

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

THE HONOURABLE )  
JUSTICE *HAINES* ) WEDNESDAY, THE 6th  
) DAY OF MARCH, 2019

IN THE MATTER OF THE *SECURITIES ACT* R.S.O. 1990, C. S-5, AS AMENDED

AND IN THE MATTER OF THE RECEIVERSHIP OF FUNDS OBTAINED BY THE ONTARIO SECURITIES COMMISSION IN THE ENFORCEMENT OF A SANCTIONS ORDER MADE AGAINST YORK RIO RESOURCES INC., BRILLIANTE BRASILCAN RESOURCES CORP., VICTOR YORK, ROBERT RUNIC, GEORGE SCHWARTZ, PETER ROBINSON, ADAM SHERMAN, RYAN DEMCHUK, MATTHEW OLIVER, GORDON VALDE, AND SCOTT BASSINGDALE



**ORDER**

**(Receivership and Claims Process)**

THIS APPLICATION, made by the Ontario Securities Commission ("Commission"), for an Order under appointing A. Farber & Partners Inc. ("Farber") as receiver ("Receiver"), without security, of all funds obtained by the Commission (the "Proceeds") in the enforcement of a sanctions order issued by the Commission on March 31, 2014 (the "Sanctions Order") against, or under settlement agreements with, the parties listed at Schedule "A" ("Respondents to the Commission Proceeding"), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Notice of Application, the affidavit of Wayne Vanderlaan sworn February 28, 2019, the affidavit of Paul Denton sworn March 4, 2019, the consent of Farber to act as the Receiver, and on hearing the submissions of the Commission's counsel:

## **SERVICE**

1. THIS COURT ORDERS that service of the Notice of Application is dispensed with and that the application is properly returnable without notice on this date.

## **APPOINTMENT**

2. THIS COURT ORDERS that Farber is appointed Receiver, without security, of all Proceeds the Commission has obtained, or may in future obtain or recover, under the Sanctions Order.

## **RECEIVER'S POWERS**

3. THIS COURT ORDERS that the Receiver is immediately, and exclusively, authorized to exercise all necessary powers in relation to the Proceeds, and in particular may implement a claims process ("**Claims Process**") to distribute the Proceeds to investors ("**Investors**") in York Rio Resources Inc. ("**York Rio**") and Brilliante Brasilcan Resources Corp. ("**Brilliante**") and is further empowered, without limitation, to:

(a) take possession of, and exercise control over, the Proceeds and any and all additional proceeds, receipts, and disbursements arising out of or from the Proceeds;

(b) receive, preserve, and protect the Proceeds, or any part of the Proceeds;

(c) engage counsel and such other persons from time to time, and on whatever basis necessary, to assist with the exercise of the Receiver's powers and duties, including, without limitation, the powers conferred by this Order, and in this regard the Receiver is specifically authorized to engage counsel to the Applicant to advise and represent the Receiver, save and except on matters upon which the Receiver, in its judgment, requires independent counsel;

(d) report to, meet with, and discuss the Receiver's activities with staff of the Commission ("**Staff**"), counsel, and any other person or expert the Receiver deems appropriate to consult on all matters relating to the Proceeds and the receivership, and to share information subject to such confidentiality terms as the Receiver deems appropriate;

- (e) engage, utilize, and rely upon any Staff who are made available by the Commission to assist the Receiver in discharging the mandate under this Order;
- (f) notify Investors and implement and administer the Claims Process described in this Order in relation to the Proceeds; and
- (g) take whatever steps are reasonably necessary or incidental to the exercise of any powers relating to the Proceeds under this Order or in the performance of any statutory obligations.

#### **NO PROCEEDINGS AGAINST THE RECEIVER**

4. THIS COURT ORDERS that no proceeding or enforcement process in any court or tribunal shall be commenced or continued against the Receiver, except with the written consent of the Receiver or with leave of this Court.

#### **NO PROCEEDINGS AGAINST PROCEEDS**

5. THIS COURT ORDERS that no other Proceeding in respect of the Proceeds obtained to date by the Commission under the Sanctions Order shall be commenced except with the written consent of the Receiver or with leave of this Court. Proceedings currently before the British Columbia Supreme Court in *Ontario Securities Commission v. York Rio Resources Inc. et al* No. S-178993 (Vancouver Registry) in which the Commission seeks to recover additional amounts currently paid into the British Columbia Supreme Court, may be continued by the Commission until resolved by Order of the British Columbia Supreme Court, or any appeals therefrom.

#### **NO EXERCISE OF OTHER RIGHTS OR REMEDIES**

6. THIS COURT ORDERS that all other rights and remedies against the Receiver or in relation to the Proceeds are otherwise stayed and suspended except with the written consent of the Receiver or leave of this Court.

#### **RECEIVER TO HOLD FUNDS**

7. THIS COURT ORDERS that the Proceeds, and any or all other amounts (including all additional funds, interest, or other types of payment derived from the Proceeds) that are received, collected, or otherwise obtained by the Receiver after the granting of this

Order, whether in existence on the date of this Order or received in future, shall be deposited into one or more new accounts to be opened by the Receiver (the "Receivership Accounts") and the monies standing to the credit of the Receivership Accounts from time to time shall be held by the Receiver to be paid in accordance with the terms of this Order or any further Order of this Court.

#### **PROTECTIONS FOR RECEIVER**

8. THIS COURT ORDERS that in carrying out the terms of this Order:

(a) the Receiver shall incur no liability or obligation as a result of the appointment or carrying out the provisions of this Order, save and except for any gross negligence or wilful misconduct by the Receiver;

(b) the Receiver shall be entitled to rely on all records compiled by the Commission and any other information in relation to Investors provided by the Commission and Commission counsel, all without independent investigation; and

(c) Nothing in this Order shall derogate from the protections afforded the Receiver by any applicable legislation.

#### **SERVICE AND NOTICE**

9. THIS COURT ORDERS that any notice or other communication (including, without limitation, Proofs of Claim and Notices of Dispute) to be given under this Order by an Investor to the Receiver shall be in writing substantially in the form provided for in this Order and will be sufficiently given only if given by email or digital transmission, prepaid ordinary mail, courier, or personal delivery, addressed to:

**A. Farber & Partners Inc.**  
in its capacity as Receiver of the Proceeds of a Sanctions  
Order against York Rio, Brilliante, and others

Email: [yorkrio@farbergroup.com](mailto:yorkrio@farbergroup.com)

OR:

**150 York Street, Suite 1600**  
**Toronto, ON M5H 3S5**  
Attention: **Megha Sharma**

Any such notice or other communication by an Investor shall be deemed received only upon actual receipt by the Receiver during normal business hours on a Business Day.

10. THIS COURT ORDERS that Confidential Exhibit "1" to the Vanderlaan Affidavit be sealed, kept confidential, and not form part of the public record, subject to further Order of this Court.

11. THIS COURT ORDERS THAT the [E-Service Guide of the Commercial List](#) (the "Guide") is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Guide (which can be found on the Commercial List website at: [www.ontariocourts.ca/scj/practice/practice-directions/toronto/eservice-commercial/](http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/eservice-commercial/)) shall be valid and effective service. Subject to Rule 17.05 [7] this Order shall constitute an order for substituted service pursuant to Rule 16.04 of the Rules of Civil Procedure. Subject to Rule 3.01(d) of the Rules of Civil Procedure and paragraph 13 of the Guide, service of documents in accordance with the Guide will be effective on transmission. This Court further orders that a Case Website shall be established in accordance with the Guide with the following URL: [www.farbergroup.com/yorkrio](http://www.farbergroup.com/yorkrio).

12. THIS COURT ORDERS that if the service or distribution of documents in accordance with the Guide is not practicable, the Receiver is at liberty to serve or distribute this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or facsimile transmission to the Investors or other interested parties at their respective addresses as last shown on the Investor List and that any such service or distribution by courier, personal delivery, or facsimile transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

## **CLAIMS PROCESS**

### **Definitions**

13. THIS COURT ORDERS that for the purposes of this Order, the following terms have the following meanings:

**“Appointment Date”** means March 6, 2019;

**“Business Day”** means a day, other than a Saturday, Sunday, or a statutory holiday, on which banks are generally open for business in Toronto, Ontario;

**“Claim”** means a claim by an Investor in York Rio or Brilliante other than an Excluded Claim;

**“Claims Bar Date”** means 5:00 p.m. Pacific time on May 31, 2019 or such later date as the Court may order or the Receiver may determine under the authority of this Order;

**“Claims Process”** means the procedures outlined in this Order, including the Schedules;

**“Confirmation of Claim”** means an Investor has confirmed the amount of the Investor’s Claim as stated in the Notice of Claim and has communicated the confirmation to the Receiver by one of the following methods:

i. Completing the Confirmation of Claim appended to the Notice of Claim and sending the form to the Receiver by: email to [yorkrio@farbergroup.com](mailto:yorkrio@farbergroup.com); ordinary mail, courier, or telefax; or

iii. Otherwise responding in writing to the Receiver by email to [yorkrio@farbergroup.com](mailto:yorkrio@farbergroup.com), ordinary mail, courier, or telefax, and providing confirmation of the Investor’s identity and the amount of the Claim as stated the Notice of Claim.

**“Confirmation of Claim”** means the short form appended to the Notice of Claim, and attached hereto as **“Schedule D,”** that Investors may use to confirm the amount of a Claim as stated in the Notice of Claim;

**“Corporate Respondents to the Commission Proceeding”** means York Rio and Brilliante;

**“Court”** means the Ontario Superior Court of Justice (Commercial List);

**“Excluded Claim”** means a Claim by any of the Respondents to the Commission Proceeding or their officers, directors, or agents or any party related to the Respondents to Commission Proceeding who, in the discretion of the Receiver, should be excluded;

**“Individual Respondents to the Commission Proceeding”** means Victor York (“York”), Robert Runic (“Runic”), George Schwartz (“Schwartz”), Peter Robinson (“Robinson”), Adam Sherman (“Sherman”), Ryan Demchuk (“Demchuk”), Matthew Oliver (“Oliver”), Gordon Valde, (“Valde”), and Scott Bassingdale (“Bassingdale”);

**“Investor List”** means the list of Investors compiled by Staff, as amended from time to time to reflect additional information acquired by Staff or the Receiver, based on documents, including bank records, subscription agreements, cheques, and corporate records obtained from York Rio and Brilliante, gathered in the course of the investigation and prosecution of the proceedings against the Respondents to the Commission Proceedings or in the administration of the receivership;

**“Known Investors”** means:

- (i) Investors identified in the Investor List; and
- (ii) any other Investor actually known to the Receiver or the Commission as of the date of this Order or who becomes known to the Receiver or the Commission before the Claims Bar Date;

**“Notice of Claim”** means a notice, substantially in the form attached hereto as **Schedule “C”**, delivered by the Receiver to each Known Investor for which it has an address stating the amount of their Claim (where the amount of the Claim is known to the Receiver), mailing address, and other contact details, and notifying the Investor that the Investor will have until the Claims Bar Date to provide a Confirmation of Claim or Proof of Claim;

**“Notice of Dispute”** means a notice, substantially in the form attached hereto as **Schedule “F”**, delivered to the Receiver by an Investor disputing the amount indicated in a Notice of Revision or Disallowance and stating the reasons for the dispute;

**“Notice of Revision or Disallowance”** means a notice, substantially in the form attached hereto as **Schedule “G”**, informing an Investor that the Receiver has revised or disallowed all or any part of the Investor's Claim and stating the reasons for the revision and/or disallowance;

**“Person”** means any individual, general or limited partnership, firm, association, joint venture, trust, entity, corporation, limited or unlimited liability company, unincorporated organization, trade union, pension plan administrator, pension plan regulator, governmental authority or agency, employee, or other association, or any other juridical entity howsoever designated or constituted;

**“Proof of Claim”** means a Proof of Claim, substantially in the form attached as **Schedule “E”**, to be completed and filed by an Investor stating the Investor's Claim where the Investor does not agree with the amount of the Claim set out in the Notice of Claim delivered by the Receiver or where the amount of the Claim is not known to the Receiver;

**“Proven Claim”** means the amount of any Investor's Claim as finally determined under the Claims Process;

**“Public Notice to Investors”** means the notice, substantially in the form of the notice attached as Schedule “B”, publicizing the Claims Process and published under authority of this Order;

**“Receivership Proceedings”** means the proceedings commenced by this Application;

**“Receiver’s Website”** means: [www.farbergroup.com/yorkrio](http://www.farbergroup.com/yorkrio); and

**“Respondents to the Commission Proceeding”** means both the Corporate Respondents to the Commission Proceeding and the Individual Respondents to the Commission Proceeding.

#### **Notice**

14. THIS COURT ORDERS that:

(a) the Receiver shall, no later than five Business Days following the date granting this Order, post a copy of this Order (together with all Schedules) on the Receiver’s Website;

(b) the Receiver shall send to each of the Known Investors for which it has an address a copy of the Notice of Claim as soon as practicable after the granting of this Order;

(c) the Receiver shall make reasonable efforts to ascertain an address or other contact information for each Known Investor for which it does not have an address;

(d) the Receiver shall, as soon as practicable after the granting of this Order, publish the Public Notice to Investors in national and regional Canadian newspapers including, at the Receiver’s discretion, any or all of the *Globe and Mail*, *National Post*, *Vancouver Sun*, *Calgary Herald*, or such other national or regional publication that the Receiver in its discretion determines is appropriate to publicize; and

(e) the Receiver shall deliver, as soon as reasonably practicable following a request, a copy of a Notice of Claim to any Person claiming to be an Investor, provided such request is received from the Investor before the Claims Bar Date.

#### **Confirmation of Claims**

15. THIS COURT ORDERS that all Investors who agree with the amount of their Claim as stated in the Notice of Claim, shall provide the Receiver with a Confirmation of Claim before the Claims Bar Date.



16. THIS COURT ORDERS that if an Investor delivers a Confirmation of Claim to the Receiver before the Claims Bar Date, then the Investor's Claim shall constitute a Proven Claim in the amount stated in the Notice of Claim.

### **Proof of Claim**

17. THIS COURT ORDERS that any Investor who disagrees with the amount stated in the Notice of Claim, whose Claim amount is not known to the Receiver, or who disagrees with any other aspect of their Notice of Claim (including, without limitation, whether the Claim is excluded) shall file a Proof of Claim with the Receiver within the time period provided for in this Order.

18. THIS COURT ORDERS that any Proof of Claim, together with any supporting documentation, must be filed with the Receiver by email to [yorkrio@farbergroup.com](mailto:yorkrio@farbergroup.com), prepaid ordinary mail, courier, personal delivery, or telefax before the Claims Bar Date. This shall include, without limitation, any Proof of Claim filed by: Investors who dispute the amount stated in their Notice of Claim; Investors whose Claim amount is not known to the Receiver; and Investors who have not received a Notice of Claim from the Receiver but who deliver a Proof of Claim after the Public Notice to Investors is published in newspapers or on the Receiver's Website.

### **Claims Bar Date**

19. THIS COURT ORDERS that any Investor who does not deliver a Confirmation of Claim, or a Proof of Claim together with supporting documentation, before the Claims Bar Date shall:

- (a) be barred from asserting or enforcing any Claim;
- (b) not be entitled to receive a share in any distribution under the Claims Process; and
- (c) not be entitled to any further notice of, or to participate as an Investor in, the Claims Process.

20. THIS COURT ORDERS, subject to further order of the Court, that the Claims Bar Date shall be 5:00 PM Pacific time on May 31, 2019 but the Receiver may, at its

discretion, extend the date generally or in individual cases. If the Claims Bar Date is extended generally, the Receiver shall post notice of the extension on the Case Website.

### **Determination of Claims**

21. THIS COURT ORDERS that the Receiver shall review all Proof of Claim forms filed on or before the Claims Bar Date and may accept, revise, or disallow (in whole or in part) the amount, or any other aspect of, a Claim asserted in any Proof of Claim. If the Receiver decides to revise or disallow a Claim, the Receiver shall send a Notice of Revision or Disallowance to the Investor. At any time, the Receiver may request additional information with respect to any Claim or request that the Investor file a revised Proof of Claim.

22. THIS COURT ORDERS that the Receiver may attempt to consensually resolve the amount of, or any other aspect of, a Claim by an Investor before accepting, revising, or disallowing a Claim.

23. THIS COURT ORDERS that where a Proof of Claim has been revised or disallowed by the Receiver through a Notice of Revision or Disallowance, the revised or disallowed portion of the Claim will not constitute a Proven Claim unless the Investor disputes the revision or disallowance and proves the revised or disallowed Claim under this Order.

### **Notices of Dispute**

24. THIS COURT ORDERS that if an Investor disputes a Notice of Revision or Disallowance made by the Receiver, the Investor must deliver a Notice of Dispute to the Receiver by email, prepaid ordinary mail, courier, telefax, or personal delivery. The Notice of Dispute must be delivered to the Receiver within 15 days of the date the Receiver makes the determination in the Notice of Revision or Disallowance, or such later date as the Receiver may agree upon in writing or the Court may order. The delivery of a Notice of Dispute to the Receiver within 15 days shall constitute a request to have the amount or status of the Claim determined according to the terms of this Order.

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25. THIS COURT ORDERS that if an Investor who receives a Notice of Revision or Disallowance fails to deliver a Notice of Dispute to the Receiver within 15 days, the amount and status of the Investor's Claim shall be deemed to be the amount in the Notice of Revision or Disallowance and shall constitute the Investor's Proven Claim.

### **Resolution of Claims**

26. THIS COURT ORDERS that as soon as practicable after the delivery of the Notice of Dispute to the Receiver, the Receiver may:

- (a) attempt to consensually resolve the amount, or any other aspect, of the Claim with the Investor;
- (b) schedule an appointment with the Court for the purpose of seeking appointment of an independent claims officer with a mandate to determine the Claim; and/or
- (c) schedule an appointment with the Court for the purpose of scheduling a motion to have the amount, or any other aspect, of the Claim determined by the Court.

27. THIS COURT ORDERS that notwithstanding any other provision of this Order, the Receiver may make a motion to the Court for a final determination of a Claim at any time, whether or not a Notice of Revision or Disallowance has been sent by the Receiver.

28. THIS COURT ORDERS that in the event that a dispute between the Investor and Receiver is not settled in a manner satisfactory to the Receiver or the Investor, the Receiver or Investor may make a motion to the Court for final determination of an Investor's Claim.

### **Assignment, Transfer, and Security Interests**

29. THIS COURT ORDERS that the Receiver shall not be obligated to give notice to, or otherwise deal with, a transferee or assignee of a Claim unless:

- (a) actual written notice of transfer or assignment, together with satisfactory evidence of a proper transfer or assignment, is received by the Receiver; and

(b) the Receiver, in its discretion, accepts in writing the transfer or assignment.

30. THIS COURT ORDERS that any transferee or assignee of a Claim accepted by the Receiver shall be treated as the "Investor" for purposes of a particular Claim and be bound by any notices given or steps taken in respect of the particular Claim according to the terms of this Order.

31. THIS COURT ORDERS that the Receiver shall not be bound to accept, acknowledge, or recognize any transfer or assignment of a Claim, in whole or in part, and shall be entitled to give notices to, and to otherwise deal with a Claim by treating the Person last holding the Claim as the Investor.

32. THIS COURT ORDERS that if the holder of a Claim has transferred or assigned a Claim to more than one Person, the transfer or assignment shall not create a separate Claim or Claims. Any such claim shall continue to be dealt with by the Receiver as a single Claim.

33. THIS COURT ORDERS that the Receiver is under no obligation to give notice to any Person other than the Investor holding the Claim and shall, without limitation, have no obligation to give notice to any Person holding a security interest, lien, or charge in, or a pledge or assignment by way of security in, a Claim.

#### **Death or Incapacity**

34. THIS COURT ORDERS that if an Investor has died, the Receiver may accept a Claim on the Investor's behalf from the duly appointed legal representative or estate trustee of the Investor.

35. THIS COURT ORDERS that if an Investor has died or become incapacitated, and no legal representative has been appointed or otherwise has authority to act on behalf of the Investor, the Receiver has discretion to allow the Investor's surviving spouse, survivor, or next-of-kin to act on the Investor's behalf including the filing of a Confirmation of Claim or a Proof of Claim form, as applicable.

36. THIS COURT ORDERS that before allowing a person to act on behalf of an Investor, the Receiver may require the person to execute a statutory declaration or provide some other document confirming the person's relationship to the Investor.

37. THIS COURT ORDERS that if the Receiver exercises its discretion to allow a person to act on behalf of an Investor, the Receiver shall incur no liability or obligation to any person for exercising that discretion or for distributing funds as permitted under this Order.

38. THIS COURT ORDERS that in exercising the discretion to allow another person to file a Claim on behalf of an Investor or to receive funds otherwise payable to an Investor, the Receiver shall have reference to:

(a) if the Investor is alive, whether it appears to the Receiver that the distribution of funds to that person is in the best interests of the Investor; and

(b) if the Investor is deceased and intestate, the rules relating to distribution of intestate estates set out in the *Estates Act*, R.S.O. 1990, c. E.21.

#### **Adequacy of Information/Currency**

39. THIS COURT ORDERS that the Receiver may, where it is satisfied that a Claim has been adequately proven, waive strict compliance with the requirements of this Order as to completion and execution of any Proof of Claim.

40. THIS COURT ORDERS that any Investor Claims denominated in a currency other than Canadian dollars shall, for the purposes of this Order, be converted to, and constitute obligations in, Canadian dollars, and be calculated based on the Bank of Canada's noon spot rate on the day this Order is granted.

#### **GENERAL**

41. THIS COURT ORDERS that nothing in this order shall have the effect of staying the proceeding in the British Columbia Supreme Court, *Ontario Securities Commission v. York Rio Resources Inc. et al* No. S-178993 (Vancouver Registry).

42. THIS COURT ORDERS that the Receiver may, at any time, and with such notice as this Court may require, seek directions from this Court with respect to this Order, the Claims Procedure, and the forms attached as Schedules, including with respect to appointment of a claims officer if the Receiver deems it necessary or appropriate.

43. THIS COURT ORDERS that this Order does not provide for distribution of Proceeds and is intended only to appoint the Receiver and implement a Claims Process for submission and adjudication of individual Claims. The Receiver will request a further Order from the Court approving a final distribution of Proceeds on a *pro rata* basis that treats all Investors in York Rio and Brilliante Investors equally.

44. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory, and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

45. THIS COURT ORDERS that the Receiver is at liberty, and is hereby authorized and empowered, to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Receiver is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Ontario or Canada.



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LE / DANS LE REGISTRE NO:

MAR 07 2019

PER / PAR: RW

**SCHEDULE "A"**  
**RESPONDENTS TO THE COMMISSION PROCEEDING**

- York Rio Resources Inc.
  - Brilliante Brasilcan Resources Corp.
  - Victor York
  - Robert Runic
  - George Schwartz
  - Peter Robinson (settlement agreement approved by order of the Commission on November 5, 2010)
  - Adam Sherman (settlement agreement approved by order of the Commission on June 6, 2011)
  - Ryan Demchuk
  - Matthew Oliver
  - Gordon Valde
  - Scott Bassingdale
-

**SCHEDULE "B"**

**PUBLIC NOTICE TO INVESTORS**

**IN THE MATTER OF THE *SECURITIES ACT*, R.S.O. 1990, C. S.5, AS AMENDED**

**AND IN THE MATTER OF THE RECEIVERSHIP OF FUNDS OBTAINED BY THE  
ONTARIO SECURITIES COMMISSION UNDER A SANCTIONS ORDER MADE  
AGAINST YORK RIO RESOURCES INC BRILLIANTE BRASILCAN RESOURCES  
CORP. AND OTHERS**

**RE: NOTICE OF CLAIMS PROCESS**

On March 6, 2019, the Ontario Superior Court of Justice (Commercial List) appointed **A. Farber & Partners Inc.** as receiver ("**Receiver**") of monies recovered ("**Proceeds**") under a sanctions order ("**Sanctions Order**") granted by the Ontario Securities Commission against York Rio Resources Inc. ("**York Rio**"), Brilliante Brasilcan Resources Corp. ("**Brilliante**"), and others.

The Superior Court Order authorizes the Receiver to implement a Claims Process ("**Claims Process**") that will be available to all known investors ("**Investors**") in York Rio and Brilliante who receive a Notice of Claim from the Receiver by mail and assert a claim ("**Claim**") for money invested in York Rio or Brilliante.

If you were an Investor in York Rio or Brilliante and you did not receive a Notice of Claim from the Receiver, please go to the Receiver's website at [www.farbergroup.com/yorkrio](http://www.farbergroup.com/yorkrio) for information on how you can make a Claim under the Claims Process. You can also contact the Receiver by telephone at 647-796-6034, fax at 416-496-3839 or by email at [yorkrio@farbergroup.com](mailto:yorkrio@farbergroup.com).

**The Receiver must receive confirmation of Claims or Proof of Claim forms by 5:00 p.m. (Pacific time) on Friday, May 31, 2019. Investors are responsible for ensuring that their confirmation of Claim or Proof of Claim forms are submitted to the Receiver by May 31, 2019.**

**CLAIMS THAT ARE NOT RECEIVED ON OR BEFORE MAY 31, 2019 WILL BE BARRED AND EXTINGUISHED FOREVER.**

DATED at Toronto this \_\_\_\_\_ day of \_\_\_\_\_, 2019



**SCHEDULE "C"**  
**NOTICE OF CLAIM**

**IN THE MATTER OF THE *SECURITIES ACT*, R.S.O. 1990, C. S.5, AS AMENDED**  
**AND IN THE MATTER OF THE RECEIVERSHIP OF FUNDS OBTAINED BY THE**  
**ONTARIO SECURITIES COMMISSION IN THE ENFORCEMENT OF A SANCTIONS**  
**ORDER AGAINST YORK RIO RESOURCES INC., BRILLIANTE BRASILCAN**  
**RESOURCES CORP. AND OTHERS**

**[Name]**

**[Address]**

**Dear [Name],**

We understand you were an Investor ("**Investor**") in York Rio Resources Inc. ("**York Rio**") and/or Brilliante Brasilcan Resources Corp. ("**Brilliante**") between 2004 and 2008.

The Ontario Securities Commission (the "**Commission**") has recovered monies (the "**Proceeds**") that are now being distributed to Investors who lost money in York Rio and/or Brilliante.

A. Farber & Partners Inc. was appointed by the Ontario Superior Court as Receiver (the "**Receiver**") over the Proceeds on [Date]. The Receiver is working to identify Investors and distribute the Proceeds equally to eligible York Rio and Brilliante Investors who make a claim ("**Claim**").

The information below explains how you can make a Claim for a share of this money. Please read it carefully. **ONLY INVESTORS WHO MAKE A CLAIM ON OR BEFORE May 31, 2019 WILL BE ENTITLED TO RECEIVE A PAYMENT.**

**YOUR CLAIM**

The Receiver has reviewed the records provided by the Commission and has determined that you invested \_\_\_\_\_ in York Rio and/or Brilliante.

If there is no amount stated immediately above, the Receiver has reviewed the records provided by the Commission and has been unable to determine the amount you invested in York Rio and/or Brilliante.

## IF YOU AGREE WITH THIS AMOUNT

If you agree that the amount stated above is accurate, you must confirm your Claim. You can confirm in one of the following two ways:

- a) Complete the Confirmation of Claim Form included with this Notice of Claim and send it to the Receiver by email (at [yorkrio@farbergroup.com](mailto:yorkrio@farbergroup.com)), ordinary mail, courier or fax at the address below; or
- b) Respond to this Notice of Claim in writing by e-mail (at [yorkrio@farbergroup.com](mailto:yorkrio@farbergroup.com)), ordinary mail, courier, or fax at the address below stating your name and that you agree with the amount of your claim as stated in this Notice of Claim.

Once you have provided a confirmation of your Claim through one of these two methods, your Claim will be accepted at the amount stated above and you will be eligible to receive a distribution, along with other Investors in York Rio and/or Brilliante, of a proportionate share of the Proceeds.

If your address has changed from the address on this Notice of Claim, please provide the Receiver with your current contact information.

## IF YOU DISAGREE WITH THIS AMOUNT OR THERE IS NO AMOUNT

If you disagree with the amount of the Claim stated above, or no amount is stated, you must complete a Proof of Claim. A Proof of Claim form is enclosed with this letter. Proof of Claim forms can also be found on the Receiver's Website at [www.farbergroup.com/yorkrio](http://www.farbergroup.com/yorkrio). On the Proof of Claim form you must state the amount of your claim and enclose any evidence you have that supports that amount.

You must file your Proof of Claim with the Receiver by email (at [yorkrio@farbergroup.com](mailto:yorkrio@farbergroup.com)), ordinary mail, courier, personal delivery, or fax at the address below. **Only investors who disagree with the amount of their Claim set out above, or for whom no Claim amount is stated, are required to file a Proof of Claim.**

## DEADLINE

**You must confirm your Claim or deliver a Proof of Claim to the Receiver on or before 5:00 p.m. Pacific time on Friday, May 31, 2019 (the "Claims Bar Date") Under the Claims Process approved by the Ontario Superior Court, failure to confirm your Claim or submit a Proof of Claim form by May 31, 2019 will result in your Claim being barred, extinguished, released, and discharged forever.**

Other information can be obtained from the Receiver's Website at [www.farbergroup.com/yorkrio](http://www.farbergroup.com/yorkrio) or by contacting the Receiver at the telephone number below and providing your name, address, and contact information.

**It is your responsibility to ensure that the Receiver receives confirmation of your Claim or a Proof of Claim form by the Claims Bar Date.**

**GENERAL**

For further information, including a copy of the Ontario Superior Court Order establishing the Receivership and Claims Process, please refer to the Receiver's Website at: ([www.farbergroup.com/yorkrio](http://www.farbergroup.com/yorkrio)).

If you have any questions regarding the Claims Process, please consult the Receiver's website or contact the Receiver at the address provided below.

All notices and enquiries with respect to the Claims Process should be addressed to:

Email: **yorkrio@farbergroup.com**

or

**A. Farber & Partners Inc.**

in its capacity as Receiver of the Proceeds of a Sanctions Order against York Rio, Brilliante, and others

**150 York Street, Suite 1600  
Toronto, ON M5H 3S5**

Attention: **Megha Sharma**

or

Telephone Number: 647-796-6034; Fax: 416-496-3839

SCHEDULE "D"

**CONFIRMATION OF CLAIM**

IN THE MATTER OF THE *SECURITIES ACT*, R.S.O. 1990, C. S.5, AS AMENDED

AND IN THE MATTER OF THE RECEIVERSHIP OF FUNDS OBTAINED BY THE  
ONTARIO SECURITIES COMMISSION IN THE ENFORCEMENT OF A SANCTIONS  
ORDER AGAINST YORK RIO RESOURCES INC., BRILLIANTE BRASILCAN  
RESOURCES CORP. AND OTHERS

[Name]

[Address]

Amount of Claim in York Rio and/or Brilliante: \$ \_\_\_\_\_  
*(Please state if in US dollars)*

**Certification**

1. I am the Investor or authorized representative of the Investor.
2. I have knowledge of the circumstances connected with this Claim and agree with the amount stated above.

Signature: \_\_\_\_\_

Name: \_\_\_\_\_  
*(Please print name)*

Title: \_\_\_\_\_  
*(If applicable)*

Date: \_\_\_\_\_

Please send this Confirmation of Claim by email to: [yorkrio@farbergroup.com](mailto:yorkrio@farbergroup.com), or by ordinary mail, courier, or fax to the address below:

A. Farber & Partners Inc.  
150 York Street, Suite 1600, Toronto, ON M5H 3S5  
Attention Megha Sharma: Phone: 647-796-6034, Fax: 416-496-3839

**SCHEDULE "E"**

**PROOF OF CLAIM**

**PROOF OF CLAIM RELATING TO FUNDS OBTAINED BY THE  
ONTARIO SECURITIES COMMISSION IN THE ENFORCEMENT OF A SANCTIONS  
ORDER AGAINST YORK RIO RESOURCES INC., BRILLIANTE BRASILCAN  
RESOURCES CORP., AND OTHERS**

**This form does NOT need to be completed if you received a Notice of Claim  
from the Receiver and you agree with the claim amount ("Claim") stated in  
the Notice of Claim.**

This form must only be completed if: you did not receive a Notice of Claim from the  
Receiver; you received a Notice of Claim from the Receiver and no amount is stated; or  
you dispute the Claim amount stated in your Notice of Claim.

**1. CONTACT INFORMATION OF INVESTOR**

- (a) Full Legal Name: \_\_\_\_\_
- (b) Full Mailing Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
- (c) Telephone Number: \_\_\_\_\_
- (d) Facsimile Number: \_\_\_\_\_
- (e) E-mail Address: \_\_\_\_\_
- (f) Attention (Contact Person): \_\_\_\_\_
- (g) Have you sold or assigned your claim to another party [check (✓) one]?  YES  NO
- (h) Are you a representative of an Investor's estate or acting on behalf of a legally incapacitated Investor?  YES  NO
- (i) If "yes" to either the above, please provide the following information: \_\_\_\_\_

(j) Full Legal Name of Assignee(s),  
Estate Representative,  
Guardian, or Power of Attorney: \_\_\_\_\_

(If there is more than one assignee, estate representative, guardian or power  
of attorney, please attach a separate sheet with the require information)

(ii) Full Mailing Address: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

(iii) Telephone Number: \_\_\_\_\_

(iv) Facsimile Number: \_\_\_\_\_

(v) E-mail Address: \_\_\_\_\_

(vi) Other Important Contact  
Information: \_\_\_\_\_

**2. PROOF OF CLAIM**

I, \_\_\_\_\_  
[name of Investor or Representative of the Investor]

of \_\_\_\_\_ do hereby certify that:  
[City or Province]

(a) I [check (✓) one]

am an Investor; OR

am \_\_\_\_\_ (state position or title) of  
\_\_\_\_\_ (name of Investor)

(b) I have knowledge of all the circumstances connected with the Claim referred to  
below;

(c) I [check (✓) one]

am NOT in any way related to York Rio Resources Inc., Brilliante  
Brasilcan Resources Corp., Victor York, Robert Runic, George Schwartz, Peter  
Robinson, Adam Sherman, Ryan Demchuk, Matthew Oliver, Gordon Valde or  
Scott Bassingdale; OR

am related to the above noted individuals  
\_\_\_\_\_ (state the person related to)

\_\_\_\_\_ (state the relationship);

(d) I invested a total of:

\$ \_\_\_\_\_ CAD in

York Rio Resources Inc. and/or

Brilliante Brasilcan Resources Corp.

(If other than \$CAD, please specify currency, e.g. \$USD. The Receiver will convert claims in a foreign currency to Canadian Dollars at the Bank of Canada noon spot rate as at the date of the Receiver's appointment, [DATE]. The Canadian Dollar/U.S. Dollar rate of exchange on that date was CDN\$[•]/US\$1.00)

**3. PARTICULARS OF CLAIM:**

In addition to the information stated above on this form, please attach any additional details of your Claim, including any documents you rely on to support your Claim, as a schedule to this document. The documents may include: statements of account; copies of cancelled cheques or money orders; wire confirmations; bank statements; receipts; invoices; or screenshots.

The chart immediately below may assist with preparation of your Claim:

Date	Method of Payment	Who Was Payment Made To	Nature of Investment	Amount of Payment

**4. FILING PROOF OF CLAIM WITH RECEIVER**

**This Proof of Claim must be delivered to the Receiver no later than 5:00 p.m. (Pacific time) on Friday May 31, 2019, by email to [yorkrio@farbergroup.com](mailto:yorkrio@farbergroup.com), ordinary mail, courier, personal delivery, or fax at the following address:**

**A. Farber & Partners Inc.**

in its capacity as Receiver of the Proceeds of a Sanctions Order Against York Rio, Brilliante, and Others

**150 York Street, Suite 1600  
Toronto, ON M5H 3S5**

Attention: **Megha Sharma**  
Email: **[yorkrio@farbergroup.com](mailto:yorkrio@farbergroup.com)**  
Telephone Number: 647-796-6034

**Failure to file a Proof of Claim on or before May 31, 2019 will result in any Claim being barred and the Investor being prevented from making or enforcing a Claim to the Proceeds. Failure to file a Proof of Claim by May 31, 2019 will also disentitle a person to any further notice or the right to participate as an Investor in these proceedings.**

**5. EXCLUDED CLAIMS**

Claims by Investors who are Respondents to the Commission Proceeding or individuals related to the Respondents to the Commission Proceeding will be excluded from consideration. Please consult the Receivership and Claims Process Order (posted at [www.farbergroup.com/yorkrio](http://www.farbergroup.com/yorkrio)) for further details relating to Excluded Claims.

Dated at \_\_\_\_\_ this \_\_\_\_\_ day of \_\_\_\_\_, 2019.

\_\_\_\_\_  
Witness

Per: \_\_\_\_\_  
[Name]

Name: \_\_\_\_\_

Title: \_\_\_\_\_



**SCHEDULE "F"**

**NOTICE OF REVISION OR DISALLOWANCE OF CLAIM  
REFERENCE NUMBER \_\_\_\_\_**

**TO:** [insert name of claimant]

**A. Farber & Partners Inc.**, in its capacity as receiver ("**Receiver**") of funds obtained by the Ontario Securities Commission ("**Proceeds**") in the enforcement of a sanctions order made against York Rio Resources Inc., Brilliante Brasilcan Resources Corp., and others, has reviewed your Proof of Claim. The Receiver has revised [or rejected] your Claim, [or aspect of you Claim] as follows:

Proof of Claim as Submitted	Claim as Accepted

**Reasons for Revision or Disallowance:**

[insert brief explanation]

If you wish to dispute the Receiver's determination of your Claim you must, within 15 days of the date of this Notice, deliver a Notice of Dispute to the Receiver. The Notice of Dispute form is enclosed. The procedure for disputing the Receiver's determination is described in the Receivership and Claims Process Order granted by the Ontario Superior Court. A copy of the Receivership and Claims Process Order may be found on the Receiver's Website at [www.farbergroup.com/yorkrio](http://www.farbergroup.com/yorkrio).

**IF YOU DO NOT DELIVER A NOTICE OF DISPUTE BY [Insert Date], THE DETERMINATION OF YOUR CLAIM ACCORDING TO THIS NOTICE OF REVISION OR DISALLOWANCE WILL BE FINAL AND BINDING UPON YOU.**

Dated at \_\_\_\_\_ this \_\_\_\_\_ day of \_\_\_\_\_, 2019.

**A. Farber & Partners Inc.,**

In its capacity as Receiver of the Proceeds of a Sanctions Order against York Rio, Brilliante, and Others

**SCHEDULE "G"**  
**NOTICE OF DISPUTE**

We hereby provide notice of our intention to dispute the Notice of Revision or Disallowance bearing Reference Number \_\_\_\_\_ and dated \_\_\_\_\_ issued in respect of our claim.

**Reasons for Dispute** (attach additional sheet and copies of all supporting documentation if necessary):

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Name of Investor: \_\_\_\_\_

\_\_\_\_\_  
(Signature of individual completing this Dispute)      Date

\_\_\_\_\_  
(Please print name)

Telephone Number of Claimant: \_\_\_\_\_

Facsimile Number of Claimant: \_\_\_\_\_

E-mail Address of Claimant: \_\_\_\_\_

Full Mailing Address of Claimant: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

**THIS FORM MUST BE RETURNED BY EMAIL, PREPAID ORDINARY MAIL, COURIER, PERSONAL DELIVERY, OR TELEFAX WITHIN 15 DAYS OF THE DATE OF THE NOTICE OF REVISION OR DISALLOWANCE, OR BY 5:00 P.M. (PACIFIC TIME) ON \_\_\_\_\_.** THE ONTARIO SUPERIOR COURT'S RECEIVERSHIP AND CLAIMS PROCESS ORDER ESTABLISHING THE PROCEDURE FOR DISPUTING THE RECEIVER'S DETERMINATION OF CLAIMS MAY REVIEWED ONLINE AT ONLINE AT [www.farbergroup.com/yorkrio](http://www.farbergroup.com/yorkrio)

**TO:**

**A. Farber & Partners Inc.**

in its capacity as Receiver of the Proceeds of a Sanctions Order Against York Rio,  
Brilliante, and Others

**150 York Street, Suite 1600  
Toronto, ON M5H 3S5**

Attention: **Megha Sharma**

OR:

Email: [yorkrio@farbergroup.com](mailto:yorkrio@farbergroup.com)

OR

Fax: 416-496-3839



IN THE MATTER OF THE *SECURITIES ACT* R.S.O. 1990, C. S-5, AS AMENDED

AND IN THE MATTER OF THE RECEIVERSHIP OF FUNDS OBTAINED BY THE ONTARIO SECURITIES COMMISSION IN THE ENFORCEMENT OF A SANCTIONS ORDER MADE AGAINST YORK RIO RESOURCES INC., BRILLIANTE BRASILCAN RESOURCES CORP., VICTOR YORK, ROBERT RUSIC, GEORGE SCHWARTZ, PETER ROBINSON, ADAM SHERMAN, RYAN DEMCHUK, MATTHEW OLIVER, GORDON VALDE, AND SCOTT BASSINGDALE

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**ONTARIO  
SUPERIOR COURT OF JUSTICE**  
  
PROCEEDING COMMENCED AT  
TORONTO

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**ORDER**  
**(Receivership and Claims Process)**

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**GOWLING WLG (CANADA) LLP**

Barristers & Solicitors  
1 First Canadian Place  
100 King Street West  
Suite 1600  
Toronto ON M5X 1G5

**Malcolm N. Ruby (#25970G)**

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Lawyers for the Applicant, Ontario Securities  
Commission