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March 31, 2011

To: whom it may concern

Re: Prizm Income Fund, Prizm Canadian Operating Trust, Prizm Inc. and KIT Finance Inc. (collectively, the “Applicants”) and Prizm LP (together with the Applicants, “Prizm”)

On March 31, 2011, the Applicants sought and obtained an initial order (the “**Initial Order**”) under the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”). The Initial Order provides, among other things, a stay of proceedings until April 29, 2011 (the “**Stay Period**”) and may be extended by the Court from time to time. FTI Consulting Canada Inc. was appointed as monitor (the “**Monitor**”) of the Applicants. Although not an Applicant, the benefits of the protections and authorizations provided by the Initial Order also extend to Prizm LP. A copy of the Initial Order and copies of the materials filed in the CCAA proceedings may be obtained at <http://cfcanada.fticonsulting.com/prizm> or on request from the Monitor by calling (416) 739-2920 or 1 855 492-6215 or emailing prizm@fticonsulting.com. Prizm is continuing operations pursuant to the terms of the Initial Order.

Pursuant to the Initial Order, all persons having oral or written agreements with Prizm or statutory or regulatory mandates for the supply of goods and/or services are restrained until further Order of the Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by Prizm, provided that the normal prices or charges for all such goods or services received after the date of the Initial Order are paid by Prizm in accordance with normal payment practices of Prizm or such other practices as may be agreed upon by the supplier or service provider and Prizm and the Monitor, or as may be ordered by this Court. The Initial Order prohibits Prizm from making payment of amounts relating to the supply of goods or services prior to March 31, 2011, other than certain payments specified in the Initial Order.

During the Stay Period, all parties are prohibited from commencing or continuing legal action against Prizm and all rights and remedies of any party against or in respect of Prizm or their assets are stayed and suspended except with the written consent of, the Applicant and the Monitor, or leave of the Court.

To date, no claims procedure has been approved by the Court and creditors are therefore not required to file a proof of claim at this time.

If you have any questions regarding the foregoing or require further information, please consult the Monitor’s website at <http://cfcanada.fticonsulting.com/prizm> or by contacting the Monitor at (416) 739-2920 or 1 855 492-6215 or by emailing the Monitor at prizm@fticonsulting.com.

Special Bulletin to Suppliers
CCAA Filing – March 31, 2011

As one of our valued business partners, I wanted to provide you some details on the important and necessary actions we have taken to address Priszm's current financial affairs.

On March 31, 2011 Priszm Income Fund, Priszm Canadian Operating Trust, Priszm Inc. and KIT Finance Inc. (collectively, the "Applicants") and Priszm LP (together with the Applicants, "Priszm") commenced proceedings under the *Companies' Creditors Arrangement Act*, also known as the "CCAA" and received an order from the Court (the "Initial Order"). As part of the CCAA FTI Canada Consulting Inc., was appointed as monitor (the "Monitor"). The role of the Monitor is to monitor the activities of the Company during the CCAA proceedings and to assist the various stakeholders. Although this was a difficult decision, management determined this step was necessary to complete a restructuring of the Company's indebtedness and is the logical next step in a strategic process to maximize the value of business for the benefit of all key stakeholders – including you, our valued suppliers.

We highly value our partnership with you, and I would like to share some key points with you about our actions:

- CCAA protection will keep creditors, suppliers and others from enforcing any rights against Priszm, and will afford the Company the **opportunity to restructure our financial affairs** in a stable and structured environment.
- A Company that reorganizes under the CCAA is permitted to continue to operate and maintain its business "in the ordinary course." This allows us to continue the day-to-day operations of the Company in a **business-as-usual** manner.
- It's important for you to know that our projections show that the Company generates sufficient cash to fund its continued operations. In addition, as part of the CCAA proceedings, the Company is in the process of arranging and obtaining Court approval of new financing called "debtor-in-possession" or "DIP" financing to provide additional liquidity in case of unforeseen events.
- Vendors and suppliers will be paid for all materials and services required by the Company after the date of filing.
- The Initial Order under the CCAA generally prohibits us from paying for goods and services that were received before March 31, 2011. We understand the impact this may have on you and we are **committed to working with you throughout the process** to endeavour to minimize this impact while complying with the terms of the Initial Order.
- If you are owed monies for goods or services supplied prior to the filing, you will have the opportunity to file a Proof of Claim once the Court has approved a claims process. You will be provided further information in that regard once a claims process has been approved.

As part of our commitment to communicate openly and honestly with you, we will provide timely updates throughout the reorganization process. We set up a special link that is accessible from our Web site, <http://www.priszm.com/>. This link provides additional information including a FAQ sheet about this process. As well, information can be obtained by leaving a message on our hotline at 416 739-2920 or 1 855 492-6215. The Monitor can be reached directly with questions at priszm@fticonsulting.com and information in respect of these proceedings can be found at the Monitor's website <http://cfcananda.fticonsulting.com/priszm>.

We thank you for your continued support, and we look forward to continuing to work with you.

Sincerely,

Deborah Papernick
Chief Finance Officer & Chief Restructuring Officer