



January 9, 2012

Dear “Friends” of Fanotech,

It is important that certain allegations made by Gabe Tomassoni in his recent letter dated December 15, 2011 to suppliers, customers and employees do not go unchallenged. As many of you know, Newlook Industries Inc. had a binding agreement to acquire the Fanotech Group of companies. Many of you know this from dealing directly with Newlook and Fanocorp (NLI/Fanocorp) personnel on a regular basis. Employees obviously saw and interacted with these personnel on a day to day basis in both plants while other personnel from NLI/Fanocorp corporate office dealt with customers and suppliers. The following is a more accurate account of these dealings.

John Simmonds, who at the time was in a relationship with Lisa Tomassoni, was originally asked by the Tomassoni family to deal with the National Bank (NBC) due to Fanotech’s loan being called in November 2009. Simmonds offered his services on a no charge basis to help deal with the problem and help turn the company around. In January 2010 Simmonds made an offer to acquire the company and the parties all signed a Letter of Intent. In May 2010, John, Lisa and Gabe together met with Bob Cariglia and agreed to bring him on to help rebuild the business.

By fall of 2010 the new management team, after growing the backlog to almost 10 million, realized that Gabe couldn’t deliver at the budgeted cost or on time. We soon discovered that this was a historical problem. We brought in our own production team who finally got production moving. Severe reaction from the Tomassoni’s due to being shown up created friction between the parties. Due to penalties for lateness with almost every customer and Fanotech’s inability to collect due to breaches in purchase agreements led to insolvency. Despite that, it still could have been fixed and NLI/Fanocorp was still willing to buy it on previously agreed terms. A new agreement was signed on August 19 2011, but by August 22 2011, the Tomassoni family decided unilaterally not to honour the agreement, despite the fact that it was binding, signed by both Gabe and his wife Laura and \$500,000 had previously been advanced.

This has been an unmitigated disaster for the shareholders of Fanocorp who financed the business prior to bringing in the TD Bank in February 2011.

If we had known the history of the Tomassoni family in the waste industry we never would have tried to help them in 2009. With their inability to deliver on time, their lack of customer care after delivery and their previous two bankruptcies, it was likely doomed from the beginning.

We will all just wait and see how 2012 unfolds with Fanotech. We have compiled a list of issues which we believe refute all the allegations of the Tomassoni’s. Feel free to visit the website, www.fanofacts.com which will allow anyone to view back up documentation confirming these statements along with sworn testimony from Gabe Tomassoni contradicting himself on numerous subjects. There is also a “comment box” for those who would like to remark on this situation.

Best Regards and happy New Year,

John Simmonds
President and CEO