

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE MR.) TUESDAY, THE 16TH DAY
JUSTICE WILTON-SIEGEL)
) OF FEBRUARY, 2010



IN THE MATTER OF the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended

AND IN THE MATTER of a Plan of Compromise or Arrangement of Brainhunter Inc., TrekLogic Inc., Brainhunter Canada Inc., Brainhunter (Ottawa) Inc. and Protec Employment Services Limited

Applicants

ORDER
(RE DISTRIBUTION ORDER)

THIS MOTION, made by the Applicants for the relief set out in the Applicants' Notice of Motion dated February 9, 2010, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Motion Record of the Applicants, the Motion Record of the ad hoc committee of noteholders (the "**Committee**"), the Fifth Report of Deloitte & Touche Inc. in its capacity as the court monitor appointed in these proceedings (the "**Monitor**") dated February 9, 2010 (the "**Report**"). the Affidavit of Samantha Horn sworn February 10, 2010, the Affidavit of Denise Williams sworn February 11, 2010, the factum of the Monitor and the factum of the Applicants, and on hearing the submissions of counsel for the Applicants, the Monitor, The Toronto-Dominion Bank ("**TD Bank**"), Roynat Capital

Inc. ("**Roynat**"), the Committee, Zylog Systems (Canada) Ltd. and Zylog Systems (India) Limited (together, the "**Purchaser**"), the Stalking Horse Bidder, no one appearing for any other person on the service list;

1. THIS COURT ORDERS that the time for service of the Notice of Motion, the Report and the Motion Record is hereby abridged so that this Motion is properly returnable today and hereby dispenses with further service thereof.

2. THIS COURT ORDERS that the Applicants be and are hereby authorized and directed to distribute to TD Bank (i) all amounts owing for principal, interest, fees, and costs pursuant to its credit agreement with, or security over, the Applicants, and (ii) all amounts outstanding under the DIP Facility (as defined in the initial order of this court dated December 2, 2010, as amended and restated) up to \$7,000,000 (together the "**TD Distribution**").

3. THIS COURT ORDERS that the Applicants be and are hereby authorized and directed to distribute to Roynat all amounts owing for principal, interest, fees, and costs pursuant to its credit agreement with, or security over, the Applicants (the "**Roynat Distribution**").

4. THIS COURT ORDERS that the Applicants be and are hereby authorized and directed to distribute to Fraser Milner Casgrain LLP the amount of \$150,000 in respect of the Noteholder Advisor Charge (as defined in the First Amended and Restated Initial Order, dated December 2, 2009) (the "**Noteholder Advisor Distribution**").


5. THIS COURT ORDERS that, in respect of the TD Distribution, the Roynat Distribution and the Noteholder Advisor Distribution (together the "**Distributions**"), the Applicants are authorized to direct Zylog to pay the Distributions directly to TD Bank, Roynat and Fraser Milner Casgrain LLP.

6. THIS COURT ORDERS THAT any funds received by the Applicants, TD Bank, Roynat, Morrison Financial Services Limited ("**Morrison**") or the Monitor following the closing of the Transaction which represent Purchased Assets as contemplated in the Sales Agreement (all as defined in the Vesting Order dated February 1, 2010), including

but not limited to payment of receivables owing by third parties to the Applicants, shall be forthwith paid to the Purchaser, and pending such payment to the Purchaser, the funds shall be held by the Applicants, TD Bank, Roynat, Morrison or the Monitor, as the case may be, in trust for the Purchaser.

7. THIS COURT ORDERS that the Report of the Monitor and the activities of the Monitor referred to therein be and are hereby ratified and approved.

8. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States, to give effect to this Order and to assist the Applicants, the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Applicants and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, or to assist the Applicants and the Monitor and their respective agents in carrying out the terms of this Order.



Christina Irwin
Registrar, Superior Court of Justice

ENTERED AT / INSCRIT A TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO.:

FEB 16 2010

PER / PAR: 

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF BRAINHUNTER INC., et al.

Court File No: 09-8482-00CL

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(Commercial List)**

Proceeding commenced at Toronto

**ORDER
(RE DISTRIBUTION ORDER)**

Davies Ward Phillips & Vineberg LLP
44th Floor, 1 First Canadian Place
Toronto, ON M5X 1B1

Jay A. Swartz (LSUC #15417L)
James D. Bunting (LSUC #48244K)

Tel: 416.863.0900

Fax: 416.863.0871

Lawyers for the Applicants