



KPMG LLP
Chartered Accountants
115 King Street South
2nd Floor
Waterloo ON N2J 5A3

Telephone (519) 747-8800
Fax (519) 747-8835
Internet www.kpmg.ca

PRIVATE & CONFIDENTIAL

Vince Correia
Controller
Legal Aid Ontario
375 University Avenue, Suite 404
Toronto ON M5G 2G1

January 15, 2008

Dear Vince:

Indirect Tax Recovery Review Engagement

Thank you for meeting with me and Bart Singh on November 13th. We appreciate the time you took to explain your service requirements and indirect tax concerns. As promised, we are writing to set out the terms of our engagement to perform an indirect tax recovery review (the "Review") for Legal Aid Ontario.

REVIEW SERVICES

We will review the application of indirect taxes to the operations of Legal Aid Ontario to identify areas where Legal Aid Ontario has paid indirect taxes which Legal Aid Ontario is entitled to recover, either by way of internal adjustment or through refund claims filed with the relevant tax authorities (hereinafter referred to as ("Recoveries")).

As requested, this review will relate only to trade payables. Further, KPMG will not duplicate work done by Legal Aid Ontario in regards to EHT paid for retained area directors over the previous five years as outlined in Legal Aid Ontario's memo dated April 6, 2006.

Our indirect tax review includes the following:

- Goods and services tax / Harmonized sales tax
- Provincial retail sales taxes / Quebec sales tax
- Customs duties
- Payroll taxes (EI, EHT, CPP)
- Workplace Safety and Insurance Board (WSIB) levies
- European or other value added taxes
- Other indirect taxes (e.g. excise duties, fuel taxes, etc.)

Our review will also include the duplicate/erroneous payments if applicable

As explained in our meeting, KPMG utilizes electronic analysis to identify recovery opportunities. This electronic process allows us to efficiently focus on those transactions that will lead to recoveries. KPMG will ensure that the electronic process is approved and vetted by Legal Aid Ontario's IT Department.

Our report will document the Recoveries identified, the amount of the Recoveries and the steps necessary to obtain the Recoveries. We will prepare all claims where applicable, and provide supporting documentation. Where applicable we will provide you with the information necessary to allow you to claim the Recoveries on your regular return.

As an added benefit, KPMG's review will also provide feedback on processes for improvements and bring to your attention any noted reporting deficiencies including any tax underpayments noted during the course of the review.

Also at the completion of the review, we will provide at no charge, a half-day training seminar for your staff. The seminar will be tailored to address issues important to your organization.

We are not auditing Legal Aid Ontario's indirect tax liabilities and cannot warrant that there are no undisclosed indirect tax liabilities or amounts recoverable.

REVIEW FEE

During our meeting, we discussed alternate fee structures with you including contingency fees and fees based on hourly rates. However, we understand that for this engagement you prefer a contingency fee and therefore agree that our fee will be a percentage of any Recoveries, including interest, identified by KPMG which are claimed by Legal Aid Ontario as follows:

30%	on recoveries up to \$200,000
20%	on recoveries in excess of \$200,000

Any overpayments in GST relating to amounts paid under Legal Aid Ontario's Certificate and Duty Counsel Programs¹ and "Clinics"² are out of scope and not subject to contingency fees (see fee section for Compliance/Advisory Issues).

Our fee in respect of each Recovery amount claimed is payable when the Recovery amount has been received by Legal Aid Ontario. A Recovery amount is considered received when payment has been received from the relevant tax authority or when Legal Aid Ontario has offset the amount against a current indirect tax liability.

In the event that Legal Aid Ontario is assessed by a tax authority and all or a portion of any Recoveries claimed by Legal Aid Ontario pursuant to our recommendations are denied, KPMG will

¹ Duty Counsel Programs includes legal services from the Lawline Contract invoiced under Sykes Canada

² "Clinics" are cost centres with account numbers beginning with "6"



adjust our billing and refund any amounts previously paid such that our fee will be in accordance with the table above. KPMG will not pay any amount in respect of interest or penalty, except in the case of negligence by KPMG or individuals performing the review.

Where we agree to adjust or refund our fees, any amounts due to Legal Aid Ontario unpaid 30 days after such agreement will bear interest at 12.683% per annum, calculated and compounded monthly. The appropriate sales taxes will be computed and shown separately on our refund advice, together with our firm's GST registration number, so that you will have the information required to adjust your input tax credit or rebate, as applicable.

Compliance/Advisory Issues

For advisory services requiring specific advice such as the EHT matter concerning your sub-contractors, our fees are based on time and expenses and the level of personnel involved.

Compliance/advisory issues include the following:

- Research and issuance of our views
- preparation of ruling requests
- dispute audit assessments not related to our recovery reviews
- assistance in correcting potential liabilities
- WSIB audit and/or claims appeal representation

In addition to the above and for the purposes of this engagement, advisory services will specifically include recoveries under the Duty Counsel Program³, Clinics and EHT paid for retained area directors.

KPMG will provide at no charge, two hours per month (non-cumulative) for routine verbal advice on sales tax matters you bring to our attention. This "hot-line" service will be available to Legal Aid Ontario for a period of 24 months from the date we are engaged. Our hot-line number is toll free (1-800-387-5469) and we make every effort to respond to you within 24 hours. Typically, you will be able to speak with the professional most familiar with your operations.

If you request that the advice from a verbal enquiry be given in writing we will provide you with a fee quote prior to preparing such documentation. Also, where the reply to your inquiry requires a significant amount of research on our part, we reserve the right to discuss additional fees prior to commencing our work.

Our fees for compliance and/or advisory services will be based on the complexity of the issues and the time required of the individuals who will performing the services calculated at their standard per diem rates less a discount. This discount will result in average hourly rates ranging from \$325 to \$425. We will not proceed with any compliance or advisory work without your approval and agreement up front.

³ Legal Services under the Lawline contract invoiced under Sykes Canada



Routine administration expenses, such as long distance telephone calls, photocopies, fax charges, printing, postage, delivery, and secretarial time will be charged on the basis of a percentage of our professional costs, but will not exceed 5% of the total estimated fees.

Accounts due to KPMG unpaid 30 days after receipt will bear interest at 12.683% per annum calculated and compounded monthly. The appropriate sales taxes will be computed and shown separately on our invoices, together with our firm's GST registration number so that you will have the information required to claim an input tax credit or rebate, if applicable.

The attached *Terms and Conditions for Corporate Tax Engagements* are incorporated into, and form an integral part of, this engagement letter.

As discussed, we will commence this review within one month of receiving the signed engagement letter and in particular, we will initially focus on those areas that may become statute barred. If you are in agreement with the terms of this engagement please sign below on both copies of this letter and return one signed copy to us.

If you have any questions please call me at (519) 747-8230.

Yours very truly

KPMG LLP

Jane Adams
Associate Partner, KPMG Canada
Indirect Tax

Agreement on Sales Tax Review Services

Legal Aid Ontario hereby engages KPMG to conduct an indirect tax recovery review in accordance with the terms set out above.

The arrangements and terms set out are as agreed:

Legal Aid Ontario

By

Authorized Signature or Initials

Date

Jan 17, 2008

CONTROLLER
LAO



TERMS AND CONDITIONS FOR ADVISORY AND TAX SERVICES

1. TERMS AND CONDITIONS.

a. The Terms and Conditions are an integral part of the accompanying Proposal or Engagement Letter from KPMG that identifies the engagement to which they relate.

b. In the event of conflict between the Proposal or Engagement Letter and the Terms and Conditions, the Terms and Conditions shall prevail unless specific reference to a provision is made in the Proposal or Engagement Letter. Other capitalized words in the Terms and Conditions shall have the meanings given to them in the Proposal or Engagement Letter.

2. SERVICES.

KPMG will use reasonable efforts to complete within any agreed-upon time-frame the performance of the services. It is understood and agreed that KPMG's services may include advice and recommendations; but all decisions in connection with the implementation of such advice and recommendations shall be the responsibility of, and made by, Client. KPMG will not perform management functions or make management decisions for Client. Nothing in the Terms and Conditions shall be construed as precluding or limiting in any way the right of KPMG to provide services of any kind or nature whatsoever to any person or entity as KPMG in its sole discretion deems appropriate.

3. CLIENT RESPONSIBILITIES.

a. Client agrees to cooperate with KPMG in the performance of the services under the Engagement Letter and shall provide or arrange to provide KPMG with timely access to and use of the personnel, facilities, equipment, data and information to the extent necessary for KPMG to perform the services under the Engagement Letter. Client shall be responsible for the performance of its employees and agents and for the accuracy and completeness of all data and information provided to KPMG for purposes of the performance by KPMG of its services hereunder. The Engagement Letter or Proposal may set forth additional responsibilities of Client in connection with the engagement. Client acknowledges that Client's failure to perform these obligations could adversely impact KPMG's ability to perform its services.

b. Client agrees that Client, and not KPMG, shall perform the following functions: (i) make all management decisions and perform all management functions; (ii) designate an individual who possesses suitable skill, knowledge and experience, preferably within senior management, to oversee the performance of the services under the Engagement Letter, and to evaluate the adequacy and results of such services; (iii) accept responsibility for the results of such services; and (iv) establish and maintain internal controls over the processes with which such services are concerned, including, without limitation, monitoring ongoing activities.

c. Client acknowledges and agrees that KPMG will, in performing the services, base its conclusions on the facts and assumptions that Client furnishes and that KPMG may use data, material, and other information furnished by or at the request or direction of Client without any independent investigation or verification and that KPMG shall be entitled to rely upon the accuracy and completeness of such data, material and other information. Inaccuracy or incompleteness of such data, material and other information furnished to KPMG could have a material effect on KPMG's conclusions.

d. Client acknowledges that information made available by it, or by the others on Client's behalf, or otherwise known to partners or staff of KPMG who are not engaged in the provisions of the services shall not be deemed to have been made available to the individuals within KPMG who are engaged in the provision of the services hereunder. Client undertakes that, if anything occurs after information is provided by Client to KPMG to render such information untrue, unfair or misleading, Client shall promptly notify KPMG.

4. REPORTING.

a. During the performance of the services, KPMG may supply oral, draft or interim advice, reports or presentations but in such circumstances KPMG's written advice or final written report shall take precedence. No reliance should be placed by Client on any oral, draft or interim advice, reports or presentations. Where Client wishes to rely on oral advice or oral presentation, Client shall inform KPMG and KPMG will provide documentary confirmation of the advice concerned.

b. Subsequent to the completion of the engagement, KPMG will not update its advice, recommendations or work product for changes or modification to the law and regulations, or to the judicial and administrative

interpretations thereof, or for subsequent events or transactions, unless Client separately engages KPMG to do so in writing after such changes or modifications, interpretations, events or transactions.

5. WORKING PAPERS AND USE OF REPORTS.

KPMG retains all rights in all methodologies, know-how, knowledge, applications and software developed by KPMG either prior to or during the engagement. KPMG also retains all rights (including copyright) in all reports, written advice and other working papers and materials developed by KPMG during the engagement. Unless contemplated by the engagement letter, all reports and written advice are intended solely for Client's internal use and, where applicable, government taxation authorities, and may not be edited, distributed, published, made available or relied upon by any other person without KPMG's express written permission. If such permission is given, Client shall not publish any extract or excerpt of KPMG's written advice or report or refer to KPMG without providing the entire advice or report at the same time. Except as described in this section, Client will treat in confidence any KPMG methodologies, know-how, knowledge, application or software identified by KPMG as confidential information of KPMG, and will not use or disclose such confidential information of KPMG to others. This restriction shall not apply to any information that: (i) is required by law to be disclosed; (ii) is in the public domain, or hereafter enters the public domain; (iii) that is or hereafter becomes known to Client without breach of any confidentiality obligation, or (iv) that is independently developed by Client. Subject to the restrictions of Section 6, KPMG is entitled to use or develop the knowledge, experience and skills of general application gained through performing the engagement.

6. CONFIDENTIALITY.

a. KPMG will treat as such all confidential proprietary information obtained from Client in the course of the engagement and, except as described in this section, will not use such information except in connection with the performance of its services hereunder. This restriction shall not apply to any confidential information that: (i) is required by law or professional standards to be disclosed; (ii) that is in or hereafter enters the public domain; (iii) that is or hereafter becomes known to KPMG without breach of any confidentiality obligation; or (iv) that is independently developed by KPMG.

b. KPMG will be entitled to include a description of the services in marketing and research materials and disclose such information to third parties, provided that all such information will be rendered anonymous and not subject to association with Client. KPMG shall be entitled to share all confidential information with all other member firms of KPMG International performing services hereunder. KPMG may also use confidential information to offer services that may be of interest to Client. KPMG may retain and may disclose to other member firms of KPMG International, subject to terms of this section, copies of Client's confidential information required for compliance with applicable professional standards or internal policies or quality reviews.

c. Professional standards require KPMG personnel performing any audit or assurance services for clients to discuss or have available to them all information and materials that may affect the audit or assurance engagement. Client authorizes, if Client is or becomes an assurance Client, KPMG personnel performing services under the engagement to make available to the KPMG assurance engagement team and other KPMG personnel, the findings, observations and recommendations from the engagement and agrees that KPMG may use all such findings, observations and recommendations in KPMG's assurance engagement.

7. PERSONAL INFORMATION.

Client acknowledges that it is responsible for obtaining all consents required by law in order for KPMG to receive, use and retain any personal information required by KPMG in connection with the engagement. Client consents to the receipt, use and retention by KPMG of any personal information provided to KPMG. All personal information will be treated as confidential by KPMG.

8. TAXES/BILLING/EXPENSES/FEES.

a. All fees and other charges do not include any applicable federal, provincial, or other goods and services or sales taxes, or any other taxes or duties whether presently in force or imposed in the future. Any such taxes or duties shall be assumed and paid by Client without deduction from the fees and charges hereunder.



TERMS AND CONDITIONS FOR ADVISORY AND TAX SERVICES

b. Bills, including, without limitation, a charge on account of all reasonable expenses, including travel, meals, accommodations, long distance, telecommunications, photocopying, delivery, postage, clerical assistance and database research will be rendered on a regular basis as the engagement progresses. Accounts are due when rendered. Interest on overdue accounts is calculated at the rate noted on the invoice commencing 30 days following the date of the invoice.

c. Without limiting its rights or remedies, KPMG shall have the right to halt or terminate entirely its services until payment is received on past due invoices.

d. In the event that the engagement is terminated and Client proceeds to complete the transaction or financing within 18 months from the termination date, then the full amount of any Completion Fee shall be payable on closing of the transaction or the completion of financing, regardless of whether KPMG provided further service.

9. LIMITATION ON WARRANTIES.

THIS IS A SERVICES ENGAGEMENT. KPMG WARRANTS THAT IT WILL PERFORM SERVICES HEREUNDER IN GOOD FAITH WITH QUALIFIED PERSONNEL IN A COMPETENT AND WORKMANLIKE MANNER IN ACCORDANCE WITH APPLICABLE INDUSTRY STANDARDS. KPMG DISCLAIMS ALL OTHER WARRANTIES, REPRESENTATIONS OR CONDITIONS, EITHER EXPRESS OR IMPLIED, INCLUDING, WITHOUT LIMITATION, WARRANTIES, REPRESENTATIONS OR CONDITIONS OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

10. LIMITATION ON LIABILITY.

a. Client agrees that KPMG shall not be liable to Client for any actions, damages, claims, liabilities, costs, expenses, or losses in any way arising out of or relating to the services performed hereunder for an aggregate amount in excess of the fees paid by Client to KPMG under the engagement. On a multi-phase engagement, KPMG's liability shall be based on the amount actually paid to KPMG for the particular phase that gives rise to the liability.

b. In the event of a claim by any third party against KPMG that arises out of or relates to the services performed hereunder, Client will indemnify KPMG from all such claims, liabilities, damages, costs and expenses, including, without limitation reasonable legal fees, except to the extent finally determined to have resulted from the intentional, deliberate or fraudulent misconduct of KPMG.

c. In no event shall KPMG be liable for consequential, special, indirect, incidental, punitive or exemplary damages, costs, expenses, or losses (including, without limitation, lost profits and opportunity costs). In any action, claim, loss or damages arising out of the engagement, Client agrees that KPMG's liability will be several and not joint and several. Client may only claim payment from KPMG of KPMG's proportionate share of the total liability based on degree of fault.

d. For purposes of this section, the term KPMG shall include its associated and affiliated entities and their respective partners, directors, officers and employees. The provisions of this section shall apply regardless of the form of action, damage, claim, liability, cost, expense, or loss, whether in contract, statute, tort (including, without limitation, negligence) or otherwise.

11. LEGAL PROCEEDINGS.

a. Client agrees to notify KPMG promptly of any request received by Client from any court or applicable regulatory authority with respect to the services hereunder, our advice or report or any related document.

b. If KPMG is required by law, pursuant to government regulation, subpoena or other legal process or requested by Client to produce documents or personnel as witnesses arising out of the engagement and KPMG is not a party to such proceedings, Client shall reimburse KPMG at standard billing rates for professional time and expenses, including, without limitation, reasonable legal fees, incurred in responding to such requests.

c. When requested or required by law, subpoena or other legal process or otherwise, that KPMG provide information and documents relating to Client's affairs, KPMG will use all reasonable efforts to refuse to provide information and documents over which Client asserts privilege or which has been acquired or produced in the context of the engagement of legal counsel by or on behalf of Client, except where providing such copies, access or information is required by law, by a provincial Institute/Ordre pursuant to its statutory authority, or a public oversight board in respect of reporting issuers (both in Canada and abroad) pursuant to its contractual

or statutory authority. Where Client has provided any document to KPMG in respect of which Client wishes to assert legal privilege, Client shall clearly mark such document "privileged" and shall otherwise clearly advise KPMG that KPMG wishes to maintain legal privilege in respect thereof.

12. LIMITATION PERIOD.

No action, regardless of form, arising under or relating to the engagement, may be brought by either party more than one year after the cause of action has accrued or in any event not more than five years after completion of the engagement in the case of an advisory services engagement and not more than eight years after completion of the engagement in the case of a tax services engagement, except that an action for non-payment may be brought by a party not later than one year following the date of the last payment due to such party hereunder. For purposes of this section, the term KPMG shall include its associated and affiliated entities and their respective partners, directors, officers and employees.

13. TERMINATION.

Unless terminated sooner in accordance with its terms, the engagement shall terminate on the completion of KPMG's services hereunder, which completion shall be evidenced by the delivery by KPMG to Client of the final invoice in respect of the services performed hereunder. Should Client not fulfill its obligations set out herein or in the Engagement Letter and in the absence of rectification by Client within 10 days, KPMG may, upon written notice, terminate its performance and will not be responsible for any loss, cost or expense resulting. The engagement may be terminated by either party at any time by giving written notice to the other party not less than 30 calendar days before the effective date of termination. Upon early termination of the engagement, Client shall be responsible for the payment to KPMG for KPMG's time and expenses incurred up to the termination date, as well as reasonable time and expenses to bring the engagement to a close in a prompt and orderly manner.

14. E-MAIL COMMUNICATION.

Client recognizes and accepts the risks associated with communicating by Internet e-mail, including (but without limitation) the lack of security, unreliability of delivery and possible loss of confidentiality and privilege. Unless Client requests in writing that KPMG does not communicate by Internet e-mail, Client assumes all responsibility or liability in respect of risk associated with its use.

15. POTENTIAL CONFLICTS OF INTEREST.

Except as otherwise set out herein, Client should be aware that it is not uncommon for KPMG to be auditors and/or advisors of more than one of the parties involved in a transaction. In such situations, KPMG takes appropriate measures to ensure that strict confidentiality is maintained in all respects. If these circumstances are identified, KPMG will advise Client of that fact, subject to confidentiality requirements, and will consider with Client what further measures, if any, are appropriate. Client further acknowledges that at some point KPMG may act contrary to Client's interest on unrelated matters.

16. FORCE MAJEURE.

Neither Client nor KPMG shall be liable for any delays resulting from circumstances or causes beyond its reasonable control, including, without limitation, fire or other casualty, act of God, strike or labour dispute, war or other violence, or any law, order or requirement of any governmental agency or authority.

17. INDEPENDENT CONTRACTOR.

It is understood and agreed that each of the parties hereto is an independent contractor and that neither party is, nor shall be considered to be, an agent, distributor or representative of the other. Neither party shall act or represent itself, directly or by implication, as an agent of the other or in any manner assume or create any obligation on behalf of, or in the name of, the other.

18. SURVIVAL.

Sections 1, 5 to 15 and 18, 19, 23 and 24 hereof shall survive the expiration or termination of the engagement.

19. SUCCESSORS AND ASSIGNS.

The Terms and Conditions and the attached Proposal or Engagement Letter shall be binding upon the parties hereto and their respective associated and affiliated entities and their respective partners, directors, officers and employees and successors and permitted assigns. Except as



TERMS AND CONDITIONS FOR ADVISORY AND TAX SERVICES

provided below, neither party may assign, transfer or delegate any of the rights or obligations hereunder without the prior written consent of the other party. KPMG may assign its rights and obligations hereunder to any affiliate or successor in interest to all or substantially all of the assets or business of the relevant KPMG practice, without the consent of Client. In addition, KPMG may engage independent contractors and member firms of KPMG International to assist KPMG in performing the services hereunder.

20. SEVERABILITY.

The provisions of the Terms and Conditions and the attached Proposal or Engagement Letter shall only apply to the extent that they are not prohibited by a mandatory provision of applicable law. If any of these provisions shall be held to be invalid, void or unenforceable, then the remainder of the Terms and Conditions and the attached Proposal or Engagement Letter, as the case may be, shall not be affected, impaired or invalidated, and each such provision shall be valid and enforceable to the fullest extent permitted by law.

21. ENTIRE AGREEMENT.

The Terms and Conditions, and the attached Proposal or Engagement Letter, including, without limitation, Exhibits, constitute the entire agreement between KPMG and Client with respect to the engagement and supersede all other oral and written representation, understandings or agreements relating to the engagement.

22. GOVERNING LAW.

The Terms and Conditions and the attached Proposal or Engagement Letter shall be subject to and governed by the laws of the province in which KPMG's principal office performing the engagement is located (without regard to such province's rules on conflicts of law) and all disputes arising hereunder or related thereto shall be subject to the exclusive jurisdiction of the courts of such province.

23. PUBLICITY.

Upon the closing of a transaction, KPMG will have the right (but shall not be obliged), at its expense, to publicize its association with the transaction by way of public announcement in "tombstone" or similar format, subject to prior review of the wording for any such announcement with Client.

24. KPMG INTERNATIONAL MEMBER FIRMS.

In the case of multi-firm engagements, all member firms of KPMG International performing services hereunder shall be entitled to the benefits of the Terms and Conditions. Client agrees that any claims that may arise out of the engagement will be brought solely against KPMG, the contracting party and not against any other KPMG International member firms.

25. SARBANES-OXLEY ACT.

Except as set forth in the Engagement Letter, Client acknowledges that completion of the engagement or acceptance of KPMG's reports, advice, recommendations and other deliverables resulting from the engagement will not constitute a basis for Client's assessment of internal control over financial reporting or Client's evaluation of disclosure controls and procedures, or its compliance with its principal officer certification requirements under Section 302 of the *Sarbanes-Oxley Act of 2002* (the "Act"). The engagement shall not be construed to support Client's responsibilities under Section 404 of the Act requiring each annual report filed under Section 13(a) or 15(d) of the *Securities Exchange Act of 1934* to contain an internal control report from management.

26. MULTILATERAL INSTRUMENT 52-109.

Except as set forth in the Engagement Letter, Client acknowledges that completion of the engagement or acceptance of KPMG's reports, advice, recommendations and other deliverables resulting from the engagement will not constitute a basis for Client's evaluation of disclosure controls and procedures, or its compliance with its CEO/CFO certification requirements under *Multilateral Instrument 52-109, Certification of Disclosure in Issuers' Annual and Interim Filings*, including those related to the design of internal control over financial reporting.

27. SPECIFIC ACCOUNTING ADVICE.

Except as set forth in the Engagement Letter, the engagement does not contemplate the provision of specific accounting advice or opinions or the issuance of a written report on the application of accounting standards to specific transactions and facts and circumstances of Client. Such services, if requested, would be provided pursuant to a separate engagement.

28. TAX SERVICES.

a. If tax work is specifically requested by Client, KPMG will perform the procedures in accordance with this section. KPMG will base its findings exclusively on the facts and assumptions provided to KPMG by its personnel and advisors, Client's advisors, and Client. KPMG will consider the applicable provisions of the relevant taxing statutes, the regulations thereunder, applicable tax treaties and judicial and administrative interpretations thereof. KPMG will also take into account all specific proposals to amend such statutes, regulations and treaties publicly announced prior to the date of our reports, based on the assumption that these amendments will be enacted substantially as proposed. These authorities are subject to change, retroactively and/or prospectively, and any such changes could affect the validity of our findings and may result in incremental taxes, interest or penalties. KPMG's findings will not otherwise take into account or anticipate any changes in law or practice, by way of judicial, governmental or legislative action or interpretation. Unless Client specifically requests otherwise, KPMG will not update tax work to take any such changes into account.

b. KPMG will use professional judgment in providing advice, and will, unless you instruct otherwise, take the position most favourable to you whenever reasonable. All returns are subject to examination by tax authorities, and our advice may be audited and challenged by a tax authority. Client understands that KPMG's conclusions are not binding on tax authorities or the courts and should not be construed as a representation, warranty or guarantee that the tax authorities or courts will agree with KPMG's conclusion.

c. Client should consult with and/or engage legal counsel for the purpose of advising on legal aspects of matters on which we provide our tax advice and drafting any legal documents and/or agreements that may be required. To the extent legal counsel or other professional service providers are required, Client is exclusively responsible for engaging and paying such service providers.

d. Client is also responsible for ensuring that KPMG's advice is implemented strictly in accordance with KPMG's recommendations. KPMG is not responsible for any for any penalties or interest assessed against Client as a result of a failure by Client to provide KPMG with accurate and complete information.

e. Unless expressly provided for, KPMG's services do not include representing Client in the event of a challenge by the CRA or other tax or revenue authorities.

29. LLP.

KPMG LLP is a registered limited liability partnership ("LLP") established under the laws of the Province of Ontario and, where applicable, has been registered extra-provincially under provincial LLP legislation. KPMG is a partnership, but its partners have a degree of limited liability. A partner is not personally liable for any debts, obligations or liabilities of the LLP that arise from a negligent act or omission by another partner or any person under that other partner's direct supervision or control. The legislation relating to limited liability partnerships does not, however, reduce or limit the liability of the firm. The firm's insurance exceeds the mandatory professional indemnity insurance requirements established by the various Institutes/Ordre of Chartered Accountants. Subject to the other provisions hereof, all partners of the LLP remain personally liable for their own actions and/or actions of those they directly supervise or control.



TRANSACTION SERVICES ADDENDUM TO TERMS AND CONDITIONS

This Transaction Services Addendum to the Terms and Conditions is an integral part of the accompanying Terms and Conditions for Advisory and Tax Services

1. PROCEDURES.

The procedures KPMG will perform are limited to those referred to in the Engagement Letter and its appendices. The procedures KPMG will perform are limited in nature and extent to those determined by Client to meet its needs and, as such, will not necessarily disclose all significant matters about Target or reveal errors in the underlying information, instances of fraud, or illegal acts, if any. KPMG provides no assurance and makes no representation regarding the sufficiency of the procedures either for the purpose of the proposed transaction in the context of which KPMG has been engaged or for any other purpose. Our findings will not constitute recommendations to Client as to whether or not Client should proceed with any proposed transactions. In performing the procedures and reporting our findings, KPMG will rely exclusively upon information provided to KPMG by Target, its personnel and advisors, Client's advisors, and Client, and any publicly available information KPMG obtains, and will not independently verify the accuracy or completeness of such information. KPMG's procedures with respect to Target's financial information will be substantially less in scope than an audit or review engagement conducted in accordance with Canadian generally accepted auditing or review standards. Consequently, KPMG expresses no opinion and will provide no other form of assurance on Target's financial statements or Target's internal control over financial reporting.

2. REPORTING.

All oral and written communications by KPMG to Client with respect to the engagement, including drafts and those communications occurring prior to the execution of the Engagement Letter will be subject to the terms and conditions of the Engagement Letter and these Additional Terms and Conditions. Client agrees to review reports promptly and to advise KPMG on a timely basis of any additional procedures Client would like us to perform or areas to address.

3. PROJECTIONS.

In the event we perform procedures related to future-oriented financial information, KPMG will not compile, examine, or apply other assurance procedures to such information and, accordingly, will express no opinion or any other form of assurance or representations concerning its accuracy, completeness or presentation format. Future-oriented financial information is based on assumptions regarding future events, actual results will vary from the information presented and the variations may be material.

4. DISTRIBUTION OF REPORT.

a. KPMG's report is confidential and intended solely for the use of the management of Client to assist with this specific matter and is not for general use, circulation or publication. KPMG's report is not to be referred to, published, circulated, reproduced or used for any other purpose, nor may our name be quoted or our logo reproduced in any form or medium, without our prior written permission in each specific instance, such prior written permission may be unreasonably withheld by KPMG. The content of this paragraph will be reproduced in the report. This section 4 .a. shall not apply if Client is a KPMG SEC registered audit client or affiliate and where tax services are contemplated hereunder.

b. Unless specifically requested by Client, KPMG is not obligated to provide a copy of the report to Target for the purpose of confirming Target's representations concerning the accuracy of the factual information presented in the report. If Client would like Target to review the report, KPMG will require Client and Target to indemnify us for any claims arising out of or relating to such review. In certain instances, Client may request that our report be distributed to a third party for informational purposes. KPMG will consider consenting to distribution based on such factors as the identity of the third party and the third party's intended use of the report. If KPMG agrees to the distribution of the report to a third party, Client agrees to execute and agrees to require the third party to execute an agreement in the form provided by KPMG regarding the release of information.

5. SURVIVAL.

Sections 4 and 5 of this Addendum shall survive the expiry or termination of the engagement.

AP VOUCHER														
Fiscal Year	Accting Period	Jrnl Date	Number or GL Journal ID	Invoice #	Vendor ID	Vendor Name	Account	Department	Project	Product	Monetary Amount	Journal Line Description	Fund	Department Description
2009	1	2009-04-27	00128329	43378505	0000001353	KPMG LLP	65400	832202			13,668.37	Expense Distribution	832202	Accounting Services
											13,668.37			



April 9, 2009

Legal Aid Ontario
Attn: Vince Correia
Atrium on Bay
40 Dundas Street West, Suite 200
Toronto ON M5G 2H1

Invoice No. : 43378505
Reference No. : CA048 - 11706076
Client No. : 60177368

GST/HST Number 12236 3153 RT0001
QST/ Registration 1023774310 TQ0001

KPMG LLP
115 King Street South
2nd Floor
Waterloo, ON N2J 5A3

Contact : Jamil Bacchus
Telephone : (519) 747-8853
Fax : (519) 747-8835

Professional fees for indirect Tax services rendered in connection with the following:

- Contingency Phase – Recoveries received
 - PST recoveries \$1,401.00 @ 30%
- Compliance/Advisory Phase \$ 420.00
 - Research project regarding RADs to determine their employment status relative to Legal Aid Ontario (“LAO”), including:
 - reviewing various documentation provided by LAO
 - research EHT legislation
 - research employee status under the Income Tax Act
 - research various court cases
 - prepare and supply to LAO a detailed memo outlining our findings

2008/09

Admin expenses at 5% of \$12,300.00

4/17/09 PAID
APR 20 2009
832202
65400

Authorized Signature or Initials

	12,300.00
Admin Fee	615.00
TOTAL	13,335.00
GST	666.75

INVOICE TOTAL \$ 14,001.75