Court File No. N/M/17/10

IN THE COURT OF QUEEN'S BENCH OF NEW BRUNSWICK
IN BANKRUPTCY AND INSOLVENCY
JUDICIAL DISTRICT OF MIRAMICHI

IN THE MATTER OF THE RECEIVERSHIP OF:

ATCON GROUP INC., ATCON HOLDINGS INC., ATCON PROPERTY HOLDINGS INC., ATCON VENEER PRODUCTS INC., ATCON LOGISTICS INC., ATCON CONSTRUCTION INC., ATCON MANAGEMENT SERVICES INC., ATCON CIVIL LTD., DYCON CONSTRUCTION LTD., ATCON STRUCTURES INC. AND ENVIREM TECHNOLOGIES INC.

PURSUANT TO Section 33 of The *Judicature Act,* R.S.N.B. 1973, Ch. J-2, Rule 41, Rules of Court, New Brunswick and Section 243 of the *Bankruptcy and Insolvency Act,* R.S.C. 1985, c. B-3

BETWEEN:

THE BANK OF NOVA SCOTIA, a Canadian chartered bank with a registered office in the City of Saint John, Province of New Brunswick

APPLICANT

- and –

ATCON GROUP INC., ATCON HOLDINGS INC., ATCON PROPERTY HOLDINGS INC., ATCON VENEER PRODUCTS INC., ATCON LOGISTICS INC., ATCON CONSTRUCTION INC., ATCON MANAGEMENT SERVICES INC., ATCON CIVIL LTD., DYCON CONSTRUCTION LTD., ATCON STRUCTURES INC. AND ENVIREM TECHNOLOGIES INC., all of which are carrying on business in the Province of New Brunswick

RESPONDENTS

ELEVENTH REPORT OF THE RECEIVER (SUN LIFE POLICY)

November 17, 2010

INTRODUCTION AND PURPOSE

1. In connection with the applications of The Bank of Nova Scotia (the "**Bank**") pursuant to section 33 of the *Judicature Act* (New Brunswick), Rule 41 of the Rules of Court of New Brunswick, and section 243 of the *Bankruptcy and Insolvency Act* (Canada) that were heard by The Honourable Mr. Justice Riordon of the Court of Queen's Bench of New Brunswick on March 1, 2010 and March 30, 2010, Ernst & Young Inc. was respectively appointed as receiver and receiver manager (the "**Receiver**") of the property, assets and undertakings of:

   (a) Atcon Group Inc. ("**Atcon Group**"), Atcon Holdings Inc., Atcon Property Holdings Inc., Atcon Veneer Products Inc. and Atcon Logistics Inc. pursuant to the Receivership Order dated March 2, 2010 (the "**March 2 Order**"); and

   (b) Atcon Construction Inc., Atcon Management Services Inc., Atcon Civil Ltd., Dycon Construction Ltd., Atcon Structures Inc. and Envirem Technologies Inc. (now known as 058545 N.B. Inc.) pursuant to an Order dated March 30, 2010 (the "**March 30 Order**", and the March 30 Order together with the March 2 Order, the "**Receivership Order**").

2. The Receivership Order, among other things, authorizes and empowers the Receiver to:

   (a) take possession and control of the Property;

   (b) receive, preserve and protect the Property, or any parts thereof;

   (c) take any steps reasonably incidental to the exercise of the powers under the Receivership Order; and

   (d) apply to this Honourable Court for advice and directions in the discharge of its powers and duties under the Receivership Order.

3. The purpose of this Eleventh Report is to report to this Honourable Court on matters relating to the Sun Life Policy (as defined below) and request that this Honourable Court grant an Order:

(a) authorizing and directing Sun Life Financial to terminate the Sun Life Policy and pay the cash surrender value of the Sun Life Policy to the Receiver; and

(b) authorizing and empowering the Receiver to utilize the cash surrender value of the Sun Life Policy for the purpose of making payments (including interim payments) required or permitted by the Receivership Order.

TERMS OF REFERENCE

4. In preparing this Eleventh Report, the Receiver has been provided with, and has relied upon unaudited historical financial statements, other unaudited financial information and projections prepared by the Respondents, the books and records of the Respondents, discussions with certain of the former management and employees of the Respondents, and other information from various sources. The Receiver has assumed that the information it has been provided is accurate and complete. The Receiver did not audit, review or otherwise attempt to verify the accuracy or completeness of the information. Accordingly, the Receiver expresses no opinion or other form of assurance with respect to the information presented in this Eleventh Report or relied upon by the Receiver in preparing this Eleventh Report. Further, the nature of the Receiver's work completed in these proceedings will not necessarily disclose errors, misstatements, irregularities or illegal acts, if such exist, on the part of the Respondents, or its officers or employees or in the information.

5. All references to monetary amounts in this Eleventh Report are in Canadian dollars unless otherwise noted.

6. Capitalized terms not defined in this Eleventh Report are as defined in the Receivership Order.

7. Copies of Court materials in these proceedings may be obtained from the Receiver's website established in connection with the Respondents (www.ey.com/ca/atcon).

SUN LIFE POLICY

Atcon Group

8. Atcon Group is a corporation that is governed by the New Brunswick *Business Corporations Act* and came into existence as a result of an amalgamation of two corporations, Atcon Group Inc. (Reference Number 504040) and Eastwood Furniture Inc., which was registered on December 3, 2004. Attached hereto as **Appendix "A"** is a copy of the Service New Brunswick Corporate Affairs Registry Database listing for Atcon Group as of July 8, 2010.

9. Atcon Group Inc. (Reference Number 504040), which is a predecessor to Atcon Group by way of amalgamation, was a corporation that was governed by the New Brunswick *Business Corporations Act* and was originally incorporated on February 18, 1997. The original name of Atcon Group Inc. (Reference Number 504040) was 504040 N.B. Ltd., until a name change to Atcon Group Inc. was effected on January 31, 2003. Attached hereto as **Appendix "B"** is a copy of the Service New Brunswick Corporate Affairs Registry Database listing for Atcon Group Inc. (Reference Number 504040) as of July 8, 2010.

10. The Receiver understands, based on the information contained in the Service New Brunswick Corporate Affairs Registry Database listings with respect to Atcon Group and Atcon Group Inc. (Reference Number 504040) attached as appendices to this Eleventh Report and summarized above, that Atcon Group is the successor corporation of Atcon Group Inc. (formerly known as 504040 N.B. Ltd.).

Background of Sun Life Policy

11. In May 2010, it came to the attention of the Receiver that Atcon Group was the named beneficiary under a life insurance policy with Sun Life Financial insuring the life of Mr. Robert W. Tozer, a director, officer and shareholder of Atcon Group, policy number LI-R656,057-5 (the "**Sun Life Policy**"). Attached hereto as **Appendix "C"** is a copy of the Sun Life Policy.

12. Pursuant to the terms of the Sun Life Policy:

(a) the Sun Life Policy was established in April 1992, with Mr. Robert W. Tozer as the insured and Atco Construction Ltd. as the beneficiary;

(b) the Sun Life Policy was absolutely assigned to 504040 N.B. Ltd. as owner and beneficiary of the Sun Life Policy, which assignment was effective in April 2002; and

(c) Sun Life, on request, "will pay the guaranteed value of the policy plus the cash value of any dividends less any advances with interest. Payment of this amount terminates the policy."

13. The Receiver reviewed the books and records of Atcon Group to determine whether there was any reference to the ownership of the Sun Life Policy or payment of premiums under the policy. The Receiver reports that there was no reference to the Sun Life Policy on any of the books and records reviewed by the Receiver, including the financial statements of Atcon Group.

14. With respect to payment of the premiums for the Sun Life Policy, Sun Life Financial has informed the Receiver that the policy contained an option whereby the premiums could be paid from the dividends that the policy earned. Sun Life Financial has confirmed that, since at least 2002, the premiums owing under the policy have been offset against the dividends earned by the Sun Life Policy that were accruing for the benefit of Atcon Group as beneficiary. Sun Life Financial informed the Receiver that it did not have readily available access to the payment history under the Sun Life Policy prior to 2002.

Discussions and Correspondence re Sun Life Policy

15. Pursuant to the powers of the Receiver contained in the Receivership Order with respect to the Property of Atcon Group, the Receiver notified Sun Life Financial of the Receivership Order in a letter dated May 25, 2010 and requested that Sun Life Financial not permit any individual to change, alter, or take possession of the Sun Life Policy, including any cash surrender value, other than a representative of the Receiver. The Receiver also requested that Sun Life Financial provide a copy of the most recent statement on the Sun Life Policy account, showing the current cash surrender value under

the Sun Life Policy. Attached hereto as **Appendix "D'** is a copy of the letter dated May 25, 2010 (without enclosures) (the "**May 25 Letter**"). The Receiver sent the May 25 Letter to Sun Life Financial on May 25, 2010 and on June 3, 2010. Sun Life Financial confirmed receipt of the May 25 Letter to the Receiver on June 3, 2010.

16. On or about May 31, 2010, a representative of the Receiver met with Mr. Tozer to discuss matters relating to these proceedings. During this discussion, the Receiver asked Mr. Tozer about the Sun Life Policy. During the May 31, 2010 discussion, Mr. Tozer indicated that he did not recall the existence of the Sun Life Policy. The Receiver advised Mr. Tozer that its position was that, as Atcon Group was the beneficiary of the Sun Life Policy and thereby entitled to recover the cash surrender value of the policy, the Receiver intended to take steps to terminate the Sun Life Policy and obtain the cash surrender value of the Sun Life Policy, unless Mr. Tozer was interested in acquiring, by transfer or assignment, the Sun Life Policy. The Receiver informed Mr. Tozer that the expected consideration to be received by the Receiver in exchange for the transfer or assignment of the Sun Life Policy to Mr. Tozer or another person would be the current cash surrender value under the Sun Life Policy.

17. On or about June 1, 2010, a representative of the Receiver had a follow-up discussion with Mr. Tozer in relation to the Sun Life Policy. At that time, Mr. Tozer informed the Receiver that he was not in a financial position to purchase the Sun Life Policy from the Receiver, but that he was considering borrowing funds from Sun Life Financial against the cash surrender value to do so. The Receiver informed Mr. Tozer that the Receiver would follow-up with Mr. Tozer via e-mail later in the week to request confirmation by June 4, 2010 as to whether Mr. Tozer was interested in acquiring the Sun Life Policy from the Receiver. Attached hereto as **Appendix "E"** is a copy of an e-mail dated June 3, 2010 from Christopher Mediratta, CA CIRP, a representative of the Receiver, to Mr. Tozer.

18. During these discussions, Mr. Tozer made no indication that his position was that the Sun Life Policy or the cash surrender value under the Sun Life Policy was held in trust for his benefit.

19. On June 4, 2010, the Receiver received a copy of a letter to Sun Life Financial dated June 4, 2010 from Mr. James L. Mockler, of the law firm of Gilbert McGloan Gillis, counsel to Mr. Tozer (the "**June 4 Letter**"). In the June 4 Letter, Mr. Mockler stated that it was the opinion of the law firm of Gilbert McGloan Gillis that the Sun Life Policy "has always been held…'in trust' for the benefit of Mr. Tozer as part of his employment package." Additionally, Mr. Mockler advised Sun Life Financial to "ignore any attempts by [the Receiver] to terminate the policy and collect the cash surrender value." Attached hereto as **Appendix "F"** is a copy of the June 4 Letter.

20. On June 7, 2010, a representative of the Receiver discussed the Sun Life Policy with Ms. Amy Bickell, an insurance policy title consultant with Sun Life Financial. During that discussion, Ms. Bickell confirmed that the holder and beneficiary of the Sun Life Policy was Atcon Group, and that the cash surrender value for the Sun Life Policy was $287,845.74 as of June 7, 2010. Additionally on June 7, 2010, the Receiver received a letter from Sun Life Financial dated June 4, 2010, which confirmed that Sun Life Financial had registered restrictions on the Sun Life Policy due to the information contained in the May 25 Letter, and that it required a direction from this Court before taking any action with the Sun Life Policy, given that the value of the Sun Life Policy exceeded $100,000 and the requirement under paragraph 3(n)(ii) of the Receivership Order for Court approval of a transfer or assignment of Property in excess of $100,000. Attached hereto as **Appendix "G"** is a copy of the Sun Life Financial letter dated June 4, 2010.

21. With respect to the assertion contained in the June 4 Letter that the Sun Life Policy was part of the employment package of Mr. Tozer, the Receiver has reviewed the books and records of Atcon Group and the T4 statements for Mr. Tozer for the tax years 2008 and 2009 (collectively, the "**T4 Statements**"), and has discussed this matter with certain former members of management and employees of the Respondents and a representative of the Bank. As the T4 Statements contain personal information, the Receiver has not included the T4 Statements as appendices to the Eleventh Report. However, the Receiver can confirm that no amount is disclosed on the T4 Statements that supports Mr. Tozer's position that the Sun Life Policy formed part of Mr. Tozer's employment package with

Atcon Group. Additionally, the Receiver can confirm that the former members of management and employees of the Respondents and the representative of the Bank consulted by the Receiver did not understand the Sun Life Policy to form part of Mr. Tozer's employment package.

22. In response to the discussions between the Receiver and Sun Life Financial and the exchange of correspondence among the Receiver, Sun Life Financial, and counsel to Mr. Tozer, on June 8, 2010, Borden Ladner Gervais LLP ("**BLG**"), counsel to the Receiver, sent a letter to Sun Life Financial, with a copy to counsel to Mr. Tozer (the "**June 8 Sun Life Letter**") and a letter to counsel to Mr. Tozer (the "**June 8 Mockler Letter**"). Attached hereto as **Appendix "H"** and **Appendix "I"** respectively are copies of the June 8 Sun Life Letter and the June 8 Mockler Letter.

23. In the June 8 Sun Life Letter, BLG set out the Receiver's position that, as Atcon Group is the beneficiary of the Sun Life Policy, any cash surrender value under the policy is Property of Atcon Group and is subject to the Receivership Order. Additionally, BLG confirmed in the letter that it was the Receiver's position that, as Atcon Group was the holder and beneficiary of the Sun Life Policy, Mr. Tozer had no standing to contest payment of the cash surrender value or discuss the terms of the Sun Life Policy with Sun Life Financial. Lastly, BLG confirmed on behalf of the Receiver that, in the event that the Receiver proceeded with a motion before this Court with respect to the Sun Life Policy, it would ensure that copies of any materials would be sent to Sun Life Financial.

24. In the June 8 Mockler Letter, BLG confirmed its position that the June 4 Letter was a collateral attack on the powers and authority granted by this Honourable Court to the Receiver under the Receivership Order. BLG demanded that a letter be sent by counsel to Mr. Tozer to Sun Life Financial to retract the June 4 Letter on or before June 10, 2010. In the event that no retraction letter was received by June 10, 2010, BLG confirmed the Receiver's position that it would proceed to report to this Court on this matter.

25. In a letter dated June 9, 2010, Mr. Mockler reiterated Mr. Tozer's position to BLG that the Sun Life Policy was always held in trust by Atcon Group for the benefit of Mr. Tozer. In the letter, Mr. Mockler requested confirmation as to whether the Receiver would be

bringing a motion with respect to the Sun Life Policy. Attached hereto as **Appendix "J"** is a copy of the letter dated June 9, 2010 from Mr. Mockler to BLG.

26. In a letter dated June 23, 2010 to Mr. Mockler (the "**June 23 Letter**"), BLG confirmed that the Receiver intended to bring a motion before this Court seeking an Order authorizing and directing Sun Life Financial to terminate the Sun Life Policy and to pay the cash surrender value of the Sun Life Policy to the Receiver. Attached hereto as **Appendix "K"** is a copy of the June 23 Letter.

27. In the June 23 Letter, BLG requested that Mr. Tozer provide all information and documentation to the Receiver that supported Mr. Tozer's position that the Sun Life Policy was held in trust for the benefit of Mr. Tozer. BLG requested such documentation so that the Receiver could consider the information in preparing its materials and report to the Court regarding the Sun Life Policy. The Receiver understands that BLG has received correspondence from Mr. Mockler confirming that Mr. Tozer would be swearing an affidavit with respect to the Sun Life Policy, and that such affidavit would not be provided to the Receiver in advance of the Receiver filing materials with this Court regarding the Sun Life Policy.

28. The Receiver understands that, on July 5, 2010, BLG had a discussion with Mr. Mockler in connection with OPI and the Sun Life Policy. During that discussion, Mr. Mockler indicated that Mr. Tozer was of the belief that he was entitled to the cash surrender value of the Sun Life Policy, and that Mr. Tozer would not provide information to the Receiver with respect to a matter relating to share certificates for 1,000 shares of Atcon Group's Swedish subsidiary, OPI AB, that the Receiver is attempting to locate unless the Receiver agreed that Mr. Tozer would receive the cash surrender value of the Sun Life Policy. The terms of this discussion were confirmed in writing by BLG to Mr. Mockler in a letter dated July 7, 2010, a copy of which is attached hereto as **Appendix "L"**. In that letter, BLG confirmed that the Receiver intended to move for relief from this Court with respect to both of these matters.

29. The Receiver further understands that Mr. Mockler indicated to BLG that the Receiver should have a discussion with Mr. Dana Waye, the insurance agent that sold the Sun Life

Policy to Atcon Group, as Mr. Waye was apparently in a position to provide information as to the intention of Atcon Group when it purchased the Sun Life Policy.

30. On July 20, 2010, a representative of the Receiver had a telephone conversation with Mr. Waye regarding the Sun Life Policy. During this conversation, Mr. Waye did not provide any additional information to the Receiver to support the assertion that the Sun Life Policy was to be held in trust by Atcon Group for the benefit of Mr. Tozer. Mr. Waye informed the Receiver that he had been approached by Mr. Mockler and Mr. Tozer to file an affidavit in support of Mr. Tozer's position that the Sun Life Policy was to be held in trust for the benefit of Mr. Tozer, and he had declined to do so.

Termination of Sun Life Policy and Payment of Cash Surrender Value

31. Based on the Receiver's discussions with certain former members of management and employees of Atcon Group and representatives of the Bank and Sun Life Financial, the Receiver understands that the Sun Life Policy, and the cash surrender value under the policy, is the Property of Atcon Group. The Receiver is not aware of any documentation or information that supports Mr. Tozer's assertion that the Sun Life Policy was held in trust for his benefit as part of his employment package. To the contrary, the T4 Statements do not make any reference to an employment benefit, and the insurance premiums were paid via an offset mechanism against the dividends under the Sun Life Policy that accrued to the benefit of Atcon Group as beneficiary. The Receiver has requested that Mr. Tozer provide information to the Receiver that supports his alleged ownership of the Sun Life Policy so that the Receiver could consider the information prior to bringing this matter to the attention of the Court. To date, Mr. Tozer has not provided any support for his repeated assertion that that the Sun Life Policy was held in trust for his benefit as part of his employment package.

32. Accordingly, the Receiver requests that this Honourable Court grant an Order authorizing and directing Sun Life Financial to terminate the Sun Life Policy and pay the cash surrender value of the Sun Life Policy to the Receiver.

RELIEF SOUGHT BY THE RECEIVER

33. The Receiver respectfully requests that this Honourable Court grant an Order in the form submitted by the Receiver:

(a) authorizing and directing Sun Life Financial to terminate the Sun Life Policy and pay the cash surrender value of the Sun Life Policy to the Receiver; and

(b) authorizing and empowering the Receiver to utilize the cash surrender value of the Sun Life Policy for the purpose of making payments (including interim payments) required or permitted by the Receivership Order.

ALL OF WHICH IS RESPECTFULLY SUBMITTED this 17th day of November, 2010

ERNST & YOUNG INC.
in its capacity as the Court-appointed Receiver of the Respondents and not in its personal or corporate capacity

By:

Paul D. Hickey, CA•CIRP
Senior Vice President

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APPENDIX "A"

Service New Nouveau Brunswick

Corporate Affairs Registry Database

Help

The credit card transaction was successful

- Transaction Amount: **$3.39**
- Transaction #: **2469781**
- Authorization #: **082156**
- Date of Transaction: **2010-07-08**
- HST #: **10786 3888 RT0006**

We recommend that you print this screen and retain it with your records

New Search | Previous

General Information

Reference Number:	615938
Name:	ATCON GROUP INC.
Registration Date:	2004-12-03
Category Code:	60
Category:	corporation – Business Corporations Act
Status Code:	A
Status:	Active
Last Status Change Date:	2004-12-03

Available Documents

Click here to view electronic documents for this record.
Click here to order paper copies of documents.
Click here to order certified copies of documents.

Annual Return Information

Last Annual Return Filed:	2009

Registered Office

Address:	626 Boulevard Newcastle Miramichi NB E1V 2L3

Directors

Name:	Tozer, Robert W.
Address:	626 Boulevard Newcastle Miramichi NB E1V 2L3

Predecessor Corporations

Ref No	Name
504040	ATCON GROUP INC.
610360	EASTWOOD FURNITURE INC.

Amendments Other Than a Name Change

Date:	2006-12-08

New Brunswick Nouveau
CANADA

APPENDIX “B”

Service New Nouveau Brunswick

Corporate Affairs Registry Database

Help

The credit card transaction was successful

- Transaction Amount: **$3.39**
- Transaction #: **2469820**
- Authorization #: **017274**
- Date of Transaction: **2010-07-08**
- HST #: **10786 3888 RT0006**

We recommend that you print this screen and retain it with your records

New Search | Previous

General Information	
Reference Number:	504040
Name:	ATCON GROUP INC.
Registration Date:	1997-02-18
Category Code:	60
Category:	corporation – Business Corporations Act
Status Code:	J
Status:	Amalgamated
Last Status Change Date:	2004-12-03

Available Documents

Click here to order paper copies of documents.
Click here to order certified copies of documents.

Annual Return Information	
Last Annual Return Filed:	2004

Name Change History	
Business Names:	504040 N. B. LTD.
Name Change Date:	2003-01-31

Registered Office	
Address:	626 Newcastle Boulevard Miramichi NB E1V 2L3

Directors	
Name:	TOZER, ROBERT W
Address:	626 Newcastle Boulevard Miramichi NB E1V 2L3

Business Names

Ref No	Status	Name
610069	F	ATCON ENGINEERED WOOD PRODUCTS
610047	F	ATCON I-JOISTS

610071	F	ATCON LAMINATED VENEER LUMBER
610070	F	ATCON LVL

APPENDIX “C”

Sun Life Financial

Policy - LI-R656,057-5

RECONSTRUCTION

Life Insured - Robert W Tozer

The attached pages are a reconstruction of the Policy Amendment(s) or Policy Change(s) to LI-R656,057-5 according to our records on October 12, 2010.

Donald A. Stewart.
Chief Executive Officer

Signed on October 12, 2010
at 227 King Street South, Waterloo, Ontario

Jim Wilson
Vice President and
Corporate Secretary

Sun Life Assurance Company of Canada
227 King Street South, Waterloo, Ontario N2J 4C5

Sun Life Assurance Company of Canada is a member of the Sun Life Financial group of companies.

2010/09/20 7298 P3

ERNST & YOUNG

Ernst & Young Inc.
Ernst & Young Tower
222 Bay Street, P.O. Box 251
Toronto, Ontario M5K 1J7
Tel: 416 864 1234
Fax: 416 943 3300
ey.com/ca

CHEQUE
SEP 17 2010
RECEIVED

$50.00 PD

8 September 2010

Amy Bickell
Policy Title Consultant
Sun Life Assurance Company of Canada
227 King Street South
PO Box 1601 STN Waterloo
Waterloo ON N2J 4C5
Phone 1-877-786-5433 Ext 341-5896

Re: Policy LI-R656, 057-5 Atcon Group Inc.

Dear Ms. Bickell:

Further to your letter dated June 4, 2010, Ernst & Young Inc. in its capacity as court appointed receiver and receiver manger of Atcon Group Inc. hereby requests a duplicate copy of the life insurance policy number LI-R656, 057-5 be produced and sent to my attention.

Please find enclosed a cheque for $50.00 in order to process the above request.

I trust that the above is satisfactory.

Sincerely,

ERNST & YOUNG INC. in its capacity as court appointed
Receiver and Receiver Manager of Atcon Group Inc.

Per:

Colleen O'Brien

for Christopher Mediratta, CA, CIRP
Vice President
222 Bay Street
P.O. Box 251
Toronto Ontario M5K 1J7

Attachment

2010/05/31 9095 P1

ERNST & YOUNG

Ernst & Young Inc.
Ernst & Young Tower
222 Bay Street, P.O. Box 251
Toronto, Ontario M5K 1J7

Tel: 416 864 1234
Fax: 416 864 1174
ey.com/ca

PRIVATE AND CONFIDENTIAL

BY FACISIMILE: 1 866 487-4745

May 25, 2010

Sun Life Financial

SORT CENTRE
MAY 31 2010
INCOMING FAX

NOTICE OF ASSIGNMENT

To whom it may concern

Re: In the Matter of the Receivership of Atcon Group Inc. / Sun Life Financial Policy Number LI-R656, 057-5

TAKE NOTICE THAT pursuant to a court order issued on March 2, 2010 Ernst & Young Inc., has been appointed Receiver and Receiver Manager and have taken possession of the assets of Atcon Group Inc. (formerly 504040 N.B. Ltd).

Please find attached copies of the Receivership Order and a business number search demonstrating that 504040 N.B. Ltd. was subsequently renamed Atcon Group Inc.

As a result, Ernst & Young Inc., in our capacity as court-appointed receiver and receiver manager of Atcon Group Inc., formally requests that no other individual be allowed to change, alter or take possession of the Sun Life Financial life insurance Policy Number LI-R656, 057-5, including any cash surrender value, other than a representative of Ernst & Young Inc.

We would like to receive as soon as possible a copy of the most recent statement on the account, showing the current cash surrender value and a copy of the policy.

Kindly confirm receipt of the letter by contacting the undersigned, Christopher Mediratta, Vice President Ernst & Young Inc. by phone at (416) 941-1769 or by email at christopher.mediratta@ca.ey.com.

Yours very truly,

ERNST & YOUNG INC.
Receiver and Receiver Manager of Atcon Group Inc.

Per:

Christopher Mediratta, CA,CIRP
Vice President
Phone (416) 941-1769
Fax (416) 941-3300
222 Bay Street,
Toronto, Ontario M5K 1J7

Attachments

TITLE CHANGES UNDER INSURANCE CONTRACTS

RECORDED
APR - 6 2002
Sun Life Assurance Company of Canada

Policy No.	on the life of
7672321	Robert W. Tozer

ABSOLUTE ASSIGNMENT FOR VALUE

For value received, I, the owner, hereby assign absolutely, unconditionally and otherwise than as security, all rights, title and interest in the above policy, including amounts held in respect of future premiums, to:

Name	Social Insurance Number
504040 N.B. LTD Corporation	
Mailing Address	

Signed at Miramichi N.B. this 22 day of Jan 2002

Note: Transaction could result in income tax liability to owner transferring policy.

ATCO X [signature]
President - Atco Const.

BENEFICIARY NOMINATION

I, the owner, revoke the beneficiary presently nominated to receive the proceeds as they become due by maturity on the death of the life of insured/annuitant, including any amounts held in respect of future premiums, but not any service account funds under universal life policies, and name instead, the following:

Primary Beneficiary or Beneficiaires. (Show relationship to yourself)	WHERE QUEBEC LAW APPLIES, A SPOUSE BENEFICIARY IS IRREVOCABLE UNLESS YOU MAKE THE DESIGNATION REVOCABLE BY CHECKING HERE:
504040 N.B. LTD Corporation.	
Contingent Beneficiary or Beneficiaires. (Show relationship to yourself)	☐ (REVOCABLE)

RECORDED
APR - 6 2002
Sun Life Assurance Company of Canada

Surviving beneficiaires within a class (primary or contingent) will share equally. In the event of death of all beneficiaires, the proceeds will be paid to the owner, if living, otherwise to the estate of the last of the owner and beneficiaires to survive.

Any previous method of payment elected for the death benefit is hereby revoked.

Signed at Miramich, NB this 22 day of Jan 2002

504040 [signature]
President

-5 FEV 2002

CAUTION— This form has been prepared by Sun Life for your convenience but is not suitable for all purposes. Make sure it will carry out your intentions before signing. Sun Life cannot be responsible for the effect or sufficiency of the completed form.

Branch Office Atlantic Representative's Name [signature]

TITLE CHANGES UNDER INSURANCE CONTRACTS

Policy No.	on the life of
7672321	Robert W. Tozer

ABSOLUTE ASSIGNMENT FOR VALUE

For value received, I, the owner, hereby assign absolutely, unconditionally and otherwise than as security, all rights, title and interest in the above policy, including amounts held in respect of future premiums, to:

Name	Social Insurance Number
504040 N.B. LTD Corporation	
Mailing Address	

Signed at Miramichi N.B this 31 day of Oct 2001

Note: Transaction could result in income tax liability to owner transferring policy.

BENEFICIARY NOMINATION

I, the owner, revoke the beneficiary presently nominated to receive the proceeds as they become due by maturity on the death of the life of insured/annuitant, including any amounts held in respect of future premiums, but not any service account funds under universal life policies, and name instead, the following:

Primary Beneficiary or Beneficiaires. (Show relationship to yourself)	WHERE QUEBEC LAW APPLIES, A SPOUSE BENEFICIARY IS IRREVOCABLE UNLESS YOU MAKE THE DESIGNATION REVOCABLE BY CHECKING HERE:
504040 N.B. LTD Corportation.	
Contingent Beneficiary or Beneficiaires. (Show relationship to yourself)	☐ (REVOCABLE)

Surviving beneficiairies within a class (primary or contingent) will share equally. In the event of death of all beneficiairies, the proceeds will be paid to the owner, if living, otherwise to the estate of the last of the owner and beneficiaires to survive.

Any previous method of payment elected for the death benefit is hereby revoked.

Signed at Miramichi NB this 31 day of Oct 2001

19 DEC 2001

S.L.A.V. MONTREAL 4300 5 NOV 2001

CAUTION— This form has been prepared by Sun Life for your convenience but is not suitable for all purposes. Make sure it will carry out your intentions before signing. Sun Life cannot be responsible for the effect or sufficiency of the completed form.

Branch Office Atlantic N.B Representative's Name D N Wozo

DO04-0210 (12-04-1990) M0210

n73713

Sun Life Financial

RECONSTRUCTION

Policy Number 7672321

This policy was reissued under Sun Life Financial policy number LI-R656,057-5.

We, Sun Life Assurance Company of Canada, agree to pay the amount payable under each Benefit, subject to the terms of this policy.

Donald A. Stewart.

Chief Executive Officer

Signed on October 12, 2010
at 227 King Street South, Waterloo, Ontario

Vice President and
Corporate Secretary

Sun Life Assurance Company of Canada
227 King Street South, Waterloo, Ontario N2J 4C5

Sun Life Financial

Policy - LI-R656,057-5 **RECONSTRUCTION**

Life Insured - Robert W Tozer

This policy is a reconstruction of policy number LI-R656,057-5 according to our records on October 12, 2010.

Donald A. Stewart.

Chief Executive Officer

Signed on October 12, 2010
at 227 King Street South, Waterloo, Ontario

Vice President and
Corporate Secretary

Sun Life Assurance Company of Canada
227 King Street South, Waterloo, Ontario N2J 4C5

Policy No. 7672321

Sun Life Opus

This is a participating life insurance policy issued by Sun Life Assurance Company of Canada

Owner:
504040 NB LTD CORPORATION

Life Insured:
ROBERT W TOZER RECONSTRUCTION

Sun Life agrees to provide the benefits described in this policy according to the policy provisions.

President Secretary

This Policy Includes:

. Summary of Benefits and Premiums Payable
. Schedule of Guaranteed and Paid-up Values
. General Provisions
. Additional Benefits
. Application for Insurance and Related Documents

Policy No. 7672321

SUMMARY OF BASIC AND ANY ADDITIONAL BENEFITS PAYABLE BY SUN LIFE

Opus 2	- $1,200,000 on death of life insured.
Total Disability	- Sun Life will pay premiums during total disability beginning before Apr 14, 2016.

****

RECONSTRUCTION

TOTAL PREMIUMS PAYABLE BY OWNER

Premiums are due yearly while life insured lives beginning on Apr 14, 1992. A grace period of 31 days is allowed to pay each premium.

Premium of $19,638.72 due on Apr 14, 2003 includes:

Opus 2	$12,602.00	(Basic Benefit)
Plus Premium	6,463.33	
Total Disability	573.39	(changes if any other premium changes)

Total premiums due yearly from:

Apr 14, 2002	$13,469.47	Apr 14, 2003	$13,469.47
Apr 14, 2016	12,602.00		

****

Policy No. 7672321

GUARANTEED AND PAID-UP VALUES
ON APRIL 14th ASSUMING ALL PREVIOUS PREMIUMS ARE PAID

	Guaranteed Value	Paid-Up Life	Paid-Up Term Period Yrs	Paid-Up Term Period Dys
1993 to 2000	***	***	**	***
2001	$3,936.00	$11,567	0	169
2006	113,184.00	282,568	7	236
2011	231,852.00	497,527	10	32
2016	356,940.00	667,176	10	211
2021	483,732.00	799,642	10	71
2026	605,472.00	900,892	9	159
2031	717,696.00	977,816	8	135
2036	821,460.00	1,038,230	7	74
2041	908,592.00	1,082,597	6	35
2046	986,484.00	1,118,169	4	339
2051	1,072,620.00	1,153,649	3	0

Sun Life will quote values for other dates on request.

****

Policy No. 7672321

GENERAL PROVISIONS

Death Benefits

Sun Life will increase benefits payable on death by any dividends and decrease them by any advances with interest.

Dividends

Sun Life may allot a dividend once a year. Dividends will be applied to buy paid-up additions. Sun Life on request will pay the cash value of dividends if not used for an advance.

Options

On request, Sun Life will retain on deposit the death benefit or the value of the policy, or will use either amount to provide an annuity; Sun Life's minimum amounts must be met.

Reinstatement

Within 5 years of the termination of the policy because of an unpaid premium or an advance, Sun Life will put the policy back into force:

a) if the owner proves to Sun Life that the life insured is insurable, and

b) if the owner pays any unpaid premiums and advances, with interest from the termination at a rate not greater than that permitted by law.

Suicide

If the life insured commits suicide less than two years after the date of the application for the policy or for a reinstatement, Sun Life will pay only the sum of premiums paid, plus the cash value of dividends less advances with interest.

Currency

Canadian Dollars, lawful money of Canada.

Place of Payment

Any Sun Life Office in Canada.

Plus Premium

Plus Premiums increase benefits payable by Sun Life.

The Plus Premium for the policy may not be terminated until after it has been paid for at least two years.

If Premium Offset takes effect, the Plus Premium will then cease to be payable.

If the Plus Premium ceases, the premium for any Total Disability or Premium Coverage benefit will reduce accordingly.

Payment

Sun Life on request will pay the guaranteed value of the policy plus the cash value of any dividends less any advances with interest. Payment of this amount terminates the policy.

Advances

Sun Life on request will make an advance. The maximum advance is the guaranteed value of the policy plus the cash value of any dividends less interest on the advance to the next following date that is an anniversary of the due date of the first premium for the policy.

GENERAL PROVISIONS (cont'd)

Advances (cont'd)

Any existing advances with interest will reduce the value available for an advance.

Sun Life will charge interest on advances at a rate Sun Life determines at least every 12 months.

The annual rate will be the greater of:

a) the average of the prime rates of Sun Life's bankers in Canada on the date Sun Life determines the rate increased by two percentage points, and

b) 8%.

Sun Life may from time to time charge less than the rate provided above. Sun Life will give written notice of any change in rate on any existing advance.

Interest will accrue daily and be payable yearly. Sun Life will add unpaid interest to an advance.

The policy will terminate when advances and interest equal the guaranteed value plus the cash value of dividends.

Premium Advance

Sun Life will automatically use an advance to pay an unpaid premium. If the available advance is less than the full premium, Sun Life will use the advance to continue the policy in force as long as possible.

Premium Offset

The cash value of any dividends can be used to pay premiums as they become due.

Premium Offset (cont'd)

Premium Offset is available subject to Sun Life's rules; request for it must be made in writing to Sun Life.

Paid-up Policy

Sun Life on request will continue the policy in force, without any additional benefits, as paid-up life insurance or for a paid-up term period without dividends.

The table of Guaranteed and Paid-up Values in this policy shows values for the policy becoming paid-up on some dates. Sun Life will adjust these values for any dividends or advances.

An advance is not available while the policy is continuing for a paid-up term period.

To become a paid-up life policy before the earliest date for which a guaranteed value is shown in the table or when there is an advance outstanding, the amount of the paid-up insurance must meet a minimum Sun Life determines from time to time.

Review

Sun Life will annually review the guaranteed value and the cash value of any dividends.

If Sun Life determines that those values when combined are such that the policy would cease to be exempt from the income accrual rules under the Income Tax Act, any Plus Premium will cease to be payable and if necessary Sun Life, according to its rules, will pay the cash value of a sufficient amount of any existing dividends so as to maintain to the extent possible the status of the policy as an exempt policy.

GENERAL PROVISIONS (cont'd)

Review (cont'd)

If dividends have been used for an advance, the cash value of any dividends to be paid will be applied to reduce any existing advance.

****

Policy No. 7672321

ADDITIONAL BENEFIT: Total Disability

Conditions

The life insured must be completely unable, during the first two years, to carry on own occupation and, thereafter, to carry on any occupation.

Total disability must be continuous.

Exclusions

Total disability:

1) lasting less than six months, or

2) from self-inflicted injuries, or

3) from hostile actions of armed forces.

Notice

Notice must be given to Sun Life:

1) during total disability, and

2) before the life insured's 61st birthday.

Proof

Proof must be given to Sun Life:

1) within six months of notice, and

2) then, from time to time as required by Sun Life.

Sun Life may require a medical examination by an examiner of its choice as part of proof.

Limitation

This benefit will not apply to any premium due more than 1 year before notice of total disability is given to Sun Life.

****

APPENDIX "D"

Ernst & Young Inc.
Ernst & Young Tower
222 Bay Street, P.O. Box 251
Toronto, Ontario M5K 1J7

Tel: 416 864 1234
Fax: 416 864 1174
ey.com/ca

PRIVATE AND CONFIDENTIAL

BY FACISIMILE: 1 866 487-4745

May 25, 2010

Sun Life Financial

NOTICE OF ASSIGNMENT

To whom it may concern

Re: In the Matter of the Receivership of Atcon Group Inc. / Sun Life Financial Policy Number LI-R656, 057-5

TAKE NOTICE THAT pursuant to a court order issued on March 2, 2010 Ernst & Young Inc., has been appointed Receiver and Receiver Manager and have taken possession of the assets of Atcon Group Inc. (formerly 504040 N.B. Ltd).

Please find attached copies of the Receivership Order and a business number search demonstrating that 504040 N.B. Ltd. was subsequently renamed Atcon Group Inc.

As a result, Ernst & Young Inc., in our capacity as court-appointed receiver and receiver manager of Atcon Group Inc., formally requests that no other individual be allowed to change, alter or take possession of the Sun Life Financial life insurance Policy Number LI-R656, 057-5, including any cash surrender value, other than a representative of Ernst & Young Inc.

We would like to receive as soon as possible a copy of the most recent statement on the account, showing the current cash surrender value and a copy of the policy.

Kindly confirm receipt of the letter by contacting the undersigned, Christopher Mediratta, Vice President Ernst & Young Inc. by phone at (416) 941-1769 or by email at christopher.mediratta@ca.ey.com.

Yours very truly,

ERNST & YOUNG INC.
Receiver and Receiver Manager of
Atcon Group Inc.

Per:

Christopher Mediratta, CA,CIRP
Vice President
Phone (416) 941-1769
Fax (416) 941-3300
222 Bay Street,
Toronto, Ontario M5K 1J7

Attachments

APPENDIX “E”

Rappos, Sam

From: Christopher.Mediratta@ca.ey.com
Sent: Thursday, July 08, 2010 11:13 AM
To: Rappos, Sam
Cc: George.C.Kinsman@ca.ey.com; Paul.D.Hickey@ca.ey.com
Subject: Fw: Sunlife Insurance Policy LI-R656,057-5

----- Forwarded by Christopher Mediratta/TAS/ErnstYoung/CA on 08/07/2010 11:10 AM -----

From: Christopher Mediratta/TAS/ErnstYoung/CA
To: rtozer@modularfab.com
Cc: George C Kinsman/TAS/ErnstYoung/CA@EY-Canada
Date: 03/06/2010 03:06 PM
Subject: Sunlife Insurance Policy LI-R656,057-5

Good afternoon

Further to the documents that I gave you Monday and our discussions earlier this week, Atcon Group Inc. (formerly 504040 New Brunswick Ltd Corporation) has a $1.2 million life insurance policy with Sunlife Financial. This policy has a cash surrender value of approximately $272,727.

Please let me know by the end of day Friday June 4, 2010 if you would like to pay the full cash surrender value to the receiver, in order to have policy assigned to you. If you are not interested, Ernst & Young Inc. solely in its capacity as Court appointed receiver and receiver manager of Atcon Group Inc., intends to terminate the policy and collect the cash surrender value.

If you are interested, I will have Sunlife re-confirm the current cash surrender value in order to facilitate a transfer.

I look forward to hearing from you soon.

Chris

ERNST & YOUNG

Christopher Mediratta CA, CIRP | Vice President | Transaction Advisory Services
Ernst & Young Inc.
222 Bay Street, Toronto, Ontario M5K 1J7, Canada
Office: +1 416 941 1769 | Mobile: +1 416 518 7005 | christopher.mediratta@ca.ey.com
Fax: +1 416 943 3300
Website: www.ey.com

APPENDIX “F”

June 4, 2010

BY FACSIMILE: 1-866-487-4745

Sun Life Financial
Policy Titles
227 King Street South
P.O. Box 1601, Station Waterloo
Waterloo, Ontario N2L 4C5

Dear Sir:

Re: Policy No.: LI-R656, 057-5 OPUS
Insured's Name: Robert Tozer
Beneficiary: 504040 N.B. Ltd.

It has come to our attention that a transfer of the above captioned insurance policy has been affected, transferring the policy from 504040 N.B. Ltd. to Atcon Group Inc. This transfer was conducted without the knowledge of our client, Robert Tozer.

It is our opinion that the company 504040 N.B. Ltd. has always held this life insurance policy "in trust" for the benefit of Robert Tozer as part of his employment package.

We advise you to ignore any attempts by Ernst & Young to terminate the policy and collect the cash surrender value. If necessary, we are instructed to apply to the courts for a determination of this matter.

Yours very truly,

GILBERT McGLOAN GILLIS

James Mockler

James L. Mockler
jmockler@gmglaw.com

JLM/smm

cc: Christopher Mediratta, Vice President
Transaction Advisory Services
Ernst & Young
222 Bay Street
Toronto Ontario
M5K 1J7
By Email

gilbert mcgloan gillis

gmg

APPENDIX “G”

Sun Life Financial

Sun Life Assurance Company of Canada
227 King St South
PO Box 1601 STN Waterloo
Waterloo ON N2J 4C5

Bus 1 877 786-5433 Ext 341-5896
Fax 1 866 487-4745
www.sunlife.ca

June 4, 2010

Ernst & Young Inc.
Attention: Mr. Christopher Mediratta
222 Bay Street PO Box 251
TORONTO, ON
M5K 1J7

Dear Mr. Christopher Mediratta:

RE: Policy LI-R656,057-5 Atcon Group Inc

Thank you for your letter dated May 25, 2010. We have registered the policy with restrictions due to the receivership.

As you requested I have enclosed a copy of the most recent policy statement. A copy of the policy has not been included as there is a fee to produce a duplicate policy. The fee is $50.00. If you would like a duplicate policy produced please send us a request in writing along with the $50.00.

We will require further documentation from the court if you will be taking action on this policy as the policy values are over $100,000.00. This clause is stated in the court order dated March 2, 2010 that your provided to us in section # 3 (n) (i).

If you have any questions please do not hesitate to contact me.

Sincerely,

Amy Bickell
Policy Title Consultant

c: Atcon Group Inc

APPENDIX “H”

Borden Ladner Gervais LLP
Lawyers • Patent & Trade-mark Agents
Scotia Plaza, 40 King Street West
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BORDEN
LADNER
GERVAIS

SAM P. RAPPOS
direct tel.: (416) 367-6033
direct fax: (416) 361-7306
e-mail: srappos@blgcanada.com

June 8, 2010

DELIVERED BY FACSIMILE 1-866-487-4745

Amy Bickell
Insurance Policy Title Consultant
Sun Life Financial
227 King Street South
P.O. Box 1601, Station Waterloo
Waterloo, ON N2L 4C5

Dear Ms. Bickell,

Re: Policy No.: LI-R656, 057-5 (the "Policy")

We are counsel to Ernst & Young Inc. ("**EYI**"). EYI was appointed by the Court of Queen's Bench of New Brunswick (the "**New Brunswick Court**") as receiver and receiver manager of the property, assets and undertakings of Atcon Group Inc. pursuant to a Receivership Order dated March 2, 2010 (the "**Receiver**"). A copy of the Receivership Order was enclosed with the Receiver's letter to Sun Life Financial dated May 25, 2010, and can also be found at www.ey.com/ca/atcon.

The Receiver understands that the beneficiary of the Policy is Atcon Group Inc., as successor to 504040 N.B. Ltd. Pursuant to paragraph 3 of the Receivership Order, the Receiver has been authorized and empowered by the New Brunswick Court to receive, take possession and control, and protect the property, assets and undertakings of Atcon Group Inc. (the "**Property**"). As the beneficiary of the Policy is Atcon Group Inc., the cash surrender value of the Policy, if any, constitutes Property of Atcon Group Inc. that is subject to the terms of the Receivership Order. Paragraph 4 of the Receivership Order requires all persons to deliver all Property to the Receiver upon the Receiver's request.

The Receiver understands that it is Sun Life Financial's position that, for the Policy to be terminated and the cash surrender value delivered to the Receiver, a Court Order should be obtained by the Receiver from the New Brunswick Court. We are currently discussing this matter with the Receiver. In the event that the Receiver proceeds with a motion to the New Brunswick Court regarding the Policy, we will ensure that the Court materials are sent to you directly.

We understand that, in the May 25, 2010 letter, the Receiver has requested that no other individual be allowed to change, alter or take possession of the Policy, including any cash surrender value, other than a representative of the Receiver. The Receiver has provided to us a copy of the letter dated June 4, 2010 from James L. Mockler, counsel to Robert Tozer, to Sun Life Financial, wherein Mr. Mockler advises Sun Life Financial to "ignore any attempts by Ernst & Young Inc. to terminate the policy and collect the cash surrender value". We have copied Mr. Mockler on this letter.

It is the Receiver's position that, as Atcon Group Inc. is the holder and beneficiary of the Policy, Mr. Tozer has no standing whatsoever to contest payment of the cash surrender value of the Policy to the Receiver or discuss the terms of the Policy with Sun Life Financial directly. In the event that Mr. Tozer or his counsel attempt to contact Sun Life Financial in connection with the Policy, we ask that you please contact Christopher Mediratta of EYI as soon as possible to discuss this matter.

Please do not hesitate to contact the undersigned to discuss the matter further. Thank you in advance for your assistance with this matter.

Yours truly,

Per Sam Rappos / ga

Sam P. Rappos
Encl.

Cc: *Ernst & Young Inc.* (via e-mail)
James L. Mockler (via e-mail)

::ODMA\PCDOCS\TOR01\4377178\3

APPENDIX "I"

Borden Ladner Gervais LLP
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Scotia Plaza, 40 King Street West
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www.blgcanada.com

SAM P. RAPPOS
direct tel.: (416) 367-6033
direct fax: (416) 361-7306
e-mail: srappos@blgcanada.com

BORDEN
LADNER
GERVAIS

June 8, 2010

DELIVERED BY E-MAIL

James L. Mockler
Gilbert McGloan Gillis
22 King Street
P.O. Box 7174
Saint John, NB E2L 1G3

Dear Mr. Mockler,

Re: Atcon Group Inc. and Sun Life Financial Policy No.: LI-R656, 057-5

This letter is in response to your letter dated June 4, 2010 to Sun Life Financial in connection with the above-noted matter.

As you know, Ernst & Young Inc. was appointed by the Court of Queen's Bench of New Brunswick as receiver and receiver manager of the property, assets and undertakings of Atcon Group Inc. pursuant to a Receivership Order dated March 2, 2010 (the "**Receiver**"). Atcon Group Inc. is the successor corporation to 504040 N.B. Ltd., the beneficiary of the Policy and the party entitled to the cash surrender value of the Policy.

Pursuant to paragraph 3 of the Receivership Order, the Receiver has been authorized and empowered by the New Brunswick Court to receive, take possession and control, and protect the property, assets and undertakings of Atcon Group Inc., which includes the cash surrender value of the Policy that Atcon Group Inc., as successor to the beneficiary of the Policy, is entitled to.

In your letter dated June 4, 2010, you advised Sun Life Financial to "ignore any attempts by Ernst & Young Inc. to terminate the policy and collect the cash surrender value". It is our position that your correspondence constitutes a collateral attack on the powers and authority granted to the Receiver under the Receivership Order, and is in direct contravention of the duty of Mr. Tozer and the Gilbert McGloan Gillis law firm to co-operate and assist the Receiver in collecting the Property subject to the Receivership Order set out in paragraph 4 of the Receivership Order.

We hereby demand that you send a letter to Sun Life Financial, with a copy to the Receiver, retracting your letter dated June 4, 2010. In the event that a retraction letter is not received by the Receiver on or before June 10, 2010, the Receiver will proceed to report to the New Brunswick Court on the actions taken by Mr. Tozer and will seek the costs associated with such Court appearance from Mr. Tozer personally on a full indemnity basis.

We trust that you will govern yourself accordingly.

Yours truly,

per Sam Rappos/ga

Sam P. Rappos

Cc: *Ernst & Young Inc.*

::ODMA\PCDOCS\TOR01\4377598\2

APPENDIX "J"

June 9, 2010

VIA FACSIMILE: (416) 367-6749

Borden Ladner Gervais
Scotia Plaza
40 King Street West
Toronto, Ontario
M5H 3Y4

Attention: Sam P. Rappos

Dear Mr. Rappos:

Re: Atcon Group Inc. and Sun Life Financial
Policy Number: LI-R656, 057-5

gilbert mcgloan gillis

gmg

I am in receipt of your correspondence dated June 8, 2010 delivered by email.

It is our client's position that the Sun Life Financial policy No. LI-R656, 057-5 was always being held "in trust" by 504040 N.B. Ltd., for the benefit of Mr. Tozer as part of his employment package.

Clearly, this matter cannot be resolved without the intervention of the Court. Please advise if it is the intention of your client, the Receiver and Receiver Manager of the Atcon assets, to bring a Motion for the determination of the ownership of this life insurance policy.

Yours very truly,

GILBERT McGLOAN GILLIS

James Mockl

James L. Mockler
jmockler@gmglaw.com

JLM/smm

APPENDIX “K”

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direct fax: (416) 361-7306
e-mail: srappos@blgcanada.com

BORDEN
LADNER
GERVAIS

June 23, 2010

DELIVERED BY E-MAIL

James L. Mockler
Gilbert McGloan Gillis
22 King Street
P.O. Box 7174
Saint John, NB E2L 1G3

Dear Mr. Mockler,

Re: Atcon Group Inc. and Sun Life Financial Policy No.: LI-R656, 057-5 (the "Policy"

This letter is in response to your letter dated June 9, 2010 in connection with the above-noted matter, a copy of which is attached hereto.

We hereby confirm, on behalf of Ernst & Young Inc., the Court-appointed receiver and receiver manager of the property, assets and undertakings of Atcon Group Inc. (the "**Receiver**"), that the Receiver intends to bring a motion before Justice Riordon on Wednesday June 30, 2010 with respect to the Policy. At this time, the Receiver intends to seek a Court-order, *inter alia*, authorizing and directing Sun Life Financial to terminate the Policy and to pay the cash surrender value of the Policy to the Receiver.

In your letter dated June 9, 2010, you advised that Mr. Tozer's position is that the Policy was being held "in trust" for the benefit of Mr. Tozer as part of his employment package. We ask that you provide all information and documentation to the Receiver as soon as possible so that the Receiver may consider this information in preparing its motion materials and report to the Court regarding the Policy. We do note that the Receiver intends to serve its materials by Friday June 25, 2010.

Yours truly,

Sam P. Rappos

Cc: *Ernst & Young Inc.*
Sun Life Financial

APPENDIX “L”

Borden Ladner Gervais LLP
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e-mail: srappos@blgcanada.com

BORDEN
LADNER
GERVAIS

July 7, 2010

DELIVERED BY E-MAIL

James L. Mockler
Gilbert McGloan Gillis
22 King Street
P.O. Box 7174
Saint John, NB E2L 1G3

Dear Mr. Mockler,

Re: Atcon Group Inc. ("Atcon Group") and OPI AB ("OPI")

We write to you further to our letter to you dated June 29, 2010 and our conversation of July 5, 2010.

During the July 5, 2010 conversation, you confirmed that Mr. Tozer was not prepared to provide any information to the Receiver with respect to whether physical OPI common share certificates numbered 1,001 to 2,000 were issued to Atcon Group, unless the Receiver agreed that Mr. Tozer was entitled to the cash surrender value of Sun life Policy LI-R656,057-5 (the "**Policy**"). In our letter to you dated June 8, 2010, we confirmed the Receiver's position that the cash surrender value under the Policy is the property of Atcon Group and is subject to the receivership proceedings. As you may know, the cash surrender value under the Policy was $272,727.18 as of April 14, 2010.

During the July 5, 2010 conversation, you also confirmed that Mr. Tozer was aware of his obligations under the Receivership Order of Justice Riordon of the Court of Queen's Bench of New Brunswick dated March 2, 2010.

The Receiver intends to move for relief from the Court in respect of both matters and will put this letter before the Court.

Yours truly,

Sam P. Rappos

Cc: *Ernst & Young Inc.*

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::ODMA\PCDOCS\TOR01\4400597\2