

NEWSLETTER No. 3

Dated: February 19, 2010

Under *The Class Proceeding Act of Ontario.*

**TO: Investors of the Gift Program with Parklane Financial Group Limited
Class Proceeding: Cannon v Parklane Financial Group Limited et al
Court File No: CV-08-362807-00CP**

Since our last newsletter, there have been several developments in the action.

On November 13, 2009 a motion was held before the Honourable Justice Strathy, wherein an Order was granted to dismiss the action against some of the Defendants. Attached please find a copy of the Endorsement of the Honourable Justice Strathy dated November 13th, 2009.

As a term of the dismissal of this action against these Defendants, we had an opportunity to examine the individuals under oath. The examinations were a success. We learned a great deal about the "gift program" and about other persons who were involved. As a result, we are taking steps to: (1) amend the Statement of Claim to capture the intricacies of the scheme and (2) add the following people and companies as Defendants:

- a) McInnes Cooper;
- b) Bermuda Long Tail Trust;
- c) Matt Gleeson;
- d) Mary-Lou Gleeson;
- e) Martin Gleeson; and
- f) Gleeson Management Association.

We are scheduled to appear in Court on March 8, 2010 to seek an Order of the Court to further amend the Statement of Claim.

In December 2009, we successfully won a motion brought by the Defendants, Sam Albanese, Ken Ford, Riyad Mohammed, David Raby, and Greg Wade. These Defendants requested that the Court schedule a motion to strike our portions of the Statement of Claim which relate to them. We fought to ensure that these Defendants were not able to bring their motion prior to the certification motion of the class action, and we were successful in preventing the motion from being heard in advance of the Certification Motion. You will find attached a copy of the Endorsement of the Honourable Justice Strathy of January 7, 2010.

Since we are taking steps to amend the Statement of Claim and add new Defendants, the Certification Motion has been rescheduled to the Fall of 2010. We will be asking the Court at the Certification hearing to include all Canadians who invested in this gift

program from 2004-2009 as members of the class. We now allege that in total approximately \$100 million was invested by Canadians in this program.

We are being contacted frequently by potential class members who invested in the program and are interested in the class action. If you are such a person, send us an e-mail or fax with your name and address and contact information and copies of all documents you have relating to the Gift Program.

You can also access information as it relates to this matter at any time by visiting our website at: www.lmklawyers.com.

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