

IN THE SUPREME COURT OF BRITISH COLUMBIA

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

AND

**IN THE MATTER OF THE *BUSINESS CORPORATIONS ACT*,
S.B.C. 2002, c. 57**

AND

**IN THE MATTER OF FOREST & MARINE FINANCIAL CORPORATION
(in its own capacity, in its capacity as General Partner of FOREST & MARINE
FINANCIAL LIMITED PARTNERSHIP and in its capacity as Manager of
FOREST & MARINE INVESTMENT TRUST)
FOREST & MARINE INVESTMENTS LTD.
FOREST & MARINE CAPITAL LTD.
FOREST & MARINE INSURANCE SERVICES LTD.
and TREESEA HOLDINGS INC.**

PETITIONERS

CLAIMS PROCESS ORDER

BEFORE THE HONOURABLE)
MR. JUSTICE MASUHARA)
TUESDAY, THE 25TH DAY
OF MAY, 2010

THE APPLICATION of the Bowra Group Inc., in its capacity as court appointed Receiver (the "Receiver"), coming on for hearing at Vancouver, British Columbia, on Tuesday, May 25, 2010; AND UPON READING Affidavit #3 of Alan Kemp-Gee and all other pleadings and materials filed herein; AND UPON HEARING Colin M. Emslie, counsel for the Receiver and those other counsel listed in Schedule "A" attached hereto, AND ON NOTICE to those parties having filed and served appearances; and *Rules 3 and 44 of the British Columbia Rules of Court* and the inherent jurisdiction of this Honourable Court;

THIS COURT ORDERS AND DECLARES THAT:

PUBLICATION OF NOTICE TO CREDITORS

1. By not later than June 1, 2010, the Receiver shall caused to be published in one edition of each of the Vancouver Sun, the Times Colonist and the Nanaimo Daily News the notice to creditors substantially in the form attached hereto as Schedule "B" to this Order (the "Publication Notice").

NOTICE TO CREDITORS

2. As soon as practicable, and in any event by no later than June 1, 2010, the Receiver will send, in the manner prescribed below, to all creditors of the Petitioners (collectively, the "Creditors", and each a "Creditor") known to the Receiver copies of the following documents (collectively, the "Claims Materials"):
 - (a) the Notice to Creditors substantially in the form attached hereto as Schedule "C" (the "Notice to Creditors");
 - (b) a copy of this Order (the "Claims Process Order");
 - (c) A list containing the names of all Creditors known to the Receiver, and the corresponding indebtedness of the Petitioners to such Creditors (the "Creditor List");
 - (d) a Proof of Claim substantially in the form attached hereto as Schedule "D";
 - (e) a Notice of Dispute substantially in the form attached hereto as Schedule "E" (the "Notice of Dispute"); and
 - (f) a Reduction of Claim substantially in the form attached hereto as Schedule "F" (the "Reduction of Claim").
3. If, after the date of this Order the Receiver becomes aware of any additional Creditors, the Receiver shall forthwith deliver copies of the Claims Materials to such Creditors, but the entitlement of each such Creditor to receive the Claims Materials and any notice given in connection with the Claims Materials is hereby abridged to the date the Claims Materials are distributed to each such Creditor, subject to further Order of this Court.
4. The Receiver may deliver the Claims Materials to the Creditors by ordinary mail, personal delivery, facsimile or other electronic means, or any combination thereof, as determined by the Receiver. Mailing shall be deemed to be effective service on the third business day following such mailing. Delivery by facsimile or other electronic means shall be deemed effective on the date and time that such facsimile or other electronic transmission is made by the Receiver.

NOTICE SUFFICIENT

5. The publication of the Publication Notice and the distribution of the Claims Materials to the Creditors in accordance with the requirements of this Order shall constitute good and sufficient service and delivery of this Order and the other documents referred to in this Order on all persons who may be entitled to receive notice and no other notice or service need be given or made and no other document or material need to served.

FILING OF PROOFS OF CLAIM/CLAIMS BAR DATE AND CLAIMS DISPUTES

6. If a Creditor receiving the Claims Materials wishes to object to the amount listed for that Creditor in the Creditor List, or if a Creditor is not named in that Creditor List, the Creditor must, on or before the claims bar date of 5:00 p.m. (Vancouver time) on June 22, 2010 (the "Claims Bar Date"), deliver to the Receiver a Notice of Dispute or, if not listed on the Creditor List, a Proof of Claim.
7. A Creditor who does not file a Notice of Dispute on or before the Claims Bar Date shall be deemed to have accepted the amount set forth in the Creditor List as the amount due and owing to the Creditor and such Creditor shall be forever barred from advancing any other claim against the Receiver and/or the Petitioners. A Creditor who is not named in the Creditor List and who does not file a Proof of Claim on or before the Claims Bar Date shall be forever barred from asserting a claim against the Receiver and/or the Petitioners unless otherwise ordered by the Court.
8. Where a Notice of Dispute and/or a Proof of Claim is filed by a Creditor, the Receiver will be deemed to have accepted the claim as set forth in the Notice of Dispute/Proof of Claim unless it delivers to the Creditor a Notice of Disallowance in the form attached as Schedule "G" on or before July 6, 2010.
9. Unless a Notice of Dispute or Notice of Disallowance is resolved between the Creditor and the Receiver, the objection will be resolved by the Court upon subsequent application by the Creditor, supported by affidavit material, to be filed and served upon counsel for the Receiver on or before July 27, 2010 failing which the amount listed in the relevant Dispute Notice shall be deemed to be the amount owing to that Creditor for all purposes by the Petitioners.

PAYMENT OF SMALL CLAIMS

10. At any time after the Claims Bar Date, the Receiver may, in its sole discretion, pay any Creditor the full amount of its claim if:
 - (i) the amount of the Creditor's claim is less than or equal to \$100; and
 - (ii) the Creditor's claim has been finally determined, in accordance with Paragraphs 7, 8 or 9 above, as the case may be.
11. All payments made by the Receiver in accordance with Paragraph 10 above shall constitute full and final satisfaction of that Creditor's claim against the Petitioners and

upon such payment the Receiver is thereby relieved of any further obligation to notify such Creditor of any dividend or other process arising in this proceeding.

12. Any Creditor who has or asserts a claim of more than \$100 may elect to reduce the total amount of their claim to \$100 by completing the Reduction of Claim substantially in the form attached hereto as Schedule "F" and delivering the same to the Receiver on or before the Claims Bar Date. Any Creditor reducing their claim in accordance with this Paragraph 12 shall be deemed to have waived and relinquished any entitlement to all further claims over and above \$100. For clarity, nothing in this Paragraph 12 limits the ability of a Creditor or the Receiver to challenge the existence or amount of a claim, in accordance with Paragraphs 6 to 9 above, other than to limit such claims to no more than \$100.

FORMS OF DOCUMENTS

13. The forms of Publication Notice, Notice to Creditors, Proof of Claim, Notice of Dispute, Notice of Disallowance and Reduction of Claim attached as Schedules to this Order are hereby approved. The Receiver may, from time to time, make minor changes to such forms as it may deem necessary, without further Order of this Court.

MISCELLANEOUS

14. Endorsement of this Order by counsel appearing is hereby dispensed with.

BY THE COURT

District Registrar

APPROVED AS TO FORM:



Colin Emslie
Counsel for the Bowra Group Inc., in it capacity
as Court appointed Receiver

SCHEDULE "A"

| <i>Counsel:</i> | <i>Appearing for:</i> |
|------------------|---|
| John I. McLean | <i>Barry Kenna and the Ad Hoc Committee of Investment Receipt Holders</i> |
| Robert A. Millar | <i>Asset Engineering Limited Partnership</i> |

SCHEDULE "B"

PUBLICATION NOTICE

**RE: IN THE MATTER OF FOREST & MARINE FINANCIAL CORPORATION
(in its own capacity, in its capacity as General Partner of FOREST & MARINE
FINANCIAL LIMITED PARTNERSHIP and in its capacity as Manager of
FOREST & MARINE INVESTMENT TRUST)
FOREST & MARINE INVESTMENTS LTD.
FOREST & MARINE CAPITAL LTD.
FOREST & MARINE INSURANCE SERVICES LTD.
and TREESEA HOLDINGS INC.**

("Forest & Marine")

By order of the Supreme Court of British Columbia, the Bowra Group Inc. was appointed Receiver of Forest & Marine on August 13, 2009.

In order to process the claims against Forest & Marine the Receiver has implemented a Claims Process which has been approved by the Court. Pursuant to this process the Receiver will be forwarding to each known Creditor a list containing the names of each known Creditor and the amount of their claims (the "Creditor List"). If the Creditor agrees that their claim is the amount set forth in the Creditor List, nothing further needs to be done and the Receiver will be making a distribution pursuant to that claim in due course.

Established claims up to \$100 will be paid by the Receiver in full. Any Creditor with a claim of more than \$100 may elect to abandon that part of their claim that exceeds \$100. Any Creditor making this election will, upon establishing their claim in accordance with the Claim Process Order, receive full payment of their claim, to a maximum of \$100, in full satisfaction of any and all claims held against Forest & Marine.

If the Creditor wishes to dispute the amount of its claim as described in the Creditor List, the Creditor shall file a Notice of Dispute on or before Claims Bar Date which is June 22, 2010. A Creditor who does not file a Notice of Dispute before the Claims Bar Date shall be deemed to have accepted the amount set forth in the Creditor List as the amount due and owing and such Creditor shall be forever barred from advancing any other claim against the Receiver and/or Forest & Marine.

If a Creditor does not receive notice from the Receiver a Creditor should file a Proof of Claim form setting out the amount owing to it. In order to receive a copy of the Proof of Claim form the Creditor should contact the Receiver at:

The Bowra Group Inc.
1930 - 1095 West Pender Street
Vancouver, B.C. V6E 2M6

Attention: Matt Stradiotti
Telephone: 604-638-4897
Fax: 604-689-8584

A blank Reduction of Claim, Proof of Claim, Notice of Dispute, Creditor's List and a copy of the Claims Order can be obtained by emailing the Receiver at mstradiotti@bowragroup.com.

SCHEDULE "C"

**IN THE MATTER OF FOREST & MARINE FINANCIAL CORPORATION
(in its own capacity, in its capacity as General Partner of FOREST & MARINE
FINANCIAL LIMITED PARTNERSHIP and in its capacity as Manager of
FOREST & MARINE INVESTMENT TRUST)
FOREST & MARINE INVESTMENTS LTD.
FOREST & MARINE CAPITAL LTD.
FOREST & MARINE INSURANCE SERVICES LTD.
and TREESEA HOLDINGS INC.
(herein after referred to as "Forest & Marine")**

NOTICE TO CREDITORS

TO: CREDITORS OF FOREST & MARINE

Re: Claims of Creditors of Forest & Marine

All capitalized terms used in this Notice to Creditors shall, unless otherwise stated herein, have the meaning ascribed to them in the Claims Process Order. In order to process the claims against Forest & Marine the Receiver has implemented a Claims Process which has been approved by the Court. Pursuant to this process, we enclose in this package the following documents for your review and consideration:

1. The Notice to Creditors;
2. A copy of the Claims Process Order;
3. The Creditor List;
4. A blank Proof of Claim;
5. A blank Notice of Dispute; and
6. A blank Reduction of Claim.

Note that item 3, the Creditor List, contains a list of each known Creditor and the amount of their claims. If you agree that your claim is the amount set forth in the Creditor List, you do not need to take any further steps, and the Receiver will be making a distribution pursuant to your claim in due course.

Established claims of less than \$100 will be paid in full. If you have a claim of more than \$100, you may elect to abandon that part of your claim that exceeds \$100 by completing a Reduction of Claim form and returning the same to the Receiver on or before the Claims Bar Date which is June 22, 2010. If you do so, upon establishing a claim in accordance with the Claim Process Order, you will receive full payment of your claim, up to a maximum of \$100, in full satisfaction of any and all claims you have against Forest & Marine.

If you wish to dispute the amount of your claim as described in the Creditor List, you must file a Notice of Dispute on or before the Claims Bar Date which is June 22, 2010. **If you do not file a Notice of Dispute before the Claims Bar Date you shall be deemed to have accepted the amount set forth in the Creditor List as the amount due and owing and you shall be forever barred from advancing any other claim against the Receiver and/or Forest & Marine.**

FURTHER INFORMATION

If you have any questions regarding the process of any of the enclosed forms, please contact the Receiver at the following address:

The Bowra Group Inc.
1930 - 1095 West Pender Street
Vancouver, B.C. V6E 2M6
Attention: Matt Stradiotti
Telephone: 604-638-4897
Fax: 604-689-8584
Email: mstradiotti@bowragroup.com

SCHEDULE "D"

FOREST & MARINE FINANCIAL CORPORATION
(in its own capacity, in its capacity as General Partner of FOREST & MARINE
FINANCIAL LIMITED PARTNERSHIP and in its capacity as Manager of
FOREST & MARINE INVESTMENT TRUST)
FOREST & MARINE INVESTMENTS LTD.
FOREST & MARINE CAPITAL LTD.
FOREST & MARINE INSURANCE SERVICES LTD.
and TREESEA HOLDINGS INC.
("Forest & Marine")

PROOF OF CLAIM

Please read carefully the instructions accompanying this Proof of Claim. Please print legibly.

Full name of Creditor: _____ (the "Creditor")

Full Mailing Address of Creditor:
(All notices and correspondence
regarding your claim will be
forwarded to this address)

Fax No. _____
Telephone No. _____
Attention: _____

Total Claim Amount: \$ _____

Companies against whom claim is made (Check appropriate space)

| | <i>Amount</i> |
|--|---------------|
| <input type="checkbox"/> Forest & Marine Financial Corporation | \$ _____ |
| <input type="checkbox"/> Forest & Marine Financial Limited Partnership | \$ _____ |
| <input type="checkbox"/> Forest & Marine Investment Trust | \$ _____ |
| <input type="checkbox"/> Forest & Marine Investments Ltd. | \$ _____ |
| <input type="checkbox"/> Forest & Marine Capital Ltd. | \$ _____ |
| <input type="checkbox"/> Forest & Marine Insurance Services Ltd. | \$ _____ |
| <input type="checkbox"/> Treesea Holdings Inc. | \$ _____ |

Total Claim Amount: \$ _____

THE UNDERSIGNED HEREBY CERTIFIES AS FOLLOWS:

1. I am the Creditor (or that I am the _____ of the Creditor):
2. I have knowledge of all the circumstances connected with the claim(s) hereafter referred to.
3. The attached as schedules to this Proof of Claim are:
 - (a) documents which establish the validity and the amount of the claim; and
 - (b) a description of the transaction or agreement giving rise or relating to the claim.

DATED at _____, this ____ day of _____, 2010.

(Signature of Witness)

(Signature of individual completing this form)

(Please print name)

(Please print name)

SCHEDULE "E"

NO. S092244
VANCOUVER REGISTRY

IN THE SUPREME COURT OF BRITISH COLUMBIA

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

AND

IN THE MATTER OF THE *BUSINESS CORPORATIONS ACT*, S.B.C. 2002, c. 57

**IN THE MATTER OF FOREST & MARINE FINANCIAL CORPORATION
(in its own capacity, in its capacity as General Partner of FOREST & MARINE
FINANCIAL LIMITED PARTNERSHIP and in its capacity as Manager of
FOREST & MARINE INVESTMENT TRUST)
FOREST & MARINE INVESTMENTS LTD.
FOREST & MARINE CAPITAL LTD.
FOREST & MARINE INSURANCE SERVICES LTD.
and TREESEA HOLDINGS INC.**

PETITIONERS

NOTICE OF DISPUTE

TO:

Forest & Marine Financial Corporation
(in its own capacity, in its capacity as General Partner of Forest & Marine
Financial Limited Partnership and in its capacity
as Manager of Forest & Marine Investment Trust)
Forest & Marine Investments Ltd.
Forest & Marine Capital Ltd.
Forest & Marine Insurance Services Ltd.
And Treesea Holdings Inc.
(the "Petitioners")

We hereby give you notice of our intention to dispute the amount listed in Creditor List issued by
the Petitioners:

- a. **Name of Creditor:** _____
- b. **Reasons for Dispute**

(attach completed Proof of Claim with full supporting documentation)

(Signature of Individual completing
this Dispute)

Date

(Please print name)

Telephone Number: _____

Fax Number: _____

Full Mailing Address: _____

THIS FORM IS TO BE RETURNED BY COURIER OR FAX TO ALL OF THE FOLLOWING:

The Bowra Group Inc.
1930 - 1095 West Pender Street
Vancouver, B.C. V6E 2M6

Attention: Matt Stradiotti
Fax: 604-689-8584

-AND-

COUNSEL for:

The Bowra Group Inc., in its capacity as Court appointed Receiver

c/o Fraser Milner Casgrain LLP
15th Floor, 1040 West Georgia Street
Vancouver, British Columbia V6E 4H8
Fax No. (604) 683-5214

Attention: Colin M. Emslie
Fax No. (604) 683-5214

SCHEDULE "F"

FOREST & MARINE FINANCIAL CORPORATION
(in its own capacity, in its capacity as General Partner of FOREST & MARINE
FINANCIAL LIMITED PARTNERSHIP and in its capacity as Manager of
FOREST & MARINE INVESTMENT TRUST)
FOREST & MARINE INVESTMENTS LTD.
FOREST & MARINE CAPITAL LTD.
FOREST & MARINE INSURANCE SERVICES LTD.
and TREESEA HOLDINGS INC.
("Forest & Marine")

REDUCTION OF CLAIM

Full name of Creditor: _____ (the "Creditor")

Full Mailing Address of Creditor:
(All notices and correspondence
regarding your claim will be
forwarded to this address)

Fax No. _____
Telephone No. _____
Attention: _____

Total Claim Amount: \$ _____

THE UNDERSIGNED HEREBY CERTIFIES AS FOLLOWS:

1. I the Creditor, or I have authority to execute this document on behalf of the Creditor.
2. Although the Creditor is, or asserts it is, owed over \$100 by Forest & Marine, the Creditor hereby agrees to reduce the maximum amount of its claim to \$100.
3. In accordance with the Claims Process Order, made May 25, 2010, the Creditor hereby waives and relinquishes all further claims against Forest & Marine over and above \$100.

DATED at _____, this _____ day of _____, 2010.

(Signature of Witness)

(Signature of individual completing
this form)

(Please print name)

(Please print name)

SCHEDULE "G"

NO. S092244
VANCOUVER REGISTRY

IN THE SUPREME COURT OF BRITISH COLUMBIA

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

AND

IN THE MATTER OF THE *BUSINESS CORPORATIONS ACT*, S.B.C. 2002, c. 57

**IN THE MATTER OF FOREST & MARINE FINANCIAL CORPORATION
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FOREST & MARINE CAPITAL LTD.
FOREST & MARINE INSURANCE SERVICES LTD.
and TREESEA HOLDINGS INC.**

PETITIONERS

NOTICE OF DISALLOWANCE

Name of Creditor: _____

Pursuant to the Claims Process Order, the Receiver gives you notice that your Proof of Claim or Notice of Dispute dated _____ has been reviewed and the Receiver has revised or rejected your claim for the following reasons:

Subject to further dispute by you in accordance with the provisions of the Claims Process Order, your claim will be allowed as follows:

DATED at Vancouver, British Columbia, Canada this _____ day of _____, 2010.

Forest & Marine Financial Corporation
(in its own capacity, in its capacity as General Partner of Forest & Marine
Financial Limited Partnership and in its capacity as Manager of
Forest & Marine Investment Trust)
Forest & Marine Investments Ltd.
Forest & Marine Capital Ltd.
Forest & Marine Insurance Services Ltd.
Treesea Holdings Inc.

Per: _____
Encl.

IN THE SUPREME COURT OF BRITISH COLUMBIA

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

AND

**IN THE MATTER OF THE *BUSINESS CORPORATIONS ACT*,
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**IN THE MATTER OF FOREST & MARINE FINANCIAL CORPORATION
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FOREST & MARINE INVESTMENTS LTD.
FOREST & MARINE CAPITAL LTD.
FOREST & MARINE INSURANCE SERVICES LTD.
and TREESEA HOLDINGS INC.**

PETITIONERS

CLAIMS PROCESS ORDER

**FRASER MILNER CASGRAIN LLP
BARRISTERS & SOLICITORS
15th Floor, The Grosvenor Building
1040 West Georgia Street
Vancouver, British Columbia
V6E 4H8**

CME/js