

## NOTICE OF SETTLEMENT

**TO:** ALL PURCHASERS OF NOTES OF LIONAIRD CAPITAL CORP.

**AND TO:** ALL PURCHASERS OF UNITS OF NORTH GEORGE CAPITAL LIMITED PARTNERSHIP, NORTH GEORGE CAPITAL II LIMITED PARTNERSHIP, NORTH GEORGE CAPITAL III LIMITED PARTNERSHIP, NORTH GEORGE CAPITAL IV LIMITED PARTNERSHIP, NORTH GEORGE CAPITAL V LIMITED PARTNERSHIP

**Please read this notice carefully.  
It affects your legal rights.**

On August 8, 2006, the Ontario Superior Court of Justice (Commercial List) approved an agreement (the "Settlement Agreement") providing for the settlement of the claims of the Goselin Subclass against Michael Goselin ("Goselin"), Goselin & Associates, and Richard Killen & Associates Ltd., the Trustee of the Estate of Michael Goselin. You have been sent this Notice because you are or may be a member of the Goselin Subclass.

Prior to the execution of the Settlement Agreement, Goselin was discharged from bankruptcy. His discharge from bankruptcy released and discharged all claims made against Goselin and Goselin & Associates pursuant to the Class Action. Since there are other defendants remaining in the Class Action, Class Counsel obtained an Order in the bankruptcy proceedings to permit the Class Action to proceed despite the bankruptcy. Since members of the Goselin Subclass could no longer enforce any claims against Goselin or Goselin & Associates upon Goselin's discharge from bankruptcy, the purpose of the settlement agreement was solely to conclude the proceedings against Goselin, Goselin & Associates and Richard Killen & Associates Ltd., the trustee in bankruptcy of the Estate of Michael Goselin, in a manner that does not prejudice class members whatsoever.

Pursuant to the Settlement Agreement, a judgment has been granted against Goselin and Goselin & Associates. Although the judgment has a face value of \$500,000, class members cannot enforce the judgment or collect any money from Goselin or Goselin & Associates. Therefore, you will not be receiving any money from this settlement.

**If you wish to obtain further information about the Settlement Agreement, please contact the class members' lawyers, Steven Sofer of Gowling Lafleur Henderson LLP at 416-369-7240 or Jeffrey D. Glatt at 416-484-7498.**

*Publication of this Notice has been approved by the Court.*