our review of the search results on the Personal Property Security Registry reports your registration of a security interest in the assets having 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 the registered postponement. Also copies of all documents in your possession pertaining to the postponement to the Royal Bank of Canada. Competing claims may include Requirements to Pay issued by, and a Deemed Trust claim expected to be filed by Canada Revenue Agency, the security registered to Royal Bank of Canada and various registered interests in specific assets.

We have taken the liberty of copying this correspondence to Mr. Michael A. Di Paolo, in the light of his having filed the proof of claim. If you make other arrangements with respect to legal counsel, please also provide us with the contact information.

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. 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).

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

cc: Michael Di Paolo Professional Corporation
7050 Weston Road
Woodbridge, Ontario
L4L 8G7

Attention: Mr. Michael Di Paola
Fax: 905-850-7050

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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

November 22, 2006

Anna Marciano-De Giorgio
172 Lio Avenue
Woodbridge, Ontario
L4H 2S3

COPY

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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. 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 dmcconnell@bdo.ca).

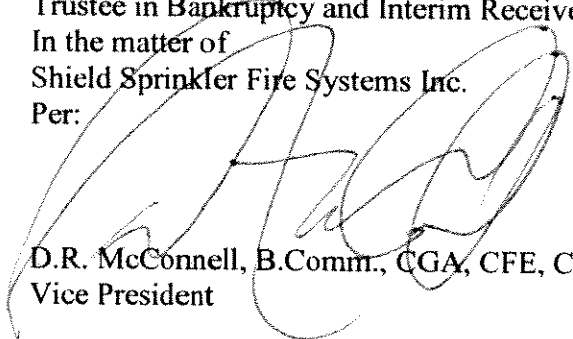
Yours very truly,

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

cc: Michael Di Paolo Professional Corporation
7050 Weston Road
Woodbridge, Ontario
L4L 8G7

Attention: Mr. Michael Di Paola

Fax: 905-850-7050

Transmission Report

Date/Time
Local ID 1
Local ID 2

11-23-2006
416

10:27:22 a.m.

Transmit Header Text
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(reduced sample and details below)
Document size : 8.5"x11"



BDO Dunwoody Limited

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

TELECOPIER COVERING PAGE

DATE: 23 November 2006

PLEASE DELIVER THE FOLLOWING PAGES TO:

NAME: Mr. Michael Di Paolo

FIRM: Michael Di Paolo Professional Corporation

FAX: 1 905 850 7050

FROM: Darryl R. McConnell, CGA, CIRP

TOTAL PAGES INCLUDING THIS COVERING PAGE: 3
IF YOU DO NOT RECEIVE ALL PAGES, PLEASE NOTIFY SENDER AT (905) 615-8787.

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

Please see attached fax dated 22 November 2006

CONFIDENTIALITY CAUTION

This message is intended only for the use of the individual or entity to which it is addressed and may contain information that is privileged, confidential and exempt from disclosure under applicable law. If the reader of this message is not the intended recipient or the employee or agent responsible for delivering the message to the intended recipient, you are hereby notified that any dissemination, distribution or copying of this communication is strictly prohibited. If you have received this communication by error, please notify us immediately by telephone and return the original message to us at the above address via postal service. Thank you.

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Abbreviations:

HS: Host send
HR: Host receive
WS: Waiting send

PL: Polled local
PR: Polled remote
MS: Mailbox save

MP: Mailbox print
CP: Completed
FA: Fail

TU: Terminated by user
TS: Terminated by system
RP: Report

G3: Group 3
EC: Error Correct