

COURT FILE NO.: 98-CL-3048

DATE: 20060925

SUPERIOR COURT OF JUSTICE - ONTARIO

RE: Claude Millard and Roger Grisé (Plaintiffs) and Irvine Dyck (Defendant)

BEFORE: Justice Cumming

COUNSEL: *Scott Kugler* and *Francis Roy*, for the Plaintiffs

No one appeared for the defendant

DATE HEARD: September 22, 2006

ENDORSEMENT

The Motion

[1] The plaintiffs move for summary judgment against the defendant Irvine Dyck ("Dyck"). Mr. Dyck was served with the motion materials but did not appear for the hearing.

The Evidence

[2] Mr. Dyck was an independent financial planner who was registered as a salesperson for the defendant Triple A Financial Services Inc. ("Triple A"), a corporation controlled by the defendant Roderick Alton. Triple A was registered as a mutual fund dealer and limited market dealer pursuant to the *Securities Act (Ontario)*.

[3] The defendants North George Capital Limited Partnership, North George Capital II Limited Partnership, North George Capital III Limited Partnership, North George Capital IV Limited Partnership and North George Capital V Limited Partnership are limited partnerships (collectively, the "NGCLPs"), the general partner of which is North George Capital Management Limited ("NGCML"). (The NGCLPs and NGCML are collectively referred to as "North George").

[4] North George was created as an investment vehicle in 1995 with limited partnership units sold privately by representatives or salespersons, including Triple A, in non-compliance with the requirements of the *Securities Act*. Some US \$4,397,000.00 was raised from investors through North George.

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[5] The sale of the first north George partnership was promoted with an offering memorandum which was re-used to promote the four successive North George partnerships. An investor in North George was required to sign a power of attorney appointing NGCML as the investor's attorney and agent with control over the use of the investor's funds.

[6] The defendant Lionaird Capital Corp. ("Lionaird") was created in 1997 as an investment vehicle through the issuance of promissory notes in violation of the prospectus requirements of the *Securities Act* and falsely promoted as securities eligible for investment in RRSPs. Lionaird raised in excess of \$4.2 million from investors.

[7] The defendants Roderick Alton and Michael Magee allegedly were officers, directors, significant shareholders and principals of NGCML, Lionaird and Triple A and the directing minds who guided all aspects of North George and Lionaird.

[8] The action at hand was initiated September 15, 1998. Lindquist Avey Macdonald Baskerville Company ("Lindquist") was appointed by the Court as an inspector to investigate North George and Lionaird. On September 22, 1998 the Court appointed Lindquist as interim receiver for North George and Lionaird. On April 11, 2000 the action was certified pursuant to the *Class Proceedings Act, 1992*. On July 13, 2000 Lindquist issued its final reports as interim receiver of Lionaird and North George.

[9] The plaintiffs allege that Messrs. Alton and Magee promoted North George as an investment which promised investors returns in excess of 60% per year, promised security in respect of the principal amount invested and promised liquidity if an investor wished to terminate the investment. The plaintiffs allege that Messrs. Alton and Magee perpetrated a fraud commonly known in the vernacular as a "ponzi scheme", whereby the source of distributions to the early investors consist primarily of a return of their own capital or moneys obtained from new investors and with the payments ultimately stopping when there are no further investors with the result that everyone loses money except the perpetrators of the fraud. The re-circulation of capital falsely led existing investors to believe that North George was successfully investing the investor's funds. New investments were solicited under the false pretence that the investment fund was yielding promised earnings.

[10] The limited partnership agreements provided that NGCML would not borrow money from the limited partnerships. However, some US\$843,000.00 was borrowed from the partnerships.

[11] The North George offering memorandum represented that there were no commissions payable in connection with the sale of units. Notwithstanding this promise, some \$475,000.00 of commissions were paid to salespersons, including the defendant Dyck.

[12] None of the North George investments complied with the promises made to invest only with secured principal. NGCML reportedly moved investment funds out of Canada, in some instances to offshore entities in respect of which the defendant Magee was connected. False documentation was allegedly created in Switzerland to disguise the disappearance of funds.

[13] The Ontario Securities Commission ("OSC") commenced proceedings against Mr. Dyck November 9, 2001 for his role in the distribution of units of North George and Lionaird. Mr. Dyck operated a branch office of Triple A in North Bay, Ontario. Between June, 1996 and February 1998 he sold some US 1.1 million worth of units to North George investors and some \$2.7 million worth of Lionaird notes, including some \$1.8 million as RRSP investments.

[14] Mr. Dyck has admitted on cross-examination that his actions in selling the investments to the plaintiff class constituted an illegal distribution of securities.

[15] Mr. Dyck failed to conduct the appropriate due diligence concerning the nature and quality of the North George and Lionaird investments and the requirements of Ontario securities law relating thereto. Mr. Dyck ignored the lack of meaningful disclosure, and discrepancies from reality, in the offering memoranda, the lack of credible supporting documentation, the inconsistency between a claimed "no risk" investment and high rates of return and failed to review the financial statements. He continued to sell these investments even after he was told by the Secretary-Treasurer of Lionaird to stop doing so.

[16] Mr. Dyck received some \$322,200.00 in commissions through selling North George units and Lionaird notes to his clients, notwithstanding the offering memoranda stated no commissions were payable.

[17] Mr. Dyck admitted in cross-examination, and to the OSC, that he participated in illegal distributions of a security and engaged in conduct contrary to Ontario securities law by failing to deal fairly and in the best interests of his clients and by making misrepresentations.

Disposition

[18] Summary judgment is to be granted if the Court is satisfied that there is no genuine issue for trial.

[19] Mr. Dyck was obliged to adhere to the requirements and duties imposed upon him by the *Securities Act*. These statutory requirements constitute the best evidence of the applicable standard of care which he was obliged to meet.

[20] The units and notes of North George and Lionaird were not distributed by means of a prospectus as required by s. 53(10) of the *Securities Act*. The distributions did not fall within any exemption provision. The units and notes sold were not a suitable investment, contrary to OSC Rule 31-505. They were sold in the face of an obvious conflict of interest for the seller, contrary to OSC Rule 31-505.

[21] Mr. Dyck failed to comply with the "Know Your Client Rule" and Conflict of Interest Rule" by failing to have any regard to the nature of the securities being sold by him and failing to advise his clients as to their true nature and risk. He admits he recommended and encouraged his clients to invest in North George and/or Lionaird even though they were unsuitable investments, to borrow money for such investments and to transfer and redeem conservative investments, including RRSP monies, for this purpose. He failed to disclose to the investors that he would be receiving commissions.

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[22] The moving parties advise that they pursue the summary judgment motion at hand simply on the basis of negligence at this time and leave aside the establishment of liability on any other basis.

[23] In my view, and I so find, the plaintiffs have established that the defendant Dyck was negligent and that his negligence was responsible for significant losses to the investors. There is no genuine issue for trial in respect of this claim for judgment against Mr. Dyck. Indeed, he has admitted to his negligence.

[24] Judgment is given in favour of the Dyck subclass in respect of the North George investments for the principal amount lost of \$857,976.51 plus prejudgment interest at 5% of \$344,600.22, for a total of \$ 1,202,576.73.


[25] Judgment is given in favour of the Dyck subclass in respect of the Lionaird investments for the principal amount lost of \$1,739,608.71 plus prejudgment interest at 5% of \$ 698,701.66, for a total of \$2,438,310.57.

[26] The plaintiffs have submitted a bill of costs in the total amount to date of \$974,038.83, inclusive of GST and disbursements, calculated on a substantial indemnity basis. In my view, these costs are fair and reasonable given the extraordinary work done in respect of this complex class action.

[27] I award costs against Mr. Dyck in the amount of \$194, 807.77 as a fair and reasonable apportionment of the costs properly chargeable against him.

[28] Postjudgment interest at the rate of 6% shall accrue upon the total judgment of \$3,835,695.07.

[29] Judgment is given against Mr. Dyck in the form and content of the judgment set forth as Annex "A" hereto.


CUMMING J.

DATE: September 25, 2006

Annex "A"

Court File No.: 98-CL-3048

**ONTARIO
SUPERIOR COURT OF JUSTICE**

THE HONOURABLE MR.)
JUSTICE CUMMING)

MONDAY, THE 25th DAY OF
SEPTEMBER, 2006

B E T W E E N :

Claude Millard and Roger Grisé

Plaintiffs

- and -

North George Capital Management Limited, Triple A Financial Services Inc., 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, Lionaird Capital Corp., Roderick Alton, Michael Magee, Robert McGillen, Kenneth Gill, Anne Gilmour, Michael Goselin, Goselin & Associates, Stewart and Associates, McColl Turner, Irvine Dyck, M.R.S. Trust Company, Alan Lawson, Fisher Inc., the Trustee of the Estate of Roderick Alton, a Bankrupt, Richard Killen & Associates Ltd, the Trustee of the Estate of Michael Goselin, and KPMG Inc., the Trustee of the Estate of Michael Magee, a Bankrupt

Defendants

Proceeding Under the Class Proceedings Act, 1992

JUDGMENT

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THIS MOTION, made by the plaintiffs for judgment against Irvine Dyck, was heard on September 22, 2006 and September 25, 2006 at 330 University Avenue, Toronto, Ontario.

ON READING the notice of motion dated October 25, 2005, the affidavit of Jeffrey D. Glatt sworn May 31, 2005, the reports of Lindquist Avey dated September 22, 1998, April 8, 1999 and July 13, 2000, the pleadings herein, and other materials filed, and on hearing the submissions of counsel for the plaintiffs, no one appearing for Irvine Dyck although properly served as appears from the affidavit of service of Dupinder Birak dated October 25, 2005, and the affidavit of service of Karen McKenzie dated August 11, 2006,

1. **THIS COURT ORDERS AND ADJUDGES** that Irvine Dyck pay the sum of \$2,597,585.42 (the "Damages") to the members of the Dyck Subclass, as that term is defined in the Certification Order dated April 11, 2000, and includes, for greater certainty, those persons listed in Schedule "A" attached hereto, except Mr. John Sinnema. The amount of the Judgment owing to each member of the Dyck Subclass is as set forth in Schedule "A" attached hereto.

2. **THIS COURT ORDERS** that Irvine Dyck pay pre-judgment interest in the amount of \$1,043,301.88 (the "Pre-Judgment Interest") to the members of the Dyck Subclass, calculated at the rate of 5 per cent per year from September 15, 1998, and allocated pro rata amongst the members of the Dyck Subclass.

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3. **THIS COURT ORDERS** that if Mr. John Sinnema is later determined by this Court to be a Class Member, the Damages shall be increased by \$97,744.02, as shown in Schedule "A" attached hereto, and the Pre-Judgment Interest shall be increased by \$39,258.20.

4. **THIS COURT ORDERS** that Irvine Dyck pay the costs of this motion and costs of this action to the members of the Dyck Subclass fixed in the amount of \$194,807.77, and allocated pro rata amongst the members of the Dyck Subclass.

THIS JUDGMENT BEARS INTEREST at the rate of 6.0 per cent per year commencing on September 25, 2006.

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SCHEDULE "A"

Members of the Dyck Subclass – North George

Last Name	First Name	Capital Account Final Balance (in US \$)	Canadian Dollar Equivalent (US\$1=C\$1.1287)	Distribution Paid Mar-01 (in CDN \$)	Principal Amount Lost (in CDN\$)
<i>North George Capital Limited Partnership</i>					
Prior	David	\$ 7,357	\$ 8,303.85	\$ 1,112.82	\$ 7,191.03
Vincent	Gary	\$ 8,263	\$ 9,326.45	\$ 1,249.86	\$ 8,076.59
<i>North George Capital II Limited Partnership</i>					
835085 Ontario Inc.		\$ 99,914	\$ 112,772.93	\$ 15,112.97	\$ 97,659.96
Hazelwood	Marilyn J.	\$ 41,289	\$ 46,602.89	\$ 6,245.37	\$ 40,357.52
Lauzon	Raymond	\$ 41,289	\$ 46,602.89	\$ 6,245.37	\$ 40,357.52
Nadon	Edna	\$ 8,321	\$ 9,391.91	\$ 1,258.63	\$ 8,133.28
<i>North George Capital III Limited Partnership</i>					
Brown	John	\$ 18,051	\$ 20,374.16	\$ 2,730.39	\$ 17,643.77
Dupuis-Sigouin	Connie	\$ 18,051	\$ 20,374.16	\$ 2,730.39	\$ 17,643.77
Hunter	Grace	\$ 25,876	\$ 29,206.24	\$ 3,914.00	\$ 25,292.24
Knight	J.	\$ 18,051	\$ 20,374.16	\$ 2,730.39	\$ 17,643.77
Lafont	David	\$ 46,127	\$ 52,063.54	\$ 6,977.16	\$ 45,086.38
Leblond	Jacqueline	\$ 45,127	\$ 50,834.84	\$ 6,825.90	\$ 44,108.94
McGee	Diane	\$ 36,102	\$ 40,748.33	\$ 5,460.78	\$ 35,287.55
Michaud	Faith	\$ 18,051	\$ 20,374.16	\$ 2,730.39	\$ 17,643.77
Michaud	Leonard	\$ 18,051	\$ 20,374.16	\$ 2,730.39	\$ 17,643.77
Simard	Jeannette	\$ 22,564	\$ 25,467.99	\$ 3,413.03	\$ 22,054.96
Stevens	Gary A.	\$ 13,198	\$ 14,896.58	\$ 1,996.33	\$ 12,900.25
Stitt	Kevin	\$ 18,051	\$ 20,374.16	\$ 2,730.39	\$ 17,643.77
<i>North George Capital IV Limited Partnership</i>					
Gray	Dianna	\$ 57,372	\$ 64,755.78	\$ 8,678.08	\$ 56,077.70
Hazlewood	Andrew	\$ 38,248	\$ 43,170.52	\$ 5,785.38	\$ 37,385.14
Lecour	Laura	\$ 19,124	\$ 21,585.26	\$ 2,892.69	\$ 18,692.57
Murray	Bella	\$ 23,083	\$ 26,053.78	\$ 3,491.53	\$ 22,562.25
Nicholson	Beryl J.	\$ 27,166	\$ 30,662.26	\$ 4,109.12	\$ 26,553.14
Sigouin	Azilda	\$ 19,124	\$ 21,585.26	\$ 2,892.69	\$ 18,692.57
Sigouin	Daniel	\$ 19,124	\$ 21,585.26	\$ 2,892.69	\$ 18,692.57

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<u>Last Name</u>	<u>First Name</u>	<u>Capital Account Final Balance (in US \$)</u>	<u>Canadian Dollar Equivalent (US\$1=C\$1.1287)</u>	<u>Distribution Paid Mar-01 (in CDN \$)</u>	<u>Principal Amount Lost (in CDN\$)</u>
Weir	Doreen	\$ 19,696	\$ 22,230.88	\$ 2,979.21	\$ 19,251.67

North George Capital V Limited Partnership

Burton	Colleen	\$ 41,303	\$ 46,618.70	\$ 6,247.48	\$ 40,371.22
Coleman	Claudette	\$ 20,245	\$ 22,850.53	\$ 3,062.25	\$ 19,788.28
Gidda	Harnesh K.	\$ 19,340	\$ 21,829.06	\$ 2,925.36	\$ 18,903.70
Gray	Dianna	\$ 30,958	\$ 34,942.29	\$ 4,682.70	\$ 30,259.59
McMartin	Neil	\$ 20,638	\$ 23,294.11	\$ 3,121.70	\$ 20,172.41
Murray	Alice	\$ 18,625	\$ 21,022.04	\$ 2,817.21	\$ 18,204.83
Total:		\$ 877,779	\$ 990,749.16	\$ 132,772.65	\$ 857,976.51

Disputed Claims (including claims where only the amount is disputed)

Sinnema	John	\$ 100,000	\$ 112,870.00	\$ 15,125.98	\$ 97,744.02
Total all Disputed Claims:		\$ 100,000	\$ 112,870.00	\$ 15,125.98	\$ 97,744.02
Total all claims:		\$ 977,779	\$ 1,103,619.16	\$ 147,898.63	\$ 955,720.53

Note: Bank of Canada official exchange rate for US\$ at close of business on Sept 20, 2006 was \$1.1287.

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Members of the Dyck Subclass – Lionaird Capital Corp.

Last Name	First Name	Principal Amount of Notes Held	Share of Distribution Paid in September 2000	Share of Distribution Paid in April 2001	Share of Distribution Paid in April 2002	Share of Distribution Paid in December 2002	Total of all Distributions Paid to date	Principal Amount Lost
Armstrong	Edward L.	\$ 25,000	\$ 5,153.49	\$ 2,412.64	\$ 1,250.00	\$ 375.00	\$ 9,191.12	\$ 15,808.88
Arsenault	Ivan J.	\$ 30,000	\$ 6,184.18	\$ 2,895.16	\$ 1,500.00	\$ 450.00	\$ 11,029.35	\$ 18,970.65
Backer	Patsy	\$ 10,000	\$ 2,061.39	\$ 965.05	\$ 500.00	\$ 150.00	\$ 3,676.45	\$ 6,323.55
Beaudry	Maurice	\$ 10,000	\$ 2,061.39	\$ 965.05	\$ 500.00	\$ 150.00	\$ 3,676.45	\$ 6,323.55
Beaudry	Diane	\$ 10,000	\$ 2,061.39	\$ 965.05	\$ 500.00	\$ 150.00	\$ 3,676.45	\$ 6,323.55
Bellamy	Keith	\$ 10,000	\$ 2,061.39	\$ 965.05	\$ 500.00	\$ 150.00	\$ 3,676.45	\$ 6,323.55
Bellamy	Patricia	\$ 15,000	\$ 3,092.09	\$ 1,447.58	\$ 750.00	\$ 225.00	\$ 5,514.67	\$ 9,485.33
Bellamy	Irene May	\$ 50,000	\$ 10,306.97	\$ 4,825.27	\$ 2,500.00	\$ 750.00	\$ 18,382.24	\$ 31,617.76
Bizier	Marcel J.	\$ 17,000	\$ 3,504.37	\$ 1,640.59	\$ 850.00	\$ 255.00	\$ 6,249.96	\$ 10,750.04
Brown	John	\$ 10,000	\$ 2,061.39	\$ 965.05	\$ 500.00	\$ 150.00	\$ 3,676.45	\$ 6,323.55
Dibb	Natalie	\$ 74,000	\$ 15,254.32	\$ 7,141.41	\$ 3,700.00	\$ 1,110.00	\$ 27,205.72	\$ 46,794.28
Dufresne	Martha E.	\$ 10,000	\$ 2,061.39	\$ 965.05	\$ 500.00	\$ 150.00	\$ 3,676.45	\$ 6,323.55
Dunlop	Violet	\$ 20,000	\$ 4,122.79	\$ 1,930.11	\$ 1,000.00	\$ 300.00	\$ 7,352.90	\$ 12,647.10
Fenerly	Donald	\$ 10,000	\$ 2,061.39	\$ 965.05	\$ 500.00	\$ 150.00	\$ 3,676.45	\$ 6,323.55
Guertin	Esther	\$ 10,000	\$ 2,061.39	\$ 965.05	\$ 500.00	\$ 150.00	\$ 3,676.45	\$ 6,323.55
Sidda	Sukhvinder	\$ 20,000	\$ 4,122.79	\$ 1,930.11	\$ 1,000.00	\$ 300.00	\$ 7,352.90	\$ 12,647.10
Graham	Joanne	\$ 15,000	\$ 3,092.09	\$ 1,447.58	\$ 750.00	\$ 225.00	\$ 5,514.67	\$ 9,485.33
Hampel	Lewis	\$ 10,000	\$ 2,061.39	\$ 965.05	\$ 500.00	\$ 150.00	\$ 3,676.45	\$ 6,323.55
Knights of Columbus		\$ 10,000	\$ 2,061.39	\$ 965.05	\$ 500.00	\$ 150.00	\$ 3,676.45	\$ 6,323.55
Lauzon	Raymond	\$ 65,000	\$ 13,399.06	\$ 6,272.86	\$ 3,250.00	\$ 975.00	\$ 23,896.92	\$ 41,103.08
Lecour	James	\$ 24,000	\$ 4,947.35	\$ 2,316.13	\$ 1,200.00	\$ 360.00	\$ 8,823.48	\$ 15,176.52
Lecour	James	\$ 82,000	\$ 16,903.43	\$ 7,913.45	\$ 4,100.00	\$ 1,230.00	\$ 30,146.88	\$ 51,853.12
Lecour	Penny	\$ 82,000	\$ 16,903.43	\$ 7,913.45	\$ 4,100.00	\$ 1,230.00	\$ 30,146.88	\$ 51,853.12
McGee	Cheryl	\$ 10,000	\$ 2,061.39	\$ 965.05	\$ 500.00	\$ 150.00	\$ 3,676.45	\$ 6,323.55
McRae	Kevin	\$ 15,000	\$ 3,092.09	\$ 1,447.58	\$ 750.00	\$ 225.00	\$ 5,514.67	\$ 9,485.33
Morin	Barbara	\$ 20,000	\$ 4,122.79	\$ 1,930.11	\$ 1,000.00	\$ 300.00	\$ 7,352.90	\$ 12,647.10
Orford	Darlene	\$ 15,000	\$ 3,092.09	\$ 1,447.58	\$ 750.00	\$ 225.00	\$ 5,514.67	\$ 9,485.33
Pellerin	Norman D.	\$ 10,000	\$ 2,061.39	\$ 965.05	\$ 500.00	\$ 150.00	\$ 3,676.45	\$ 6,323.55
Perrier	Lisa L.	\$ 20,000	\$ 4,122.79	\$ 1,930.11	\$ 1,000.00	\$ 300.00	\$ 7,352.90	\$ 12,647.10
Prior	Dorothy	\$ 49,000	\$ 10,100.83	\$ 4,728.77	\$ 2,450.00	\$ 735.00	\$ 18,014.60	\$ 30,985.40
PRJ Electric Ltd.		\$ 50,000	\$ 10,306.97	\$ 4,825.27	\$ 2,500.00	\$ 750.00	\$ 18,382.24	\$ 31,617.76
Ripley	Joseph A.	\$ 60,000	\$ 12,368.36	\$ 5,790.33	\$ 3,000.00	\$ 900.00	\$ 22,058.69	\$ 37,941.31
Roy	Roland	\$ 10,000	\$ 2,061.39	\$ 965.05	\$ 500.00	\$ 150.00	\$ 3,676.45	\$ 6,323.55

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Last Name	First Name	Principal Amount of Notes Held	Share of Distribution Paid in September 2000	Share of Distribution Paid In April 2001	Share of Distribution Paid In April 2002	Share of Distribution Paid in December 2002	Total of all Distributions Paid to date	Principal Amount Lost
RRSP Subclass								
Argo	Janet L.	\$ 21,000	\$ 4,328.93	\$ 2,026.62	\$ 1,050.00	\$ 315.00	\$ 7,720.54	\$ 13,279.48
Armstrong	Edward L.	\$ 14,000	\$ 2,885.95	\$ 1,351.08	\$ 700.00	\$ 210.00	\$ 5,147.03	\$ 8,852.97
Armstrong	Norma Edward	\$ 10,000	\$ 2,061.39	\$ 965.05	\$ 500.00	\$ 150.00	\$ 3,676.45	\$ 6,323.55
Arsenault	Ivan J.	\$ 30,000	\$ 6,184.18	\$ 2,895.16	\$ 1,500.00	\$ 450.00	\$ 11,029.35	\$ 18,970.65
Bissailon	Jean-Marc	\$ 13,000	\$ 2,679.81	\$ 1,254.57	\$ 650.00	\$ 195.00	\$ 4,779.38	\$ 8,220.62
Brown	John	\$ 10,000	\$ 2,061.39	\$ 965.05	\$ 500.00	\$ 150.00	\$ 3,676.45	\$ 6,323.55
Brunet	Leona F.	\$ 10,000	\$ 2,061.39	\$ 965.05	\$ 500.00	\$ 150.00	\$ 3,676.45	\$ 6,323.55
Bureau	Luc	\$ 22,000	\$ 4,535.07	\$ 2,123.12	\$ 1,100.00	\$ 330.00	\$ 8,088.19	\$ 13,911.81
Chennette	Gordon	\$ 26,000	\$ 5,359.62	\$ 2,509.14	\$ 1,300.00	\$ 390.00	\$ 9,558.77	\$ 16,441.23
Colasimone	Joyce	\$ 10,000	\$ 2,061.39	\$ 965.05	\$ 500.00	\$ 150.00	\$ 3,676.45	\$ 6,323.55
Desormeaux	Suzanne	\$ 12,000	\$ 2,473.67	\$ 1,158.07	\$ 600.00	\$ 180.00	\$ 4,411.74	\$ 7,588.26
Donovan	Dale	\$ 12,000	\$ 2,473.67	\$ 1,158.07	\$ 600.00	\$ 180.00	\$ 4,411.74	\$ 7,588.26
Dufresne	Martha E.	\$ 17,000	\$ 3,504.37	\$ 1,640.59	\$ 850.00	\$ 255.00	\$ 6,249.96	\$ 10,750.04
Dumouchel	Albert	\$ 19,000	\$ 3,916.65	\$ 1,833.80	\$ 950.00	\$ 285.00	\$ 6,985.25	\$ 12,014.75
Dupis Sigouin	Connie	\$ 54,000	\$ 11,131.53	\$ 5,211.30	\$ 2,700.00	\$ 810.00	\$ 19,852.82	\$ 34,147.18
Farmer	Cecile	\$ 45,000	\$ 9,276.27	\$ 4,342.75	\$ 2,250.00	\$ 675.00	\$ 16,544.02	\$ 28,455.98
Farmer	James	\$ 39,000	\$ 8,039.44	\$ 3,763.71	\$ 1,950.00	\$ 585.00	\$ 14,338.15	\$ 24,861.85
Gaudette	Gerard	\$ 18,000	\$ 3,710.51	\$ 1,737.10	\$ 900.00	\$ 270.00	\$ 6,617.61	\$ 11,382.39
Gidda	Sukhvinder	\$ 10,000	\$ 2,061.39	\$ 965.05	\$ 500.00	\$ 150.00	\$ 3,676.45	\$ 6,323.55
Grise	Pauline	\$ 14,000	\$ 2,885.95	\$ 1,351.08	\$ 700.00	\$ 210.00	\$ 5,147.03	\$ 8,852.97
Grise	Roger	\$ 37,000	\$ 7,627.16	\$ 3,570.70	\$ 1,850.00	\$ 555.00	\$ 13,602.86	\$ 23,397.14
Hanselman	Rick	\$ 30,000	\$ 6,184.18	\$ 2,895.16	\$ 1,500.00	\$ 450.00	\$ 11,029.35	\$ 18,970.65
Harris	Jennifer	\$ 23,000	\$ 4,741.21	\$ 2,219.83	\$ 1,150.00	\$ 345.00	\$ 8,455.83	\$ 14,544.17
Hazelwood	Clayton	\$ 12,000	\$ 2,473.67	\$ 1,158.07	\$ 600.00	\$ 180.00	\$ 4,411.74	\$ 7,588.26
Hazlewood	Andrew	\$ 13,000	\$ 2,679.81	\$ 1,254.57	\$ 650.00	\$ 195.00	\$ 4,779.38	\$ 8,220.62
Keown	Arnold	\$ 53,000	\$ 10,925.39	\$ 5,114.79	\$ 2,650.00	\$ 795.00	\$ 19,485.18	\$ 33,514.82
Keown	Catherine	\$ 43,000	\$ 8,863.99	\$ 4,149.74	\$ 2,150.00	\$ 645.00	\$ 15,808.73	\$ 27,191.27
Klingspon	Delores	\$ 41,000	\$ 8,451.72	\$ 3,956.72	\$ 2,050.00	\$ 615.00	\$ 15,073.44	\$ 25,926.56
Labrash	Nancy	\$ 10,000	\$ 2,061.39	\$ 965.05	\$ 500.00	\$ 150.00	\$ 3,676.45	\$ 6,323.55
Landreville	Dr. Carey	\$ 15,000	\$ 3,092.09	\$ 1,447.58	\$ 750.00	\$ 225.00	\$ 5,514.67	\$ 9,485.33
Le Coz	Therese	\$ 11,000	\$ 2,267.53	\$ 1,061.58	\$ 550.00	\$ 165.00	\$ 4,044.09	\$ 6,955.91
Leblond	John	\$ 195,000	\$ 40,197.18	\$ 18,818.57	\$ 9,750.00	\$ 2,925.00	\$ 71,690.75	\$ 123,309.25
Lecour	James	\$ 30,000	\$ 6,184.18	\$ 2,895.16	\$ 1,500.00	\$ 450.00	\$ 11,029.35	\$ 18,970.65
MacNeill	Duncan J.	\$ 20,000	\$ 4,122.79	\$ 1,930.11	\$ 1,000.00	\$ 300.00	\$ 7,352.90	\$ 12,647.10
MacNeill	Candace	\$ 10,000	\$ 2,061.39	\$ 965.05	\$ 500.00	\$ 150.00	\$ 3,676.45	\$ 6,323.55
Mahon	Leslie	\$ 13,000	\$ 2,679.81	\$ 1,254.57	\$ 650.00	\$ 195.00	\$ 4,779.38	\$ 8,220.62
Mahon	Bonnie	\$ 11,000	\$ 2,287.53	\$ 1,061.58	\$ 550.00	\$ 165.00	\$ 4,044.09	\$ 6,955.91
Valette	Leonard	\$ 25,000	\$ 5,153.49	\$ 2,412.64	\$ 1,250.00	\$ 375.00	\$ 9,191.12	\$ 15,808.88

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Last Name	First Name	Principal Amount of Notes Held	Share of Distribution Paid in September 2000	Share of Distribution Paid in April 2001	Share of Distribution Paid in April 2002	Share of Distribution Paid in December 2002	Total of all Distributions Paid to date	Principal Amount Lost
Mathieu	Garfield	\$ 10,000	\$ 2,061.39	\$ 965.05	\$ 500.00	\$ 150.00	\$ 3,676.45	\$ 6,323.55
McGee	Pauline	\$ 13,000	\$ 2,679.81	\$ 1,254.57	\$ 650.00	\$ 195.00	\$ 4,779.38	\$ 8,220.62
McGee	Diane	\$ 62,000	\$ 12,780.64	\$ 5,983.34	\$ 3,100.00	\$ 930.00	\$ 22,793.98	\$ 39,206.02
Vichaud	Joseph	\$ 15,000	\$ 3,092.09	\$ 1,447.58	\$ 750.00	\$ 225.00	\$ 5,514.67	\$ 9,485.33
Middleton	Joseph	\$ 10,000	\$ 2,061.39	\$ 965.05	\$ 500.00	\$ 150.00	\$ 3,676.45	\$ 6,323.55
Miller	Ronald	\$ 20,000	\$ 4,122.79	\$ 1,930.11	\$ 1,000.00	\$ 300.00	\$ 7,352.90	\$ 12,647.10
Murray	Bella	\$ 20,000	\$ 4,122.79	\$ 1,930.11	\$ 1,000.00	\$ 300.00	\$ 7,352.90	\$ 12,647.10
Neault	Robert J.N.	\$ 101,000	\$ 20,820.08	\$ 9,747.05	\$ 5,050.00	\$ 1,515.00	\$ 37,132.13	\$ 63,867.87
Neault	Marie Theresa	\$ 31,000	\$ 6,390.32	\$ 2,991.67	\$ 1,550.00	\$ 465.00	\$ 11,396.99	\$ 19,603.01
Parker	Gregory	\$ 17,000	\$ 3,504.37	\$ 1,640.59	\$ 850.00	\$ 255.00	\$ 6,249.96	\$ 10,750.04
Pecore	Kenneth	\$ 74,000	\$ 15,254.32	\$ 7,141.41	\$ 3,700.00	\$ 1,110.00	\$ 27,205.72	\$ 46,794.28
Pecore	Murielle	\$ 42,000	\$ 8,657.85	\$ 4,053.23	\$ 2,100.00	\$ 630.00	\$ 15,441.09	\$ 26,558.91
Perrier	Rolland	\$ 34,000	\$ 7,008.74	\$ 3,281.19	\$ 1,700.00	\$ 510.00	\$ 12,499.93	\$ 21,500.07
Porter	Reinhart	\$ 46,000	\$ 9,482.41	\$ 4,439.25	\$ 2,300.00	\$ 690.00	\$ 16,911.66	\$ 29,088.34
Sigouin	Daniel	\$ 31,000	\$ 6,390.32	\$ 2,991.67	\$ 1,550.00	\$ 465.00	\$ 11,396.99	\$ 19,603.01
Sigouin	Azilda	\$ 20,000	\$ 4,122.79	\$ 1,930.11	\$ 1,000.00	\$ 300.00	\$ 7,352.90	\$ 12,647.10
Sigouin	Gerald	\$ 17,000	\$ 3,504.37	\$ 1,640.59	\$ 850.00	\$ 255.00	\$ 6,249.96	\$ 10,750.04
Smart	David	\$ 51,000	\$ 10,513.11	\$ 4,921.78	\$ 2,550.00	\$ 765.00	\$ 18,749.89	\$ 32,250.11
Smart	David	\$ 13,000	\$ 2,679.81	\$ 1,254.57	\$ 650.00	\$ 195.00	\$ 4,779.38	\$ 8,220.62
St. Pierre	Ronald	\$ 36,000	\$ 7,421.02	\$ 3,474.20	\$ 1,800.00	\$ 540.00	\$ 13,235.22	\$ 22,764.78
Steele	Jill	\$ 12,000	\$ 2,473.67	\$ 1,158.07	\$ 600.00	\$ 180.00	\$ 4,411.74	\$ 7,588.26
Stitt	Wynn	\$ 10,000	\$ 2,061.39	\$ 965.05	\$ 500.00	\$ 150.00	\$ 3,676.45	\$ 6,323.55
Tennyson	Alan	\$ 30,000	\$ 6,184.18	\$ 2,895.16	\$ 1,500.00	\$ 450.00	\$ 11,029.35	\$ 18,970.65
Tennyson	Lynda	\$ 10,000	\$ 2,061.39	\$ 965.05	\$ 500.00	\$ 150.00	\$ 3,676.45	\$ 6,323.55
Tough	W. Allan	\$ 30,000	\$ 6,184.18	\$ 2,895.16	\$ 1,500.00	\$ 450.00	\$ 11,029.35	\$ 18,970.65
Treleaven	Daniel	\$ 20,000	\$ 4,122.79	\$ 1,930.11	\$ 1,000.00	\$ 300.00	\$ 7,352.90	\$ 12,647.10
Vincent	Marcel	\$ 10,000	\$ 2,061.39	\$ 965.05	\$ 500.00	\$ 150.00	\$ 3,676.45	\$ 6,323.55
Vodden	Michael	\$ 13,000	\$ 2,679.81	\$ 1,254.57	\$ 650.00	\$ 195.00	\$ 4,779.38	\$ 8,220.62
Weaver	David	\$ 27,000	\$ 5,565.76	\$ 2,605.65	\$ 1,350.00	\$ 405.00	\$ 9,926.41	\$ 17,073.59
Weir	Doreen	\$ 50,000	\$ 10,306.97	\$ 4,825.27	\$ 2,500.00	\$ 750.00	\$ 18,382.24	\$ 31,617.76
Totals:		\$2,751,000	\$567,089.50	\$265,486.59	\$137,550.00	\$41,265.00	\$1,011,391.09	\$1,739,608.91

Court File No.: 98-CL-3048

Claude Millard and Roger Grisé
- Plaintiffs -

v.

North George Capital Management Limited et al
- Defendants -

ONTARIO
SUPERIOR COURT OF JUSTICE
Commercial List

(PROCEEDING COMMENCED AT TORONTO)

JUDGMENT

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