



LawyerDoneDeal Corp. (“LDD”[®])

Virtual Intermediary Program[®]

- **Web-Based Document Creation by Lender**
- **Automated/Electronic Document Distribution**
- **Web-Based Document Creation by Lawyers**
- **Electronic Transaction Monitoring**
- **Fraud Prevention Features**
- **Electronic Reporting**

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Overview

The residential real estate transaction goes through a number of stages, with a number of service providers involved in assisting purchasers, vendors and mortgage lenders. At the core of the real estate transaction is the requirement to receive, formulate and disseminate information. Historically, this process has been cumbersome because it has been primarily carried out on a non-automated basis, using a manual paper-based system. What is needed is an electronic or virtual intermediary that is easily accessible to the participants in a real estate transaction and designed to formulate and distribute information in a manner consistent with the requirements of the key player, namely, the mortgage lender. From the mortgage lender's perspective, lawyers already are the lending institution's outsourcers.

The LDD Virtual Intermediary Program[®] (“VIP[®]”)

In its simplest terms, the VIP solution is the deployment of a web-based, transaction-processing platform, which provides simple, anywhere/anytime access to authorized users. It contains a powerful file management/document production capability that ensures complete and accurate transaction processing. Lenders post their commitments/instructions on the platform and lawyers access them through the Internet. Lawyers may prepare documents, carry out due diligence and obtain title insurance using the automated capabilities of the LDD system. Reports are automatically system-generated in a format that is optimal for the party requiring the information. The entire solution focuses on consistency and standardization as its cornerstone.

The result is a significant reduction in paper flow and administration costs, combined with an increase in productivity and in the quality of the end product.

The VIP solution is unique in many ways. First of all, it does not focus on a centralized, single-source document production and document management centre, as we do not believe that this is the most efficient means for delivering services to a financial institution. Rather, we enable lawyers who have relationships with both lenders and borrowers in all areas of the country and who adhere to the processing and due diligence guidelines embedded in LDD's Web-based systems (as required by the lender) to complete the mortgage transactions. Therefore, the VIP solution provides the best of all possible worlds, namely a geographically distributed network, combined with the benefits and consistency inherent in single-source processing. The LDD Web-delivery channels are accessible 24 hours per day, seven days per week, to reduce the potential for delays in processing and delivery of services.

In addition, because the VIP solution is Web-based, it retains the flexibility to develop and deploy customized programs on behalf of lenders that target a wide range of potential

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customers.

All LDD programs are delivered via a secure site that is password protected, thereby enabling the delivery of all documentation over the Internet. A lender can simply log-in and download any documents. Users access the system via secure socket connection and input any additional data required for document completion and generation. In the context of electronic registration, the document assembly process also includes the appropriate XML file for export into the electronic registration system.

VIP is currently being used by lenders in all provinces but Quebec. We anticipate Quebec deployment by 2006 year end.

Overview of the VIP Solution

1. Web-Based Document Creation by Lender

The LDD document creation capability allows the lender to password-access a Web-based document production interface that electronically generates the appropriate customized forms, such as mortgage instructions, with the relevant data being populated into same.

Web-based document production capability also has an edit capability that allows for changes to the documents, but the ability to change is tied to the passwords used so that only specific users have this ability.

2. Automated/Electronic Document Distribution by Lender

Use of the Web-based document production facility automatically allows the direct posting of data/documents for dissemination to the legal profession.

There is no cost associated with the document posting/distribution capability to either the lawyer accessing the system to retrieve documents or to the lender posting same.

3. Web-Based Document Creation by Lawyers

The Web-based system includes two document creation capabilities:

- i. A basic mortgage document creation capability that pre-populates the data posted by the lender into the mortgage documents; and
- ii. A comprehensive file management and document creation capability (RealtiPLUSWeb[®]) that pre-populates data into all documents required by the lawyer in order to handle the transaction for both the borrower and the lender.

[®] RealtiPLUSWeb is a registered trademark of LawyerDoneDeal Corp.

As noted above, a data export capability is available if the preference is to use some other means of document generation. Cost to lawyers for the basic document production capability is \$10.00 per transaction or is included in the \$15.00 per transaction for the RealtiPLUSWeb capability.

4. Electronic Transaction Monitoring by Lender

Transaction monitoring is available through the VIP platform or through communication by LDD with the internal lender system. Lenders can generate customized reports to monitor the status of mortgage transactions, such as outstanding reports from lawyers, transactions to be funded on a particular day, or transactions to be completed in a particular jurisdiction.

Milestones for each transaction can also be monitored, including retrieval of data/documents by lawyers, ensuring the appropriate match of lawyer identity, requesting funds and satisfaction of funding conditions by the lawyer, transaction completion and transaction reporting to the lender. Automated faxes or e-mails are sent to enforce lender specific rules relating to the milestones. Additional milestones and rules may be included in the delivery/management platform.

5. Fraud Prevention Measures

At LDD, we have recognized the importance of implementing checks and controls aimed at reducing and ultimately eliminating fraudulent mortgage transactions. As you are aware, there are typically two aspects to mortgage fraud, identity fraud and value fraud.

VIP has been designed to offer a broad spectrum of controls and protection for both aspects of this troubling issue. The system has been designed to provide for identity checks and verifications of the lawyer accessing the system and the borrower giving the mortgage. Lawyer instructions can include check-offs for the review of deleted instruments in order to ascertain the presence of warning signs for both value and identity fraud.

In addition we offer optional features to further enhance fraud protection. Trust account registration and verification is one tool available to help ensure that mortgage advances reach their intended destination and are not fraudulently miss-directed. In addition working in conjunction with our title insurance partner, the VIP platform can help add Title Insurance fraud coverage for your mortgage transactions.

We would be very pleased to discuss our fraud control features and program with you at your convenience.

6. Electronic Reporting by Lawyer

Automated reporting functionality is based on the lawyer confirming the contents of the report and sending an electronic version to the lender. The electronic format of the report is based on the lender's specifications, as are delivery means and frequency.

7. Title Insurance

Although the overall LDD system is designed to integrate seamlessly with TitlePLUS policy issuance, it is not a requirement for using the system that a TitlePLUS policy be purchased. Data export and import from the LDD system to third parties (such as other title insurers or desktop software packages), in a prescribed XML format is included in VIP.

Thank you very much for your interest in VIP. Demonstrations of the system are available and we would be pleased to set up an appointment with your offices to review VIP. The VIP platform is intended to provide mortgage lenders with a state of the art capability that will significantly enhance their workflow.

We look forward to working with you, and if you have any questions please contact us at 416-367-0600.

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