

DATE SWORN: April 17, 2007

Deponent: PETER HAIG WILLIAMS

ACTION: 070304915

**IN THE COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL DISTRICT OF EDMONTON**

**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*, R.S.A. 2000, c.
B-9;**

**AND IN THE MATTER OF a proposed plan of compromise or
arrangement and a proposed liquidation and dissolution with respect
to CFG Holdings Inc. formerly Cervus Financial Group Inc.**

AFFIDAVIT

I, Peter Haig Williams, of the City of Oshawa, in the Province of Ontario, MAKE
OATH AND SAY THAT:

1. I am a director and the chief executive officer of CFG Holdings Inc. (the "Company") and as such have knowledge of the facts and matters hereinafter deposed to by me.
2. I am also a shareholder of the Company.
3. I have in my capacity as shareholder of the Company authorized and directed Fraser Milner Casgrain LLP to make an application to this Honourable Court for the liquidation of the assets of the Company and the dissolution of the Company.
4. The Company is a corporation with its registered office in the Province of Alberta. The Company has no active business. It is not operating and it has no employees, although I remain the chief executive officer. The Company is a public company and did trade on the Toronto Stock Exchange.
5. The Company was originally granted protection under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36 as amended (the "Ontario CCAA Proceedings") on June 8, 2006 pursuant to an initial order (the "Initial Order") of the Ontario Superior Court of Justice (the "Ontario Court").
6. KPMG Inc. was appointed as Monitor pursuant to the Initial Order.
7. In the context of the Ontario CCAA Proceedings the Ontario Court has granted numerous Orders. Attached to my Affidavit as Exhibit "A" collectively are copies of all Orders

granted by the Ontario Court in the context of the Ontario CCAA Proceedings (the "Ontario Orders").

8. In the context of the Ontario CCAA Proceedings KPMG Inc. in its capacity as monitor has filed with the Ontario Court numerous Monitor's Reports. Attached to my Affidavit as Exhibit "B" collectively are copies of the filed Monitor's Reports.
9. In the context of the Ontario CCAA Proceedings, the assets of the Company have been disposed of and all claims of creditors of the Company have been satisfied. A claims bar process directed by the Ontario Court was administered by KPMG Inc. in its capacity as Monitor. KPMG Inc. in its capacity as Monitor has reported to the Ontario Court that all claims of creditors which are not barred by the Orders of the Ontario Court have been satisfied and that the Monitor continues to hold approximately \$3,536,505 representing net proceeds from the sale of the assets of the Company.
10. The distribution of the net sale proceeds to shareholders of the Company may occur on a tax efficient basis if such distribution occurs in the context of a liquidation of the Company whereby the stated capital of the Company is reduced to reflect the distribution of the net sale proceeds to the shareholders of the Company.
11. The Ontario Orders contemplate the liquidation of the Company concurrent with the distribution of the net sale proceeds to shareholders (subject to certain holdbacks) along with certain other contemporaneous distributions as well as the subsequent dissolution of the Company.
12. The Ontario Court has sought the aid and recognition of this Honourable Court in implementing the Ontario Orders, including, without limitation, in effecting the distribution of the net sale proceeds as contemplated by the Ontario Orders in the context of or contemporaneously with the liquidation and dissolution of the Company.
13. The Company has instructed its solicitors to seek an Order of this Honourable Court recognizing the Ontario Orders and directing the liquidation of the assets of the Company and the dissolution of the Company.
14. The Company is a shareholder of an Ontario company that is a general partner of an Ontario limited partnership. It is anticipated that an application will be made to the Ontario Court to address the liquidation and/or dissolution of the Ontario company and/or the Ontario limited partnership.
15. The shareholder distributions referred to in my Affidavit have been contemplated from the outset of the Ontario CCAA Proceedings and have been referenced in the reports of the Monitor and are authorized by the Ontario Orders. I am not aware of any reason why any shareholder of the Company would object to the receipt of funds in a tax efficient manner as contemplated by the Order proposed for the liquidation of the assets of the Company and the subsequent dissolution of the Company. The directors of the Company have directed counsel to proceed with an application for liquidation and dissolution without providing for notice to shareholders or shareholders meetings having regard to the expense which would be incurred by the giving of such notice and the holding of such

