

**Frequently Asked Questions – Notice of Determination of Claims**  
**Prepared for Condominium Brokers**

On April 13, 2018, the Ontario Superior Court of Justice (the “**Court**”) issued a Claims Procedure Order (the “**Claims Procedure Order**”) in respect of Tarn Financial Corporation (“**Tarn Financial**”). Pursuant to the Claims Procedure Order, the Court approved and established a procedure for the solicitation, resolution and barring of certain claims against Tarn Financial (the “**Claims Process**”).

These Frequently Asked Questions should be read in conjunction with the Claims Procedure Order that is located on the Liquidator’s website at [www.kpmg.com/ca/tarn](http://www.kpmg.com/ca/tarn) (the “**Website**”). All capitalized terms have the same meaning given to them in the Claims Procedure Order unless otherwise defined.

**1. Why was my claim disallowed by the Liquidator?**

The Claims Procedure Order calls for claims in respect of Tarn Financial Corporation, and not Tarn Construction Corporation (“**Tarn Construction**”) or any other legal entity.

Your Claim has been disallowed by the Liquidator because the supporting documentation that you filed in respect of your Claim includes documentation that identifies Tarn Construction as the party liable for any amount owing to you.

In particular, your supporting documentation contains an Agreement to Cooperate between a Co-Operating Brokerage and Tarn Construction in respect of pre-sale condominium units at the proposed development known as “The Kennedys” located at 2035 Kennedy Rd., Scarborough, Ontario (the “**Broker Agreement**”). Any amounts owing to you under the Broker Agreement are an obligation of Tarn Construction, being the party to the Broker Agreement, and not Tarn Financial.

Your Proof of Claim does not contain any supporting documentation pursuant to which Tarn Financial would also be liable for the amount being claimed by you, or any part thereof.

As a result, your Claim was disallowed by the Liquidator in full.

**2. Are Tarn Financial and Tarn Construction the same entity?**

No. Tarn Construction is a company incorporated pursuant to the laws of the Province of Ontario. Tarn Construction is a wholly owned subsidiary of Tarn Financial, however, it is a separate and distinct legal entity from Tarn Financial.

**3. Is Tarn Construction subject to a Court proceeding?**

Yes. On April 13, 2018, the Court issued an Order appointing KPMG Inc. as receiver (in such capacity, the “**Receiver**”) of Tarn Construction (the “**Receivership Order**”). The Receivership Order is available on the Website [at www.kpmg.com/ca/tarn](http://www.kpmg.com/ca/tarn).

**4. Is there a claims process for Tarn Construction in the receivership proceedings?**

No. Tarn Construction does not have any assets that the Receiver is aware of and there are no funds available in Tarn Construction for distribution. As a result, an Order for a claims process in respect of claims against Tarn Construction has not been initiated by the Receiver.

**5. Will the Receiver commence a claims process for Tarn Construction?**

At this time, it is not anticipated that the Receiver will initiate a claims process in the future in respect of Tarn Construction, for the reasons set out above.

**6. Why was I sent a Claims Process Notice and Proof of Claim for the Claims Process of Tarn Financial?**

The Liquidator sent the Claims Process Notice and Proof of Claim to: (i) all known creditors of Tarn Financial as at September 25, 2017 as evidenced by the books and records of Tarn Financial; and (ii) all persons who have notified the Liquidator of a potential Claim. In addition, out of an abundance of caution, the Liquidator also delivered the package to all known creditors of Tarn Construction because the books and records of Tarn Financial were not up to date and it was possible that certain creditors of Tarn Construction may also have claims against Tarn Financial.

**7. What actions can Claimants take if they disagree with the Liquidator's determination of their Claim?**

Claimants wishing to dispute the Liquidator's determination can do so by delivering a written Notice of Objection to the Liquidator by no later than 5:00 p.m. on the day which is fourteen (14) days after receipt of the Notice of Determination of Claim.

You are deemed to have received the Notice of Determination of Claim as follows: (i) if sent to you by ordinary mail, on the third Business Day after mailing within Ontario, the fifth Business Day after mailing within Canada (other than within Ontario) and the tenth Business Day after mailing internationally; (ii) if sent by courier or personal delivery, on the next Business Day following dispatch; and (iii) if delivered by facsimile transmission or email by 5:00 p.m. on a Business Day, on such Business Day and if delivered after 5:00 p.m. or other than on a Business Day, on the following Business Day.

**8. How will the Liquidator resolve a Notice of Objection received in accordance with the Claims Procedure Order?**

The Liquidator may attempt to settle the dispute directly with the Claimant. In the event a settlement is not achieved, the Liquidator may either direct the dispute to a claims officer (which is a person that would be appointed by the Court on application by the Liquidator to adjudicate the disputed Claim) or the Liquidator may seek directions from the Court on an appropriate process for resolving the disputed Claim.

**9. Where can I find a copy of the Notice of Objection?**

A blank Notice of Objection was included with your Notice of Determination of Claim distributed to you via email. A copy of the Notice of Objection is also appended as Schedule "D" to the Claims Procedure Order and is also posted on the Website at [www.kpmg.com/ca/tarn](http://www.kpmg.com/ca/tarn).