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

SUPPLEMENTAL AFFIDAVIT OF CHRISTOPHER HALAS
(sworn July 10, 2009)

I, CHRISTOPHER HALAS, of the City of Burlington, 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.

2. This affidavit is sworn further to my affidavit sworn July 8, 2009 in this proceeding (the "July 8 Affidavit").

3. Attached to the July 8 Affidavit as Exhibit "F" is USI's Projected Weekly Cash Flow (the "Cash Flow") for the period ending July 21, 2009, including Appendix "A" which contains the notes to the Cash Flow (the "Cash Flow Notes").

4. Since swearing the July 8 Affidavit, USI has revised point 6(e) of the Cash Flow Notes to include an estimate of outstanding professional fees as at July 21, 2009. Attached as Exhibit "A" hereto is a clean and blacklined copy of the revised Cash Flow Notes.

5. The revision to point 6(e) of the Cash Flow Notes does not impact the Cash Flow and there have been no changes to the Cash Flow on its account. The revision to the Cash Flow Notes was made for informational purposes only.

6. This supplemental affidavit is sworn in support of USI's motion for an Order extending the Stay from July 13 to July 21, 2009 and for no other or improper purpose.

SWORN BEFORE ME at the City of Mississauga, in the Province of Ontario on this 10th day of July, 2009.	CHRISTOPHER HALAS
Commissioner for Taking Affidavits	

Stacey Jean V[illegible], a
Commissioner etc., Province of Ontario,
while a student-at-law.
Expires May 1, 2012.

This is Exhibit "A" referred to in the affidavit of Christopher HAZAS sworn before me, this 10th day of July 2009

Stacey Venasse

A COMMISSIONER FOR TAKING AFFIDAVITS

Stacey Jean Venasse, a Commissioner etc., Province of Ontario, while a student-at-law. Expires May 1, 2012.

Appendix "A"

Universal Settlements International Inc.

Significant Assumptions:

1. The Forecast includes estimates concerning the operations of the company and additional assumptions discussed below with respect to the requirements and impact of the CCAA Proceedings. The actual results achieved during the forecast period will vary and such variations may be material. There is no representation, warranty or other assurance that any of the estimates, forecasts or projections will be realized.

2. The Company continues to operate the existing business during the initial CCAA period.

3. This Forecast is projected based on a book basis for the period of July 5, 2009 to July 21, 2009.

4. All balances are in Canadian dollars. US dollar balances are converted at $1.124.

Corporate Account

5. Receipts:

   a. Proceeds from loan amounts against the cash value of certain policies owned by USI, either in whole or in part, with such amounts to be secured against USI's interests in the policies.

6. Disbursements:

   a. Business expenses are forecasted based on historical run rates
   b. Premiums are paid for all policies based on the date payment is remitted, which typically is one week prior to required payment date. These payments relate to the policies with no premiums reserved.
   c. Consulting fees include those who are defined as Assistants in the Initial Order or needed to assist the company during the CCAA Proceedings.
   d. Legal fees refer to the ongoing legal fees related to litigation and arbitration cases, for work required to preserve the status of the litigation.
   e. Restructuring costs relate to the Monitor, Monitor's legal counsel, and the

Applicants legal counsel fees and other fees associated with the CCAA Proceedings. The estimated outstanding Professional Costs as at July 21, 2009 (before application of retainers received from the Applicant totaling $200,000 and after payments are made which are contemplated in the Forecast) total approximately $400,000. The outstanding Professional Costs are Unaffected Claims in the Plan and, therefore, will be paid following Plan Implementation from the pooled funds.

f. Represents costs associated with mailing Plan materials and advertising the meeting of creditors.

Premium Reserve Account

7. Disbursements:

   a. Premiums are paid for all policies based on the date payment is remitted, which typically is one week prior to the required payment date. These payments relate to the policies with premium reserves.

Maturities Account

8. Receipts

   a. Forecasted receipts exclude forecasted maturities (death benefit payments), due to the uncertainty surrounding the timing.

Appendix "A"

Universal Settlements International Inc.

Significant Assumptions:

1. The Forecast includes estimates concerning the operations of the company and additional assumptions discussed below with respect to the requirements and impact of the CCAA Proceedings. The actual results achieved during the forecast period will vary and such variations may be material. There is no representation, warranty or other assurance that any of the estimates, forecasts or projections will be realized.

2. The Company continues to operate the existing business during the initial CCAA period.

3. This Forecast is projected based on a book basis for the period of July 5, 2009 to July 21, 2009.

4. All balances are in Canadian dollars. US dollar balances are converted at $1.124.

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IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 985, c. C-36, AS AMENDED
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Proceeding commenced at Toronto

SUPPLEMENTAL AFFIDAVIT OF CHRISTOPHER HALAS
(sworn July 10, 2009)

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