

ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)

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 1484558 ONTARIO INC.,  
TREKLOGIC INC., 4386396 CANADA INC., 4386370  
CANADA INC. and PROTEC EMPLOYMENT  
SERVICES LTD.

APPLICANTS

SIXTH REPORT OF THE MONITOR  
DATED FEBRUARY 23, 2010

INTRODUCTION

1. By Order of this Honourable Court dated December 2, 2009 (the "**Initial Order**"), Brainhunter Inc. (the "**Company**"), Brainhunter Canada Inc., Brainhunter (Ottawa) Inc., Protec Employment Services Ltd., and TrekLogic Inc. (collectively, the "**Applicants**" or "**Brainhunter**"), obtained protection from their creditors pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**"). The CCAA proceeding with respect to the Applicants is referred to herein as the "**CCAA Proceeding**".
2. Pursuant to the Initial Order, Deloitte & Touche Inc. ("**Deloitte**") was appointed monitor of the Applicants as part of the CCAA Proceeding (the "**Monitor**"). Pursuant to the Initial Order, all proceedings against the Applicants were stayed until December 31, 2009, or such later date as this Court may order. A copy of the Initial Order is attached as Exhibit "A".
3. By Order dated December 11, 2009 (the "**Bid Process Order**"), this Honourable Court approved the Agreement of Purchase and Sale dated December 1, 2009 (the "**Stalking Horse APA**") between the Applicants as Vendors and TalentPoint Inc., 2223945 Ontario

Limited, 2223947 Ontario Limited and 2223956 Ontario Limited as purchasers (together, the "**Stalking Horse Purchasers**") and Raj Singh pursuant to which the Stalking Horse Purchasers agreed to purchase substantially all of the assets of the Vendors. Pursuant to the Bid Process Order, the Stalking Horse APA was approved as a stalking horse bid under the sale process and auction procedures.

4. Pursuant to the Bid Process Order, the Stay Period, as defined in paragraph 14 of the Initial Order, was extended until February 8, 2010 to permit the Applicants to carry out the Bid Process.
5. Pursuant to the Order of this Honourable Court dated December 11, 2009, the Initial Order was amended (as amended, "**First Amended and Restated Initial Order**") to address, among other things, the scope of the Directors' Indemnity referenced in paragraph 20 of the Initial Order, a reduction in the KERP payable to Mr. Singh, the scope of the Contractor's Charge referenced in paragraph 46 of the Initial Order and the creation of a charge in favour of the ad-hoc committee of noteholders (the "**Noteholders**") in respect of reasonable legal costs and reasonable costs of any financial advisor retained by the committee. A copy of the First Amended and Restated Initial Order is attached as Exhibit "**B**".
6. By Order of this Honourable Court dated January 12, 2010, the deadline date to submit an offer to purchase the Applicants' Assets or sponsor a plan of arrangement pursuant to the Bid Process was extended from January 13, 2010 until 5:00 p.m. (Eastern Time) on Monday, January 18, 2010.
7. By Order of this Honourable Court dated January 22, 2010, the auction rules and procedures attached as an exhibit to the Monitor's Third Report to the Court dated January 21, 2010 were amended on the terms described therein and, in consideration of the closing date under the Stalking Horse APA being extended from February 5, 2010 until February 17, 2010 (the "**Closing Date**"), the terms of the Agreement between Zylog Systems (Canada) Ltd. and Zylog Systems (India) Limited (together, "**Zylog**"), the Stalking Horse Purchasers and Raj Singh were approved. Raj Singh is the principal of the Stalking Horse Purchasers and the President and CEO of the Company. The Company terminated Mr. Singh's employment on or about the Closing Date.

8. By Order of this Honourable Court dated February 1, 2010 ("**Zylog Approval and Vesting Order**"), the Agreement of Purchase and Sale between the Applicants, Vision2Hire Solutions Inc. and Brainhunter Recruiting (India) Private Limited (collectively, the "**Vendors**") and Zylog as Purchasers dated as of January 18, 2010 (the "**Zylog APA**") was approved and the Purchased Assets (as defined in the Zylog APA) were vested in and to Zylog upon Closing of the transaction under the Zylog APA. A copy of the Zylog Approval and Vesting Order is attached as Exhibit "**C**". A copy of the Zylog APA is attached as Exhibit "**D**".
9. Also by Order of this Honourable Court dated February 1, 2010, the Stay Period was extended until March 1, 2010 to permit the Applicants to close the transaction under the Zylog APA.
10. By Order of this Honourable Court dated February 11, 2010 (the "**Distribution Order**"), this Honourable Court directed that certain of the proceeds of sale under the Zylog APA be distributed to TD Bank, Roynat and counsel to the Noteholders in accordance with the Noteholders' Advisor Charge. A copy of the Distribution Order is attached as Exhibit "**E**".
11. In accordance with the Zylog Approval and Vesting Order, the Applicants changed their names following closing of the transaction under the Zylog APA as follows:
  - (a) Brainhunter Inc. changed to 1484558 Ontario Inc.;
  - (b) Brainhunter Canada Inc. changed to 4386396 Canada Inc.; and
  - (c) Brainhunter (Ottawa) Inc. changed to 4386370 Canada Inc.

Also in accordance with the Zylog Approval and Vesting Order, the style of cause in this proceeding was amended to reflect the foregoing name changes.

12. The Orders in this proceeding, together with related Court documents, the Pre-Filing Report of Deloitte in its capacity as Proposed Monitor of the Applicants dated December 1, 2009, all subsequent reports of the Monitor to the Court and the Notice to Creditors dated December 2, 2009 have been posted on the Monitor's website at [www.deloitte.com/ca/brainhunter](http://www.deloitte.com/ca/brainhunter). The Monitor has also established a toll free number at

1-877-770-4554 for creditors and other interested parties to call with questions or concerns regarding the CCAA Proceeding.

13. The purpose of this report ("**Sixth Report**") is to provide this Honourable Court with the following information regarding the Monitor's motion to (i) expand the powers and duties of the Monitor to permit it to undertake activities necessary to finalize the estate of the Applicants within the CCAA Proceeding; (ii) discharge the KERP Charge, DIP Charge, Existing TD Security Charge, Contractors' Charge and the Noteholder's Advisor Charge (each as defined in the First Amended and Restated Initial Order); (iii) extend the Stay Period; and (iv) approve this Sixth Report and the activities of the Monitor described herein:

- (a) Closing of the Zylog APA;
- (b) Distribution of the proceeds and assumption of certain of the Applicants' liabilities by Zylog;
- (c) Post-Closing matters;
- (d) Resignation of the officers and directors of the Applicants;
- (e) Outstanding matters to be completed to finalize the estates of the Applicants within the CCAA Proceeding;
- (f) The Monitor's Statement of Receipts and Disbursements for the period between January 30, 2010 and February 18, 2010, including an updated Cash Flow Forecast for the period from February 19, 2010 to April 30, 2010; and
- (g) The Monitor's conclusions and recommendations with respect to the relief sought.

14. Unless otherwise provided, capitalized terms not otherwise defined in this Sixth Report are as defined in the First Amended and Restated Initial Order or the Zylog APA.

#### **TERMS OF REFERENCE**

15. In preparing the Sixth Report and making the comments contained herein, Deloitte has been provided with and relied upon unaudited financial information, the Applicants'

books and records, the financial information prepared by the Applicants and their advisors, and discussions with management of the Applicants. Deloitte has not audited, reviewed, or otherwise attempted to verify the accuracy or completeness of the information and, accordingly, Deloitte expresses no opinion or other form of assurance on the information contained in the Sixth Report. An examination of the financial forecast as outlined in the Canadian Institute of Chartered Accountants Handbook has not been performed. Future oriented financial information referred to or relied upon in the Sixth Report is based on management's assumptions regarding future events and conditions that are not ascertainable. Accordingly, actual results achieved will vary from this information, and the variations may be material.

16. Unless otherwise stated, all dollar amounts contained in the Sixth Report are expressed in Canadian dollars.

#### **BACKGROUND**

17. The Company is a Toronto-based corporation and was listed on the Toronto Stock Exchange with the ticker "BH." Brainhunter operated predominately in Toronto and Ottawa, Ontario, with limited affiliated operations in Hyderabad, India.
18. Brainhunter provided temporary staffing and related services, primarily in respect of information technology and engineering jobs, to a wide variety of industries. The largest sector served by Brainhunter was the public sector.

#### **ZYLOG SALE**

19. As noted above, the Zylog APA and the transactions contained therein were approved by this Honourable Court pursuant to the terms of the Zylog Approval and Vesting Order. Closing under the Zylog APA was largely completed on February 17, 2010 (the "Closing Date") and was finalized on February 18, 2010.
20. The Company's books of account were closed by the Company's accounting department as quickly as possible on the Closing Date. Based upon information provided to the Monitor by the Company's accounting department, the Monitor prepared a calculation of the aggregate consideration payable under the Zylog APA ("**Consideration Schedule**"), a copy of which is attached as Exhibit "F".

21. The Closing Time under the Zylog APA was 10:00 a.m. on the Closing Date. The amount outstanding under the DIP Facility, as well as the other amounts referenced in Exhibit "F", were calculated as at 10:00 a.m. on the Closing Date.
22. The Monitor circulated the Consideration Schedule to Zylog and the Vendor Entities. The Vendor Entities confirmed that they would close the transaction under the Zylog APA on the basis of the Consideration Schedule. As described below, Zylog wired sufficient funds to satisfy the cash consideration payable under the Zylog APA to the various recipients thereof on the Closing Date.
23. In accordance with the terms of the Zylog APA, the Monitor held a deposit (the "Deposit") in the amount of \$1,025,872 (inclusive of interest accrued to the Closing Date). In accordance with Section 3.2 of the Zylog APA and the terms of the Distribution Order, at Closing the following amounts were paid by or at the direction of Zylog in cash or otherwise satisfied from the Deposit:
  - (a) payment to the Monitor of \$250,000 ("CCAA Fund") to fund any costs or expenses incurred after Closing in connection with the CCAA Proceeding or wind-up of the Applicants' businesses;
  - (b) payment to the Monitor of \$225,000 to be held in trust by the Monitor to satisfy statutory priority claims outstanding as at the Closing Date;
  - (c) payment to TD Bank of (i) all amounts owing for principal, interest and costs due and owing pursuant to its credit agreement or security; and (ii) the amount outstanding under the DIP Facility;
  - (d) payment to Roynat of amounts owing for principal, interest and costs due and owing pursuant to its credit agreement or security;
  - (e) payment to Fraser Milner Casgrain LLP of \$150,000 in satisfaction of the Noteholder's Advisor Charge; and
  - (f) payment of the \$700,000 Break Fee to the Stalking Horse Purchasers.

24. Also on Closing and in accordance with the terms of the Zylog APA, Zylog assumed the following liabilities:
- (a) all liabilities related to the use of the Purchased Assets from and after the Time of Closing, including all Contractor Liabilities under all Contractor Agreements, with the result that, in accordance with paragraph 46 of the First Amended and Restated Initial Order, the Contractors' Charge has been automatically released and discharged;
  - (b) the obligation of the Vendor Entities to indemnify each of the directors and officers of the Vendor Entities for claims and liabilities subject to the Directors' Indemnity as described in the First Amended and Restated Initial Order, provided such assumption of obligations is limited to the amount of the Directors' Charge to a maximum of \$1.7 million or such lesser amount as is outstanding in respect of the specific indemnified obligations identified in Schedule 12 to the Zylog APA as at the Closing Date; and
  - (c) any amounts outstanding, as of the Closing Date, up to a maximum of \$1,000,000 secured by the Administration Charge.
25. The following charges were created with the following priority pursuant to the First Amended and Restated Initial Order:
- (a) First – Administration Charge in an amount up to \$700,000;
  - (b) Second – KERP Charge;
  - (c) Third – DIP Charge;
  - (d) Fourth – Administration Charge for amounts in excess of \$700,000 up to \$1,000,000;
  - (e) Fifth – the Existing TD Security;
  - (f) Sixth – Directors' Charge; and

(g) Seventh – Contractors' Charge.

26. The First Amended and Restated Initial Order also created the Noteholders' Advisor Charge in an amount up to \$150,000 upon the property of the Company, which Charge ranked in priority immediately behind all secured creditors of the Company other than the security held by the Noteholders.
27. Prior to Closing, all amounts subject to the KERP Charge were satisfied by the Applicants by way of payments to certain of the Applicants' employees. Also prior to Closing, the Applicants paid to the beneficiaries of the Administration Charge sufficient funds to pay all amounts secured thereby, net of the retainers held by certain of the professionals referred to below. Subject to any claims by Breakwall Financial Corp. ("**Breakwall**") for indemnification by the Applicants as described in more detail below, the proceeds of sale paid by or at the direction of Zylog pursuant to the Zylog APA, as well as the assumption of certain liabilities by Zylog thereunder, have resulted in the satisfaction of all amounts secured by the various charges created pursuant to the terms of the First Amended and Restated Initial Order as at the Closing Date.
28. Pursuant to Section 5.6 of the Zylog APA, Zylog offered employment to all but four (4) of the active employees of the Applicants. All of the Applicants' employees were terminated by the Applicants immediately prior to the Closing of the Zylog APA. As a result, after the Closing Date, the Applicants have no remaining employees.
29. Pursuant to paragraph 29 of the First Amended and Restated Initial Order, the Applicants were authorized to pay certain retainers to the Monitor, counsel to the Monitor and counsel to the Applicants as security for payment of their respective fees and disbursements. Following Closing of the Zylog APA, the Monitor and counsel to the Monitor rendered final accounts for the period to and including the Closing Date and will remit the balance of the retainers in each such party's possession to Zylog. Counsel to the Applicants applied the full amount of its retainer in satisfaction of outstanding fees and disbursements to and including the Closing Date.
30. The Monitor filed its Monitor's Certificate (the "**Monitor's Certificate**") in accordance with the Zylog Approval and Vesting Order on February 18, 2010 certifying that the

transaction was completed to the satisfaction of the Monitor. A copy of the Monitor's Certificate is attached as Exhibit "G".

31. The Stalking Horse Purchasers previously paid to counsel to the Monitor a deposit in the amount of \$500,000 in accordance with the terms of the Stalking Horse APA. Immediately following Closing under the Zylog APA, counsel to the Monitor returned to the Stalking Horse Purchasers the amount of the deposit in the principal amount of \$500,000, together with interest accrued thereon.

**FEE PAYABLE TO BREAKWALL FINANCIAL CORP.**

32. Pursuant to the terms of the First Amended and Restated Initial Order, this Honourable Court appointed Breakwall as the Chief Restructuring Advisor of the Applicants ("CRA") in accordance with the terms of the Agreement dated October 3, 2009 between the Company and Breakwall (the "Breakwall Agreement"). A copy of the Breakwall Agreement is attached as Exhibit "H".
33. The Breakwall Agreement provides for the payment to Breakwall of both a work fee in the amount of \$50,000 per month as well as a success fee ("Success Fee") based on the definition of "Transaction Value" contained therein. The Applicants brought a motion returnable February 11, 2010 to calculate the amount of Transaction Value with reference not just to the proceeds of sale payable under the Zylog APA but with respect to certain consideration received by the Noteholders pursuant to the Lock-Up Agreement with Zylog. That motion was not successful.
34. Counsel to Zylog and the ad-hoc committee of Noteholders sought a cost order against Breakwall in connection with that motion. Pending receipt of submissions as to costs, the Honourable Mr. Justice Wilton-Siegel directed that the sum of \$10,000 be deducted from the amount otherwise payable to Breakwall on account of the Success Fee and retained by the Monitor pending resolution of the foregoing claim for costs.
35. The Consideration Schedule prepared by the Monitor based upon information provided by the Company calculated the amount of the Success Fee payable to Breakwall as to \$405,408 (including GST). Immediately prior to Closing, the Success Fee was paid by

the Company to Breakwall, less the sum of \$10,000 which is currently held by the Monitor in accordance the direction of the Honourable Mr. Justice Wilton-Siegel.

36. Prior to Closing, Breakwall verbally advised the Monitor that it did not agree with the calculation of the Success Fee contained in the Consideration Schedule. Breakwall advised the Monitor that the amount of the Success Fee was understated by \$50,000.
37. As noted above, notwithstanding the objection by Breakwall to the calculation of the Success Fee, the Vendors agreed to close the transaction under the Zylog APA based upon the amounts specified in the Consideration Schedule including, without limitation, the amount of the Success Fee. However, the Monitor understands that Breakwall does not at this time intend to pursue its claim that it has been underpaid on account of the Success Fee by approximately \$50,000.
38. Counsel to Zylog has requested that the Monitor notify Zylog of any communication from Breakwall regarding the amount of the Success Fee claimed by Breakwall and provide copies to Zylog of any documentation provided in support of such claim. Counsel to Zylog has also advised the Monitor that no amounts should be agreed to or paid to Breakwall without Zylog's consent and/or Court Order, obtained on notice to Zylog.
39. The Breakwall Agreement contains an indemnity from the Company in favour of Breakwall in connection with claims against Breakwall arising out of or in connection with its engagement as CRA. Breakwall has advised the Monitor that it may rely upon the foregoing indemnity in the event that any claims are made against Breakwall in its capacity as CRA.

#### **STATUS OF POST-FILING CLAIMS**

40. Pursuant to the terms of the Zylog APA, Zylog agreed to assume, pay, perform or discharge when due those liabilities accruing from the use of the Purchased Assets from and after the Time of Closing. Zylog specifically did not agree to assume any liabilities related to the Excluded Assets or related to any litigation to which the Vendor Entities were subject. The Excluded Assets consist of the following:

- (a) "Excluded Contracts": consisting of certain agreements between Brainhunter Inc. and the Noteholders specified in Schedule 1 to the Zylog APA;
- (b) "Excluded Contactor Agreements": there are no Excluded Contractor Agreements since Zylog agreed to assume all of the Contractor Agreements;
- (c) "Excluded Equipment Leases" and the Equipment related thereto. The Excluded Equipment Leases are specified in Schedule 3 to the Zylog APA and consist of the following:
  - (i) equipment leases between CBSC Capital Inc. and the Company. The collateral subject to the foregoing leases consists of 5 photocopiers. The foregoing leases were disclaimed by the Company effective March 13, 2010. Prior to the Closing Date, the Company paid all amounts accruing due under the foregoing leases to CBSC Capital Inc. The Monitor is currently working with Zylog to arrange for return of the photocopiers to CBSC Capital Inc. Attached as Exhibit "I" is a summary of the PPSA registrations against each of the Applicants. CBSC Capital Inc. has made 4 separate PPSA registrations against the Company in respect of the foregoing leases; and
  - (ii) vehicle lease between DCFS Canada Corp. and Mercedes-Benz Financial and Brainhunter Canada Inc. The foregoing vehicle lease was disclaimed by the Company effective March 13, 2010. Prior to the Closing Date, the Company paid all amounts accruing due under the foregoing lease to the effective date of disclaimer by the Company. The Monitor is working with Zylog to facilitate return of the vehicle to the lessor or to re-lease this vehicle. DCFS Canada Corp. and Mercedes-Benz Financial filed a registration under the PPSA against Brainhunter Canada Inc. in respect of the lease of this vehicle.
- (d) "Excluded Real Property Leases" specified in Schedule 2 to the Zylog APA. The Excluded Real Property Leases consist of the following:

- (i) Lease for the premises located at 1001 de Maisonneuve West, 8<sup>th</sup> Floor, Montreal, Quebec, H3A 3C8, between Brainhunter Inc. and Standard Life. This lease was disclaimed by the Company effective January 21, 2010 and the Company paid all amounts accruing due under this lease prior to the effective date of disclaimer;
  - (ii) Lease for the premises located at 691508<sup>th</sup> Street N.E., Unit 125, Calgary, Alberta, between Brainhunter Inc. and Sunlife Assurance Company of Canada. This lease was disclaimed by the Company effective January 21, 2010 and all amounts accruing due under this lease were paid by the Company prior to the effective date of disclaimer;
  - (iii) Lease agreement between the Standard Life Assurance Company of Canada as landlord and Brainhunter as tenant for 2 Sheppard Avenue East, Suite 700 and Suite 2000, Toronto, Ontario. This lease was disclaimed by the Company effective March 13, 2010 and all amounts accruing due under this lease were paid by the Company prior to the effective date of disclaimer; and
  - (iv) Sublease Agreement between Brainhunter as sub-landlord and Krylov and Company, Barristers as subtenant and landlord consent to sublease between the Standard Life Assurance Company of Canada as head landlord, Brainhunter as head tenant, and Krylov and Company, Barristers as sub-tenant for 2 Sheppard Avenue East, Suite 700, Toronto, Ontario. The Monitor has not reviewed an executed copy of the sublease and understands from former management of the Company that the foregoing sublease may not have been executed by the Company.
- (e) Corporate records of the Applicants.
41. Based upon the records of the Applicants made available to the Monitor, the Monitor is not aware of any claims against any of the Applicants arising from and after the date of

the Initial Order, other than the contingent claim by Breakwall for indemnification under the Breakwall Agreement.

42. Based upon the records of the Applicants made available to the Monitor, the only remaining tangible Property of the Applicants consists of the Applicants' corporate records as well as the shares of Brainhunter U.K. Limited, Brainhunter.com Inc., Balanced Brain Initiatives Inc., Siolink Solutions Inc. and Brainhunter Recruiting (India) Private Limited. At this time, the Monitor does not ascribe any value to the foregoing Property.

#### **CORPORATE GOVERNANCE**

43. Concurrent with the Closing of the Zylog APA, each of the officers and directors of the Applicants resigned their positions. As a result of the resignation of the officers and directors, the Monitor has concluded that an expansion of the Monitor's powers and duties is the most cost-effective means of finalizing the estate of the Applicants.
44. Certain administrative matters remain to be completed to finalize the estate of the Applicants including:
- (a) Preparation of February, 2010 statutory returns and employee-related remittances for the period prior to the Closing Date;
  - (b) Preparation of the employees' T4 statements and records of employment;
  - (c) Completion of assignments of insurance policies;
  - (d) Preparation of income tax returns in respect of each of the Applicants;
  - (e) Return or disposition of any remaining assets not purchased by Zylog; and
  - (f) Discontinuing the monthly retainer by the Applicants of Breakwall as CRA in accordance with the Breakwall Agreement. Given closing of the sale under the Zylog APA, the Applicants do not require the continuing retainer of the CRA.
45. Currently, the Monitor estimates that it will require until approximately April 30, 2010 to complete the foregoing administrative matters and finalize the estate of the Applicants.

46. The relief requested by the Monitor to expand its powers and duties also proposes the following safeguard provisions:
- (a) pursuant to the First Amended and Restated Initial Order, the Applicants shall remain in possession and control of the remaining Property and the Monitor shall not be deemed to be in possession and/or control of the Property as a result of the expansion of the Monitor's powers and duties as outlined herein;
  - (b) prior to the expansion of the powers and duties of the Monitor, all of the Applicants' employees were terminated by the Applicants. The Monitor shall not be responsible for any employee-related liabilities as a result of the relief requested herein; and
  - (c) the Monitor shall continue to have all of the protections afforded to it pursuant to the First Amended and Restated Initial Order.

#### **CLAIMS PROCESS**

47. As noted above, all of the proceeds of sale under the Zylog APA have been utilized to satisfy the various secured claims against the Applicants and post-filing liabilities of the Applicants. The Monitor is not aware of any assets of the Applicants or any other funds available to satisfy the claims of the remaining creditors of the Applicants. Consequently, it is the Monitor's view that a claims process in respect of pre-filing claims against the Applicants is of no value to the estate.
48. The Monitor is not aware of any unpaid or unassumed claims for goods or services supplied from and after the date of the Initial Order except for the contingent claim for indemnification by Breakwall as described above and, accordingly, does not propose to carry out a claims process in respect of any post-filing claims.
49. The Monitor has considered if it would be more beneficial to the Applicants' creditors if proceedings in respect of the Applicants were taken under the *Bankruptcy and Insolvency Act* (Canada). Given that the Monitor is not aware of any assets of the Applicants which would be available to the Applicants' creditors upon the bankruptcy of the Applicants, there does not appear to be any benefit to the Applicants' creditors to take any

proceedings with respect to the Applicants under the *Bankruptcy and Insolvency Act* (Canada) and, accordingly, the Monitor does not propose to do so.

#### **STATEMENT OF RECEIPTS AND DISBURSEMENTS**

50. Attached as Exhibit "J" is the Statement of Receipts and Disbursements for the period between January 30, 2010 and February 18, 2010, including an updated Cash Flow Forecast for the period from February 19, 2010 to April 30, 2010. The DIP Facility has been repaid and is no longer available to the Applicants. The Monitor forecasts that the CCAA Fund will be sufficient to fund steps necessary to finalize the estate of the Applicants.

#### **STAY EXTENSION**

51. The Monitor has also requests that the Court approve an extension of the Stay Period from March 1, 2010 to April 30, 2010 to permit the Monitor to finalize of the estate of the Applicants.

#### **MONITOR'S CONCLUSION AND RECOMMENDATIONS**

52. For the reasons set out above, the Monitor recommends that:
- (a) the powers and duties of the Monitor be expanded on the terms of the draft Order to permit the Monitor to undertake activities necessary to finalize the estate of the Applicants;
  - (b) the KERP Charge, the DIP Charge, the Existing TD Security Charge, Contractors' Charge and the Noteholder's Advisor Charge be discharged; and
  - (c) the Stay Period be extended to April 30, 2010.

All of which is respectfully submitted at Toronto, Ontario this 23<sup>rd</sup> day of February, 2010.

**DELOITTE & TOUCHE INC.**  
in its capacity as Monitor  
of 1484558 Ontario Inc. (formerly  
Brainhunter Inc.) and the other Applicants

Per: P. Casey,  
Paul M. Casey, CA-CIRP  
Senior Vice-President