

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION**

IN RE: ASCALADE COMMUNICATIONS, INC. AND)
ASCALADE TECHNOLOGIES, INC.) Case No. _____
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Debtors in a Foreign Proceeding.) Chapter 15
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**STATEMENT AND DECLARATION IN SUPPORT OF PETITION FOR RECOGNITION OF FOREIGN MAIN
PROCEEDING PURSUANT TO §§ 1515 AND 1517
OF THE UNITED STATES BANKRUPTCY CODE AND FOR RELATED RELIEF**

Deloitte & Touche Inc., not individually, but solely as Monitor (the “*Monitor*” or the “*Petitioner*”), appointed in the matter of Ascalade Communications, Inc. and Ascalade Technologies, Inc. (“*Debtors*”) pending in the Supreme Court of British Columbia, No. S081520, under the Companies’ Creditors Arrangement Act, the Canada Business Corporations Act, and the British Columbia Business Corporations Act, (the “*Foreign Proceeding*”), respectfully files the Official Form Petition and this Statement and Declaration in Support, each pursuant to §§ 1515 and 1517 of the United States Bankruptcy Code (the “*Code*”) for entry of an order recognizing the Foreign Proceeding as a “foreign main proceeding” within the meaning of Chapter 15 of the Code, and granting relief under §§ 1520 and 1521 of the Code. In support of the Petition, the Monitor states as follows:

Foreign debtor Ascalade Communications, Inc. (“*Communications*”) is a Canadian company, incorporated under the laws of the Province of British Columbia, and is a public company listed on the Toronto Stock Exchange. (See Affidavit of Greg Allen, President of Communications, attached hereto as Exhibit 1.) Communications has its head office at 1200

Waterfront Centre, 200 Burrard Street, Vancouver, B.C. V7X 1T2 and its principal place of business in British Columbia, at 12051 Riverside Way, Richmond, B.C., V6W 1K7. (*Id.*)

Foreign debtor Ascalade Technologies, Inc. (“*Technologies*”) is a Canadian company, incorporated under the federal laws of Canada, and is a wholly owned subsidiary of Communications. (*Id.*) Technologies also has its principal place of business in British Columbia, at 12051 Riverside Way, Richmond, B.C., V6W 1K7. (*Id.*)

Debtors commenced the Foreign Proceedings on March 3, 2008, by filing a petition in the Supreme Court of British Columbia under the Companies’ Creditors Arrangement Act, the Canada Business Corporations Act, and the British Columbia Business Corporations Act. (*Id.*) The Foreign Proceedings are the rough equivalent of a petition for relief under Chapter 11 of the Code.

As further set forth below, there is pending in this district, the United States District Court for the Northern District of Illinois, an action against Communications, in which Communications is a defendant. (*Id.*)

Jurisdiction and Venue

This Court has jurisdiction over this Petition pursuant to 28 U.S.C. §§ 157 and 1334, and 11 U.S.C. § 1501(b). Venue is proper in this district pursuant to 28 U.S.C. § 1410(2) as to Communications and § 1410(3) as to Technologies.

Verified Declaration of the Monitor

1. I, Jervis Rodrigues, am a Senior Vice President of Deloitte & Touche Inc. with primary responsibility for Deloitte & Touche Inc.’s role as Monitor, as more fully set forth below. I am over 18 years of age. As such, I have personal knowledge of the following facts, and if called I would so testify.

2. I make this declaration on behalf of Deloitte & Touche Inc., as foreign representative within the meaning of title 15 of the United States Bankruptcy Code, pursuant to 11 U.S.C. § 1515(c).

3. By order of the Supreme Court of British Columbia, Deloitte & Touche Inc. was appointed Monitor in *In the matter of Ascalade Communications, Inc. and Ascalade Technologies, Inc.* (“Debtors”) pending in the Supreme Court of British Columbia, No. S081520, under the Companies’ Creditors Arrangement Act, the Canada Business Corporations Act, and the British Columbia Business Corporations Act (the Foreign Proceeding, as defined above) (the “Order”). Accordingly, Deloitte & Touche Inc. is the authorized foreign representative for the foreign debtors.

4. Pursuant to 11 U.S.C. § 1515(b), attached hereto as Exhibit 2 is a true and correct copy of the certified Order.

5. Communications (as defined above) is a Canadian company, incorporated under the laws of the Province of British Columbia, and is a public company listed on the Toronto Stock Exchange. Communications has its registered office as 1200 Waterfront Centre, 200 Burrard Street, Vancouver, B.C. V7X 1T2, and its principal place of business in British Columbia, at 12051 Riverside Way, Richmond, B.C., V6W 1K7.

6. Technologies (as defined above) (together with Communications, “Debtors”) is a Canadian company, incorporated under the federal laws of Canada, and is a wholly owned subsidiary of Communications. Technologies also has its principal place of business in British Columbia, at 12051 Riverside Way, Richmond, B.C., V6W 1K7.

7. The Foreign Proceeding is a proceeding under Canadian law related to the insolvency or adjustment of debt of the Debtors, and Debtors’ assets and affairs are subject to control or supervision of the Supreme Court of British Columbia under Canadian law. Attached

hereto as Exhibit 3 is the Declaration of John Grieve of Fasken Martineau DuMoulin LLP, Canadian counsel to the Monitor, explaining the nature of the Foreign Proceeding. I am informed by competent Canadian and American counsel, and believe, that the Foreign Proceeding is a “foreign proceeding” within the meaning of § 101(23) of the Code.

8. The registered offices and main place of business of each Debtor is in Canada. I am informed by competent Canadian and American counsel, and believe, that the Foreign Proceeding is a “foreign main proceeding” within the meaning of § 1502(4), of the Code.

9. The Foreign Proceeding is the only foreign proceeding within the meaning of the United States Bankruptcy Code pending with respect to Technologies or Communications. Attached hereto as Addendum 1 is a listing of the name and address of administrators in the Foreign Proceeding and all parties to litigation pending against them in the United States.

10. There is pending against Communications an action in the United States District Court for the Northern District of Illinois, styled *Riparius Ventures, LLC v. Ascalade Communications, Inc.*, No. 07 C 3063 (Hon. John W. Darrah, presiding).

I certify pursuant to 28 U.S.C. § 1746 under penalty of perjury under the laws of the United States of America that the foregoing statements of fact in paragraphs numbered 1-10, are true and correct.

/s/ Jervis Rodrigues

Jervis Rodrigues

for DELOITTE & TOUCHE INC., in its capacity as Monitor and Foreign Representative of Ascalade Communications Inc. and Ascalade Technologies Inc., and not in its personal capacity

ADDENDUM 1

Listing of Administrators and Parties Pursuant to IBR 1007(a)(4)

Administrators of the Foreign Proceeding (as defined in the Petition):

INDUSTRY CANADA

Office of the Superintendent of Bankruptcy
300 West Georgia Street, Suite 1900
Vancouver, B.C. V6B 6E1 CANADA
Attn: Bill Millar

THE COURT

Correspondence

British Columbia Supreme Court
Trial Coordinator's Office
800 Smithe Street
Vancouver, B.C. V67 2E1

Filings

British Columbia Supreme Court
Civil Registry
800 Smithe Street
Vancouver, B.C. V67 2E1

Justice*

The Honorable Mr. Justice Burnyeat
British Columbia Supreme Court
800 Smithe Street
Vancouver, B.C. V67 2E1

* Parties are advised not to contact the
Justice directly

Parties to the Riparius Litigation (as defined in the Petition):

Riparius Ventures LLC

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Koninkluka Philips Electronics N.V.

(no appearance on file)