Court File No.: 08-CL-7878

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

B E T W E E N :

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OF ARRANGEMENT OF UNIVERSAL SETTLEMENTS INTERNATIONAL INC.

Applicant

MOTION RECORD
(before Justice H. Wilton-Siegel returnable January 26, 2009)

January 16, 2009

OGILVY RENAULT LLP
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F.J. Hugh Shaw **RUDERMAN, SHAW** 20 Eglinton Avenue West Suite 1820 Toronto ON M4R 1K8	Tel: (416) 484-8558 Fax: (416) 484-6918 hshaw@rudermanshaw.com	Respondents: Ramon Credi Cheja, Helen Marquard de Peterson, Nancy E. Lira-Hereford, Pedro M. Olavarri, Russel E. Kennedy, Ana M. Magaloni De Bustamante, Jose Manuel Rincon Gallardo, Lucia B. Ruiz De Olavarri, Mariagrazia Savini and Esteban Gonzalez Vergara
Darcy Legros **BENNETT JONES LLP** One First Canadian Place Suite 3400, P.O. Box 130 Toronto, ON M5X 1A4	Tel.: (416) 777-6258 Fax: (416) 863-1716 legrosd@bennettjones.ca	Respondents: Tim Mitchell and Daphne Mitchell

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Thomas Buchinger Director **BANK AUSTRIA CREDITANSTALT VERSICHERUNGSDIENST GMBH** 1010 Wien, Reichsratsstraße 17 AUSTRIA	Tel.: 43 (0)50505 Ext. 42300 or 42330 sandhu@ba-cavd.at	Respondent: Bank Austria Creditanstalt Versicherungsdienst GmbH
DR. KARL HAFELE Via Principale 43 1-39021 Laces Bolzano ITALY	Tel: 0043-664-8314890 Karl.Hafele@rhombergbau.at	Respondent: Dr. Karl Hafele
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ONTARIO
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B E T W E E N :

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OF ARRANGEMENT OF UNIVERSAL SETTLEMENTS INTERNATIONAL INC.

Applicant

I N D E X

Court File No.: 08-CL-7878

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

IN THE MATTER OF THE
***COMPANIES' CREDITORS ARRANGEMENT ACT,* R.S.C. 1985, c. C-36,**
AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OF ARRANGEMENT
OF UNIVERSAL SETTLEMENTS INTERNATIONAL INC.

Applicant

NOTICE OF MOTION
(before Justice Wilton-Siegel returnable January 26, 2009)

THE APPLICANT will bring a motion before Justice Wilton-Siegel of the Commercial List on Monday, January 26, 2009 at 10:00 a.m., or as soon after that time as the motion can be heard at 330 University Avenue, Toronto, Ontario.

PROPOSED METHOD OF HEARING: The motion is to be heard

_ in writing under subrule 37.12.1(1) because it is on consent or unopposed or made without notice;

_ in writing as an opposed motion under subrule 37.12.1(4)

X orally.

THE MOTION IS FOR AN ORDER:

(a) Approving a claims procedure to identify and quantify the claims against USI or its directors and officers (the "Claims Procedure");

(b) Authorizing the release of (US)$210,735 to USI from the Premium Reserve Account (as defined in paragraph 25 of the Initial Order) for the purpose of funding USI's ongoing operations (including premium payment obligations);

(c) Authorizing the payment of $24,318.24 to Lorne Morphy, Q.C., in respect of USI's share of fees incurred by Mr. Morphy in his capacity as arbitrator in the arbitration proceedings between USI and Antonio Duscio and Martina Capital Corporation (the "Duscio Litigation); and

(d) Such further and other relief as counsel may request and this Honourable Court deem just.

THE GROUNDS FOR THE MOTION ARE:

Background

(a) On December 2, 2008, USI commenced proceedings and was granted an Initial Order pursuant to the *Companies' Creditors Arrangement Act* ("CCAA") by the Ontario Superior Court of Justice;

(b) The Initial Order provided for, among other things,

(i) A stay of proceedings against USI until and including December 31, 2008 (the "Stay");

(ii) Permission to transfer to USI certain funds held in escrow by Ogilvy Renault LLP for the purpose of funding its ongoing operations (including premium payment obligations) under the supervision of the Monitor and establishing an account for the payment of premiums (the "Premium Reserve Account"); and

(iii) The appointment of Ernst & Young Inc. as monitor (the "Monitor") to oversee the management of USI on a day-to-day basis;

(c) USI obtained further Orders from this Court on December 18 and 23, 2008 and January 9, 2009 which have extended the Stay until February 28, 2009 and granted other relief as sought by USI.

Further release of funds from the Premium Reserve Account

(d) As the result of an ongoing reconciliation process of the Premium Reserve Account, it has been determined that the amount of (US)$210,735 held in the Premium Reserve Account belongs to USI;

(e) USI requires the release of these funds to it, in order to finance its ongoing operations (including premium payment obligations) under the supervision of the Monitor;

Payment of Arbitrator's Fees

(f) Paragraph 11 of this Court's Initial Order dealt with the issue of legal fees incurred in connection with two ongoing litigation matters. Paragraph 11 read as follows:

> *THIS COURT ORDERS that the Applicant shall be entitled to continue its outstanding litigation and arbitration proceedings, and pay all reasonable expenses incurred as a result thereof and as are in accordance with the Projected Cash Flow Statement attached as Exhibit "D" to the Halas Affidavit, as follows:*
>
> *(a) Universal Settlements Inc. v. James Torchia, Marc Celello and National Viaticals Inc.; and*
>
> *(b) Universal Settlements Inc. v. Antonio Duscio.*

(g) Paragraph 4 of this Court's Order of December 18, 2008 (a copy of which is attached as Exhibit "B" hereto) provided:

> *THIS COURT ORDERS that the Applicant shall not pay the legal fees referred to in paragraph 11 of the Initial Order until further Order of this Court, with the exception of the fees related to any work necessary to prepare for the Motion this Court will entertain with respect to whether the litigation should be pursued by the Applicant, or any work required to preserve the status of the litigation.*
>
> [underlining added]

(h) Fees in the amount of $48,636.48 are presently due and payable in connection with the arbitration proceedings between USI and Tony Duscio and Martina Inc. (the "Duscio Defendants");

(i) These fees are payable to Lorne Morphy, Q.C., for services rendered in his capacity as arbitrator in the dispute;

(j) USI's share of these fees, calculated in accordance with the arbitration agreement, is in the amount of $24,318.24;

(k) USI wishes to preserve the litigation, as it believes that it will succeed on the merits and that it will be able to recover some, if not all, of the judgment debt, interest and costs. Such a recovery would be in the interest of USI and its creditors. USI therefore seeks leave of this Court to pay its share of Mr. Morphy's fees;

(l) The provisions of the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36; and

(m) Such further and other grounds as counsel may advise and this Honourable Court permit.

THE FOLLOWING DOCUMENTARY EVIDENCE will be used at the hearing of the motion:

(a) The Affidavit of Christopher Halas sworn January 16, 2009 and the exhibits hereto;

(b) The Fourth Report of the Monitor to be filed; and

(c) Such further and other materials as counsel may advise and this Honourable Court permit.

January 16, 2009

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Irwin A. Duncan **White, Duncan, Linton LLP** P.O. Box 457 45 Erb Street East Waterloo, ON N2J 4B5	Tel.: (519) 886-3340 Fax: (519) 886-8651 iad@kwlaw.net	Respondents: Boyd Rees and Judy Rees
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Wael M. Rostom **John Archibald** **MCMILLAN LLP** Brookfield Place 181 Bay Street, Suite 4400 Toronto, Ontario M5J 2T3	Tel: (416) 865-7790 (416) 865-7076 Fax: (416) 865-7048 wael.rostom@mcmillan.ca john.archibald@mcmillan.ca	Respondent: Promont AG

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

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Court File No.: 08-CL-7878

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding commenced at Toronto

NOTICE OF MOTION
(before Justice H. Wilton-Siegel
returnable January 26, 2009)

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IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

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IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

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Applicant

AFFIDAVIT OF CHRISTOPHER HALAS
(sworn January 16, 2009)

I, CHRISTOPHER HALAS, of the City of Mississauga, Province of Ontario, MAKE OATH AND SAY AS FOLLOWS:

1. I am the Vice-President and Secretary of Universal Settlements International Inc. ("USI"); I have been Vice-President since January 2002 and Secretary since January 2007. I have personal knowledge of the matters to which I depose in this Affidavit. Where I do not possess personal knowledge, I have stated the sources of my information and, in all such cases, believe it to be true.

Nature of the Motion

2. This affidavit is sworn in support of a motion by USI for an Order pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended ("CCAA"):

(a) Approving a claims procedure to identify and quantify the claims against USI or its directors and officers (the "Claims Procedure");

(b) Authorizing the release of (US)$210,735 to USI from the Premium Reserve Account (as defined in paragraph 25 of the Initial Order) for the purpose of funding USI's ongoing operations (including premium payment obligations); and

(c) Authorizing the payment of $24,318.24 to Lorne Morphy, Q.C., in respect of fees incurred by Mr. Morphy in his capacity as arbitrator in the arbitration proceedings between USI and Antonio Duscio and Martina Capital Corporation (the "Duscio Defendants"), as more fully described below and in paragraphs 51 and 52 of my affidavit sworn December 2, 2008.

Background

3. On December 2, 2008, USI was granted protection under the CCAA by the Ontario Superior Court of Justice. A copy of the Initial Order is attached hereto as Exhibit "A".

4. The Initial Order granted USI, among other things, a stay of proceedings (the "Stay"); a moratorium on the payment of monies to creditors; and the appointment of Ernst & Young Inc. as Monitor (the "Monitor") to oversee the management of USI on a day-to-day basis.

5. USI obtained further Orders from this Court on December 18 and 23, 2008 and January 9, 2009 which have extended the Stay until February 28, 2009 and granted other relief as sought by USI. A copy of Justice Wilton-Siegel's Orders in this regard are attached hereto as Exhibits "B","C" and "D", respectively.

Claims Procedure

6. USI continues to work towards developing a Plan of Arrangement. To this end, USI has developed a claims procedure (the "Claims Procedure") and seeks an Order from this Court approving same.

7. The primary objective of the Claims Procedure is to identify and quantify the claims of creditors against USI and its officers and directors, within the framework of these CCAA proceedings. This information will in turn facilitate the formulation of USI's Plan of Arrangement.

8. The Claims Procedure incorporates two elements:

(a) with respect to Purchasers of investments in Life Settlements from USI:

(i) It is contemplated that an Acknowledgement of Claim form will be delivered, which will confirm certain specific information regarding their investments, including their purchase amount, the relevant policies to which their investment relates, the expected realization on maturity, and the expected maturity date. Purchasers who agree with this information need not take any further steps in order for that information to be acknowledged and accepted by the Applicant and the Monitor for purposes of the Claims Procedure.

(ii) This "negative claims process" has been deemed most appropriate for purposes of identifying Claims of Purchasers in the circumstances of USI, given the very large number of Purchasers (approximately 6,000), their global distribution, and the fact that most of them are individuals. Using this method of identifying claims saves Purchasers the effort and requirement to actively prepare proof of claim forms and forward them to the Monitor. It also ensures uniformity and efficiency in compiling the information for purposes of the Claims Procedure, given the relative urgency by which claims need to be identified. If a Purchaser disagrees with the information contained on the Acknowledgement of Claim, they may provide any correcting information or dispute to the Monitor by way of a Request for Amendment.

(iii) The Acknowledgments of Claim will confirm the amount and validity of the basic information that would form the basis for a Purchaser's claim arising from the purchase of a Life Settlement. Any determination of the nature, value or priority of the claim of a Purchaser will not be determined by the Acknowledgements of Claim, but will be dealt with subsequently through the anticipated Plan of Arrangement or otherwise.

(iv) If a Purchaser has a claim against the Applicant in addition to the information contained in an Acknowledgement of Claim, he or she must file a separate Proof of Claim by the claims bar date.

(v) A number of Purchasers acquired their investments through agents or other intermediaries. These agents and intermediaries who are known to the Applicant will also be provided with claims packages for purposes of

(a) communicating with their respective Purchasers and (b) filing their own Claims, if any.

(b) other creditors of the Applicant other than Purchasers are required to prepare a Proof of Claim and file it with the Monitor on or before the claims bar date, itemizing the amount and nature of their claim against the Applicant.

9. A draft Claims Procedure Order is attached as Exhibit "E" hereto. Any defined terms used but not otherwise defined in this section of my affidavit will have the meaning assigned to them in the draft Claims Procedure Order.

Overview of the Claims Procedure

10. The Claims Procedure is to be administered by the Monitor, including the preparation and sending of notices and forms, the preparation of the Acknowledgment of Claims, the review of Proofs of Claim and Requests for Amendment, and the issuance of Notices of Revision or Disallowance. This administration of the Claims Process will be carried out in reliance on the books and records of the Applicant, and in consultation with the management and personnel of the Applicant.

11. As indicated in my affidavit of December 2, 2008, USI's third-party purchasers are its primary creditors. An important factor is that these creditors are situated in various countries. As can be seen from the chart attached hereto as Exhibit "F", the strongest concentrations are in North America, Austria and South America. As a result, USI believes it is necessary to provide notification of the Claims Procedure in German and Spanish as well English.

12. The principal components of the Claims Procedure are as follows:

(a) The Claims Procedure will establish a date by which all claims against USI, its officers or directors must be filed (the "**Claims Bar Date**"), namely **February 20, 2009**;

(b) **Notice** of the Claims Procedure Order and of the Claims Procedure will be given by the Monitor as follows:

(i) **Within 5 days** following the making of the Claims Procedure Order, the Monitor shall post a copy of the Claim Document Package (described below) on its website; and will deliver a copy of the Claim Document Package to each Known Creditor and to each Agent; and

(ii) **Within 10 days** of the making of the Claims Procedure Order, the Monitor will cause to be published the Notice to Creditors (attached as Schedule "A" to the draft the Claims Procedure Order) in (i) the National Edition of *The Globe and Mail* and the Global Edition of the *Wall Street Journal*, each in the English language, and (ii) in a German language publication to be determined and (iii) in a Spanish language publication to be determined;

(c) Provided that the request is received prior to the Claims Bar Date, the Monitor will also deliver as soon as is reasonably possible a copy of the **Claim Document Package** to any Person claiming to be a Creditor and requesting such material prior to the Claims Bar Date;

(d) The Claim Document Package will include an **Instruction Letter and a Proof of Claim** form, or an **Acknowledgement of Claim** where applicable, as described below;[1]

(e) Claim Document Packages will be sent to **Known Creditors** and to **Agents**. In this regard, "Known Creditor" means:

(i) A Creditor who appears in the books and records of USI as being owed money by USI as of the Filing Date;

(ii) Any Person who commenced and served a legal proceeding against USI prior to the Filing Date;

(iii) Any Person who is party to a lease, contract, employment agreement or other agreement with USI which was terminated or disclaimed by USI between the Filing Date and the Valuation Date; and

(iv) Any other Creditor actually known to USI at the Valuation Date.

(f) "Agent" means any Person who facilitated a purchase of a Life Settlement for a Purchaser;

(g) Purchasers will receive an **Acknowledgement of Claim,** which will list the particulars of the claim, including the name of the Purchaser, the date and the

---

1 The English language versions of the Instruction Letter and of the Proof of Claim form are appended to the draft Claims Procedure Order as Schedules "B", "C" and "D", respectively. The Monitor intends to make each document available in English, German and Spanish so as to accommodate USI's creditors.

amount of the investment, and the anticipated amount and date of return of the investment, as indicated in the draft appended to the draft Claims Procedure Order as Schedule "C";

(h) Purchasers who receive the Acknowledgement of Claim and are in agreement with its contents are not required to take any further steps with respect to the claim *per se*;

(i) If a Purchaser disagrees with the Acknowledgement of Claim and wishes to dispute its contents, it is required to complete the **Request for Amendment section of the Acknowledgement of Claim**, and return a copy to the Monitor by 4:00 p.m. (Eastern Standard/Daylight Time) on the Claims Bar Date, failing which the information in the Acknowledgement of Claim will be final and binding. If a Purchaser has a claim other than one based on the information contained in an Acknowledgment of Claim, a separate Proof of Claim must be filed by the bar date, in addition to relying on the Acknowledgment of Claim;

(j) Claim Document Packages with Proofs of Claim will be sent to other Known Creditors and to Creditors who respond to the Notice to Creditors described above. The proposed form of the Proof of Claim is appended as Schedule "D" to the draft Claims Procedure Order;

(k) Every Creditor asserting a Claim against USI or any of its directors and officers by way of Proof of Claim will be required to describe the particulars of its Claim in the Proof of Claim and deliver its Proof of Claim to the Monitor by no later than 4:00 p.m. (Eastern Standard/Daylight Time) on the Claims Bar Date. Any

Claims not filed by that time will be extinguished and forever barred against USI and its directors and officers;

(l) The Monitor, in consultation with USI (and, in the case of Proofs of Claim filed in respect of Claims against Directors or Officers of USI, such Directors or Officers), will review each Request for Amendment and Proof of Claim received on or before the Claims Bar Date;

(m) If the Monitor disputes or disallows any Claim, in whole or in part, the Monitor will deliver a **Notice of Revision or Disallowance** to the affected Creditor. The proposed form of the Notice of Revision or Disallowance is appended as Schedule "E" to the draft Claims Procedure Order;

(n) If the Creditor wishes to dispute the Notice of Revision or Disallowance it must file a **Dispute Notice** with the Monitor as soon as is reasonably possible, but in any event by no later than 4:00 p.m. (Eastern Standard/Daylight Time) 14 days after the Monitor sends the Notice of Revision or Disallowance. The proposed form of the Dispute Notice is appended as Schedule "F" to the draft Claims Procedure Order;

(o) As soon as is practicable after the delivery of the Dispute Notice, the Monitor, together with the Creditor and USI, will attempt to resolve the dispute. If the dispute is not resolved in a timely fashion or in a manner satisfactory to the Monitor, the Monitor or the Creditor may refer the matter to the Court for determination, with such determination to be final and binding for all purposes without further right of appeal, review or recourse. Given the relatively urgent nature of these proceedings, the Order grants the Monitor the option, in its discretion to refer a Claim to the Court by way of motion for determination without going through the steps of exchanging a Notice of Revision or Disallowance and a Notice of Dispute;

(p) If a Creditor fails to dispute the Notice of Revisions or Disallowance by filing a Dispute Notice within the prescribed time, the Claim shall be deemed to be as set out in the Notice of Revision or Disallowance and the value and nature of the revised or disallowed claim shall constitute the Creditor's Proven Claim for voting and distribution purposes under any plan of compromise or arrangement filed in these proceedings; and

(q) If the resolution of a Dispute Notice remains outstanding at the time of the Creditors' Meeting, the Creditor may vote its Claim at the Creditors' Meeting and such vote will be recorded, but the Claim and vote will only be binding to the extent the Claim becomes a Proven Claim.

13. In light of USI's present understanding of its liabilities, it does not believe that the appointment of a Claims Officer is necessary or desirable.

USI Europe

14. Universal Settlements Vermogensberatung GmbH ("USI Europe") is a wholly-owned subsidiary of USI, with its head office in Vienna, Austria. It was incorporated in June, 2003 to facilitate USI's business in the European market. As described below, USI Europe has no assets,

limited liabilities, and relies entirely on USI for financial support. USI intends to dissolve USI Europe in due course, as set out in greater detail below.

15. The sole director of USI since May, 2007, has been Ms. Isabelle Dessulemoustier. Ms. Dessulemoustier is also a lawyer located in Vienna, Austria, and acts for USI Europe in that capacity as well.

16. From its incorporation to approximately December 2006, USI Europe acted as USI's European agent with respect to the sale of Life Settlements in Europe. With but a few exceptions, USI Europe did not contract directly with purchasers, but only facilitated purchase transactions.

17. USI Europe has not facilitated the sale of a Life Settlement on behalf of USI since the end of 2006, when it was decided that USI Europe was no longer an asset of USI worth preserving and should be wound down. As a result of this decision, USI Europe has taken steps to wind-up its operations and has issued the required public notices which evidence this intention. For its part, USI has assumed any and all existing and future liabilities of USI Europe pursuant to an Assumption Agreement dated October 24, 2007, a copy of which is attached as Exhibit "G" hereto.

18. I understand from Ms. Dessulemoustier and do believe that USI Europe has not been contacted by any person or entity in connection with the USI Europe Creditor Notice or from any person or entity claiming to be a creditor of USI Europe with respect to a Life Settlement investment.

19. As a result, USI does not believe that there are any purchasers of Life Settlements who assert that they hold contracts with USI Europe, or who believe they are a creditor of USI Europe. However, USI has referenced its assumption of any subsisting liabilities of USI Europe in the Claims Procedure in order to ensure any that any persons or entities wishing to assert a claim against USI Europe are duly notified of these proceedings.

20. USI has instructed Ms. Dessulemoustier to take the appropriate steps to wind-up USI Europe's affairs, including any outstanding regulatory matters. To this end, and in consultation with the Monitor, USI has transferred Ms. Dessulemoustier the sum of €12,000, pursuant to section 7(a) of the Initial Order.

Premium Reserve Account

21. I understand from Mills, Potoczak & Company ("Mills") that the reconciliation of the various accounts managed on behalf of the US Trust has been completed, and that the sum of (US)$210,735 (and not the sum of (US)$300,000 as indicated in my affidavit sworn January 8, 2009) can be released from USI's Premium Reserve Account and used by USI to fund ongoing operations (including premium payment obligations) under the supervision of the Monitor.

22. In this regard, I have received from Mills a letter dated January 15, 2009, a copy of which is attached as Exhibit "H" hereto, which describes the reconciliation which Mills undertook and the reasons for its conclusions regarding the amount which can be released to USI.

Payment of Arbitrator's Fees

23. Paragraph 11 of this Court's Initial Order dealt with the issue of legal fees incurred in connection with two ongoing litigation matters. Paragraph 11 read as follows:

> *THIS COURT ORDERS that the Applicant shall be entitled to continue its outstanding litigation and arbitration proceedings, and pay all reasonable expenses incurred as a result thereof and as are in accordance with the Projected Cash Flow Statement attached as Exhibit "D" to the Halas Affidavit, as follows:*
>
> *(a) Universal Settlements Inc. v. James Torchia, Marc Celello and National Viaticals Inc.; and*
>
> *(b) Universal Settlements Inc. v. Antonio Duscio.*

24. Paragraph 4 of this Court's Order of December 18, 2008 (a copy of which is attached as Exhibit "B" hereto) provided:

> *THIS COURT ORDERS that the Applicant shall not pay the legal fees referred to in paragraph 11 of the Initial Order until further Order of this Court, with the exception of the fees related to any work necessary to prepare for the Motion this Court will entertain with respect to whether the litigation should be pursued by the Applicant, or any work required to preserve the status of the transaction.*
> [underlining added]

25. I am advised by William McNamara, counsel to USI, that certain legal fees are presently due and payable in connection with the arbitration proceedings between USI and the Duscio Defendants described in paras. 51 and 52 of my affidavit sworn December 2, 2008. These fees are payable to Lorne Morphy, Q.C., for services rendered in his capacity as arbitrator in the dispute.

26. Under the terms of the arbitration agreement, both parties are jointly and severally responsible for the payment of Mr. Morphy's fees.

27. USI's share of the fees in question amounts to $24,318.24.

28. USI wishes to preserve the litigation, as it believes that it will be successful on the merits and that it will be able to recover some, if not all, of the judgment debt, interest and costs. Such a recovery would be in the interest of USI and its creditors. USI therefore seeks leave of this Court to pay the unpaid share owed by the Duscio Defendants.

Conclusion

29. This affidavit is sworn in support of USI's Motion for an Order approving for a Claims Procedure Order, authorizing the release of (US)$210,735 from the Premium Reserve Account and authorizing the payment of $24,318.24 to Lorne Morphy, Q.C., as set out herein, and for no other or improper purpose.

SWORN BEFORE ME at the City of Toronto, in the Province of Ontario on this 16th day of January, 2009.	
Commissioner for Taking Affidavits	**CHRISTOPHER HALAS**

Luis Miguel Mendes, a
Commissioner etc., Province of Ontario,
while a student-at-law.
Expires April 5, 2010.

Court File No. 08-CL-7878

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE	)	TUESDAY, THE 2nd
	)	
JUSTICE H. WILTON-SIEGEL	)	DAY OF DECEMBER, 2008

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF UNIVERSAL SETTLEMENTS INTERNATIONAL INC. (the "Applicant")

INITIAL ORDER

THIS APPLICATION, made by the Applicant, pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "CCAA") was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of Christopher Halas sworn December 2, 2008 (the "Halas Affidavit") and the Exhibits thereto and on hearing the submissions of counsel for the Applicant, and on reading the consent of Ernst & Young to act as the Monitor,

SERVICE

1. THIS COURT ORDERS that the time for service of the Notice of Application and the Application Record is hereby abridged so that this Application is properly returnable today and hereby dispenses with further service thereof.

Luis Miguel Mendes, a Commissioner etc., Province of Ontario, while a student-at-law. Expires April 5, 2010.

This is Exhibit "A" referred to in the affidavit of Christopher Halas sworn before me, this 16th day of JANUARY 2009

A COMMISSIONER FOR TAKING AFFIDAVITS

DOCSTOR: 1577835\8

APPLICATION

2. THIS COURT ORDERS AND DECLARES that the Applicant is a company to which the CCAA applies.

FURTHER HEARING

3. THIS COURT ORDERS that a further hearing in this Application shall be made on notice to investors and held on December 18, 2008 or such alternate date as this Court may fix, at which time this Order may be supplemented or otherwise varied, and the Stay Period (as herein defined) extended or terminated. The Applicant and the Monitor shall serve their materials for this further hearing on all parties who serve a Notice of Appearance on the Applicant and the Monitor, such materials to be served by no later than 3 days prior to the date scheduled for the further hearing.

POSSESSION OF PROPERTY AND OPERATIONS

4. THIS COURT ORDERS that the Applicant shall remain in possession and control of its current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the "Property"). Subject to further Order of this Court, the Applicant shall continue to carry on business in a manner consistent with the preservation of its business (the "Business") and Property. The Applicant shall be authorized and empowered to continue to retain and employ the employees, consultants, agents, experts, accountants, counsel and such other persons (collectively "Assistants") currently retained or employed by it, with liberty to retain such further Assistants as it deems reasonably necessary or desirable in the ordinary course of business or for the carrying out of the terms of this Order.

5. THIS COURT ORDERS that the Applicant shall have the right to pursue the sale of its TPI Portfolio (as defined in the Halas Affidavit), in whole or part, subject to prior approval of any sale being obtained on further motion before this Court.

6. THIS COURT ORDERS that the Applicant shall be entitled but not required to pay the following expenses whether incurred prior to or after this Order:

(a) all outstanding and future wages, salaries, employee and pension benefits, vacation pay, bonuses and expenses payable on or after the date of this Order, in each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements; and

(b) the fees and disbursements of any Assistants retained or employed by the Applicant in respect of these proceedings, at their standard rates and charges.

7. THIS COURT ORDERS that, except as otherwise provided to the contrary herein, the Applicant shall be entitled but not required to pay all reasonable expenses incurred by the Applicant in carrying on the Business in the ordinary course after this Order, and in carrying out the provisions of this Order, which expenses shall include, without limitation:

(a) all expenses and capital expenditures reasonably necessary for the preservation of the Property or the Business including, without limitation, payments on account of insurance (including directors and officers insurance), maintenance and security services; and

(b) payment for goods or services actually supplied to the Applicant following the date of this Order.

8. THIS COURT ORDERS that the Applicant shall remit, in accordance with legal requirements, or pay:

(a) any statutory deemed trust amounts in favour of the Crown in right of Canada or of any Province thereof or any other taxation authority which are required to be deducted from employees' wages, including, without limitation, amounts in respect of (i) employment insurance, (ii) Canada Pension Plan, (iii) Quebec Pension Plan, and (iv) income taxes;

(b) all goods and services or other applicable sales taxes (collectively, "Sales Taxes") required to be remitted by the Applicant in connection with the sale of goods and services by the Applicant, but only where such Sales Taxes are accrued or collected after the date of this Order, or where such Sales Taxes were accrued or collected prior to the date of this Order but not required to be remitted until on or after the date of this Order, and

(c) any amount payable to the Crown in right of Canada or of any Province thereof or any political subdivision thereof or any other taxation authority in respect of municipal realty, municipal business or other taxes, assessments or levies of any nature or kind which are entitled at law to be paid in priority to claims of secured creditors and which are attributable to or in respect of the carrying on of the Business by the Applicant.

9. THIS COURT ORDERS that, except as specifically permitted herein, the Applicant is hereby directed, until further Order of this Court: (a) to make no payments of principal, interest thereon or otherwise on account of amounts owing by the Applicant to any of its creditors as of this date; (b) to grant no security interests, trust, liens, charges or encumbrances upon or in respect of any of its Property; (c) to not grant credit or incur liabilities except in the ordinary course of the Business; (d) to make no payments of Death Benefits to investors; and (e) to hold Death Benefits received in the interim in an interest bearing trust account (the "Death Benefits Account").

NO PROCEEDINGS AGAINST THE APPLICANT OR THE PROPERTY

10. THIS COURT ORDERS that until and including December 31, 2008, or such later date as this Court may order (the "Stay Period"), no proceeding or enforcement process in any court or tribunal (each, a "Proceeding") shall be commenced or continued against or in respect of the Applicant or the Monitor, or affecting the Business or the Property, except with the written consent of the Applicant and the Monitor, or with leave of this Court, and any and all Proceedings currently under way against or in respect of the Applicant or affecting the Business or the Property are hereby stayed and suspended pending further Order of this Court.

APPLICANT ENTITLED TO CONTINUE ITS OUTSTANDING LITIGATION AND ARBITRATION PROCEEDINGS

11. THIS COURT ORDERS that the Applicant shall be entitled to continue its outstanding litigation and arbitration proceedings, and pay all reasonable expenses incurred as a result thereof and as are in accordance the Projected Cash Flow Statement attached as Exhibit "D" to the Halas Affidavit, as follows:

(a) *Universal Settlements Inc. v. James Torchia, Marc Celello and National Viaticals Inc.*; and

(b) *Universal Settlements Inc. v. Antonio Duscio.*

NO EXERCISE OF RIGHTS OR REMEDIES

12. THIS COURT ORDERS that during the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being "Persons" and each being a "Person") against or in respect of the Applicant or the Monitor, or affecting the Business or the Property, are hereby stayed and suspended except with the written consent of the Applicant and the Monitor, or leave of this Court, provided that nothing in this Order shall (i) empower the Applicant to carry on any business which the Applicant is not lawfully entitled to carry on, (ii) exempt the Applicant from compliance with statutory or regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH RIGHTS

13. THIS COURT ORDERS that during the Stay Period, no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Applicant, except with the written consent of the Applicant and the Monitor, or leave of this Court.

CONTINUATION OF SERVICES

14. THIS COURT ORDERS that during the Stay Period, all Persons having oral or written agreements with the Applicant or statutory or regulatory mandates for the supply of goods and/or services, including without limitation all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation, services, utility or other services to the Business or the Applicant, are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Applicant, and that the Applicant shall be entitled to the continued use of its current premises, telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Applicant in accordance with normal payment practices of the Applicant or such other practices as may be agreed upon by the supplier or service provider and each of the Applicant and the Monitor, or as may be ordered by this Court.

NON-DEROGATION OF RIGHTS

15. THIS COURT ORDERS that, notwithstanding anything else contained herein, no creditor of the Applicant shall be under any obligation after the making of this Order to advance or re-advance any monies or otherwise extend any credit to the Applicant. Nothing in this Order shall derogate from the rights conferred and obligations imposed by the CCAA.

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

16. THIS COURT ORDERS that during the Stay Period, and except as permitted by subsection 11.5(2) of the CCAA, no Proceeding may be commenced or continued against any of the former, current or future directors or officers of the Applicant with respect to any claim against the directors or officers that arose before the date hereof and that relates to any obligations of the Applicant whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers for the payment or performance of such obligations, until a compromise or arrangement in respect of the Applicant, if one is filed, is sanctioned by this Court or is refused by the creditors of the Applicant or this Court.

DIRECTORS' AND OFFICERS' INDEMNIFICATION AND CHARGE

17. THIS COURT ORDERS that the Applicant shall indemnify its directors and officers from all claims, costs, charges and expenses relating to the failure of the Applicants, after the date hereof, to make payments of the nature referred to in subparagraphs **[6(a)], [8(a)], [8(b)] and [8(c)]** of this Order which they sustain or incur by reason of or in relation to their respective capacities as directors and/or officers of the Applicants except to the extent that, with respect to any officer or director, such officer or director has actively participated in the breach of any related fiduciary duties or has been grossly negligent or guilty of wilful misconduct.

18. THIS COURT ORDERS that the directors and officers of the Applicant shall be entitled to the benefit of and are hereby granted a charge (the "Directors' Charge") on the Property, which charge shall not exceed an aggregate amount of $1 million, as security for the indemnity provided in paragraph **[17]** of this Order. The Directors' Charge shall have the priority set out in paragraphs **[31]** and **[33]** herein.

19. THIS COURT ORDERS that, notwithstanding any language in any applicable insurance policy to the contrary, (a) no insurer shall be entitled to be subrogated to or claim the benefit of the Directors' Charge, and (b) the Applicant's directors and officers shall only be entitled to the benefit of the Directors' Charge to the extent that they do not have coverage under any directors' and officers' insurance policy, or to the extent that such coverage is insufficient to pay amounts indemnified in accordance with paragraph **[17]** of this Order.

PROCEEDINGS AGAINST TRUSTEES

20. THIS COURT ORDERS that during the Stay Period no Proceeding may be commenced or continued against the Applicant's former trustees Christopher Halas and William Potoczak (the "Trustees") with respect to any claim against the Trustees that arose before the date hereof and that relates to any obligations of the Applicant whereby the Trustees are alleged under any law to be liable in their capacity as Trustees for the payment or performance of such obligations, until a compromise or arrangement in respect of the Applicant, if one is filed, is sanctioned by this Court or is refused by the creditors of the Applicant or this Court.

TRUST FUNDS

21. THIS COURT ORDERS that the trustee William Potoczak is entitled to use the US$300,000, which he holds in escrow in the ordinary course to fund the payment of premiums as they fall due and in accordance with specific insurance policies to which the funds have been designated, with such use to be monitored by the Monitor (as defined below).

22. THIS COURT ORDERS that Ogilvy Renault LLP is entitled to release US$778,000 out of the finds it holds in escrow for the Applicant, to the Applicant for the purposes of funding its operations.

23. THIS COURT ORDERS that Ogilvy Renault LLP is entitled to release the balance of the funds it holds in escrow for the Applicant, to the Applicant for the purposes of establishing an account from which premium payments can be made (the "Premium Reserve Account"), as they fall due and in accordance with specific insurance policies to which the funds have been designated, with such payments to be monitored by the Monitor (as defined below).

APPOINTMENT OF MONITOR

24. THIS COURT ORDERS that Ernst & Young Inc. is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the Property and the Applicant's conduct of the Business with the powers and obligations set out in the CCAA or set forth herein and that the Applicant and its shareholders, officers, directors, and Assistants shall advise the Monitor of all material steps taken by the Applicant pursuant to this Order, and shall co-operate fully with the Monitor in the exercise of its powers and discharge of its obligations.

25. THIS COURT ORDERS that the Monitor, in addition to its prescribed rights and obligations under the CCAA, is hereby directed and empowered to:

(a) send notice of the Order, within three (3) days, to every known creditor of the Applicant as of the date of this Order, advising that such creditor may obtain a copy of the Order on the internet at the website of the Monitor at www.ey.com/ca/UniversalSettlements (the "Website") or, failing that, from the

Monitor and the Monitor shall provide it. Such notice shall be sufficient in accordance with Subsection 11(5) of the CCAA;

(b) monitor the Applicant's receipts and disbursements, including without limitation the oversight of the Death Benefits Account and the Premium Reserves Account;

(c) report to this Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, and such other matters as may be relevant to the proceedings herein;

(d) advise the Applicant in its development of the Plan and any amendments to the Plan;

(e) advise the Applicant in its preparation of the Applicant's cash flow statements and report to the Court on the compilation;

(f) assist the Applicant, to the extent required by the Applicant, with the holding and administering of creditors' or shareholders' meetings for voting on the Plan;

(g) have full and complete access to the books, records and management, employees and advisors of the Applicant and to the Business and the Property to the extent required to perform its duties arising under this Order;

(h) be at liberty to engage independent legal counsel or such other persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order; and

(i) perform such other duties as are required by this Order or by this Court from time to time.

26. THIS COURT ORDERS that the Monitor shall not take possession of the Property and shall take no part whatsoever in the management or supervision of the management of the Business and shall not, by fulfilling its obligations hereunder, be deemed to have taken or maintained possession or control of the Business or Property, or any part thereof.

27. THIS COURT ORDERS that, in addition to the rights and protections afforded the Monitor under the CCAA or as an officer of this Court, the Monitor shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded the Monitor by the CCAA or any applicable legislation.

28. THIS COURT ORDERS that the Monitor, counsel to the Monitor and counsel to the Applicant shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, by the Applicant as part of the costs of these proceedings. The Applicant is hereby authorized and directed to pay the accounts of the Monitor, counsel for the Monitor and counsel for the Applicant on a weekly basis and, in addition, the Applicant is hereby authorized to pay to the Monitor, counsel to the Monitor, and counsel to the Applicant, retainers in the amounts of $100,000, $50,000, and $50,000, respectively, to be held by them as security for payment of their respective fees and disbursements outstanding from time to time.

29. THIS COURT ORDERS that the Monitor and its legal counsel shall pass their accounts from time to time, and for this purpose the accounts of the Monitor and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

30. THIS COURT ORDERS that the Monitor, counsel to the Monitor, and the Applicant's counsel shall be entitled to the benefit of and are hereby granted a charge (the "Administration Charge") on the Property, which charge shall not exceed an aggregate amount of $1 million, as security for their professional fees and disbursements incurred at the standard rates and charges of the Monitor and such counsel, both before and after the making of this Order in respect of these proceedings. The Administration Charge shall have the priority set out in paragraphs **[31]** and **[33]** hereof.

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

31. THIS COURT ORDERS that the priorities of the Directors' Charge and the Administration Charge, as between them, shall be as follows:

First – Administration Charge (to the maximum amount of $1 million); and

Second – Directors' Charge (to the maximum amount of $1 million).

32. THIS COURT ORDERS that the filing, registration or perfection of the Directors' Charge and the Administration Charge (collectively, the "Charges") shall not be required, and that the Charges shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect.

33. THIS COURT ORDERS that each of the Directors' Charge and the Administration Charge (all as constituted and defined herein) shall constitute a charge on the Property and such Charges shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, statutory or otherwise (collectively, "Encumbrances") in favour of any Person.

34. THIS COURT ORDERS that except as otherwise expressly provided for herein, or as may be approved by this Court, the Applicant shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with, any of the Directors' Charge or the Administration Charge, unless the Applicant also obtains the prior written consent of the Monitor, and the beneficiaries of the Directors' Charge and the Administration Charge, or further Order of this Court.

35. THIS COURT ORDERS that the Directors' Charge and the Administration Charge, shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Charges thereunder shall not otherwise be limited or impaired in any way by (a) the pendency of these proceedings and the declarations of insolvency made herein; (b) any application(s) for bankruptcy order(s) issued pursuant to BIA, or any bankruptcy order made pursuant to such applications; (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (d) the provisions of any federal or provincial statutes; or (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an "Agreement") which binds the Applicant, and notwithstanding any provision to the contrary in any Agreement:

(a) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the creation of the Charges; and

(b) the payments made by the Applicant pursuant to this Order and the granting of the Charges, do not and will not constitute fraudulent preferences, fraudulent conveyances, oppressive conduct, settlements or other challengeable, voidable or reviewable transactions under any applicable law.

SERVICE AND NOTICE

36. THIS COURT ORDERS that the Applicant and the Monitor be at liberty to serve this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or electronic transmission to the Applicant's creditors or other interested parties at their respective addresses as last shown on the records of the Applicant and that any such service or notice by courier, personal delivery or electronic transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

37. THIS COURT ORDERS that the Applicant, the Monitor, and any party who has filed a Notice of Appearance may serve any court materials in these proceedings by e-mailing a PDF or other electronic copy of such materials to counsels' or any party's email addresses as recorded on the Service List from time to time, in accordance with the E-filing protocol of the Commercial List to the extent practicable, and the Monitor may post a copy of any or all such materials on the Website. Any party filing a Notice of Appearance or otherwise intending to participate in these proceedings shall provide to the Applicant and the Monitor an email address for purposes of service.

GENERAL

38. THIS COURT ORDERS that the Applicant or the Monitor may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

39. THIS COURT ORDERS that nothing in this Order shall prevent the Monitor from acting as an interim receiver, a receiver, a receiver and manager, or a trustee in bankruptcy of the Applicant, the Business or the Property.

40. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada, the United States or any other foreign jurisdiction to give effect to this Order and to assist the Applicant, the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Applicant and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Applicant and the Monitor and their respective agents in carrying out the terms of this Order.

41. THIS COURT ORDERS that each of the Applicant and the Monitor be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order.

42. THIS COURT ORDERS that any interested party (including the Applicant and the Monitor) may apply to this Court to vary or amend this Order on not less than seven (7) days notice to any other party or parties likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

43. THIS COURT ORDERS that this Order and all of its provisions are effective as of 12:01 a.m. Eastern Standard Time on the date of this Order.

~~JUSTICE H. WILTON-SIEGEL~~

ENTERED AT / INSCRIT A TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO.:

DEC 0 2 2008

PER / PAR: TV

Toni Vecchiolo
Registrar, Superior Court of Justice

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF UNIVERSAL SETTLEMENTS INTERNATIONAL INC.

Court File No.: 08-CL-7878

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding commenced at Toronto

INITIAL ORDER

OGILVY RENAULT LLP
Royal Bank Plaza, South Tower
3800 - 200 Bay Street
Toronto ON M5J 2Z4

William McNamara (LSUC#: 23153S)
Tel: (416) 216-3906
Fax: (416) 216-3930

Lawyers for the Applicant

DOCSTOR: 1580895\1

Court File No.: 08-CL-7878

SUPERIOR COURT OF JUSTICE COUR SUPÉRIEURE DE JUSTICE

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL COURT)

THE HONOURABLE	)	THURSDAY, THE 18th DAY
	)	
MR. JUSTICE WILTON-SIEGEL	)	OF DECEMBER, 2008

IN THE MATTER OF THE
***COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED**

AND IN THE MATTER OF A PLAN OF COMPROMISE OF ARRANGEMENT OF UNIVERSAL SETTLEMENTS INTERNATIONAL INC.

ORDER

THIS MOTION, made by the Applicant, pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Applicant's Motion Record, including the affidavit of Christopher Halas sworn December 15, 2008, and the Affidavit of Karen Whibley sworn December 18, 2008, and the Exhibits thereto, the 1st Report of the Monitor, Ernst & Young Inc., and on hearing the submissions of counsel for the Applicant, and counsel to the Monitor,

1. THIS COURT ORDERS that the stay period granted in paragraph 10 of the Initial Order dated December 2, 2008, is hereby extended until and including January 16, 2008, or until further Order of this Court;

This is Exhibit "B" referred to in the affidavit of Christopher HALAS
...rn before me, this 16th day of JANUARY 2009

Luis Miguel Mendes, a Commissioner etc., Province of Ontario, while a student-at-law. Expires April 5, 2010.

A COMMISSIONER FOR TAKING AFFIDAVITS

DOCSTOR: 1591729\3

2. THIS COURT ORDERS that Ogilvy Renault LLP is entitled to release (US)$605,033 from the funds it holds in escrow for the Applicant, to the Applicant for the purposes of funding its operations in the ordinary course (including the payment of premiums) with such use to be monitored by the Monitor;

3. THIS COURT ORDERS the Applicant shall provide to any investor who files a Notice of Appearance and makes a written request of the Applicant, with a copy to the Monitor, any and all information in the possession or control of the Applicant with respect to:

   (a) the Premium load, as at the date of the request, of the Policy in respect of which the investor claims an interest;

   (b) the extent to which, if any, the Premium load is covered by the Premium Reserve;

   (c) the date upon which the next premium payment is due following the date of the request; and

   (d) whether the Insured associated with the Policy in respect of which the requesting investor claims an interest is deceased, if known to the Applicant;

4. THIS COURT ORDERS that the Applicant shall not pay the legal fees referred to in para. 11 of the Initial Order until further Order of this Court, with the exception of the fees related to any work necessary to prepare for the Motion this Court will entertain with respect to whether the litigation should be pursued by the Applicant, or any work required to preserve the status of the litigation.

Let the order issue in accordance with its terms

"Wilton-Siegel J."

ENTERED AT / INSCRIT À TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO.:

DEC 19 2008

PER / PAR: TV

G. Argyropoulos, Registrar
Superior Court of Justice

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF UNIVERSAL SETTLEMENTS INTERNATIONAL INC.

Court File No.: 08-CL-7878

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding commenced at Toronto

ORDER

OGILVY RENAULT LLP
Royal Bank Plaza, South Tower
3800 - 200 Bay Street
Toronto ON M5J 2Z4

William McNamara (LSUC#: 23153S)
Tel: (416) 216-3906
Fax: (416) 216-3930

Lawyers for the Applicant

DOCSTOR: 1591729\3

Court File No.: 08-CL-7878

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL COURT)

THE HONOURABLE	)	TUESDAY, THE 23rd DAY
	)	
MR. JUSTICE WILTON-SIEGEL	)	OF DECEMBER, 2008

SUPERIOR COURT OF JUSTICE
COUR SUPÉRIEURE DE JUSTICE

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OF ARRANGEMENT OF UNIVERSAL SETTLEMENTS INTERNATIONAL INC.

ORDER

THIS MOTION, made by the Applicant for an order:

(a) if necessary, abridging the time for service of the Notice of Motion and the Motion Record herein, and dispensing with further service thereof;

(b) approving the sale transaction contemplated by an agreement of purchase and sale (the "Sale Agreement") between SDM Holdings, LLC (the "Purchaser") made as of October 15, 2008, and appended to the 2nd Report of the Monitor dated December 22, 2008 (the "Report");

This is Exhibit "C" referred to in the affidavit of Christopher Harris sworn before me, this 16th day of JANUARY 2009

A COMMISSIONER FOR TAKING AFFIDAVITS

Luis Miguel Mendes, a Commissioner etc., Province of Ontario, while a student-at-law. Expires April 5, 2010.

(c) granting USI permission to surrender 10 policies excluded from the Sale Agreement for their cash surrender value in the amount of (US)$312,000 ((CDN)$368,160),

(d) the transactions contemplated by paragraphs (b) and (c) being referred to herein as ("the Transactions"),

was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Applicant's Motion Record, including the affidavit of Christopher Halas sworn December 22, 2008 and the Exhibits thereto, the 2nd Report of the Monitor, Ernst & Young Inc., and on hearing the submissions of counsel for the Applicant, and counsel to the Monitor,

1. THE COURT ORDERS AND DECLARES that the terms for service of the Notice of Motion is hereby abridged so that this Motion is properly returnable today and hereby dispenses with further service thereof.

2. THIS COURT ORDERS AND DECLARES that the Transaction is hereby approved, and that the Sale Agreement is commercially reasonable and in the best interests of the Applicant and its stakeholders. The execution of the Sale Agreement by the Applicant is hereby authorized and approved, and the Applicant is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of the Purchased Assets to the Purchaser.

3. THIS COURT ORDERS that the net proceeds from the sale and the cash value from the 10 policies which will be surrendered will be used for funding the ongoing

operations of USI in the ordinary course (including the payment of premiums), with such use to be supervised by the Monitor.

4. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Applicant and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Applicant, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Applicant and its agents in carrying out the terms of this Order.

Christina Irwin
Registrar, Superior Court of Justice

ENTERED AT / INSCRIT À TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO.:

DEC 24 2008

PER / PAR:

Court File No.: 08-CL-7878

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,
R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
UNIVERSAL SETTLEMENTS INTERNATIONAL INC.

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding commenced at Toronto

ORDER

OGILVY RENAULT LLP
Royal Bank Plaza, South Tower
3800 - 200 Bay Street
Toronto ON M5J 2Z4

William McNamara (LSUC#: 23153S)
Tel: (416) 216-3906
Fax: (416) 216-3930

Lawyers for the Applicant

44

DOCSTOR: 1596471\4

Court File No.: 08-CL-7878

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL COURT)

THE HONOURABLE	)	FRIDAY, THE 9th DAY
	)	
MR. JUSTICE WILTON-SIEGEL	)	OF JANUARY, 2009

IN THE MATTER OF THE
***COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED**

AND IN THE MATTER OF A PLAN OF COMPROMISE OF ARRANGEMENT OF UNIVERSAL SETTLEMENTS INTERNATIONAL INC.

ORDER

THIS MOTION, made by the Applicant, pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Applicant's Motion Record, including the affidavit of Christopher Halas sworn January 8, 2009 and the Exhibits thereto (the "Halas Affidavit"), the 3rd Report of the Monitor, Ernst & Young Inc., and on hearing the submissions of counsel for the Applicant, counsel to the Monitor, and counsel for the parties who have served a Notice of Appearance,

This is Exhibit "D" referred to in the affidavit of Christopher HALAS sworn before me, this 16th day of JANUARY 2009

A COMMISSIONER FOR TAKING AFFIDAVITS

Luis Miguel Mendes, a Commissioner etc., Province of Ontario, while a student-at-law. Expires April 5, 2010.

1. THE COURT ORDERS AND DECLARES that the terms for service of the Notice of Motion is hereby abridged so that this Motion is properly returnable today and hereby dispenses with further service thereof;

2. THIS COURT ORDERS that the Stay Period granted in paragraph 10 of the Initial Order dated December 2, 2008, is hereby extended until and including February 28, 2009, or until further Order of this Court;

3. THIS COURT ORDERS that the amendment to the Policy Purchase Agreement approved in paragraph 2 of this Court's Order dated December 23, 2008 (the "Policy Purchase Agreement"), which amendment is attached as Exhibit "K" to the Halas Affidavit (the "Amendment Agreement"), is hereby approved as being commercially reasonable and in the best interests of the Applicant and its stakeholders. The Applicant is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Amendment Agreement.

4. THIS COURT ORDERS that, upon the implementation of the Amendment Agreement, the Policies (as identified in the Policy Purchase Agreement) are hereby excluded from the Administration Charge and Directors' Charge (as defined in paragraphs 18 and 30 of the Initial Order), but the Administration Charge and the Directors' Charge shall attach to the net proceeds of the sale of the Policies (the "Proceeds"), in the same priorities as established by the Initial Order, and on the same terms as provided for in the Initial Order, and for this purpose the proceeds shall stand in the place and stead of the Policies;

5. THIS COURT ORDERS that upon the implementation of the Amending Agreement, SDM Holdings Inc. shall be entitled to the benefit of and is hereby granted a charge (the "SDM Charge") on the Policies, which charge shall not exceed an aggregate amount of (US)$1.45 million, as security for loans provided to the Applicant pursuant to the Amendment Agreement;

6. THIS COURT ORDERS that the SDM Charge shall not be enforced without further Order of this Court; and

7. THIS COURT ORDERS that, except as expressly provided herein, the Applicant shall not sell, dispose of, grant security on, or otherwise encumber the Policies without further Order of this Court.

ENTERED AT / INSCRIT A TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO.:

JAN 1 4 2009

PER / PAR: TV

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

Court File No.: 08-CL-7878

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF UNIVERSAL SETTLEMENTS INTERNATIONAL INC.

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding commenced at Toronto

ORDER

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Toronto ON M5J 2Z4

William McNamara (LSUC#: 23153S)
Tel: (416) 216-3906
Fax: (416) 216-3930

Lawyers for the Applicant

DOCSTOR: 1600492\3

File No. 08-CL-7878

ONTARIO
SUPERIOR COURT OF JUSTICE- COMMERCIAL LIST

THE HONOURABLE	)	MONDAY, THE 26TH
	)	
MR. JUSTICE WILTON-SIEGEL	)	DAY OF JANUARY, 2009

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OF ARRANGEMENT OF UNIVERSAL SETTLEMENTS INTERNATIONAL INC.

Applicant

CLAIMS PROCEDURE ORDER

THIS MOTION, made by Universal Settlements International Inc. (the "Applicant"), for an Order substantially in the form included in the Applicant's Motion Record was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Applicant's Notice of Motion, the affidavit of Christopher Halas sworn [DATE], the Fourth report of Ernst & Young Inc. (the "Monitor") dated [DATE], and on hearing the submissions of counsel for the Applicant, the Monitor, [OTHER PARTIES APPEARING], no one appearing for the other parties served with the Applicant's Motion Record, although duly served as appears from the affidavit of service of [ ] sworn [DATE], filed:

This is Exhibit A referred to in the affidavit of Christopher Halas sworn before me, this 16 day of January 2009

Luis Miguel Mendes, a Commissioner etc., Province of Ontario, while a student-at-law. Expires April 5, 2010.

A COMMISSIONER FOR TAKING AFFIDAVITS

MONITOR'S ROLE

1. THIS COURT ORDERS that the Monitor, in addition to its prescribed rights and obligations under the CCAA (as hereinafter defined) and under the Initial Order of this Court dated December 2, 2008 (such Order, as supplemented, amended or varied from time to time, is referred to herein as the "Initial Order"), is hereby directed and empowered to take such other actions and fulfill such other roles as are authorized by this Order, and that in taking such other actions and in fulfilling such other roles, the Monitor shall have the protections given to it by the Initial Order and this Order, including without limitation the protections provided in paragraph 24 of this Order.

THE CLAIMS PROCESS

2. The following terms shall have the following meanings ascribed thereto:

(a) "Acknowledgement of Claim" means an Acknowledgement of Claim in substantially the form attached as Schedule "C" hereto;

(b) "Agent" means any Person who acted to facilitate a purchase of a Life Settlement by a Purchaser, and for the purposes of this Order shall include Universal Settlements Vermogensberatung GmbH;

(c) "Business Day" means a day, other than a Saturday or a Sunday, on which banks are generally open for business in Toronto, Ontario;

(d) "CCAA" means *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended;

(e) "Claim" means:

(i) any right of any Person against the Applicant in connection with any indebtedness, liability or obligation of any kind of the Applicant, whether liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, present, future, known, or unknown, by guarantee, surety or otherwise and whether or not such right is executory in nature, including the right or ability of any Person to advance a claim for contribution or indemnity or otherwise with respect to any matter, action, cause or chose in action, whether existing at present or commenced in the future, which indebtedness, liability or obligation is based in whole or in part on facts existing on or prior to the Valuation Date or which would have been claims provable in bankruptcy had the Applicant become bankrupt on the Valuation Date (each a "Claim", and collectively, the "Claims"); and

(ii) any right of any Person against the Directors of the Applicant that relates to the Claims for which the Directors of the Applicant are by law liable to pay in their capacity as directors,

provided however, that "Claim" shall not include an Excluded Claim;

(f) "Claim Document Package" means a document package that includes a copy of the Instruction Letter, a Proof of Claim (or where applicable an Acknowledgement of Claim), and such other materials as the Monitor may consider appropriate or desirable;

(g) "Claims Bar Date" means 4:00 p.m. (Eastern Standard/Daylight Time) on February 23, 2009, or such later date as may be ordered by the Court;

(h) "Court" means the Ontario Superior Court of Justice;

(i) "Creditor" means any Person having a Claim;

(j) "Creditors' Meeting" means the meeting or meetings of Creditors scheduled pursuant to further Order of this Court, or by the Plan when and as filed with this Court;

(k) "Directors" means all current and former directors of the Applicant;

(l) "Dispute Notice" means a written notice to the Monitor, in substantially the form attached as Schedule "F" hereto, delivered to the Monitor by a Creditor who has received a Notice of Revision or Disallowance, of its intention to dispute such Notice of Revision or Disallowance and provide further evidence to support its Claim;

(m) "Excluded Claim" means (i) claims secured by any of the "Charges", as defined in the Initial Order, (ii) claims secured by the "SDM Charge" as defined by order of this Court made on January 9, 2009, (iii) claims currently made in *Universal Settlements Inc. v. James Torchia, Marc Celello and National Viaticals Inc.* (United States District Court, Western District of Michigan, Court file no. 1:07-cv-1243) and in *Universal Settlements Inc. v. Antonio Duscio* (Ontario Superior Court of Justice, Court file no. 06-CV-323645 PD3), and (iv) any claim against a

Director that cannot be compromised due to the provisions of subsection 5.1(2) of the CCAA;

(n) "Filing Date" means December 2, 2008;

(o) "Initial Order" has the meaning ascribed to that term in paragraph 1 of this Order;

(p) "Instruction Letter" means the instruction letter to Creditors, in substantially the form attached as Schedule "B" hereto;

(q) "Known Creditors" means:

(i) those Creditors which the books and records of the Applicant disclose were owed monies by the Applicant as of the Filing Date and which monies remain unpaid in whole or in part, including Purchasers;

(ii) any Person who commenced a legal proceeding against the Applicant which legal proceeding was commenced and served upon the Applicant prior to the Filing Date;

(iii) any Person who is party to a lease, contract, employment agreement or other agreement of the Applicant which was terminated or disclaimed by the Applicant between the Filing Date and the Valuation Date; and

(iv) any other Creditor actually known to the Applicant as at the Valuation Date;

(r) "Life Settlement" means a financial transaction that allowed terminally ill or elderly owners of life insurance policies to sell the beneficiary entitlement thereunder to a third party at a discount from the face value of the death benefit;

(s) "Notice of Revision or Disallowance" means a notice, in substantially the form attached as Schedule "E" hereto;

(t) "Notice to Creditors" means the notice to Creditors for publication in substantially the form attached as Schedule "A" hereto;

(u) "Person" means any individual, partnership, joint venture, trust, corporation, unincorporated organization, government or agency or instrumentality thereof, or any other juridical entity howsoever designated or constituted;

(v) "Plan" means the plan of arrangement by the Applicant, if and when filed and approved by this Court, as revised, amended, modified or supplemented from time to time in accordance with its terms;

(w) "Proof of Claim" means the form of Proof of Claim in substantially the form attached as Schedule "D" hereto;

(x) "Proven Claim" has the meaning ascribed to that term in paragraph 3 of this Order;

(y) "Purchaser" means a person who, pursuant to a purchase agreement with the Applicant or an Agent, purchased an interest in a Life Settlement, and from whom the Applicant received monies for this purpose;

(z) "Purchaser Information" has the meaning ascribed to that term in paragraph 6 of this Order;

(aa) "Request for Amendment" means an Purchaser's request for the amendment of the Purchaser Information included in an Acknowledgement of Claim, by completing and returning the "Request for Amendment" section in the Acknowledgement of Claim provided by the Monitor to that Purchaser;

(bb) "Secured Claim" means any Claim or portion thereof that is secured by a security interest, pledge, mortgage, lien, hypothec or charge on any property of the Applicant, but only to the extent of the value of the security in respect of the Claim; and

(cc) "Valuation Date" means the date of this Order.

DETERMINATION OF PROVEN CLAIM

3. THIS COURT ORDERS that every Claim of a Creditor as finally determined in accordance with the forms and procedures hereby authorized (a "Proven Claim"), including any determination as to the nature, amount, value, priority or validity of any Claim, including any Secured Claim, shall be final for all purposes, including the Plan, and including without limitation for any distribution made to creditors of the Applicant, provided however that the Purchaser Information contained in an Acknowledgement of Claim shall confirm only the amount and validity of the Claim that is based on that Purchaser Information, and does not confirm or establish the nature, value, or priority of the Claim that is based on that Purchaser Information.

NOTICE TO CREDITORS AND OTHERS

4. THIS COURT ORDERS THAT:

(a) the Monitor shall no later than five (5) days following the making of this Order, post a copy of this Order (together with all Schedules) on its website, and send on behalf of the Applicant to each of the Known Creditors and to each Agent (in each case, for which it has an address) a copy of the Claim Document Package;

(b) the Monitor shall no later than ten (10) days following the making of this Order, cause to be published the Notice to Creditors in (i) *The Globe and Mail*, National Edition, and the *Wall Street Journal*, Global Edition, each in the English language, (ii) •, in the German language, and (iii) •, in the Spanish language; and

(c) the Monitor shall, provided such request is received prior to the Claims Bar Date, deliver as soon as reasonably possible following receipt of a request therefore a copy of the Claim Document Package to any Person claiming to be a Creditor and requesting such material.

5. THIS COURT ORDERS each of this Order, the Instruction Letter, the Acknowledgement of Claim, the Proof of Claim, the Notice of Revision or Disallowance, and the Dispute Notice shall be available in each of English, German and Spanish, but that in the case of an inconsistency between the meaning of the English version, on the one hand, and the German or Spanish versions, on the other hand, the English version shall prevail. The German and Spanish versions of such documents may be separate documents, or any

such documents may be bilingual or trilingual. The Monitor may, where it considers it appropriate to do so, provide to any Person a German or Spanish version of any of such documents, and of any letters, notices or other documents given by the Monitor, where it appears to the Monitor that the Person has more facility with that language, or prefers to communicate in that language. The Monitor is authorized to rely on the services of a third party translation service to prepare the German and Spanish versions of any documents and shall have no responsibility nor incur any liability for any inaccuracy of other defect or issue in any translated document.

PURCHASERS' CLAIMS

6. THIS COURT ORDERS that the Monitor may, where it considers it appropriate to do so, send to any Purchaser an Acknowledgement of Claim, wherein the Monitor acknowledges a Claim by that Purchaser based on the books and records of the Applicant, and sets out the Applicant's information relating to that Claim (the "Purchaser Information"). The Purchaser Information shall be deemed to be confirmed in all respects by the Purchaser, unless the Purchaser elects to complete and file a Request for Amendment together with supporting documentation, in which case (a) the Request for Amendment shall be reviewed and considered by the Monitor, and (b) the Monitor may accept the amendments requested, or revise or disallow them by way of Notice of Revision or Disallowance. Unless a Request for Amendment is received by the Monitor on or before the Claims Bar Date, (i) the Acknowledgement of Claim and the Purchaser Information therein shall final and binding on the Purchaser, and may be relied upon by the Applicant in valuing the Purchaser's Claim for all purposes, including for purposes of

the Plan, and (ii) the Purchaser shall be barred from making any Claim inconsistent with the information contained in the Acknowledgement of Claim.

PROOFS OF CLAIM

7. THIS COURT ORDERS that all Creditors, other than those who have received an Acknowledgement of Claim, shall file with the Monitor a Proof of Claim within the time periods herein stipulated.

DEADLINE FOR FILING OF REQUEST FOR AMENDMENT OR PROOF OF CLAIM

8. THIS COURT ORDERS that all Requests for Amendment and all Proofs of Claim shall be filed with the Monitor and that any Creditor that does not file a Request for Amendment or a Proof of Claim (in each case, together with supporting documentation) as provided for herein such that such Request for Amendment or Proof of Claim, as the case may be, is received by the Monitor on or before the Claims Bar Date (a) shall be and is hereby forever barred from making or enforcing any Claim (other than a Claim based on the Purchaser Information contained in an Acknowledgement of Claim) against the Applicant, the Directors, or any of them; (b) shall not be entitled to vote at the Creditors' Meeting in respect of the Plan or to receive any distribution thereunder, except with respect to a Claim based on the Purchaser Information contained in an Acknowledgement of Claim; and (c) shall not be entitled to any further notice in, and shall not be entitled to participate as a creditor in, these proceedings, except with respect to a Claim based on the Purchaser Information contained in an Acknowledgement of Claim.

ADEQUACY OF INFORMATION / CURRENCY

9. THIS COURT ORDERS that:

   (a) the Monitor may, where it is satisfied that a Claim has been adequately proven, waive strict compliance with the requirements of this Order as to completion and execution of Requests for Amendment or Proofs of Claim; and

   (b) any Claims denominated in any currency other than Canadian dollars shall, for the purposes of this Order, be converted to, and constitute obligations in, Canadian dollars, such calculation to be effected by the Monitor using the Bank of Canada noon spot rate on the Filing Date.

REVIEW OF REQUESTS FOR AMENDMENT AND PROOFS OF CLAIM

10. THIS COURT ORDERS that the Monitor, in consultation with the Applicant, shall review all Requests for Amendment and all Proofs of Claims filed on or before the Claims Bar Date and shall by way of Notice of Revision or Disallowance accept, revise or disallow (in whole or in part) the Purchaser Information set out in any Acknowledgement of Claim or Request for Amendment, and the amount and/or status of the Claim set out in any Proof of Claim. At any time, the Monitor may request additional information with respect to any Claim (including in respect of any Acknowledgement of Claim), and may request that the Creditor file a revised Request for Amendment or a revised Proof of Claim, as the case may be.

11. THIS COURT ORDERS that where Purchaser Information or a Claim has been accepted by the Monitor, such Purchaser Information or Claim shall establish such Creditor's Proven Claim for all purposes, including for the purposes of voting and distribution under the Plan.

12. THIS COURT ORDERS that where Purchaser Information or a Claim has been revised or disallowed (in whole or in part) by a Notice of Revision or Disallowance, the revised or disallowed portion of that Claim shall not establish a Proven Claim unless the Creditor has disputed the revision or disallowance and proven the revised or disallowed Claim (or portion thereof) in accordance with paragraphs 17 to 20 of this Order.

EFFECT OF CLAIM THAT IS NOT A PROVEN CLAIM

13. THIS COURT ORDERS that where a Claim has not become a Proven Claim prior to the Creditors' Meeting, the Creditor may vote its Claim at the Creditors' Meeting, and such vote shall be recorded by the Monitor, but the validity of the Claim and the corresponding vote by the Creditor shall not be final or binding on the Creditor, the Monitor, or the Applicant unless and until, and only to the extent that, the Claim becomes a Proven Claim.

14. THIS COURT ORDERS that where a Claim has not become a Proven Claim prior to a distribution under any Plan, a reserve in respect of the specific Claim shall be established and held by the Monitor, but the Creditor shall not be entitled to a dividend based on the Claim unless and until, and only to the extent that, the Claim becomes a Proven Claim.

DISPUTE NOTICE

15. THIS COURT ORDERS that any Creditor who intends to dispute a Notice of Revision or Disallowance shall file a Dispute Notice with the Monitor as soon as reasonably possible but in any event such that such Dispute Notice shall be received by the Monitor on or before 4:00 p.m. (Eastern Standard/Daylight Time) on the day that is fourteen (14) days after the Monitor sends the Notice of Revision or Disallowance in accordance with paragraph 26 of this Order. The filing of a Dispute Notice with the Monitor within the time limited therefore shall constitute an application to have the amount or status of such Claim determined as set out in paragraphs 17 to 20 hereof.

16. THIS COURT ORDERS that where a Creditor that receives a Notice of Revision or Disallowance fails to file a Dispute Notice with the Monitor within the time limited therefore, the amount and status of such Creditor's Claim shall be deemed to be as set out in the Notice of Revision or Disallowance and such amount and status, if any, shall constitute such Creditor's Proven Claim.

RESOLUTION OF CLAIMS

17. THIS COURT ORDERS that as soon as practicable after the delivery of the Dispute Notice to the Monitor, the Creditor and the Monitor, in consultation with the Applicant, shall attempt to resolve and settle the Creditor's Claim.

18. THIS COURT ORDERS that in the event that the dispute between the Creditor and the Monitor is not settled within a time period or in a manner satisfactory to the Monitor, the

Monitor or the Creditor may make a motion to the Court for the final determination of the Creditor's Claim.

19. THIS COURT ORDERS that notwithstanding the other provisions of this Order, including without limitation paragraphs 10, 17 and 18 herein, the Monitor may make a motion to the Court for the final determination of a Claim at any time, whether or not a Notice of Revision or Disallowance has been sent by the Monitor.

20. THIS COURT ORDERS that the determination of a Claim by this Court shall be final and binding for all purposes, and there shall be no further right of appeal, review or recourse from this Court's determination of a Claim.

NOTICE OF TRANSFEREES

21. THIS COURT ORDERS that neither the Applicant nor the Monitor shall be obligated to give notice to or to otherwise deal with a transferee or assignee of a Claim as the Creditor in respect thereof unless and until actual written notice of transfer or assignment, together with satisfactory evidence of such transfer or assignment, shall have been received by the Monitor, at least five (5) Business Days before any Creditors' Meeting, and thereafter such transferee or assignee shall for the purposes hereof constitute the "Creditor" in respect of such Claim. Any such transferee or assignee of a Claim, and such Claim, shall be bound by any notices given or steps taken in respect of such Claim in accordance with this Order prior to receipt by the Monitor of satisfactory evidence of such transfer or assignment.

22. THIS COURT ORDERS that if the holder of a Claim has transferred or assigned the whole of such Claim to more than one Person or part of such Claim to another Person or Persons, such transfer or assignment shall not create a separate Claim or Claims and such Claim shall continue to constitute and be dealt with as a single Claim notwithstanding such transfer or assignment, and the Applicant and the Monitor shall in each such case not be bound to recognize any such transfer or assignment and shall be entitled to give notices to and to otherwise deal with such Claim only as a whole and then only to and with the Person last holding such Claim in whole as the Creditor in respect of such Claim, provided such Creditor may by notice in writing to the Monitor, received at least five (5) Business Days prior to a Creditors' Meeting, direct that subsequent dealings in respect of such Claim, but only as a whole, shall be with a specified Person and in such event, such Creditor, such transferee or assignee of the Claim and the whole of such Claim shall be bound by any notices given or steps taken in respect of such Claim by or with respect to such Person in accordance with this Order.

23. THIS COURT ORDERS that neither the Applicant nor the Monitor are under any obligation to give notice to any Person other than the Creditor holding a Claim, and shall (without limitation) have no obligation to give notice to any Person holding a security interest, lien, or charge in, or a pledge or assignment by way of security in, a Claim.

PROTECTIONS FOR MONITOR

24. THIS COURT ORDERS that (i) in carrying out the terms of this Order, the Monitor shall have all of the protections given to it by the CCAA and the Initial Order or as an officer of this Court, including the stay of proceedings in its favour, (ii) the Monitor shall incur

no liability or obligation as a result of the carrying out of the provisions of this Order, and (iii) the Monitor shall be entitled to rely on the books and records of the Applicant, and shall not be liable for any claims or damages resulting from any errors or omissions in such books or records.

DIRECTIONS

25. THIS COURT ORDERS that the Applicant or the Monitor may at any time, and with such notice as this Court may require, seek directions from this Court with respect to this Order and the Claim process set out herein, including the forms attached as Schedules hereto.

SERVICE AND NOTICE

26. THIS COURT ORDERS that the Monitor be at liberty to deliver the Claim Document Package, and any letters, notices or other documents to Creditors or other interested Persons, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or electronic or digital transmission to such Persons at the address as last shown on the records of the Applicant and that any such service or notice by courier, personal delivery or electronic or digital transmission shall be deemed to be received on the next Business Day following the date of forwarding thereof, or if sent by mail, on the fifth Business Day after mailing. Notwithstanding anything to the contrary in this paragraph 26, Notices of Revision or Disallowance shall be sent only by registered mail or by courier.

27. THIS COURT ORDERS that any notice or other communication (including, without limitation, Requests for Amendment, Proofs of Claim and Dispute Notices) to be given under this Order by a Creditor to the Monitor shall be in writing in substantially the form, if any, provided for in this Order and will be sufficiently given only if given by prepaid ordinary mail, courier, personal delivery or electronic or digital transmission addressed to:

Ernst & Young Inc.
Court-appointed Monitor of Universal Settlements International Inc.
222 Bay Street, Suite 1600
Toronto, Ontario
Canada M5K 1J7

Attention:	Marie Jackson
Telephone:	1-416-943-5446
E-mail	universal.settlements@ca.ey.com
Fax:	1-416-943-3300

Any such notice or other communication by a Creditor shall be deemed received only upon actual receipt thereof during normal business hours on a Business Day.

MISCELLANEOUS

28. THIS COURT ORDERS AND REQUESTS the aid and recognition of any court of any judicial, regulatory or administrative body in any province or territory of Canada (including the assistance of any court in Canada pursuant to Section 17 of the CCAA) and the Federal Court of Canada and any judicial, regulatory or administrative tribunal or other court constituted pursuant to the Parliament of Canada or the legislature of any province and any court or any judicial, regulatory or administrative body of the Republic of Austria, the Federal Republic of Germany, Switzerland or the United States and any

other nation or state, to act in aid of and to be complementary to this Court in carrying out the terms of this Order.

SCHEDULE "A"

NOTICE TO CREDITORS
of UNIVERSAL SETTLEMENTS INTERNATIONAL INC.
(hereinafter referred to as the "Applicant")
(the Applicant also carried on business through Universal Settlements Vermogensberatung GmbH)

RE: NOTICE OF CLAIMS PROCEDURE FOR THE APPLICANT PURSUANT TO THE *COMPANIES' CREDITORS ARRANGEMENT ACT* (the "CCAA") OF CANADA

PLEASE TAKE NOTICE that this notice is being published pursuant to an Order of the Superior Court of Justice of Ontario, Canada made January 26, 2009 (the "Order"). The Applicant's creditors should have received Claim documents by mail, if those creditors and their current addresses are known to the Applicant. Creditors may also obtain the Order and Claim documents from the website of Ernst & Young Inc., Court-appointed monitor of the Applicant, at www.universal.settlements.ca.ey.com, or by contacting the Monitor by telephone (1-416-943-5446) or by fax (1-416-943-3300).

Claims must be submitted to the Monitor in a prescribed form for any claim against the Applicant, whether unliquidated, contingent or otherwise, or a claim against any current or former director of the Applicant, in each case where the claim arose on or prior to January 26, 2009. Please consult the Claim documents for more details.

Completed documents must be received by the Monitor by 4:00 p.m. (Eastern Standard/Daylight Time) on February 23, 2009 (the "Claims Bar Date"). It is your responsibility to complete the appropriate documents and ensure that the Monitor receives your completed documents by the above-noted time and date.

CLAIMS WHICH ARE NOT RECEIVED BY THE CLAIMS BAR DATE WILL BE BARRED AND EXTINGUISHED FOREVER.

DATED at Toronto this _______ day of ________, 2009.

SCHEDULE "B"

INSTRUCTION LETTER FOR THE CLAIMS PROCEDURE OF UNIVERSAL SETTLEMENTS INTERNATIONAL INC.
(hereinafter referred to as the "Applicant")
(the Applicant also carried on business through Universal Settlements Vermogensberatung GmbH)

A. CLAIMS PROCEDURE

By Order of the Superior Court of Justice of Ontario, Canada made January 26, 2009 under the *Companies' Creditors Arrangement Act* (the "CCAA"), the Applicant has been authorized to conduct a claims procedure under the CCAA (the "Claims Procedure").

The Claims Procedure is intended for any Person with: (i) any claims of any kind or nature whatsoever, other than an Excluded Claim, against the Applicant, that arose on or prior to January 26, 2009, unliquidated, contingent or otherwise; and (ii) certain claims against the current or former directors of the Applicant (collectively, the "Claims"). Please review the Claims Procedure Order on the Monitor's website (set out below) for the complete definition of Claim, Secured Claim and Excluded Claim.

If you have any questions regarding the Claims Procedure, please consult the website of the Court-appointed Monitor (www.ey.com/ca/universalsettlements) or contact the Monitor at the address provided below.

All notices and enquiries with respect to the Claims Procedure should be addressed to:

Ernst & Young Inc.
Court-appointed Monitor of Universal Settlements International Inc.
222 Bay Street, Suite 1600
Toronto, Ontario
Canada M5K 1J7

Attention:	Marie Jackson
Telephone:	1-416-943-5446
E-mail	universal.settlements@ca.ey.com
Fax:	1-416-943-3300

B. ACKNOWLEDGEMENT OF CLAIMS

With respect to those persons who made purchases/investments in or through the Applicant or an agent, the Monitor may have obtained information from the Applicant's books and records with respect to such Claims. In those cases, the Monitor may send to a creditor an Acknowledgement of Claim form, wherein the Monitor acknowledges information concerning the creditors' Claim, and sets out other the information related to that Claim. If the creditor agrees with the information described in such Acknowledgement of Claim, the creditor does not have to take any further steps. If the creditor disagrees with any information as described in the Acknowledgement of Claim, then the creditor must file a Request for Amendment, **which must be received by 4:00 p.m. (Eastern Standard/Daylight Time) on February 23, 2009, the Claims Bar Date.**

C. FOR CREDITORS SUBMITTING A PROOF OF CLAIM

If you believe that you have a Claim against the Applicant or its current or former directors, and have not received an Acknowledgement of Claim, you will have to file a Proof of Claim with the Monitor. If you have received an Acknowledgement of Claim, and believe that you have a Claim in addition to the Claim set out in the Acknowledgement of Claim, then you must also file a Proof of Claim for that additional claim. **Your Proof(s) of Claim must be received by 4:00 p.m. (Eastern Standard/Daylight Time) on February 23, 2009, the Claims Bar Date**.

Additional Proof of Claim forms and other information, including the Order creating the Claims Procedure, can be obtained from the Monitor's website at www.ey.com/ca/universalsettlements, or by contacting the Monitor at the telephone and fax numbers indicated above and providing particulars as to your name, address and facsimile number.

It is your responsibility to ensure that the Monitor receives your Request for Amendment or your Proof of Claim, as the case may be, by the above-noted time and date.

D. UNIVERSAL SETTLEMENTS VERMOGENSBERATUNG GMBH

The Applicant also carried on business through its wholly-owned European subsidiary, Universal Settlements Vermogensberatung GmbH ("Universal Settlements (Europe)"). The Applicant, rather than Universal Settlements (Europe), made all purchases of and investments in life settlements, and has assumed liability for any Claims relating to purchases of life settlements that were made through or facilitated by Universal Settlements (Europe).

SCHEDULE "C"

ACKNOWLEDGEMENT OF CLAIM RELATING TO UNIVERSAL SETTLEMENTS INTERNATIONAL INC.

(hereinafter referred to as the "Applicant")
(the Applicant also carried on business through Universal Settlements Vermogensberatung GmbH)

TO:

[FULL NAME AND ADDRESS OF CREDITOR]

REFERENCE NUMBER: ______________________________

PARTICULARS OF CLAIM:

The books and records of the Applicant indicate that you had a Claim against the Applicant as a result of an purchase/investment that you made in or through the Applicant or an agent, the details of which are as follows:

Full Legal Name of Purchaser: ______________________________

Full Mailing Address: ______________________________

Telephone number: ______________________________

E-mail address: ______________________________

Facsimile number: ______________________________

Date of Purchase/Investment: ______________________________

Amount of Purchase/Investment: ______________________________

Anticipated Amount of Return/ Maturity Amount/ Face Value (including original purchase/investment): ______________________________

Anticipated Date for Return of Purchase/Investment: ______________________________

UNIVERSAL SETTLEMENTS VERMOGENSBERATUNG GMBH

The Applicant also carried on business through its wholly-owned European subsidiary, Universal Settlements Vermogensberatung GmbH ("Universal Settlements (Europe)"). The Applicant, rather than Universal Settlements (Europe), made all purchases of and investments in life settlements, and has assumed liability for any Claims relating to purchases of life settlements that were made through or facilitated by Universal Settlements (Europe).

ACTION REQUIRED:

If you agree with all of the information set out above, you do not have to take any further steps. If, however, you disagree with this information in any respect, then you must file a Request for Amendment by the time and date set out below.

FILING OF REQUEST FOR AMENDMENT

If you disagree with the information set out above in any respect, then you must complete the section below entitled "Request for Amendment", and return a copy of this document together with supporting documentation to the Monitor by 4:00 p.m. on February 23, 2009 (Eastern Standard/Daylight Time). If you do not do so, (i) this Acknowledgement of Claim and the information herein shall final and binding on you, and may be relied upon by the Applicant in valuing your Claim for all purposes, including for purposes of any plan of arrangement filed by the Applicant, and (ii) you shall be barred from making any Claim inconsistent with the information contained in this Acknowledgement of Claim.

It is your responsibility to ensure that the Monitor receives your Request for Amendment by the above-noted time and date.

REQUEST FOR AMENDMENT:

I, ______________________________ [name of Creditor or Representative of the Creditor], of ______________________________ do hereby request that the information provided in this Acknowledgement of Claim be amended as follows **[PLEASE INDICATE THE SPECIFIC AMENDMENTS REQUESTED, AND PROVIDE SUPPORTING DOCUMENTATION]:**

Dated at ______________ this ________day of ____________, 2009.

____
Signature of Creditor

This Request for Amendment must be received by the Monitor by no later than 4:00 p.m. (Eastern Standard/Daylight Time) on February 23, 2009, by prepaid ordinary mail, courier, personal delivery or electronic or digital transmission at the following address:

Ernst & Young Inc.
Court-appointed Monitor of Universal Settlements International Inc.
222 Bay Street, Suite 1600
Toronto, Ontario
Canada M5K 1J7

Attention:	Marie Jackson
Telephone:	1-416-943-5446
E-mail	universal.settlements@ca.ey.com
Fax:	1-416-943-3300

SCHEDULE "D"

PROOF OF CLAIM RELATING TO UNIVERSAL SETTLEMENTS INTERNATIONAL INC.
(hereinafter referred to as the "Applicant")
OR ITS FORMER AND CURRENT DIRECTORS (hereinafter referred to as the "Directors")
(the Applicant also carried on business through Universal Settlements Vermogensberatung GmbH)

Please read carefully the enclosed Instruction Letter for completing this Proof of Claim.

A. PARTICULARS OF CREDITOR:

1. Full Legal Name of Creditor: ____

   ____

   (the "Creditor"). (Full legal name should be the name of the original Creditor of the Applicant or Directors, notwithstanding whether an assignment of a Claim, or a portion thereof, has occurred following December 2, 2008)

2. Full Mailing Address of the Creditor (the original Creditor not the Assignee):

   ____

   ____

   ____

3. Telephone Number: ___________________________

4. E-Mail Address: ___________________________

5. Facsimile Number: ___________________________

6. Attention (Contact Person): ________________________________

7. Has the Claim been sold or assigned by the Creditor to another party [check (√) one]?

   Yes: ☐ No: ☐

B. PARTICULARS OF ASSIGNEE(S) (IF ANY):

8. Full Legal Name of Assignee(s):

   ____

(If Claim has been assigned, insert full legal name of assignee(s) of Claim (If all or a portion of the Claim has been sold). If there is more than one assignee, please attach a separate sheet with the required information.)

9. Full Mailing Address of Assignee(s):

____

____

____

10. Telephone Number of Assignee(s): ______________________

11. E-Mail Address: ______________________

12. Facsimile Number: ______________________

13. Attention (Contact Person): ______________________

C. PROOF OF CLAIM:

I, ____
[name of Creditor or Representative of the Creditor], of
______________________________ do hereby certify:
(city and province)

(a) that I [check (√) one]

□ am the Creditor of the Applicant and/or its Directors; OR

□ am ______________________ (state position or title) of

____;
(name of creditor)

(b) that I have knowledge of all the circumstances connected with the Claim referred to below;

(c) the Creditor asserts its claim against [check (√) one or both, as applicable]:

(i) Universal Settlements International Inc. □

(ii) Director(s) of Universal Settlements International Inc. □

(If you are making a claims against the Directors of the Applicant, please list the Director(s) against which you assert your claim); and

(d) The Applicant/Director(s) was/were and still is/are indebted to the Creditor as follows:

CLAIM ARISING ON OR PRIOR TO JANUARY 26, 2009:

(i) TOTAL CLAIM: $__________________ CAD

(Claims in a foreign currency are to be converted to Canadian Dollars at the Bank of Canada noon spot rate as at December 2, 2008.)

D. NATURE OF CLAIM

(check (√) one and complete appropriate category)

□ A. UNSECURED CLAIM OF $____________________

That in respect of this debt, I do not hold any 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 Bankruptcy and Insolvency Act (Canada) (the "BIA") or would claim such a priority if this Proof of Claim were being filed in accordance with that Act.

(Set out on an attached sheet details to support priority claim.)

□ B. SECURED CLAIM OF $ ____________

That in respect of this debt, I hold security valued at $ ____________, 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.)

E. PARTICULARS OF CLAIM:

Other than as already set out herein the particulars of the undersigned's total Claim are attached.

(Provide all particulars of the Claim and supporting documentation, including amount, description of transaction(s) or agreement(s) giving rise to the Claim, name of any guarantor which has guaranteed the Claim, and amount of invoices, particulars of all credits, discounts, etc. claimed, description of the security, if any, granted by the Applicant or any Director to the Creditor and estimated value of such security, and particulars of any interim period claim.)

This Proof of Claim must be received by the Monitor by no later than 4:00 p.m. (Eastern Standard/Daylight Time) on February 23, 2009, by prepaid ordinary mail, courier, personal delivery or electronic or digital transmission at the following address:

Ernst & Young Inc.
Court-appointed Monitor of Universal Settlements International Inc.
222 Bay Street, Suite 1600
Toronto, Ontario
Canada M5K 1J7

Attention:	Marie Jackson
Telephone:	1-416-943-5446
E-mail	universal.settlements@ca.ey.com
Fax:	1-416-943-3300

F. FILING OF CLAIM

Failure to file your proof of claim as directed by 4:00 p.m., on February 23, 2009 (Eastern Standard/Daylight Time) will result in your claim being barred and in you being prevented from making or enforcing a Claim against the Applicant or any Director. In addition, you shall not be entitled to further notice in, and shall not be entitled to participate as a creditor in these proceedings.

G. ACKNOWLEDGED CLAIMS

If your Claim has already been acknowledged by an Acknowledgement of Claim delivered to you by the Monitor, you do not need to file a Proof of Claim. If you disagree with any information in that Acknowledgement of Claim, then you should file a Request for Amendment. If you have received an Acknowledgement of Claim, and believe that you have a Claim in addition to the Claim set out in the Acknowledgement of Claim, then you must also file a Proof of Claim for that additional claim.

H. UNIVERSAL SETTLEMENTS VERMOGENSBERATUNG GMBH

The Applicant also carried on business through its wholly-owned European subsidiary, Universal Settlements Vermogensberatung GmbH ("Universal Settlements (Europe)"). The Applicant, rather than Universal Settlements (Europe), made all purchases of and investments in life settlements, and has assumed liability for any Claims relating to purchases of life settlements that were made through or facilitated by Universal Settlements (Europe).

I. EXCLUDED CLAIMS

The following are Excluded Claims and no person needs to file any claim in respect thereof at this time: (i) claims secured by any of the "Charges", as defined in the Initial Order made in these proceedings on December 2, 2008, (ii) claims secured by the "SDM Charge" as defined by order of this Court made on January 9, 2009, (iii) claims currently made in *Universal Settlements Inc. v. James Torchia, Marc Celello and National Viaticals Inc.* (United States District Court, Western District of Michigan, Court file no.

1:07-cv-1243) and in *Universal Settlements Inc. v. Antonio Duscio* (Ontario Superior Court of Justice, Court file no. 06-CV-323645 PD3), and (iv) any claim against a Director which cannot be compromised due to the provisions of subsection 5.1(2) of the CCAA.

Dated at _______________ this ________day of _____________, 2009.

____

Signature of Creditor

SCHEDULE "E"

REFERENCE NUMBER [●]

NOTICE OF REVISION OR DISALLOWANCE

Please read carefully the Instruction Letter accompanying this Notice.

TO: [**insert name of creditor**]

Ernst & Young Inc., in its capacity as Monitor of Universal Settlements International Inc., hereby gives you notice that it has reviewed your Request for Amendment or your Proof of Claim, as the case may be, and has revised or rejected your Claim or any part thereof or any information relating thereto, as follows:

Request for Amendment as Submitted (if applicable)	The Proof of Claim as Submitted (if applicable)	The Claim / information as Accepted

D. Reasons for Revision or Disallowance:

[insert explanation]

If you do not agree with this Notice of Revision or Disallowance, please take notice of the following:

1. **If you dispute this Notice of Revision or Disallowance, you must, no later than 4:00 p.m. (Eastern Standard/Daylight Time) on [INSERT DATE, being fourteen (14) days after the Notice of Revision or Disallowance is sent by the Monitor (see paragraph 15 of the Order)], notify the Monitor by delivery of a Dispute Notice in accordance with the accompanying Instruction Letter.** The form of Dispute Notice is enclosed.

2. If you do not deliver a Dispute Notice, your Claim shall be deemed to be as set out in this Notice of Revision or Disallowance.

IF YOU FAIL TO TAKE ACTION WITHIN THE PRESCRIBED TIME PERIOD, THIS NOTICE OF REVISION OR DISALLOWANCE WILL BE BINDING UPON YOU.

DATED at Toronto, this day of , 2009.

ERNST & YOUNG INC., COURT-APPOINTED MONITOR OF UNIVERSAL SETTLEMENTS INTERNATIONAL INC.

SCHEDULE "F"

DISPUTE NOTICE

Please read carefully the Instruction Letter accompanying this Notice.

We hereby give you notice of our intention to dispute the Notice of Revision or Disallowance bearing Reference Number _____________ and dated ____________________ issued in respect of our claim.

Reasons for Dispute (attach additional sheet and copies of all supporting documentation if necessary):

Name of Creditor____

_______________________________________ (Signature of individual completing this Dispute)

______________________________ Date

_______________________________________ (Please print name)

Telephone Number: ( ) __________________

E-mail Address: __________________

Facsimile Number: ( ) __________________

Full Mailing Address ____

____

____

THIS FORM TO BE RETURNED BY PREPAID ORDINARY MAIL, COURIER, PERSONAL DELIVERY OR ELECTRONIC OR DIGITAL TRANSMISSION AND BE RECEIVED NO LATER THAN 4:00 P.M. (EASTERN STANDARD/DAYLIGHT TIME) ON [INSERT DATE, being fourteen (14) days after the Notice of Revision or Disallowance is sent by the Monitor (see paragraph 15 of the Order)] TO:

Ernst & Young Inc.
Court-appointed Monitor of Universal Settlements International Inc.
222 Bay Street, Suite 1600

Toronto, Ontario
Canada M5K 1J7

Attention: Marie Jackson
Telephone: 1-416-943-5446
E-mail universal.settlements@ca.ey.com
Fax: 1-416-943-3300

Universal Settlements International Inc.
Stratification of Investors by Country of Residence

Investors' Country of Residence	Investments upon Maturity		Investments	
	Face Value	% of total	Number	% of total
Austria	$81,354,536	44.26%	3,415	56.67%
Germany	$23,953,097	13.03%	942	15.63%
Canada	$17,612,856	9.58%	662	10.99%
Switzerland	$17,097,091	9.30%	336	5.58%
Paraguay	$15,002,898	8.16%	9	0.15%
Argentina	$6,648,238	3.62%	251	4.17%
Taiwan	$5,732,407	3.12%	148	2.46%
Japan	$2,758,300	1.50%	6	0.10%
Liechtenstein	$2,372,000	1.29%	7	0.12%
Chile	$1,701,825	0.93%	37	0.61%
United States	$1,495,912	0.81%	41	0.68%
Italy	$1,370,113	0.75%	29	0.48%
Guatemala	$1,004,523	0.55%	29	0.48%
Mexico	$945,324	0.51%	38	0.63%
Unknown	$937,500	0.51%	4	0.07%
Croatia	$771,400	0.42%	7	0.12%
Spain	$758,175	0.41%	9	0.15%
China	$690,700	0.38%	9	0.15%
Colombia	$293,113	0.16%	11	0.18%
Dominican Republic	$252,527	0.14%	1	0.02%
Slovenia	$213,350	0.12%	6	0.10%
United Arab Emirates	$169,984	0.09%	4	0.07%
England	$140,833	0.08%	3	0.05%
Costa Rica	$111,925	0.06%	2	0.03%
Poland	$108,138	0.06%	5	0.08%
Venezuela	$95,963	0.05%	6	0.10%
France	$70,427	0.04%	3	0.05%
Sweden	$39,946	0.02%	1	0.02%
Uruguay	$33,600	0.02%	1	0.02%
Belize	$31,600	0.02%	1	0.02%
Czech Republic	$25,400	0.01%	1	0.02%
Belgium	$16,168	0.01%	1	0.02%
Netherlands	$13,360	0.01%	1	0.02%
Grand Total *	**$183,823,227**	100.00%	**6,026**	100.00%

* Excludes 8 policies under the Pillo Trust and M-Series representing 158 investors.

This is Exhibit "F" referred to in the affidavit of Christopher Halas sworn before me, this 16th day of January 2009

A COMMISSIONER FOR TAKING AFFIDAVITS

Luis Miguel Mendes, a
Commissioner etc., Province of Ontario,
while a student-at-law.
Expires April 5, 2010.

This is Exhibit "G" referred to in the affidavit of Christopher HALAS sworn before me, this 16th day of JANUARY 2009

A COMMISSIONER FOR TAKING AFFIDAVITS

Luis Miguel Mendes, a Commissioner etc., Province of Ontario, while a student-at-law Expires April 5

Agreement

concluded between

1. Universal Settlements International Inc.
   5500 North Service Road
   7th Floor
   Burlington, ON,
   Canada L7L 6W6,
   represented by Jeffrey Panos,

   hereinafter referred to as "USI Inc.",

and

2. Universal Settlements Vermögens-
   beratung GmbH in Liqu.
   Plankengasse 6
   A-1010 Vienna,
   represented by Dr. Isabelle Dessulemoustier-Bovekercke,

   hereinafter referred to as "USI GmbH".

USI INC., being the sole shareholder of USI GmbH, undertakes to assume from third parties any and all liabilities existing against USI GmbH for any legal ground whatsoever, such as from brokers or agents, investors, authorities, etc. Such assumption shall comprise both existing and future obligations and shall be valid with immediate effect..

USI Inc. shall undertake towards USI GmbH to settle without delay these obligations of USI GmbH, provided they actually exist, and to hold USI GmbH harmless and indemnified.

Date:
Wien, am 24. Oktober 2007

Universal Settlements International Inc.
Jeffrey Panos

Universal Settlements Vermögens-
beratung GmbH in Liqu.
Dr. Isabelle Dessulemoustier-Bovekercke

Mills, Potoczak & Company

Certified Public Accountants and Business Advisors

27600 Chagrin Boulevard
Suite 200
Cleveland, Ohio 44122-4464
Phone: 216.464.7481
Fax: 216.464.7581
www.mpccpa.com

Mark G. Mills
William M. Potoczak

Luis Miguel Mendes, a
Commissioner etc., Province of Ontario,
while a student-at-law.
Expires April 5, 2010.

January 15, 2009

This is Exhibit "H" referred to in the affidavit of Christopher Haias sworn before me, this 16th day of JANUARY 2009.

A COMMISSIONER FOR TAKING AFFIDAVITS

VIA E-MAIL
jpanos@universalsettlements.com

Jeffrey Panos
President
Universal Settlements International Inc.
5500 North Service Road, 7th Floor
Burlington, Ontario L7L 6W6

Dear Jeff:

Further to my letters to Ogilvy Renault LLP ("Ogilvy") dated December 2 and 15, 2008 and my letter to Universal Settlements International Inc. ("USI") dated January 7, 2009, I am writing with respect to the assets of USI which I held as Trustee of the US Trust (the "US Trust").

On November 26, 2008, USI directed that I transfer the assets of the Trust (the "Trust Funds") to Ogilvy to be held in escrow, pending Order of the Ontario Superior Court of Justice (the "Court").

I directed the said transfer as requested on the same date, save for (US)$300,000 which I kept for the payment of certain policy premiums and administration costs.

I understand that, pursuant to an Order of the Ontario Court dated December 2, 2008, Ogilvy was directed to transfer the Trust Funds to USI for the purposes of establishing a specific account for the payment of premiums (the "Premium Reserve Account"), with such payments to be monitored by Ernst & Young Inc. (the "Monitor"). I further understand that Ogilvy has effected this transfer.

Because of the short time-frame within which I was required to transfer the Trust Funds to Ogilvy, I was unable to provide a complete reconciliation of the funds held in the US Trust prior to transferring the funds. Reconciling the accounts involves examining the Policies to ascertain the premium cost, the premium reserves and cash on hand. Given the number of policies, this is a time-consuming process.

Since transferring the Trust Funds to Ogilvy, I have undertaken a reconciliation. The results have been indicated in my letters dated December 2 and 15, 2008, January 7, 2009 and in this letter.

More specifically, in my letters dated December 2 and December 15, 2008, I advised Ogilvy that (US)$778,850.53 and (US)$605,033, respectively, which were placed in the Premium Reserve Account, in fact belonged to USI and should not have been segregated in the Premium Reserve Account.

Jeffrey Panos
President
Universal Settlements International Inc.
January 15, 2009
Page 2

On January 7, 2009, I advised USI that a further **(US)$300,000** of the Premium Reserve Account belonged to USI and also should not have been segregated in the Premium Reserve Account. Upon further review, however, I realized that this calculation did not properly take into account an annuity used to pay certain policy premiums. The correct amount to be transferred is (US) **$210,735**. The explanation for the **(US)$89,265** difference is as follows.

The payment of premiums on a Policy in the name of Insured X (I am intentionally not disclosing the names of the insureds in this letter for privacy reasons) were effected by means of an annuity established several years ago. On November 25, 2008 (prior to the transfer of the Trust Funds to Ogilvy), the US Trust received an annuity payment in the amount (US)$105,224.

In addition, prior to the transfer of the Trust Funds to Ogilvy, USI funded the payment of 2 premiums on policies in the names of Insureds Y and Z, despite the fact that these two policies had premium reserves (in the amounts of (US)$13,000 and (US)$1,314, respectively).

Reconciling these transactions leaves a net balance of (US)$90,910 which should have been included in the US Trust's list of payable premiums but was not as a result of an error.

The difference between the net balance of (US)$90,190 and (US)$89,265 (*i.e.*, **(US)$1,645)** relates to a number of minor adjustments pertaining to premium reimbursements and interest income less bank fees. A complete reconciliation of the excess Premium Reserves in the account is included in Exhibits A and B attached.

Consequently, my reconciliation of January 7, 2009 understated the balance of the Premium Reserve Account. I have corrected this oversight in the attached summary.

I trust that this is of assistance. Please do not hesitate to contact me should you have any questions.

Very truly,

MILLS, POTOCZAK & COMPANY

William M Potoczak

by: William M. Potoczak
Principal

E:\clients\UNIV\CCAA filing\DOCSTOR-#1605539-v1-Bill_Potoczak_Letter_Jan_15_09 clean.DOC

Sender's e-mail address: **wpotoczak@mpccpa.com**
Sender's direct dial phone number: **216-682-0849**

Exhibit A
Calculation of release amount

Wire transfer 11/26/08	(US)$4,868,673
Premiums paid to date for policies with reserves	(108,296)
Less court approved transfers	(778,850)
	(605,033)
	3,376,494
Amount of premiums required per Exhibit B	(3,094,441)
Amount held for policies	(86,465)
Less cash on hand	15,147
Balance left to transfer	(US)$210,735

REDACTED

Exhibit B
Reconciliation with letter dated January 7, 2009

Cash received from an annuity for the payment of premiums on prior to 11/26/08.	January 8, 2009	(US)$(105,224)	Prior to filing, an annuity was received to be used to pay for one policy's an annual premium. The value of the November 26, 2008 balance as stated in MPC's letter Dated January 7, 2009 incorrectly excluded this amount.
Two premiums funded by USI that had premium reserves on 2 policies.	January 8, 2009	14,314	These policies were indicated as not having a reserve, therefore USI funded this premium from the Corporate Account rather than from the Premium Reserve Account.
Premium refunds	Prior to Filing	1,458	This amount relates to a premium refund that was received by MPC prior to December 2, 2008. This amount was not included in the initial calculation to retain $300,000 from MPC.
Premium refund	December 29, 2009	488	This amount relates to a premium refund that was received by MPC December 29, 2008. MPC has set up a reserve for this amount to pay for future premiums.
Reserve Understated for Premium Refund Received	December 29, 2009	(488)	
Interest earned	Prior to Filing	744	Interest Received prior to filing that was not included in the initial calculation to retain $300,000 by MPC.
Bank charges	Prior to Filing	(557)	Banking Fees that were not considered in the initial calculations.
Additional funds before float	January 8, 2009	(US)$ (89,265)	

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 985, c. C-36, AS AMENDED
AND IN THE MATTER OF A PLAN OF COMPROMISE OF ARRANGEMENT OF UNIVERSAL SETTLEMENTS INTERNATIONAL INC.

Court File No: 08-CL-7878

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

Proceeding commenced at Toronto

AFFIDAVIT OF CHRISTOPHER HALAS
(sworn January 16, 2009)

OGILVY RENAULT LLP
Suite 3800
Royal Bank Plaza, South Tower
200 Bay Street
P.O. Box 84
Toronto, Ontario M5J 2Z4
CANADA

William McNamara (LSUC#: 23153S)
Tel: (416) 216-3906
Fax: (416) 216-3930

Lawyers for the Applicant