



**INITIATIVES CANADA CORPORATION
CANADIAN LITERACY INITIATIVES
SILVER CITY TRADING CORPORATION**

665 Millway Avenue, Unit 38 Concord, Ontario L4K 3T8
Toll Free: 1 (877) 626-6402 Fax: (905) 660-7496



November 14, 2006

SECOND REQUEST

Dear Donor:

RE: INITIAL CALL FOR CAPITAL

To all participants of the Canadian Literacy Initiatives (“CLI”), and Initiatives Canada Corporation (“ICC”) donation program,

At the beginning of June the “**Initial Call for Capital**” letter was sent to all donation participants. This letter stated the following:

- CLI, SCTC and ICC have retained the services of PAC Protection Corporation to provide administrative services to the Donors in dealing with and responding to the Canada Revenue Agency (“CRA”).
- CLI, SCTC and ICC have retained legal counsel – Morris & Morris LLP
- As you will recall the initial Defence Fund, as established by the promoter and held in trust by Richard Sniderman in the amount of \$500,000, was to be used to actively defend the 2001, 2002 and 2003 Donation Programs against a CRA challenge.
- This letter is to inform you that as a direct result of our responding and defending against CRA’s aggressive challenge, multiple requests for information and the reassessment of the participants of the Donation Program, the Defence Fund has been depleted.
- For a detailed explanation of how Richard Sniderman used the defence fund see his letter as trustee for the defence fund attached

As a direct result of the depletion of the defence fund you the donor were given two options:

1. To re-capitalize the Defence Fund or
2. To participate in the “Warranty Protection Program”



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OUR RECORDS INDICATE THAT YOU DID NOT EXERCISE EITHER OF THE ABOVE NOTED TWO OPTIONS

Therefore as a result;

You will no longer be entitled to the benefit of our services, nor will you be represented by us and the law firm of Morris & Morris in your dispute with CRA and the impending court case. We advise you to retain independent counsel to represent you in your dispute with the CRA.

After revisiting your options and in light of the attached letter from Richard Sniderman in Trust, if you now wish to reconsider and participate in the defence fund, based upon your level of participation in the Donation Program(s) your share of the additional capital required in order to continue with your defence is listed below. This payment should be tax deductible.

For Participation in 2001	\$ 0.00
For Participation in 2002	\$ 0.00
For Participation in 2003	\$ <u>0.00</u>
 Total Payment Due	 \$ <u>0.00</u>

Please make your cheques payable to **Morris & Morris – In Trust** and dated **December 15, 2006**.

If we do not receive your cheque by **December 22, 2006**, we will proceed on the basis that you have chosen not to contribute your proportionate share to the Defence Fund and except the consequences as noted above.

As of November 1, 2006, individuals who have neither contributed to the defence fund nor purchased the Warranty Protection Program have had their request for assistance refused.

If you have or are in the process of purchasing the Warranty Protection Program, this call for capital can be ignored, since your defence is covered under the Warranty Protection Program. CLI, SCTC and ICC have arranged an alternative solution to the above initial call for capital and **for a more detailed explanation on how this unique and exclusive Warranty Protection Program will benefit you** please contact a Warranty Representative at PAC Protection Corporation directly toll free, at 1-877-626-6402 or visit the website at www.protectyourrefund.com.

If you should require immediate attention, please contact PAC Protection Corporation at 1-877-626-6402 or visit the website at www.protectyourrefund.com.

Yours truly,

Mr. Robert Wilson
President