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**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

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In re: :
: Chapter 15
SINO-FOREST CORPORATION, :
: Case No. 13-10361 (MG)
:
Debtor in a Foreign Proceeding. :
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**NOTICE OF MOTION TO RECOGNIZE AND ENFORCE ORDER OF ONTARIO
COURT APPROVING ERNST & YOUNG SETTLEMENT**

PLEASE TAKE NOTICE that on September 23, 2013, Ernst & Young LLP (“**E&Y**”) filed a motion (the “**Motion**”) in the United States Bankruptcy Court for the Southern District of New York (the “**Bankruptcy Court**”) seeking, pursuant to sections 105(a), 1507, and 1521 of title 11 of the United States Code (as amended, the “**Bankruptcy Code**”), the entry of an order giving full force and effect in the United States to the March 20, 2013 order (the “**Settlement Order**”) of the Ontario Superior Court of Justice (Commercial List) in the proceeding of Sino-Forest Corporation (“**SFC**”) under Canada’s *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, which Settlement Order approves the settlement of class action claims against E&Y and implements a global release in favor of E&Y under SFC’s plan of compromise and reorganization dated December 3, 2012. Further explanation of the Motion is attached hereto as Exhibit A.

PLEASE TAKE FURTHER NOTICE that the Bankruptcy Court has scheduled a hearing on **November 18, 2013 at 11:00 a.m. (ET)** before the Honorable Martin Glenn in Courtroom 501 of the Bankruptcy Court, One Bowling Green, New York, New York 10004-1408 to consider the Motion and any responses or objections thereto (the “**Hearing**”).

PLEASE TAKE FURTHER NOTICE that objections or responses, if any, to the Motion must be made pursuant to the Bankruptcy Code and the Local and Federal Rules of Bankruptcy Procedure. Such objection or response must be made in writing describing the basis therefore and filed with the Bankruptcy Court electronically in accordance with General Order M-399 by registered users of the Bankruptcy Court’s electronic case filing system, and by all

other parties in interest, on a 3.5 inch disc, preferably in Portable Document Format (PDF), Word Perfect or any other Windows-based word processing format, with a hard copy to the Chambers of the Honorable Martin Glenn, United States Bankruptcy Judge, and served upon counsel for E&Y so as to be received by them no later than **November 7, 2013 at 4:00 p.m. (ET)**. Notices to counsel for E&Y should be addressed to Allen & Overy LLP, 1221 Avenue of the Americas, New York, NY 10020, Attention: Ken Coleman and Jonathan Cho.

PLEASE TAKE FURTHER NOTICE that if no response or objection is timely filed and served as provided above, the Bankruptcy Court may grant the recognition and relief requested by E&Y without further notice or hearing.

Dated: New York, New York
September 23, 2013

ALLEN & OVERY LLP

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EXHIBIT A

**NOTICE OF MOTION TO RECOGNIZE AND ENFORCE THE ORDER OF THE ONTARIO
SUPERIOR COURT APPROVING SETTLEMENT WITH ERNST & YOUNG LLP**

In re Sino-Forest Corporation, Case No. 13-10361(MG) (Bankr. S.D.N.Y)

TO: All persons and entities who, from March 19, 2007 through August 26, 2011, purchased: (i) the common stock of Sino-Forest Corporation (“Sino-Forest”) on the United States Over-the-Counter market and who were damaged thereby, or (ii) debt securities issued by Sino-Forest other than in Canada and who were damaged thereby; and who have, had, could have had or may have a claim against Ernst & Young LLP, Ernst & Young Global Limited or any of its member firms and any person or entity affiliated or connected thereto (collectively “E&Y”) in connection with the purchase or sale of such Sino-Forest securities (the “US E&Y Settlement Class”)¹.

This Notice relates to the recognition and enforcement in the United States of a Canadian order (the “E&Y Settlement Approval Order”) approving a settlement of a class action lawsuit solely as against E&Y for CAD117 million and other consideration (the “E&Y Settlement”). A motion (the “Motion”) has been filed with the United States Bankruptcy Court for the Southern District of New York (the “Bankruptcy Court”) for recognition and enforcement of the E&Y Settlement Approval Order in the United States.

This Notice seeks to explain the basis for the Motion and the process for recognition and enforcement of the E&Y Settlement Approval Order by the Bankruptcy Court. However, you are directed to the Motion itself and all supporting papers for a detailed explanation of the relief requested and this Notice is not intended to serve as a substitute for such full review of the relevant pleadings.

Background of Sino-Forest Class Actions and Canadian Insolvency Proceedings

In June and July of 2011, class actions were commenced in Canada by purchasers of Sino-Forest securities against Sino-Forest and other defendants, including E&Y (collectively, the “Defendants”), the Company’s auditor from 2007 until 2012 (the “Canadian Class Actions”). In January 2012, a similar class action was commenced in the Supreme Court for the State of New York which was subsequently removed to the United States District Court for the Southern District of New York (the “New York Class Action”) (together with the Canadian Class Actions, the “Class Actions”). The Class Actions allege, among other things, that Defendants issued false and misleading statements concerning Sino-Forest’s assets, financial results, business, and transactions. The Class Actions also alleged that E&Y issued false and misleading audit opinions regarding Sino-Forest’s financial statements.

On March 30, 2012, while the Class Actions were pending, Sino-Forest commenced an insolvency proceeding (the “CCAA Proceeding”) under the Companies’ Creditors Arrangement Act (the “CCAA”) in Canada. The Ontario Superior Court ordered a stay of proceedings against Sino-Forest and other parties, including E&Y. As described below, on November 28, 2012, E&Y reached an agreement to settle the Class Actions in connection with and in the context of the pending CCAA Proceeding. On December 10, 2012, the Ontario Superior Court entered an order (the “Plan Sanction

¹ Excluded from the US E&Y Settlement Class are Defendants, the officers and directors of Sino-Forest during any portion of the Class Period, members of the immediate families of the foregoing persons and the legal representatives, heirs, successors or assigns of such persons and any entity in which any Defendant has or had a controlling interest. The US E&Y Settlement Class specifically excludes any investor who purchased Sino-Forest securities on the Toronto Stock Exchange or in Canada.

Order”) approving a restructuring plan for Sino-Forest (the “Plan”). The Plan sets forth the basic terms of the E&Y Settlement and the conditions for implementing the E&Y Settlement.

On February 4, 2013, a proceeding was commenced in the Bankruptcy Court captioned *In re Sino Forest Corporation*, Case No. 13-10361(MG) (the “Chapter 15 Proceeding”) seeking recognition of the CCAA Proceeding, and the enforcement of the Plan Sanction Order, in the United States. On April 15, 2013, the Bankruptcy Court entered an order granting the requested relief recognizing the CCAA Proceeding and recognizing the Plan Sanction Order in the United States.

The E&Y Settlement

On November 28, 2012, plaintiffs in the Canadian Class Actions entered into a global settlement with E&Y. The terms of the settlement provide that E&Y will pay CAD117,000,000.00 to a settlement trust to be administered in accordance with orders of the Ontario Superior Court. Plaintiffs in the New York Class Action also agreed to the terms of the E&Y Settlement subject to the entry of an order by the Bankruptcy Court in the Chapter 15 Proceeding enforcing the E&Y Settlement Approval Order. The current Motion seeks entry of such an order. The E&Y Settlement was approved by order of the Ontario Superior Court on March 20, 2013, and a motion for leave to appeal the E&Y Settlement Order to the Ontario Court of Appeal was dismissed. The E&Y Settlement, as approved by the Ontario Superior Court, is conditioned upon a settlement of all claims, proceedings and potential claims against E&Y in both the United States and Canada and the effectiveness of full and final releases and bar orders in favor of E&Y without the ability of any class member to opt-out of the E&Y Settlement. If the E&Y Settlement becomes effective according to its terms, it will be final and binding on all class members and there will be no ability to pursue a claim (if any) against E&Y. The E&Y Settlement would settle, extinguish and bar all claims against E&Y in relation to Sino-Forest, including claims based upon the allegations in the New York Class Action. E&Y does not admit to any wrongdoing or liability. The terms of the E&Y Settlement do not involve the resolution of any claims against Sino-Forest or any of the other defendants in the Class Actions.

Under the terms of the Plan and the E&Y Settlement Approval Order, class counsel in the Class Actions will seek the Ontario Superior Court’s approval of a global plan of allocation for distribution of the settlement funds (the “Plan of Allocation”) and an award of counsel fees and other expenses. A separate motion for approval of the Plan of Allocation and request for attorneys’ fees and reimbursement of expenses will be made in the CCAA Proceeding and notice of that motion will be provided to class members.

Upon satisfaction of all conditions set forth in the E&Y Settlement, the current Motion will result in, among other things, an order forever barring class member claims against E&Y in relation to Sino Forest including any allegations relating to the Class Actions, as well as claims (if any) that could be advanced through an opt-out process.

Hearing to Enforce E&Y Settlement Approval Order in the United States on November 18, 2013

As set forth above, the E&Y Settlement is conditioned on, among other things, the enforcement and recognition of the E&Y Settlement Approval Order in the United States through the Chapter 15 Proceeding in the Bankruptcy Court. Accordingly, pursuant to the Recognition Order and the Plan, E&Y filed the Motion with the Bankruptcy Court seeking such relief on September 23, 2013.

On November 18, 2013, at 11:00 a.m. (ET), there will be a hearing before the Honorable Martin Glenn in Courtroom 501 of the Bankruptcy Court, One Bowling Green, New York, New York 10004-1408 to consider the Motion and any responses or objections thereto (the "US Hearing"). Members of the US E&Y Settlement Class are among the interested parties who may attend the US Hearing and be heard with respect to a properly filed objection or response.

Any objections or responses to the Motion must be made in accordance with the United States Bankruptcy Code, the Federal Rules of Bankruptcy Procedure, and the Local Rules for the Bankruptcy Court. In addition, such objection or response must be made in writing describing the basis therefore and filed with the Bankruptcy Court electronically in accordance with General Order M-399 by registered users of the Bankruptcy Court's electronic case filing system, and by all other parties in interest, on a 3.5 inch disc, preferably in Portable Document Format (PDF), Word Perfect or any other Windows-based word processing format, with a hard copy to the Chambers of the Honorable Martin Glenn, United States Bankruptcy Judge, and served upon US counsel for Ernst & Young at Allen & Overy LLP, 1221 Avenue of the Americas, New York, NY 10020, Attention: Ken Coleman and Jonathan Cho and Bankruptcy Counsel for the plaintiffs in the Class Actions, Lowenstein Sandler LLP, 1251 Avenue of the Americas, New York, N.Y. 10020, Attention: Michael S. Etkin and Tatiana Ingman, so as to be received by them no later than November 7, 2013 at 4:00 p.m. (ET).

Further Information

Information about the E&Y Settlement, including the Motion, Sino-Forest's restructuring and the proceeding in the Bankruptcy Court are available on the website of the monitor in the CCAA Proceeding at <http://cfcanda.fticonsulting.com/sfc/> (the "Monitor's Website"). The Motion and related papers are also available on the website of Lead Counsel to the US E&Y Settlement Class at <http://www.cohenmilstein.com/cases/274/sino-forest>.

If you would like additional information regarding the Motion and the E&Y Settlement, please contact US Class Counsel at:

COHEN MILSTEIN SELLERS & TOLL, PLLC

**88 Pine Street
New York, NY 10005
(212) 838-7797
Attn: Richard A. Speirs, Esq.**

Interpretation

If there is a conflict between the provisions of this Notice and the Motion or the E&Y Settlement, the terms of the Motion and E&Y Settlement will govern. Please do not direct inquiries about this notice to the Bankruptcy Court. All inquiries should be directed to US Class Counsel.