

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

B E T W E E N:

2293035 ONTARIO LIMITED

Applicant

and

HEALTHSCREEN SOLUTIONS INCORPORATED

Respondent

**MOTION RECORD OF THE RECEIVER
(MOTION: APPROVAL AND VESTING ORDERS
RETURNABLE OCTOBER 11, 2011)**

September 30, 2011

GARDINER ROBERTS LLP

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Incorporated

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Secured Creditor

AND TO: **ALLIANCE FUNDING CORPORATION**
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AND TO: **JUSTIN BELOBABA**
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Secured Creditor

AND TO: **CIT FINANCIAL LIMITED**
5035 South Service Road
Burlington, ON
L7R 4C8

Tel: 1-888-563-4321
Fax: 905-633-3310

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AND TO: **HER MAJESTY IN RIGHT OF ONTARIO AS REPRESENTED BY THE
MINISTER OF REVENUE**
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AND TO: **HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF
ONTARIO AS REPRESENTED BY THE MINISTER OF FINANCE
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33 King Street West
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Kevin J. O'Hara

Secured Creditor

AND TO: **AZEDOMINE INC.**
c/o Justin Belobaba
68 Yorkville Avenue
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Secured Creditor

AND TO: **THE WORKPLACE SAFETY AND INSURANCE BOARD**
200 Front Street West
Toronto, Ontario
M5V 3J1

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TAB 1

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

B E T W E E N:

2293035 ONTARIO LIMITED

Applicant

and

HEALTHSCREEN SOLUTIONS INCORPORATED

Respondent

NOTICE OF MOTION

DELOITTE & TOUCHE INC. (the “**Receiver**”), in its capacity as the Court-appointed Receiver of Healthscreen Solutions Incorporated, will make a motion before a Judge presiding over the Commercial List on Tuesday, October 11, 2011 at 10:00 a.m. or as soon after that time as the motion can be heard at 330 University Avenue, Toronto, Ontario.

PROPOSED METHOD OF HEARING:

The motion is to be heard orally.

THE MOTION IS FOR:

- (a) an Order, if necessary, validating service of this notice of motion and the Motion Record in the manner effected by the Receiver and an Order dispensing with service thereof on any party other than the parties served;

- (b) an Order approving two Asset Purchase Agreements (the “**Purchase Agreements**”) between the Receiver and 2293035 Ontario Limited and between the Receiver and Physiomed Group Inc. substantially in the terms of the Purchase Agreements attached hereto as Exhibits “G” and “H” of the Receiver’s First Report dated September 30, 2011 (the “**Report**”) and to authorize the Receiver to take all steps necessary to enter into and to close the Purchase Agreements;
- (c) two Orders vesting title of the respective Purchased Assets in and to the Purchasers subject to the successful closing of the transactions under the Purchase Agreements substantially in the terms of the vesting order attached hereto as Tab Nos. 1A and 1B of this Motion Record;
- (d) an Order approving the activities of the Receiver as set out in the Receiver’s First Report;
- (e) an Order approving the Receiver’s Interim Statement of Receipts and Disbursements;
- (f) an Order approving the Receiver’s interim fees in the amount of \$164,656.26 inclusive of taxes;
- (g) an Order approving the interim fees and disbursements of the Receiver’s counsel in the amount of \$20,443.78, inclusive of taxes;
- (h) such further and other relief as counsel may request and this Honourable Court deems just.

THE GROUNDS FOR THE MOTION ARE:

1. the facts and recommendations set out in the First Report of the Receiver; and
2. such further and other grounds as counsel may advise and this Honourable Court may permit.

THE FOLLOWING DOCUMENTARY EVIDENCE will be used at the hearing of the motion:

1. the First Report of the Receiver; and
2. such further and other evidence as counsel may advise and this Honourable Court may permit.

September 30, 2011

GARDINER ROBERTS LLP

Lawyers
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Lawyers for Deloitte & Touche Inc., the Court-appointed Receiver of Healthscreen Solutions Incorporated

TO: **FOGLER RUBINOFF LLP**

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200 Front Street West
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Tel: 416-344-1000
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TAB A

Court File No. CV-11-0365-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE)	TUESDAY, THE 11TH
)	
JUSTICE)	DAY OF OCTOBER, 2011

B E T W E E N:

2293035 ONTARIO LIMITED

Applicant

and

HEALTHSCREEN SOLUTIONS INCORPORATED

Respondent

APPROVAL AND VESTING ORDER

(2293035 Ontario Inc.)

THIS MOTION, made by Deloitte & Touche Inc. in its capacity as the Court-appointed receiver (the “Receiver”) of the undertaking, property and assets of Healthscreen Solutions Incorporated (the “Debtor”) for an order approving the sale transaction (the “Transaction”) contemplated by an agreement of purchase and sale (the “Purchase Agreement”) between the Receiver and 2293035 Ontario Limited (the “Purchaser”) dated September 23, 2011, and appended to the Report of the Receiver dated October 3, 2011 (the “Report”), and vesting in the Purchaser the Debtor’s right, title and interest in and to the assets described in the Purchase Agreement (the “Purchased Assets”), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Report and on hearing the submissions of counsel for the Receiver, no one appearing for any other person on the service list, although properly served as appears from the affidavit of Kellie Engelhardt sworn October 3, 2011, filed:

1. THIS COURT ORDERS that the time for service of the Notice of Motion and the Motion is hereby abridged and validated so that this motion is properly returnable today and hereby dispenses with further service thereof.
2. THIS COURT ORDERS AND DECLARES that the Transaction is hereby approved, and the execution of the Purchase Agreement by the Receiver is hereby authorized and approved, with such minor amendments as the Receiver may deem necessary. The Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of the Purchased Assets to the Purchaser.
3. THIS COURT ORDERS AND DECLARES that upon the delivery of a Receiver's certificate to the Purchaser substantially in the form attached as *Schedule A* hereto (the "Receiver's Certificate"), all of the Debtor's right, title and interest in and to the Purchased Assets described in the Purchase Agreement shall vest absolutely in the Purchaser, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "Claims") including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of the Honourable Justice Marrocco dated September 2, 2011; and (ii) all charges, security interests or claims evidenced by registrations

pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system (all of which are collectively referred to as the “Encumbrances”) and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.

4. THIS COURT ORDERS that for the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Assets shall stand in the place and stead of the Purchased Assets, and that from and after the delivery of the Receiver’s Certificate all Claims and Encumbrances shall attach to the net proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

5. THIS COURT ORDERS AND DIRECTS the Receiver to file with the Court a copy of the Receiver’s Certificate, forthwith after delivery thereof.

6. THIS COURT ORDERS that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, the Receiver is authorized and permitted to disclose and transfer to the Purchaser all human resources and payroll information in the Company’s records pertaining to the Debtor’s past and current employees, including personal information of those employees listed on Schedule “●” to the Purchase Agreement. The Purchaser shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use of such information by the Debtor.

7. THIS COURT ORDERS that, notwithstanding:

- (a) the pendency of these proceedings;
- (b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of the Debtor and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made in respect of the Debtor;

the vesting of the Purchased Assets in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Debtor and shall not be void or voidable by creditors of the Debtor, nor shall it constitute nor be deemed to be a settlement, fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

8. THIS COURT ORDERS AND DECLARES that the Transaction is exempt from the application of the *Bulk Sales Act* (Ontario).

9. 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 Receiver and its 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 Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

Schedule A – Form of Receiver’s Certificate

Court File No. CV-11-0365-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

B E T W E E N:

2293035 ONTARIO LIMITED

Applicant

and

HEALTHSCREEN SOLUTIONS INCORPORATED

Respondent

RECEIVER’S CERTIFICATE

RECITALS

A. Pursuant to an Order of the Honourable Mr. Justice Marrocco of the Ontario Superior Court of Justice (the “Court”) dated September 2, 2011, Deloitte & Touche Inc. was appointed as the receiver (the “Receiver”) of the undertaking, property and assets of Healthscreen Solutions Incorporated (the “Debtor”).

B. Pursuant to an Order of the Court dated October 11, 2011, the Court approved the agreement of purchase and sale made as of September 23, 2011 (the “Purchase Agreement”) between the Receiver and 22930305 Ontario Inc. (the “Purchaser”) and provided for the vesting in the Purchaser of the Debtor’s right, title and interest in and to the Purchased Assets, which

vesting is to be effective with respect to the Purchased Assets upon the delivery by the Receiver to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the Purchase Price for the Purchased Assets; (ii) that the conditions to Closing as set out in section 7 of the Purchase Agreement have been satisfied or waived by the Receiver and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Receiver.

C. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Purchase Agreement.

THE RECEIVER CERTIFIES the following:

1. The Purchaser has paid and the Receiver has received the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Purchase Agreement;
2. The conditions to Closing as set out in section 7 of the Purchase Agreement have been satisfied or waived by the Receiver and the Purchaser; and
3. The Transaction has been completed to the satisfaction of the Receiver.
4. This Certificate was delivered by the Receiver at _____ o'clock on October ____, 2011.

**Deloitte & Touche Inc., in its capacity as
Receiver of the undertaking, property and
assets of Healthscreen Solutions
Incorporated, and not in its personal capacity**

Per: _____

Name:

Title:

Court File No. CV-11-0365-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE)	TUESDAY, THE 11TH
)	
JUSTICE)	DAY OF OCTOBER, 2011

B E T W E E N:

2293035 ONTARIO LIMITED

Applicant

and

HEALTHSCREEN SOLUTIONS INCORPORATED

Respondent

ORDER

(Approval of Activities and Fees)

THIS MOTION, made by Deloitte & Touche Inc. in its capacity as the Court-appointed receiver (the “Receiver”) of the undertaking, property and assets of Healthscreen Solutions Incorporated (the “Debtor”) for an order approving the Receiver’s activities set out in the Report of the Receiver dated September 30, 2011 (the “First Receiver’s Report”), approving the Interim Statement of Receipts and Disbursements, and approving the interim fees of the Receiver and the Receiver’s counsel was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the First Receiver's Report and on hearing the submissions of counsel for the Receiver, no one appearing for any other person on the service list, although properly served as appears from the affidavit of Kellie Engelhardt sworn October 3, 2011, filed:

1. THIS COURT ORDERS that the time for service of the Notice of Motion and the Motion is hereby abridged and validated so that this motion is properly returnable today and hereby dispenses with further service thereof.
 2. THIS COURT ORDERS that the Receiver is authorized and approved to take all steps necessary to document and conclude the sale of assets pursuant to the Purchase Agreements.
 3. THIS COURT ORDERS that the activities of the Receiver, as set out in the Receiver's First Report, are hereby approved.
 4. THIS COURT ORDERS that the Receiver's Interim Statement of Receipts and Disbursements is hereby approved.
 5. THIS COURT ORDERS that the interim fees and disbursements of the Receiver and its counsel, as set out in the Receiver's First Report and the Fee Affidavits, are hereby approved.
-

TAB B

Court File No. CV-11-0365-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE

)

TUESDAY, THE 11TH

JUSTICE

)

DAY OF OCTOBER, 2011

)

B E T W E E N:

2293035 ONTARIO LIMITED

Applicant

and

HEALTHSCREEN SOLUTIONS INCORPORATED

Respondent

APPROVAL AND VESTING ORDER

(Physiomed Group Inc.)

THIS MOTION, made by Deloitte & Touche Inc. in its capacity as the Court-appointed receiver (the “Receiver”) of the undertaking, property and assets of Healthscreen Solutions Incorporated (the “Debtor”) for an order approving the sale transaction (the “Transaction”) contemplated by an agreement of purchase and sale (the “Purchase Agreement”) between the Receiver and Physiomed Group Inc. (the “Purchaser”) dated September 23, 2011, and appended to the Report of the Receiver dated October 3, 2011 (the “Report”), and vesting in the Purchaser the Debtor’s right, title and interest in and to the assets described in the Purchase Agreement (the “Purchased Assets”), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Report and on hearing the submissions of counsel for the Receiver, no one appearing for any other person on the service list, although properly served as appears from the affidavit of Kellie Engelhardt sworn October 3, 2011, filed:

1. THIS COURT ORDERS that the time for service of the Notice of Motion and the Motion is hereby abridged and validated so that this motion is properly returnable today and hereby dispenses with further service thereof.
2. THIS COURT ORDERS AND DECLARES that the Transaction is hereby approved, and the execution of the Purchase Agreement by the Receiver is hereby authorized and approved, with such minor amendments as the Receiver may deem necessary. The Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of the Purchased Assets to the Purchaser.
3. THIS COURT ORDERS AND DECLARES that upon the delivery of a Receiver's certificate to the Purchaser substantially in the form attached as *Schedule A* hereto (the "Receiver's Certificate"), all of the Debtor's right, title and interest in and to the Purchased Assets described in the Purchase Agreement shall vest absolutely in the Purchaser, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the "Claims") including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of the Honourable Justice Marrocco dated September 2, 2011; and (ii) all charges, security interests or claims evidenced by registrations

pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system (all of which are collectively referred to as the “Encumbrances”) and, for greater certainty, this Court orders that all of the Encumbrances affecting or relating to the Purchased Assets are hereby expunged and discharged as against the Purchased Assets.

4. THIS COURT ORDERS that for the purposes of determining the nature and priority of Claims, the net proceeds from the sale of the Purchased Assets shall stand in the place and stead of the Purchased Assets, and that from and after the delivery of the Receiver’s Certificate all Claims and Encumbrances shall attach to the net proceeds from the sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale.

5. THIS COURT ORDERS AND DIRECTS the Receiver to file with the Court a copy of the Receiver’s Certificate, forthwith after delivery thereof.

6. THIS COURT ORDERS that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, the Receiver is authorized and permitted to disclose and transfer to the Purchaser all human resources and payroll information in the Company’s records pertaining to the Debtor’s past and current employees, including personal information of those employees listed on Schedule “●” to the Purchase Agreement. The Purchaser shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use of such information by the Debtor.

7. THIS COURT ORDERS that, notwithstanding:

- (a) the pendency of these proceedings;
- (b) any applications for a bankruptcy order now or hereafter issued pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of the Debtor and any bankruptcy order issued pursuant to any such applications; and
- (c) any assignment in bankruptcy made in respect of the Debtor;

the vesting of the Purchased Assets in the Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Debtor and shall not be void or voidable by creditors of the Debtor, nor shall it constitute nor be deemed to be a settlement, fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

8. THIS COURT ORDERS AND DECLARES that the Transaction is exempt from the application of the *Bulk Sales Act* (Ontario).

9. 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 Receiver and its 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 Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

Schedule A – Form of Receiver’s Certificate

Court File No. CV-11-0365-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

B E T W E E N:

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Respondent

RECEIVER’S CERTIFICATE

RECITALS

A. Pursuant to an Order of the Honourable Mr. Justice Marrocco of the Ontario Superior Court of Justice (the “Court”) dated September 2, 2011, Deloitte & Touche Inc. was appointed as the receiver (the “Receiver”) of the undertaking, property and assets of Healthscreen Solutions Incorporated (the “Debtor”).

B. Pursuant to an Order of the Court dated October 11, 2011, the Court approved the agreement of purchase and sale made as of September 23, 2011 (the “Purchase Agreement”) between the Receiver and Physiomed Group Inc. (the “Purchaser”) and provided for the vesting in the Purchaser of the Debtor’s right, title and interest in and to the Purchased Assets, which

vesting is to be effective with respect to the Purchased Assets upon the delivery by the Receiver to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the Purchase Price for the Purchased Assets; (ii) that the conditions to Closing as set out in section 4 of the Purchase Agreement have been satisfied or waived by the Receiver and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Receiver.

C. Unless otherwise indicated herein, terms with initial capitals have the meanings set out in the Purchase Agreement.

THE RECEIVER CERTIFIES the following:

1. The Purchaser has paid and the Receiver has received the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Purchase Agreement;
2. The conditions to Closing as set out in section 4 of the Purchase Agreement have been satisfied or waived by the Receiver and the Purchaser; and
3. The Transaction has been completed to the satisfaction of the Receiver.
4. This Certificate was delivered by the Receiver at _____ o'clock on October ___, 2011.

**Deloitte & Touche Inc., in its capacity as
Receiver of the undertaking, property and
assets of Healthscreen Solutions
Incorporated, and not in its personal capacity**

Per: _____

Name:

Title:

Court File No. CV-11-0365-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE

)

TUESDAY, THE 11TH**JUSTICE**

)

DAY OF OCTOBER, 2011

)

B E T W E E N:**2293035 ONTARIO LIMITED**

Applicant

and

HEALTHSCREEN SOLUTIONS INCORPORATED

Respondent

ORDER**(Approval of Activities and Fees)**

THIS MOTION, made by Deloitte & Touche Inc. in its capacity as the Court-appointed receiver (the "Receiver") of the undertaking, property and assets of Healthscreen Solutions Incorporated (the "Debtor") for an order approving the Receiver's activities set out in the Report of the Receiver dated September 30, 2011 (the "First Receiver's Report"), approving the Interim Statement of Receipts and Disbursements, and approving the interim fees of the Receiver and the Receiver's counsel was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the First Receiver's Report and on hearing the submissions of counsel for the Receiver, no one appearing for any other person on the service list, although properly served as appears from the affidavit of Kellie Engelhardt sworn October 3, 2011, filed:

1. THIS COURT ORDERS that the time for service of the Notice of Motion and the Motion is hereby abridged and validated so that this motion is properly returnable today and hereby dispenses with further service thereof.
 2. THIS COURT ORDERS that the Receiver is authorized and approved to take all steps necessary to document and conclude the sale of assets pursuant to the Purchase Agreements.
 3. THIS COURT ORDERS that the activities of the Receiver, as set out in the Receiver's First Report, are hereby approved.
 4. THIS COURT ORDERS that the Receiver's Interim Statement of Receipts and Disbursements is hereby approved.
 5. THIS COURT ORDERS that the interim fees and disbursements of the Receiver and its counsel, as set out in the Receiver's First Report and the Fee Affidavits, are hereby approved.
-

TAB 2

Court File No. CV-11-9365-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

B E T W E E N:

2293035 ONTARIO LIMITED

Applicant

and

HEALTHSCREEN SOLUTIONS INCORPORATED

Respondent

**FIRST REPORT OF DELOITTE & TOUCHE INC.
IN ITS CAPACITY AS RECEIVER**

Dated September 30, 2011

INTRODUCTION

1. By Order of this Honourable Court dated September 2, 2011 (the “**Appointment Order**”), Deloitte & Touche Inc. (“Deloitte”) was appointed as Receiver (the “**Receiver**”) of all of the assets, undertakings and properties (the “**Property**”) of Healthscreen Solutions Incorporated (“**Healthscreen**” or the “**Company**”) pursuant to section 243 (1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 as amended and to section 101 of the *Courts of Justice Act*, R.S.O. 1990, c.43. Attached hereto and marked as *Exhibit “A”* is a true copy of the Appointment Order.

2. Healthscreen was indebted to the applicant, 2293035 Ontario Limited for an amount in excess of \$5 million. As security for the debt that company held, among other things, general security over all Healthscreen's assets. Healthscreen was in default under its debt obligations and demand had been made by 2293035 Ontario Limited. After some discussion, Healthscreen consented to the immediate enforcement of 2293035's security and the appointment by the Court of a Receiver.

3. The Appointment Order authorized the Receiver to, among other things, take possession of, and exercise control over the Property and any and all proceeds, receipts and disbursements, arising out of, or from the Property. In addition, the Receiver was authorized to sell, convey, transfer, lease or assign the Property or any part thereof out of the ordinary course:

- (a) Without the approval of this Court in respect of any transaction not exceeding \$100,000.00, provided that the aggregate consideration for all such transactions does not exceed \$500,000.00; and
- (b) With the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause.

4. As part of that Appointment Order, a sales process was approved for the sale of the Company's assets. That sales process contemplated that bids be received by September 23, 2011.

5. The purpose of this first report ("**First Report**") is:

- (i) To seek this Honourable Court's approval of two agreements for the sale of certain assets accepted by the Receiver and to authorize the Receiver to execute and complete those agreements;
- (ii) To seek a vesting order vesting all right title and interest of the Company in the purchased assets in the respective purchasers on successful closing;
- (iii) To seek an order approving the activities of the Receiver as detailed herein;
- (iv) To seek the approval of the Receiver's Statement of Receipts and Disbursements for the period from September 2, 2011 to September 27, 2011; and,
- (v) To seek this Honourable Court's approval of the fees and disbursements of the Receiver and its counsel to date.

6. A copy of the Appointment Order, together with related Court documents and the Notice to Creditors dated September 9, 2011 have been posted on the Receiver's website at <http://www.deloitte.com/ca/healthscreen>

7. Unless otherwise provided, capitalized terms not otherwise defined in this First Report are as defined in the Appointment Order.

TERMS OF REFERENCE

8. In preparing the First Report and making the comments contained herein, Deloitte has been provided with and has relied upon both unaudited and audited financial information, Healthscreen's books and records, financial information prepared by Healthscreen and its advisors, and discussion with management of the Company. 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 First Report.

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

RECEIVER'S ACTIVITIES

10. In addition to the steps taken by the Receiver as described later in this report, the Receiver has undertaken the following activities in accordance with the terms of the Appointment Order:

- (a) immediately following its appointment, the Receiver attended at the Company's main premises located at 80 Bloor Street West, Toronto, Ontario (the "**Premises**");
- (b) arranged for the locks to be changed at the Premises and the office located in St. Catharines, Ontario;
- (c) advised the management and staff of Healthscreen of the Receiver's appointment;

- (d) issued letters to the TD Bank and Royal Bank of Canada (“RBC”) requesting a freeze on all of the Company’s bank accounts (“**Accounts**”) for disbursement purposes, particularly stop payment instructions on all of the outstanding cheques drawn on the Accounts which had not been presented for payment as at the date of the Appointment Order and ensured that no further disbursements would be made from the Accounts without the prior written consent of the Receiver.
- (e) met with and/or had discussions with employees of Healthscreen and delivered to the employees a letter confirming that in accordance with the provisions of the Appointment Order, the Receiver would continue to employ each of the employees who were employed as at September 2, 2011, on the existing terms and conditions of their employment other than for the length of their employment;
- (f) met with and/or had discussions with contractors of Healthscreen and delivered to them a letter, confirming that in accordance with the provisions of the Appointment Order, the Receiver would continue the contracts on the existing terms and conditions except for the terms of the contracts;
- (g) met with various management at Healthscreen to secure access to the Company’s email, and software applications and physical access to the premises after normal working hours;
- (h) obtained a copy of the accounting information as at September 1, 2011;

- (i) ensured that all the banking and financial information and the books and records of the Company were properly secured;
- (j) terminated various contracts that were no longer required by Healthscreen as a result of the receivership;
- (k) provided notice of the Receiver's appointment to the Company's insurance company and arranged to have the Receiver named as first loss payee and as an additional insured and reviewed the insurance policy to ensure that the coverage was sufficient;
- (l) opened new bank accounts in the name of the Receiver: one for the operating account, and one trust account for CallerMD (as described further herein) and arranged for funds to be transferred from the Company's Accounts to the Receiver's accounts;
- (m) changed the bank account information for the credit card merchant accounts to be that of the Receiver's account;
- (n) dealt with the TD Bank regarding a chargeback for a deposit that was received by Healthscreen on June 30, 2011 and charged back to the Company's account after the appointment of the Receiver and while the accounts were frozen;
- (o) prepared the Notice and Statement of the Receiver dated September 9, 2011, ("**Receivership Notice**"), prescribed by sections 245(1) and 246(1) of the *Bankruptcy and Insolvency Act* (Canada) (the "BIA"), which was

sent by regular mail to all of the Company's creditors of record. A copy of the Receivership Notice is attached hereto as *Exhibit "B"*;

- (p) preparation of a preliminary schedule showing outstanding wages, vacation pay, severance and termination pay owing to the Company's employees for purposes of complying with the *Wage Earner's Protection Program Act* (the "**WEPPA**"). Documentation will be sent to the employees with respect to their WEPPA claim, if it is determined that WEPPA claims are not able to be paid. At this time, it is anticipated that the Receiver will have sufficient funds with which to pay WEPPA claims.

INDEPENDENT SECURITY REVIEW

11. The Receiver instructed Gardiner Roberts LLP ("**Gardiner Roberts**"), independent counsel to the Receiver, to perform an independent review of the security held by the Applicant and others who hold secured claims on the assets of Healthscreen. Subject to certain standard assumptions, exceptions, and qualifications, Gardiner Roberts' independent review confirmed, in the following priority order, that:

- (a) Pursuant to a credit agreement, RBC has a first ranking charge over the assets and undertaking of Healthscreen. The RBC debt currently relates to VISA indebtedness of approximately \$37,000;
- (b) 2293035 Ontario Limited ("229") has good and valid security over the assets of the Company for all indebtedness owed to 229. The initial

indebtedness was for \$5,104,000. Interest and costs have since accumulated on that debt;

- (c) CIT Financial Ltd has a security interest in a photocopier. Similarly Alliance Funding Corporation registered against Medical Telecom Corporation (and has not re-registered against Healthscreen) for certain equipment. This latter interest relates to a lease for certain equipment and software. Alliance has indicated it was unaware of the amalgamation of Medical Telecom with Healthscreen. The operations of the Company tends to confirm that it did not give notice of the amalgamation to its creditors. Alliance's claim is not material in size;
- (d) The Ontario Ministry of Revenue has a priority claim for approximately \$145,000 relating to sales tax;
- (e) Justin Belobaba for \$50,000, plus interest and costs;
- (f) Azedomine Inc. for \$55,553, plus interest and costs;
- (g) Attached hereto and marked as *Exhibit "C"* to this Report is a copy of the solicitor's opinions regarding the security.

CALLER MD TRUST CLAIMS

12. Part of the business of Healthscreen was known as the "Physician Services Business." This involved the collection of monies on behalf of physicians for services not covered by provincial health insurance.

13. The agreement permits Healthscreen to charge a 15% management fee on the amounts collected but otherwise requires the payment of the balance to the physicians on a monthly basis. The money collected by Healthscreen was specifically for the physicians and Healthscreen was only providing a collection service. Accordingly the collected fees constitute money held in trust for the physicians.

14. The physicians had not been sent statements of account since September 30, 2010.

15. Healthscreen had only made sporadic payments to the physicians between November 16, 2010 (date of last comprehensive payment to the physicians) and August 14, 2011, but had collected funds and deposited them in its general accounts using the money for company purposes. On August 15, 2011, pre-receivership, Healthscreen established a segregated account for all monies collected on behalf of physicians under these agreements. From August 15, 2011 to August 31, 2011, Healthscreen had deposited a total of approximately \$161,000, into the segregated account, which included a portion of the management fee owed to Healthscreen.

16. The Receiver is satisfied that the money collected by the Company and deposited into the segregated account represents trust funds for the respective physicians entitled.

17. On September 14, 2011, the Receiver issued statements to the physicians for the period August 15, 2011 to August 31, 2011 as well as 266 cheques totalling approximately \$134,000 to those physicians that Healthscreen received deposits for during the aforementioned period.

18. Amounts that should have been paid to physicians prior to August 15, 2011 were co-mingled with Healthscreen's own funds. Further review of the Healthscreen accounts is required to determine what if any portion of those accounts, can be claimed by physicians. On September 24, 2011, the physicians were mailed the statements for the period October 1, 2010 to August 14, 2011. The original estimated amount owed to the physicians for the period October 1, 2010 to August 31, 2011 was \$2.3 million. After the payment to the physicians for the period August 15, 2011 to August 31, 2011, and the issuance of certain charge backs, the liability to the physicians has been reduced to approximately \$2.1 million.

DEEMED TRUSTS

19. The Receiver's estimate of deemed trusts is as follows:

- (a) With respect to source deductions, an audit of any amounts owing has been requested but is not yet complete;
- (b) With respect to GST/HST, currently estimated at \$165,000, an audit is required to finalize the claims in this regard.
- (c) With respect to provincial RST claims, the Ontario Ministry of Revenue registered its security interest as noted above for approximately \$145,000. An audit of the amount owing is in process however the amount is now estimated to be approximately \$230,000.
- (d) With respect to vacation pay, approximately \$40,000 is owed.

- (e) There are no deemed trust claims for wages. Payroll services were used by the Company and source deductions are up to date.

HEALTHSCREEN'S PRE-RECEIVERSHIP MARKETING PROCESS

20. Prior to the appointment of the Receiver, the Company retained M Partners on May 30, 2011 to market and sell the software aspect of the Company's business. M Partners established a virtual data room and upon execution of a confidentiality agreement, potential bidders were granted access to the virtual data room.

21. As at August 19, 2011, management advised the Receiver that M Partners had approached eight companies of which two decided not to bid, four did not respond, and two submitted bids subject to due diligence.

22. The agreement with M Partners was terminated at the beginning of the receivership as it was no longer required.

RECEIVER'S MARKETING PROCESS

23. Pursuant with the Appointment Order, the Receiver prepared an information package (the "**Information Package**") describing the Company's business, the Property and the conditions of sale to purchase either Parcel 1 ("**Physician Services Business**") or Parcel 2 (the "**Software Business**") or both Parcel 1 and 2, with proposals to be received by September 23, 2011 (the "**Proposal Deadline**"). A copy of the Information Package is attached as *Exhibit "D"*.

- (a) With the assistance of the Company's employees and management, the Receiver prepared a list of parties who were most likely to have an interest

in making an offer to purchase the Property on a going concern basis. The Receiver contacted each of these parties, including those parties that had participated in the M Partners process and sent email copies of the Information Package and Terms and Conditions for Invitation for Proposals to Purchase either Parcel 1 (Physician Services Business) or Parcel 2 (the Software Business) or both Parcel 1 and 2. Along with the Information Package, the Receiver sent a copy of the Appointment Order and a Confidentiality Agreement that was required to be executed in order to have access to the Company's information. Attached as *Exhibit "E"*, is a copy of the Confidentiality Agreement.

- (b) The Receiver also established a virtual "deal room." Attached as *Exhibit "F"* is a listing of the files contained in that room. The Receiver sent out 28 copies of the Information Package and Terms and Conditions and received a number of requests for further information. Upon receipt of a signed confidentiality agreement, the "deal room" was made available to 12 interested parties.
- (c) Four parties attended at the Premises to inspect the Property, reviewed the Company's records and met with employees and management of the Company to discuss the Company's financial and operating history and obtain additional information in order to determine whether or not to submit a bid.

24. By the Proposal Deadline of September 23, 2011 at 4:00 p.m., a total of seven offers to purchase the assets were received. Two of the offers were for the Physician Services Business and five were for certain assets of the Software Business. Of the five Software Services offers received, four were from the same potential purchaser, that requested each bid be considered separately and not to be combined with any of the other offers. The amounts offered by 229 (for the Software Business) and that of Physiomed (for the Physicians Services Business) were by far the best offers that were received. Both 229 and Physiomed complied with the terms and conditions contained in the Invitation for Proposals to Purchase including a deposit of 10% of the Purchase Price.

25. In addition, 229 and Physiomed issued a joint letter to the Receiver stating that they strongly endorsed each other's bid, and that they have taken into account the following:

- (a) Maximizing the level of re-employing existing Healthscreen staff;
- (b) Disentangling shared servers and other related technologies and IP;
- (c) An orderly transition from the physical premises on Bloor Street, and
- (d) Managing expectations and go-forward strategies for both the Software customers and physicians.

26. Attached to the Receiver's motion record, in two sealed envelopes marked as *Exhibit "G"* and *Exhibit "H"* (the "**Confidential Appendices**"), are the Bid Proposals and Agreements of Purchase and Sale for 229 (for the Software Services Business) and Physiomed (for the Physician Services Agreement). The 229 bid includes both a cash and

credit bid component. The Receiver respectfully requests that the 229 and Physiomed bids remain under seal until the respective transactions close as disclosure of the details of these offers could prejudice future sales efforts should the 229 and Physiomed offers not close for any reason.

27. The Receiver recommends that these two bids be approved by the Court and that an appropriate vesting orders be granted.

28. Closing of the transactions is expected to take place immediately after approval by this Honourable Court.

STATEMENT OF RECEIPTS AND DISBURSEMENTS

29. Attached as *Exhibit "I"* is the Receiver's Statement of Receipts and Disbursements for the period September 2, 2011 to September 27, 2011 (the "**Receivership Period**") for the operating account. As at September 27, 2011, the closing operating cash balance and trust cash balance were approximately \$38,000 and \$180,000 respectively.

30. As noted above during the Receivership Period, the Company generated positive net operating cash flow before professional fees of \$38,000.

31. Excluded in the total are operating cash receipts of approximately \$520,000, which consists of cash on hand of approximately \$239,000, are the deposits for the sale of the Physician Services Business and the Software Business. The total operating cash disbursements of approximately \$481,000 were primarily composed of payroll costs including source deduction remittances of approximately \$355,000, consulting fees and

commissions of approximately \$70,000, and hardware purchases of approximately \$26,000. Included in these total operating cash disbursements are payments of pre-receivership liabilities with respect to payroll totalling approximately \$174,000 for the period ending September 2, 2011 paid as scheduled on September 8, 2011 and rent for the St. Catharines premises in the amount of \$2,000.

32. The opening trust balance for physicians was approximately \$161,000, and further deposits were received during this period in the approximate amount of \$153,000. As noted previously, cheques were issued to the physicians on September 14, 2011 in the approximate amount of \$134,000, leaving a balance of approximately \$180,000.

33. To date, the Receiver has not had to borrow funds to maintain the operations of the Company including meeting payroll obligations. The Receiver anticipates borrowing approximately \$400,000 to fund operations, excluding professional fees, in the next few weeks prior to closing the transaction with 229 and Physiomed.

DISTRIBUTION

34. The Receiver anticipates a further motion before this Honourable Court with respect to any distribution following further determination of the deemed trust claims and associated audits.

APPROVAL OF FEES

35. The Appointment Order directs and empowers the Receiver to pass its accounts from time to time, and to include any necessary fees and disbursements of its legal counsel in the passing of its accounts.

36. The total fees and disbursements of the Receiver for the period ending September 27, 2011 amount to \$164,656.26 (including HST). Full particulars of the Receiver's fees and disbursements are set out in the Affidavit of Catherine Hristow sworn on September 30, 2011 which is attached to this Report as *Exhibit "J"* (the "**Hristow Affidavit**"). The Hristow Affidavit also contains particulars of hours spent, hourly rates, total fees and disbursements of the Receiver.

37. The total fees and disbursements incurred for services provided by Gardiner Roberts for the period ending September 23, 2011 amount to \$20,443.78 (including HST). Full particulars of Gardiner Roberts' fees and disbursements are reported the affidavit of Jonathan Wigley sworn September 30, 2011 which is attached to this Report as *Exhibit "K"* (the "**Wigley Affidavit**"). The Wigley Affidavit also contains particulars of hours spent, hourly rates, total fees and disbursements by Gardiner Roberts.

SUMMARY AND RECOMMENDATIONS

38. The Marketing Process has produced two bids for the two respective parts of the Business.

39. The Receiver respectfully recommends that this Honourable Court grant an Order:

- (i) approving the two sale agreements to 229 and Physiomed for the sale of certain assets as accepted by the Receiver and to authorize the Receiver to execute and complete those agreements;

- (ii) vesting all right title and interest of the Company in the respective purchased assets in the respective purchasers on successful closing and in accordance with their agreements;
- (iii) approving the activities of the Receiver to date as detailed herein;
- (iv) approving the Receiver's Statement of Receipts and Disbursements for the period from September 2, 2011 to September 27, 2011;
- (v) approving the fees and disbursements of the Receiver and its legal counsel to the dates indicated in the Fee Affidavits; and,
- (vi) sealing the Confidential Appendices to this Report, until the closing of the transactions.

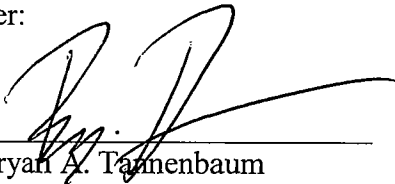
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All of which is respectfully submitted at Toronto, Ontario this ____ day of September, 2011.

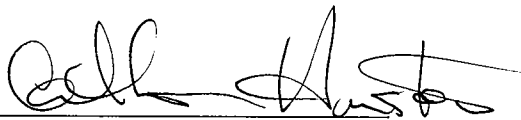
Deloitte & Touche Inc.

Solely in its capacity as the Court-Appointed
Receiver of Healthscreen Solutions Incorporated
and without personal or corporate liability

Per:



Bryan A. Tannenbaum
Senior Vice President



Catherine A. Hristow
Vice President

TAB A

Court File No. CV-11-9365-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE) FRIDAY, THE 2ND DAY
JUSTICE *MAH ROO*) OF SEPTEMBER, 2011

2293035 ONTARIO LIMITED

Applicant

-and-

HEALTHSCREEN SOLUTIONS INCORPORATED

Respondent

ORDER

THIS APPLICATION made by the Applicant for an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "BIA") and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the "CJA") appointing Deloitte & Touche Inc. as receiver (in such capacities, the "Receiver") without security, of all of the assets, undertakings and properties of Healthscreen Solutions Incorporated (the "Debtor") acquired for, or used in relation to a business carried on by the Debtor and approving the sale process described in Schedule "B" hereto (the "Sale Process"), was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of Al Hildebrandt sworn August 29, 2011 and the Exhibits thereto and on hearing the submissions of counsel for the Applicant and the Respondent, no one

else appearing although served as appears from the affidavit of service of Candice Cavalier sworn August 30, 2011 and on reading the consent of Deloitte & Touche Inc. to act as the Receiver and to the Sale Process and on reading the consent of the Debtor to the appointment of the Receiver,

SERVICE

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

APPOINTMENT

2. THIS COURT ORDERS that pursuant to section 243(1) of the BIA and section 101 of the CJA, Deloitte & Touche Inc. is hereby appointed Receiver, without security, of all of the assets, undertakings and properties of the Debtor acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (the "Property").

RECEIVER'S POWERS

3. THIS COURT ORDERS that the Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:

- (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
- (b) to receive, preserve, and protect of the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;

- (c) to manage, operate, and carry on the business of the Debtor, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the Debtor;
- (d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;
- (e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtor or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtor and to exercise all remedies of the Debtor in collecting such monies, including, without limitation, to enforce any security held by the Debtor;
- (g) to settle, extend or compromise any indebtedness owing to the Debtor;
- (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtor, for any purpose pursuant to this Order;
- (i) to undertake environmental or workers' health and safety assessments of the Property and operations of the Debtor;
- (j) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Debtor, the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby

conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;

- (k) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;
- (l) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business,
 - (i) without the approval of this Court in respect of any transaction not exceeding \$100,000.00, provided that the aggregate consideration for all such transactions does not exceed \$500,000.00; and
 - (ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;

and in each such case notice under subsection 63(4) of the Ontario *Personal Property Security Act*, [or section 31 of the Ontario *Mortgages Act*, as the case may be,] shall not be required, and in each case the Ontario *Bulk Sales Act* shall not apply.

- (m) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;
- (n) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;
- (o) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;

- (p) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtor;
- (q) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtor, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtor;
- (r) to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have; and
- (s) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations.

and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined below), including the Debtor, and without interference from any other Person.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

4. THIS COURT ORDERS that (i) the Debtor, (ii) all of its current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being "Persons" and each being a "Person") shall forthwith advise the Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property to the Receiver upon the Receiver's request.

5. THIS COURT ORDERS that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or

affairs of the Debtor, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "Records") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 5 or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

6. THIS COURT ORDERS that if any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

NO PROCEEDINGS AGAINST THE RECEIVER

7. THIS COURT ORDERS that no proceeding or enforcement process in any court or tribunal (each, a "Proceeding"), shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Court.

NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY

8. THIS COURT ORDERS that no Proceeding against or in respect of the Debtor or the Property shall be commenced or continued except with the written consent of the Receiver or

with leave of this Court and any and all Proceedings currently under way against or in respect of the Debtor or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

9. THIS COURT ORDERS that all rights and remedies against the Debtor, the Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that this stay and suspension does not apply in respect of any "eligible financial contract" as defined in the BIA, and further provided that nothing in this paragraph shall (i) empower the Receiver or the Debtor to carry on any business which the Debtor is not lawfully entitled to carry on, (ii) exempt the Receiver or the Debtor from compliance with statutory or regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH THE RECEIVER

10. THIS COURT ORDERS that no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Debtor, without written consent of the Receiver or leave of this Court.

CONTINUATION OF SERVICES

11. THIS COURT ORDERS that all Persons having oral or written agreements with the Debtor or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Debtor are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Receiver, and that the Receiver shall be entitled to the continued use of the Debtor's current telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Receiver in accordance with normal payment practices of the Debtor or

such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

RECEIVER TO HOLD FUNDS

12. THIS COURT ORDERS that all funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including without limitation the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "Post Receivership Accounts") and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further Order of this Court.

EMPLOYEES

13. THIS COURT ORDERS that all employees of the Debtor shall remain the employees of the Debtor until such time as the Receiver, on the Debtor's behalf, may terminate the employment of such employees. The Receiver shall not be liable for any employee-related liabilities, including any successor employer liabilities as provided for in section 14.06(1.2) of the BIA, other than such amounts as the Receiver may specifically agree in writing to pay, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*.

PIPEDA

14. THIS COURT ORDERS that, pursuant to clause 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act*, the Receiver shall disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a "Sale"). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all

such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Debtor, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

LIMITATION ON ENVIRONMENTAL LIABILITIES

15. THIS COURT ORDERS that nothing herein contained shall require the Receiver to occupy or to take control, care, charge, possession or management (separately and/or collectively, "Possession") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, or the *Ontario Occupational Health and Safety Act* and regulations thereunder (the "Environmental Legislation"), provided however that nothing herein shall exempt the Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Receiver shall not, as a result of this Order or anything done in pursuance of the Receiver's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

LIMITATION ON THE RECEIVER'S LIABILITY

16. THIS COURT ORDERS that the Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*. Nothing in this Order shall derogate from the protections afforded the Receiver by section 14.06 of the BIA or by any other applicable legislation.

RECEIVER'S ACCOUNTS

17. THIS COURT ORDERS that the Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, and that the Receiver and counsel to the Receiver shall be entitled to and are hereby granted a charge (the "Receiver's Charge") on the Property, as security for such fees and disbursements, both before and after the making of this Order in respect of these proceedings, and that the Receiver's Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

18. THIS COURT ORDERS that the Receiver and its legal counsel shall pass its accounts from time to time, and for this purpose the accounts of the Receiver and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

19. THIS COURT ORDERS that prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including legal fees and disbursements, incurred at the normal rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

FUNDING OF THE RECEIVERSHIP

20. THIS COURT ORDERS that the Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$500,000 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "Receiver's Borrowings Charge") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise,

in favour of any Person, but subordinate in priority to the Receiver's Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

21. THIS COURT ORDERS that neither the Receiver's Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.

22. THIS COURT ORDERS that the Receiver is at liberty and authorized to issue certificates substantially in the form annexed as Schedule "A" hereto (the "Receiver's Certificates") for any amount borrowed by it pursuant to this Order.

23. THIS COURT ORDERS that the monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver's Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.

GENERAL

24. THIS COURT ORDERS that the Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

25. THIS COURT ORDERS that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtor.

26. 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 Receiver and its 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 Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

27. THIS COURT ORDERS that the Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and

that the Receiver is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

28. THIS COURT ORDERS that the Applicant shall have its costs of this Application, up to and including entry and service of this Order, provided for by the terms of the Applicant's security or, if not so provided by the Applicant's security, then on a substantial indemnity basis to be paid by the Receiver from the Debtor's estate with such priority and at such time as this Court may determine.

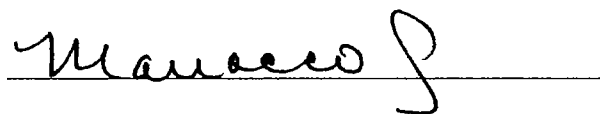
29. THIS COURT ORDERS that any interested party may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to the Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

SALE PROCESS

30. THIS COURT ORDERS that the Sale Process is hereby approved.

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

SEP 02 2011



PER/PAR 

SCHEDULE "A"

RECEIVER CERTIFICATE

CERTIFICATE NO.

AMOUNT \$

1. THIS IS TO CERTIFY that Deloitte & Touche Inc., the receiver (the "Receiver") of the assets, undertakings and properties of Healthscreen Solutions Incorporated (the "Debtor") acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (collectively, the "Property") appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "Court") dated the 2nd day of September, 2011 (the "Order") made in an action having Court file number ____-CL-____, has received as such Receiver from the holder of this certificate (the "Lender") the principal sum of \$____, being part of the total principal sum of \$____ which the Receiver is authorized to borrow under and pursuant to the Order.

2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded [daily][monthly not in advance on the ____ day of each month] after the date hereof at a notional rate per annum equal to the rate of ____ per cent above the prime commercial lending rate of Bank of ____ from time to time.

3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the *Bankruptcy and Insolvency Act*, and the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.

4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at Toronto, Ontario.

5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver

to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

6. The charge securing this certificate shall operate so as to permit the Receiver to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.

7. The Receiver does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

DATED the _____ day of _____, 20____.

DELOITTE & TOUCHE Inc., solely in its
capacity as Receiver of the Property, and not in
its personal capacity

Per:

Name:

Title:

Schedule "B"

SALE PROCESS

- Immediately upon court approval of this Sale Process, Deloitte & Touche Inc. ("Deloitte") will distribute an interest solicitation letter (the "ISL") to prospective purchasers identified by Deloitte. The ISL will:
 - provide an overview of Healthscreen's business and assets to include background and description of its electronic medical records ("EMR") software business and its physician services business;
 - set out the transaction opportunity;
 - invite offers for all or any part of the business and assets including the EMR software business by the deadline referenced below;
 - set out terms and conditions of sale;
 - attach a confidentiality agreement ("CA"); and
 - indicate that interested parties who sign the CA will be provided access to a virtual data room to be assembled and maintained by Deloitte and/or M Partners, which will include, *inter alia*, information about the EMR software business.
- Information pertaining to this opportunity may also be posted on the Deloitte website.
- Deloitte will facilitate diligence by *bona fide* prospective purchasers who sign the CA and among other things, with or without the assistance of M Partners, manage the virtual data room and coordinate site visits and will hold follow up discussions with prospective purchasers.
- Prospective purchasers who execute a CA will be given a form of asset purchase agreement. These parties will be encouraged to submit their offers in this form, or as close to this form as possible.
- The deadline for submitting offers will be by 4:00 p.m. (E.D.T.) on September 23, 2011.
- The proposed terms and conditions of sale will stipulate (among other things) that:
 - the transaction will be effected on an "as is, where is" basis with no representations or warranties;
 - Deloitte may not necessarily accept the highest offer or any offer;
 - Deloitte shall consider all offers but, if deemed appropriate, Deloitte may deal with one or more proposals to the exclusion of others, both prior to or after the timeline set out above;

- Deloitte may extend the deadline for submitting offers without further order of the Court; and
- any transaction resulting from the Sale Process will be subject to court approval.

Following court approval, the parties will seek to close the transaction immediately.

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

Proceedings commenced at Toronto

ORDER

FOGLER, RUBINOFF LLP
Barristers and Solicitors
Toronto-Dominion Centre
Suite 1200
95 Wellington Street West
Toronto, Ontario
M5J 2Z9

Vern W. DaRe LSUC# 32591E 1D
416-941-8842 (tel)
416-941-8852 (fax)
vdare@foglers.com

Lawyers for the Applicant, 2293035 Ontario Limited

TAB B

**NOTICE AND STATEMENT OF RECEIVER
(SECTION 245(1) AND 246(1) OF THE ACT)**

In the matter of the receivership of the property of Healthscreen Solutions Inc. (the "Company").

Take notice that:

1. On the 2nd day of September, 2011, the undersigned Deloitte & Touche Inc., was appointed Receiver in respect of all of the assets, undertakings and properties of the Company, an insolvent company that is described below:

	Net Book Values
Cash and cash equivalents*	\$245,920
Accounts receivable	4,372,888
Prepaid expenses and other assets	199,701
Property, plant and equipment	228,830
Intangible assets	<u>1,963,730</u>
	<u>\$7,011,069</u>

Source: Information taken from unaudited second quarter financial statements ending March 31, 2011

**Ending cash balance as of September 1, 2011*

The book values shown above may not be representative of the market or realizable value of the assets.

2. The undersigned became a Receiver pursuant to an Order of the Ontario Superior Court of Justice (Commercial List), upon application by 2293035 Ontario Limited.
3. The undersigned commenced the exercise of its powers in respect of that appointment on the 2nd day of September, 2011.
4. The following information relates to the receivership.
 - a) Address of insolvent company: 80 Bloor Street West, Suite 1101, Toronto, ON M5S 2V1
 - b) Principal line of business: Provide software and services to Canadian physicians
 - c) Amount owed by the Company to the creditors who appear to hold a security interest on the property described above include:

2293035 Ontario Ltd.	\$5,200,000
Royal Bank of Canada	\$37,000
CIT Financial	Unkown
Her Majesty in Right of Ontario	\$147,730
Justin Belobaba	Unknown
Azedomine Inc.	Unknown
Toronto Dominion Bank	Unknown

Alliance Funding Corporation

Unknown
\$5,384,730

The validity of secured creditors has yet to be confirmed.

- d) The list of creditors of the Company and the amount owed to each creditor by the insolvent Company is attached. The total known amount owing to all unsecured creditors is \$4,492,085.
- e) The current intended plan of the Receiver is to seek interested parties to purchase the Company on a “going concern” basis or to purchase the assets “en bloc”.

Contact person for the Receiver:

Bryan Litvack
Deloitte & Touche Inc.
181 Bay St., Suite 1400
Toronto, Ontario M5J 2V1
Telephone: (416) 775-7494
Facsimile: (416) 601- 6690

Dated at Toronto this 9th day of September, 2011

DELOITTE & TOUCHE INC.

In its capacity as Receiver
of all of the assets, undertakings and properties of
Healthscreen Solutions Inc.
and not in its personal or corporate capacity

Catherine A. Hristow, CMA, CIRP
Vice President

TAB C



GARDINER ROBERTS

Jeffrey B. Rosekat
Direct Line: 416.865.6662
jrosekat@gardiner-roberts.com
File No.: 97116

September 27, 2011

Mr. Bryan Tennenbaum
Deloitte & Touche Inc.
Brookfield Place
181 Bay Street, Suite 1400
Toronto, Ontario
M5J 2V1

Dear Mr. Tennenbaum,

**Re: Receivership of Healthscreen Solutions Incorporated (the "Company")
Security Review**

This letter follows your request for a review of the security registered against the Company's assets and undertaking. This of course follows your court appointment as receiver of the Company by order of Justice Marrocco dated September 2, 2011.

We have reviewed the Series A Secured Debenture and Series B Secured Debenture (the "Debentures") issued by the Company to WF Fund III Limited Partnership, carrying on business as Wellington Financial LP and Wellington Financial Fund III ("Wellington") and the assignment of that Debenture to 2293035 Ontario Limited ("2293035").

We have not reviewed any other security documents, however we have requested those of Royal Bank of Canada.

A. Standard Assumptions and Qualifications

In rendering our opinion concerning the registered security, we have made the following standard assumptions:

- original copies of all documents were in fact signed by the person named therein;
- the security documents are enforceable against the debtor named therein in accordance with their written terms;
- any addresses in financing statements or financing change statements are correct;
- unless otherwise stated, the security documents were delivered by the debtor named therein on the date stated therein;
- in the case of execution of a document by an individual, that the debtor's name is correctly stated;

GARDINER ROBERTS LLP

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Toronto, ON, Canada M5H 3Y2
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GARDINER ROBERTS

- where we have been provided with a copy of a verification statement or have relied on a search pursuant to the Personal Property Security Act (the “PPSA”), with respect to a registration, rather than the financing statement or financing change statement to which it relates, we have assumed that the relevant financing statement or financing change statement was properly executed by or on behalf of the secured party; and
- that verification statements were provided to each debtor within twenty days of registration unless waived in writing by the debtor.

B. Corporate History

We have performed corporate searches on the Company, although we have not reviewed the minute books. The Company was amalgamated with Medical Telecom Corporation (“MTC”) on October 1, 2009. According to Ministry records, the officers of the Company are:

- Justin Belobaba, President, Chief Executive Officer
- Anastasia Chodarczewicz, Chief Financial Officer (as of November 1, 2010)
- Kenneth Killin, also as Chief Financial Officer (as of October 1, 2009)
- Bruce Rosenberg, Vice President

The directors of the Company are: Justin Belobaba, Richard J. Earle, Tom Enright, Kenneth Rosenberg, and Bruce Rosenberg.

C. Security

The Company appears to have six secured creditors. In order of priority of registration, they are: Royal Bank of Canada (apparently for Visa credit and registered July 5, 2007), CIT Financial Ltd. (a PMSI in re a Canon copier), 2293035, the Minister of Revenue (for approximately \$144,000), Justin Belobaba, and Azedomine Inc. One of the Company’s predecessors, MTC, also has a registration against it by Alliance Funding Corporation.

2293035 Security

Pursuant to a Series A Secured Debenture and Series B Secured Debenture, the Company was indebted to Wellington. The Series A Secured Debenture was issued to Wellington on May 15, 2008. This Debenture was amended by an amending agreement on November 3, 2008, by waiver and amending agreement on April 7, 2009, by amending agreement on May 19, 2009, and by waiver and amending agreement in February, 2010. The Series B Secured Debenture was issued to Wellington on April 7, 2009. This Debenture was amended by amending agreement dated May 19, 2009, and by waiver and amending agreement as of February, 2010.



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The Debentures, Series A and B, were assigned to 2293035 Ontario Limited by agreement dated July 25, 2011. The assignment appears regular on its face. The amount outstanding according to Schedule A of the Assignment Agreement was \$5,107,206.27 as of the date of the assignment.

In support of the Debentures, on May 15, 2008, the Company also executed a General Security Agreement (the "GSA") granting a general security interest to Wellington. The indebtedness was further guaranteed by MTC (supported by a General Security Agreement dated May 15, 2008) and by 1589681 Ontario Limited (also supported by a General Security Agreement dated May 15, 2008).

The Security Agreement from the Company was executed in connection with the Series A Debenture, but supports "all debts, liabilities, and obligations [of the Company] present or future, direct or indirect, absolute or contingent [etc.]" with the result that indebtedness under the Series B Debenture (and any other indebtedness which may exist) is secured by the charge.

D. PPSA Review

The chart attached to this letter as Schedule "A" outlines the Ontario registrations against the Company, MTC, and 1589681 Ontario Limited.

E. Other Searches

We have conducted Bank Act security searches against the Company and MTC, and there are no registrations against either company. We have conducted execution searches in Toronto against the Company and MTC.

One execution against the Company exists. The Ministry of Revenue has an execution registered against the Company in the amount of \$144,061.22 (interest rate 6% compounded daily from March 28, 2011). This execution would appear to correspond to the security interest registered by the Ministry of Revenue against the Company.

F. Opinion

In our opinion, in Ontario, 2293035 has a good and valid security interest over the assets and undertaking of the Company, subject to the limited interest held by RBC apparently to secure Visa indebtedness and the apparently valid purchase money security interest in the photocopier.

The security interest registered by Alliance Funding Corporation against MTC appears also to rank in priority to that of 2293035 with respect to "Equipment" and "Other" assets of MTC (and likely the Company). We have written to Alliance Funding Corporation to request copies of their security documents, and until we are able to review these documents, we cannot provide an opinion with respect to this charge in terms of amount or priority.



GARDINER ROBERTS

Yours truly,

GARDINER ROBERTS LLP

Jeff Rosekat

Jeffrey B. Rosekat
Partner
JBR/

SUMMARY OF PPSA SEARCHES

Healthscreen Solutions Incorporated [File Currency: September 5, 2011]

	SECURED PARTY	COLLATERAL CLASSIFICATION						FILE NO.	REGISTRATION No.	NOTES
		CG	I	E	A	O	MV			
1	Royal Bank of Canada 180 Wellington St. W BSC Third Floor Toronto, ON M5J 1J1		X	X	X	X	X	636986493	20070705 1452 1530 9086 5 years 20081022 1450 1530 1453 Amendment	Amendment 2008 to change debtor's name to Healthscreen Solutions Incorporated
2	CIT Financial Ltd. 5035 South Service Rd. Burlington, ON L7R 4C8			X				641626074	20071227 1038 1616 4427 7 years	Canon Copier
3	2293035 Ontario Limited 95 Wellington St W Suite 1200 Toronto, Ontario M5J 2Z9		X	X	X		X	645152868	20080514 1127 1590 1248 5 years 20110726 1506 1590 5676 Assignment	Assigned to 2293035 Ontario Limited by WF Fund III Limited Partnership, c/o Wellington Financial LP and Wellington Financial Fund III
4	Her Majesty in Right of Ontario represented by the Minister of Revenue		X	X	X			668581056	20110328 1237 1031 7175 5 years	\$144,061
5	Justin Belobaba 68 Yorkville Avenue Suite 401 Toronto, ON M5R 3V7		X	X	X		X	671036688	20110628 1449 8028 3083 2 years	
6	Azedomine Inc. 68 Yorkville Avenue Suite 401 Toronto, ON M5R 3V7		X	X	X		X	671064336	20110629 1046 8028 3091 2 years	
	Business Development Bank of Canada 39 Queen St. Ste 100 St. Catharines, ON L2R 7A7		X	X	X		X	890660502	20030108 1032 1529 6666 7 years 20090430 1656 2611 7283 Renewal (4 years) 20110816 1648 2611 1095 Discharge	

Medical Telecom Corporation [File Currency: Sept.6, 2011]

SECURED PARTY	COLLATERAL CLASSIFICATION					FILE No.	REGISTRATION No.	NOTES
	CG	I	E	A	O	MV		
The Toronto-Dominion Bank		X	X	X	X	X	20040716 1942 1531 5372 5 years 20090527 1948 1531 5416 Renewal (5 years)	Jointly registered as against 1616340 Ontario Inc. Only 1616340 is mentioned in the renewal
Alliance Funding Corporation			X		X		20080226 1446 1530 7190 5 years	
WF Fund III Limited Partnership, cob Wellington Financial LP and Wellington Financial Fund III		X	X	X	X	X	20080514 1128 1590 1249 5 years	

1589681 Ontario Limited [File Currency: Sept. 6, 2011]

SECURED PARTY	COLLATERAL CLASSIFICATION					FILE No.	REGISTRATION No.	NOTES
	CG	I	E	A	O	MV		
WF Fund III Limited Partnership, cob Wellington Financial LP and Wellington Financial Fund III		X	X	X	X	X	20080514 1129 1590 1250 5 years	



GARDINER ROBERTS

Jeffrey B. Rosekat
Direct Line: 416.865.6662
jrosekat@gardiner-roberts.com
File No.: 97116

September 29, 2011

Mr. Bryan Tannenbaum
Deloitte & Touche Inc.
Brookfield Place
181 Bay Street, Suite 1400
Toronto, Ontario
M5J 2V1

Dear Mr. Tannenbaum,

**Re: Receivership of Healthscreen Solutions Incorporated (the "Company")
Security Review**

This letter follows our security review opinion and further information received. This letter should be read in conjunction with our earlier correspondence..

A. Royal Bank of Canada

Royal Bank has a credit agreement dated June 19, 2007 for a revolving demand facility in the amount of \$50,000 and for VISA business credit of \$55,000. We understand that there are no funds owing on the demand facility and that under the Royal Bank Visa cards there is approximately \$37,000 owing at this time. The Royal Bank is duly registered and has security over all the assets for this outstanding Visa debt.

B. Alliance Funding Corporation

We have now obtained information from the Alliance Company that its debt relates to a lease of certain software. The lease is clearly a financing lease. Alliance's registration is questionable as it was registered against Medical Telecom Corporation in 2008. Medical Telecom merged with Healthscreen in 2009 and pursuant to the provisions of the Personal Property Security Act, Alliance would become unperfected 30 days following knowledge on its part of the name change.

Given that the merger occurred more than 2 years ago, it was thought that Alliance was aware of the name change but did not file the necessary change statement. We have contacted Alliance and they advise that at no time did they become aware that the name of the debtor changed. From our discussions with you it seems that failure on Healthscreen's part to notify creditors of the merger and name change is consistent with their general operations. Accordingly we are inclined to give Alliance the benefit of the doubt and accept their security.

The amount currently outstanding on this lease is also very small at about \$1800.

GARDINER ROBERTS LLP

Scotia Plaza, 40 King Street West, Suite 3100
Toronto, ON, Canada M5H 3Y2
Tel: 416 865 6600 Fax: 416 865 6636 www.gardiner-roberts.com





GARDINER ROBERTS

Yours truly,

GARDINER ROBERTS LLP

Jeff Rosekat

Jeffrey B. Rosekat
Partner
JBR/

TAB D



Healthscreen Solutions
Inc.

Information Package &
Terms and Conditions
for Invitation for
Proposals to Purchase

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Terms and conditions of sale	5
Description of assets available for sale.....	9

Exhibits

- A Proposal Form

Schedules

- | | | |
|---|-----------|-----------------------------|
| 1 | Parcel #1 | Physician Services Business |
| 2 | Parcel #2 | Software Business |

Notice to Reader

Deloitte & Touche Inc., in its capacity as Court Appointed Receiver of Healthscreen Solutions Inc. (the "Receiver" or "Deloitte") has been authorized to solicit proposals for the purchase of all or some of the assets of Healthscreen Solutions Incorporated ("Healthscreen").

This document has been prepared solely for the convenience of prospective purchasers to assist them in their determination of whether they wish to submit a proposal to purchase all or certain of HEALTHSCREEN's assets.

Deloitte expressly advises, and the prospective purchaser acknowledges, that the prospective purchaser will not and could not reasonably rely on this information in arriving at a decision to purchase part or all of the assets listed herein. Deloitte has not independently verified any of the information contained herein and makes no express or implied representation or warranty with respect to the accuracy or completeness of such information. Upon execution of an appropriate confidentiality agreement, Deloitte will provide access to a virtual data room for the purposes of due diligence.

Nothing contained in this document is, or should be relied upon as, a representation as to the future potential for the assets. Each prospective purchaser must rely upon its own inspection and investigation in order to satisfy itself as to title, merchantability, encumbrances, description, fitness for purpose, quantity, condition, existence, quality, value or any other matter or thing whatsoever relating to the assets to be purchased. Deloitte gives no representations or warranties with respect to any of the foregoing matters and has no liability from the use of the information contained in this Information Package.

The information contained herein has been prepared for the sole purpose of presentation to prospective purchasers of HEALTHSCREEN's assets and is to be held in confidence and is not to be reproduced or used for any other purpose or disclosed to third parties without Deloitte's prior written consent.

Neither this document, nor its delivery to any prospective purchaser, shall constitute an offer to sell.

Sale Procedures

Deloitte will consider proposals to purchase, on an “as-is, where-is” basis any or all of the assets of Healthscreen’s owned or used in connection with its business set out herein.

The assets are available for inspection by contacting the Deloitte representative identified below to arrange for an appointment. All proposals must be submitted in accordance with the Terms and Conditions of Sale detailed in Part IV of this Information Package, and must be received on or before 4:00 p.m. (EDT), September 23, 2011.

All contact by prospective purchasers is to be made directly with the designated representative of Deloitte noted below:

BCE Place, Suite 1400
181 Bay Street
Toronto, Ontario
M5J 1V2
Attention: Catherine Hristow

Facsimile: (416) 775-8831
Telephone: (416) 601-6690
Email: christow@deloitte.ca

All proposals substantially in accordance with the Proposal Form provided and submitted to Deloitte in accordance with the Terms and Conditions of Sale in Part IV of the Information Package will be considered. Prospective purchasers are cautioned that Deloitte reserves the right to negotiate with any prospective purchaser at any time and to sell any or all assets at any time prior to the deadline for receipt of proposals. In addition, the highest proposal may not necessarily be accepted by Deloitte, nor will any of the proposals submitted necessarily be accepted by Deloitte. Any proposal which is accepted by Deloitte shall be subject to a formal agreement of purchase and sale to be entered into by Deloitte and any prospective purchaser on terms and in a form acceptable to Deloitte, and shall be subject to Court approval.

Introduction and general

Description of the Business

The following is a brief description of HEALTHSCREEN's business as same existed prior to the appointment of the Receiver.

Introduction

HEALTHSCREEN was founded in 1992, Healthscreen Solutions Incorporated (TSX-V: MDU) is the *premier supplier of practice enhancing services and electronic medical record software* for Canadian physicians. The Company's comprehensive suite of products and services increase physician productivity and revenue, while reducing costs and improving patient care.

Over 5,000 physicians use Healthscreen. The Company planned on continuing to offer "More Services to More Doctors", with simple services and software that enhance medical practices.

The business of the Company is organized into two active business units consisting of: (i) **Physician Services**, which focuses on increasing practice revenue, reducing cost and improving patient care and (ii) **Software Products**, which focuses on developing and offering a comprehensive suite of software products to community based physicians. The two active business units are supported by a corporate head office group providing finance, corporate development, internal technical support, investor relations and other administrative activities

The **Physician Services** Business focuses on increasing medical practice revenue, reducing costs and improving patient care. It consists of four services referred to as: (a) CallerMD; (b) PrevCareMD; (c) HealthAlert; and (d) Chronic Condition Management.

The **Software Business** involves the development and application of fully functional internet based software for medical records management involving such things as billing and scheduling, database creation and data mining, task management, chronic disease management, storage, data input and access, security and communication. The principal product of the company in this regard is referred to as HS practice.

The Company does not own any real estate and has its principal place of business in Toronto.

Terms and conditions of sale

1. DELOITTE & TOUCHE INC., in its capacity as Receiver of Healthscreen Solutions Incorporated (the "Receiver") invites written proposals to purchase any or all of the assets of Healthscreen Solutions Inc. ("HEALTHSCREEN") owned or used in connection with its business set out herein. A Proposal Form is attached herein as Exhibit "A". Such proposals must be in a sealed envelope marked **"PROPOSAL RE: HEALTHSCREEN SOLUTIONS INCORPORATED."**

All proposals must be received by the Receiver at the following address by 4:00 PM EDT, Friday September 23, 2011:

DELOITTE & TOUCHE INC.
BCE Place, Suite 1400
181 Bay Street
Toronto, Ontario
M5J 2V1

Attention: Catherine Hristow

Facsimile: (416) 775-8831
Telephone: (416) 601-6690

2. Proposals will be considered on the basis that the party submitting the proposal has inspected the assets described in each parcel and examined and satisfied itself as to the title thereto and that no representation, warranty, term, condition, understanding or collateral agreement, statutory or otherwise, is expressed or can be implied, with respect to title, merchantability, condition, description, fitness for purpose, quality, quantity or any other thing, affecting any of the assets or in respect of any other matter or thing whatsoever except as expressly stated herein. Without limiting the foregoing, each party submitting a proposal acknowledges and agrees that each parcel is specifically offered on an "as is where is" basis as each parcel will exist on the Closing Date and no adjustment shall be allowed by either the Receiver or a Purchaser for changes in condition or quantities of the assets from the date hereof and that the sale, transfer and assignment of the assets may be subject to the terms of a license, patent or any other agreements comprising or relating to such assets, requiring the consent of any licensor or any other party, or imposing any restrictions on disclosure or assignability, or relating to confidentiality and rights of first refusal for the benefit of any other party to such license, patent or any other agreement. The Purchaser acknowledges that it will be responsible for making its own arrangements with any licensors or lessors of assets or other parties required to operate or related to any of the assets. It shall be the sole responsibility of a Purchaser to obtain, at its own expense, any consents to the transfer of the purchased assets and any further documents or assurances which are necessary or desirable in the circumstances. Each party submitting a proposal acknowledges that the Receiver is not required to inspect or count, or provide any inspection or counting, of the assets or any part thereof and such party shall be deemed, at its own expense, to have relied entirely on its own judgement, inspection and investigation. The Receiver shall not be liable for any incorrect description, defect or condition of any of the assets, and each

person submitting a proposal shall make no claim against the Receiver or any of its directors, officers or employees in connection with the proposal for the purchase of any of the parcels. In particular, no adjustments will be entertained for longs and shorts.

3. Documentation relating to the various parcels may reviewed at Healthscreen upon confirmation of a date and time to be obtained from the Receiver. Such documentation has been prepared or collected solely for the convenience of prospective purchasers and is not warranted to be complete or accurate and is not part of these Terms and Conditions of Sale. A virtual Due Diligence Room will be established by the Receiver access to which will be provided on execution of a Confidentiality Agreement in form satisfactory to the Receiver.
4. The parcels will be available for inspection together with access to the Due Diligence Room (subject to a signed Confidentiality Agreement) at such time as may be arranged with the Receiver by contacting Catherine Hristow, 416-775-8831 or christow@deloitte.ca . The period during which the assets may be inspected will expire on Friday, September 23, 2011.
5. All proposals should be in the form of the enclosed "Proposal Form", signed by a duly authorized officer of the entity making the proposal.
6. All proposals must be accompanied by a bank draft or certified cheque payable to "DELOITTE & TOUCHE INC.", in its capacity as Receiver of Healthscreen Solutions Incorporated -in Trust" in an amount equal to not less than 10% of the gross purchase price offered for the assets. If the proposal is accepted by the Receiver, this draft or cheque shall be deemed a non-refundable cash deposit (the "Deposit") and shall be held and applied against the purchase price at closing.
7. The highest, or any proposal for all or any of the assets will not necessarily be accepted. The acceptance of any proposal is at the Receiver's sole and absolute discretion. Preference will be given to en bloc proposals. No person shall retract, withdraw or countermand a proposal before notification of acceptance or rejection of the proposal by the Receiver.
8. The Receiver reserves the right to amend or terminate the proposal process at any time.
9. Any proposal which includes certain plant machinery and equipment which is subject to a lease may require the consent of the lessor.
10. All proposals to liquidate the fixed assets of HEALTHSCREEN must contain a net minimum guaranteed return to the Receiver and will be subject to the liquidator and the Receiver entering into an auction services agreement on terms satisfactory to the Receiver.
11. If any proposal is accepted by the Receiver, the Receiver will notify the Purchaser of such acceptance on or before Friday September 30, 2011 by notice in writing either delivered or by prepaid registered mail addressed to the Purchaser at the address set forth in his proposal, such notice to be deemed effectively given and received when deposited in the post office or when delivered as the case may be.
12. Acceptance of any proposal by the Receiver shall be subject to the Receiver and the Purchaser entering into an Agreement of Purchase and Sale on terms and in a form acceptable to the Receiver, and its legal counsel, and to Court approval of the Agreement of Purchase and Sale. Title to the purchased assets shall be transferred by the Receiver to the Purchaser pursuant to a Vesting Order in form and substance acceptable to the Receiver and its legal counsel and approved by the Court.
13. All Deposits in respect of proposals not accepted by the Receiver shall be returned to the party by prepaid registered mail, addressed to the party at the address set forth in its proposal within ten days following Friday September 23, 2011 without interest thereon.

14. The balance of the purchase price, together with any taxes referred to below, shall be paid by bank draft or certified cheque payable to the Receiver on the Closing Date.
15. Each Purchaser will pay to the Receiver on the Closing Date, in addition to the balance of the Purchase Price, any and all federal, provincial and other sales, goods and services, harmonized, and other taxes whatsoever which are payable in connection with the purchase and conveyance of the assets herein, together with all duties, registration fees or other charges properly payable or exigible upon or in connection with the conveyance or transfer of the parcels or will provide the Receiver with appropriate exemption certificates in form and substance satisfactory to the Receiver in respect of such taxes. The Purchaser will indemnify and hold the Receiver and HEALTHSCREEN harmless in respect of any taxes, penalties, interest and other amounts which may be assessed against the Receiver under the *Excise Tax Act* (Canada), the *Retail Sales Tax Act* (Ontario) or any comparable law as a result of the sale of the parcels or as a result of the failure by the Purchaser to pay all the aforementioned taxes exigible in connection with the transactions contemplated by this Agreement, whether arising from re-assessment or otherwise.
16. Subject to alternative arrangements being made by the Purchaser with the owner, each Purchaser will remove the parcels at its sole expense from their present location (the "Premises") as soon as possible and in any event at such date that may be agreed upon by the Receiver and the Purchaser. Each Purchaser shall be solely responsible for the costs of dismantling and removing the purchased physical property from the Premises. Each Purchaser will be responsible for all damages, environmental spills or discharge arising from the removal of that purchased property by the Purchaser or its agents, and will repair and rectify at the Purchaser's sole cost and expense any damages to or on the Premises arising from the Purchaser's removal of any purchased property from the Premises, and will comply with all pertinent legislation and regulations relating to the removal of the purchased property from the Premises.
17. Each Purchaser will protect and hold harmless the Receiver from any liability or costs (including legal expenses) of any kind arising from any damage, environmental spills or discharge and any failure or alleged failure by the Purchaser to comply with paragraph 16 above. Each Purchaser will provide the Receiver, upon the Receiver's request, with an appropriate security deposit as determined by the Receiver to cover the costs of repairing or rectifying any damages to or on the Premises arising from the Purchaser's removal of any parcel from the Premises.
18. The Receiver shall not be required to furnish or produce any abstract, survey, deed, declaration or other document or evidence of title except such as are in its possession.
19. Prior to any closing, all assets shall be and remain in the possession of and at the risk of the Receiver, who will hold all policies of insurance effected thereon and the proceeds thereof in trust for the Receiver and each Purchaser as their respective interests may appear. After closing, the purchased property shall be at the risk of the Purchaser. In the event of substantial damage to any assets occurring on or before closing the Purchaser may either take an assignment of the proceeds of the insurance related thereto and complete the Agreement of Purchase and Sale or may terminate the Agreement of Purchase and Sale and have all monies theretofore paid, returned without interest, costs or compensation of any kind whatsoever. Where any damage is not substantial, the Purchaser shall be obligated to complete the purchase and shall be entitled to the proceeds of insurance referable to such damage, but not to any other costs or compensation whatsoever.
20. If a sale contemplated by an Agreement of Purchase and Sale is not completed because of the Purchaser's default, the Purchaser's Deposit and all other payments made in connection with the Purchase Price shall be retained by the Receiver and such parcel(s) may be resold by the Receiver and the Purchaser shall pay to the Receiver (i) an amount equal to the amount, if any, by which the Purchase Price under the Agreement of Purchase and Sale exceeds the net purchase price received by the Receiver pursuant to such resale, and (ii) an amount equal to all costs and expenses incurred

by the Receiver in respect of or occasioned by the Purchaser's failure to comply with an Agreement of Purchase and Sale.

21. It shall, among others, be a condition precedent to the Purchaser and the Receiver's obligations to complete any Agreement of Purchase and Sale that:
 - (a) none of the parcels which are the subject of the Agreement of Purchase and Sale is removed from the possession of the Receiver by any means or process or is redeemed by any party; or
 - (b) there is no order of a court of competent jurisdiction enjoining the Receiver from proceeding with the sale of any parcel subject to the Agreement of Purchase and Sale.

In each of the above cases, the sole obligation of the Receiver is to return the Deposit to the Purchaser without interest or deduction.

22. The submission of a proposal to the Receiver shall constitute an acknowledgment that the prospective purchaser has reviewed, understood, acknowledged and agreed to the terms of the accompanying "Notice to Reader", as well as these "Terms and Conditions of Sale".
23. Each prospective Purchaser acknowledges that DELOITTE & TOUCHE INC. is acting solely in its capacity as Court Appointed Receiver of the assets of Healthscreen Solutions Incorporated, and as such, its liabilities hereunder or under any Agreement of Purchase and Sale contemplated hereby, or as a result of any sale contemplated hereby, will be in its capacity as Receiver and it shall have no personal or corporate liability of any kind, whether in contract, tort or otherwise.
24. The validity and interpretation of any Agreement of Purchase and Sale shall be governed by the laws of Ontario, and such agreement shall enure to the benefit of and be binding upon the parties thereto, and their respective heirs, executors, administrators, successors or assigns as the case may be.
25. Time is of the essence in any Agreement of Purchase and Sale.
26. If there is any conflict or inconsistency between the Terms and Conditions of Sale detailed herein or any other provision in this document and the Agreement of Purchase and Sale contemplated hereby, the Agreement of Purchase and Sale shall govern and prevail.

Dated at Toronto, Ontario, this 12th day of September, 2011.

Deloitte & Touche Inc., in its capacity as
Court Appointd Receiver of Healthscreen
Solutions Inc. and not in its personal capacity

Description of assets available for sale

Deloitte & Touche Inc. will consider proposals to purchase, on an “as-is, where-is” basis any or all of the assets of HEALTHSCREEN set out in the Parcel descriptions summarized below:

Parcel #1 **Physician Services Business** (See Schedule 1)

Parcel #2 **Software Business** (See Schedule 2)

NOTICE OF DISCLAIMER:

DELOITTE & TOUCHE INC. EXPRESSLY ADVISES THAT THE PROSPECTIVE PURCHASER WILL NOT AND COULD NOT REASONABLY RELY ON THIS INFORMATION IN ARRIVING AT A DECISION TO PURCHASE PART OR ALL OF THE ASSETS LISTED HEREIN. DELOITTE & TOUCHE INC. HAS NOT INDEPENDENTLY VERIFIED ANY OF THE INFORMATION CONTAINED HEREIN AND MAKES NO EXPRESS OR IMPLIED REPRESENTATION OR WARRANTY WITH RESPECT TO THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION. EACH PROSPECTIVE PURCHASER MUST RELY UPON ITS OWN INSPECTION AND INVESTIGATION IN ORDER TO SATISFY ITSELF AS TO TITLE, MERCHANTABILITY, ENCUMBRANCES, DESCRIPTION, FITNESS FOR PURPOSE, QUANTITY, CONDITION, EXISTENCE, QUALITY, VALUE OR ANY OTHER MATTER OR THING WHATSOEVER RELATING TO THE ASSETS TO BE PURCHASED. DELOITTE & TOUCHE INC. GIVES NO REPRESENTATIONS OR WARRANTIES WITH RESPECT TO ANY OF THE FOREGOING MATTERS AND HAS NO LIABILITY FROM THE USE OF THE INFORMATION CONTAINED IN THIS INFORMATION PACKAGE.

Exhibit A

Proposal Form

Healthscreen Solutions Inc.

To: Deloitte & Touche Inc. solely in its capacity as Receiver of Healthscreen Solutions Incorporated
 BCE Place, Suite 1400
 181 Bay Street
 Toronto, Ontario M5J 2V1

Attention: Catherine Hristow

1. Name of Party Issuing Proposal	
2. Address	
3. Person to be Contacted :	
Phone Number :	
Fax Number :	
Email Address :	

4. The total amount hereby offered is \$	
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5. The amount offered for each Parcel is as follows:

Parcel #	Description	Amount Offered
1		\$
2		\$

6. The proposal must be considered as an En Bloc proposal

☐ Yes

☐ No

7. This Proposal is submitted pursuant to the Terms and Conditions of Sale prepared by Deloitte & Touche Inc., in its capacity as Receiver in Bankruptcy of Healthscreen Solutions Inc. dated September 12, 2011.

Date

Authorized Signing Officer

Schedule 1

Healthscreen Solutions Inc.

Parcel 1

Physician services Business

The **Physician Services Business** comprises that part of the business of the company that relates to the provision of services to physicians. The Physician Services Business focuses on increasing practice revenue, reducing costs and improving patient care and consists of four services being: (a) CallerMD; (b) PrevCareMD; (c) HealthAlert; and (d) Chronic Condition Management.

Associated with the Physician Services Business are a number of assets relating thereto including

1. Any and all products and goods associated with the Physician Services Business; that are or have been developed, manufactured, engineered, processed, marketed or sold by or on behalf of Healthscreen as part of that business, provided that, for greater certainty, "Products" shall not include or extend to any intellectual property owned by any Person other than Healthscreen.
2. Intellectual Property associated with the Physician Services Business including related trademarks, patents, goodwill, marks, trade dress, business names, and domain names.
3. Accounts Receivable related to the Physician Services Business;
4. Any relevant and related inventory and equipment (save equipment integral to the Software Business);
5. Customer lists, physician agreements;
6. Contracts other than contracts in respect of which any consent is necessary to effect the assignment thereof which shall not have been given on or prior to closing
7. Business information including all books, records, files, data, documentation and sales literature in the possession or under control of Healthscreen (other than information which is the property of third parties), used or held for use in connection with the Physician Services Business, including information, research and development, studies, business plans, policies and procedures, equipment manuals and materials and procurement documentation used in that business, but excluding any employees records for employees or former employees who are not transferred.

Assets Excluded from Parcel 1

Parcel 2 and the following assets that do not relate to the Physician Services Business (collectively, the **"Physician Services Excluded Assets"**):

1. Cash and cash equivalents, including bank balances, term deposits, supplier deposits and similar instruments, including restricted cash supporting letters of credit;
2. Excluded contracts;
3. The minute books and share registers of Healthscreen;
4. (i) any books, records, files, documentation or literature other than the Physician Services Business information, (ii) the employee records for employees or former employees who do not become transferred employees, and (iii) such portion of the Physician Services Business information to the extent that Healthscreen is required by law (including laws relating to privacy) or by any agreement with a third party to retain (provided that copies of such information shall be provided to the Purchaser to the extent permitted by applicable Law or such agreement) and/or not to disclose;
5. All rights of Healthscreen under this sale process and agreement and any ancillary agreements;
6. All rights and claims of Healthscreen against any present or former director, officer or shareholder (direct or indirect) of Healthscreen or any affiliate of Healthscreen;
7. The office space located at 80 Bloor Street West, Suite 1101, Toronto, Ontario which constitutes the leased premises of Healthscreen;

8. Computer hardware, servers, operating software (including accounting software associated with the billing, collecting and accounting associated with the Physician Services Business), networks and desktop equipment associated with the Physician Services Business;
9. Any non-assignable contracts, licences, permits and intellectual property;
10. All rights to tax refunds, credits or similar benefits relating to the purchased assets or the Physician Services Business that are received with respect to taxes; and
11. A copy of any book, record, literature, list and any other written or recorded information constituting business information (the original of which has already been assigned or transferred to the Purchaser) to which Healthscreen in good faith determines it is reasonably likely to need access for bona fide tax or legal purposes.

Schedule 2

Healthscreen Solutions Inc.

Parcel 2

Software Business

The **Software Business** comprises that part of Healthscreen's business that is not related exclusively to the Physician Services Business (Parcel 1).

Included within the Software Business are the following types of assets related to that Software Business:

1. All accounts receivable;
2. Any refunds due from, or payments due on, claims with the insurers of Healthscreen in respect of any loss arising or occurring in respect of any of the Purchased Assets on or after the date hereof and prior to the Closing;
3. Any relevant and related inventory and equipment (save equipment integral to the Physician Services Business);
4. Contracts including any support and maintenance contracts;
5. Business information
6. Employee information, except employee information for employees or former employees who are not transferred;
7. Intellectual property including all Canadian and foreign intellectual and industrial property rights of any kind, including all: (i) trademarks; (ii) patents; (iii) inventions, novel devices, processes, concepts, formulae, models, algorithms, compositions of matter, methods, techniques, improvements, observations, discoveries, apparatuses, machines, designs, expressions, theories and ideas, whether or not patentable and whether or not a patent has been issued or a patent application has been made therefor; (iv) copyrights; (v) master works; (vi) trade secrets, know-how, and other proprietary, confidential, technical or business information; (vii) software; (viii) UPC codes and other similar vendor codes; (ix) telephone, telex, and facsimile numbers and Internet protocol addresses, and (x) rights in the foregoing and in other similar intangible assets, and all rights and remedies (including the right to sue for and recover damages, profits and any other remedy) for past, present, or future infringement, misappropriation, or other violation relating to any of the foregoing.;
8. All software source code, development environments, and open source code;
9. All products related to the Software Business;
10. All vendor lists related to the Software Business
11. All end customer contracts, government contracts, supplier agreements, computers integral to the Software Business, books and records related to the Software Business and all other operating assets and business agreements associated with the Software Business;
12. The rights and benefits under all contracts, licences and permits related to the Software Business;
13. The intangible property related to the Software Business;
14. All work in progress related to the Software Business;
15. Any employee receivables and employee mortgages related to the Software Business;
16. All pre-paid expenses;
17. All purchased deposits;
18. All goodwill associated with the Software Business or the assets related thereto, including all customer lists, files, data and information relating to past and present customers and prospective customers of the Software Business; and

19. All other assets (including manufacturing and intangible assets) of Healthscreen not specifically included in the definition of excluded assets but related to the Software Business.

Assets Excluded from Parcel 2

Parcel 1 and the following assets that do not relate to the Software Business (collectively, the "**Software Business Excluded Assets**"):

1. Cash and cash equivalents, including bank balances, term deposits, supplier deposits and similar instruments, including restricted cash supporting letters of credit;
2. Excluded contracts;
3. The minute books and share registers of Healthscreen;
4. (i) any books, records, files, documentation or literature other than the Software Business information, (ii) the employee records for employees or former employees who do not become transferred employees, and (iii) such portion of the Software Business information to the extent that Healthscreen is required by law (including laws relating to privacy) or by any agreement with a third party to retain (provided that copies of such information shall be provided to the Purchaser to the extent permitted by applicable Law or such agreement) and/or not to disclose;
5. All rights of Healthscreen under this sale process and agreement and any ancillary agreements;
6. All rights and claims of Healthscreen against any present or former director, officer or shareholder (direct or indirect) of Healthscreen or any affiliate of Healthscreen;
7. The office space located at 80 Bloor Street West, Suite 1101, Toronto, Ontario which constitutes the leased premises of Healthscreen;
8. Computer hardware, servers, operating software (including accounting software associated with the billing, collecting and accounting associated with the Physician Services Business and the Software Business), networks and desktop equipment;
9. Any non-assignable contracts, licences, permits and intellectual property;
10. All rights to tax refunds, credits or similar benefits relating to the purchased assets or the Software Business that are received with respect to taxes; and
11. A copy of any book, record, literature, list and any other written or recorded information constituting business information (the original of which has already been assigned or transferred to the Purchaser) to which Healthscreen in good faith determines it is reasonably likely to need access for bona fide tax or legal purposes.

TAB E

CONFIDENTIALITY AGREEMENT
[LETTERHEAD OF [A] _____]

Private and Confidential

_____, 2011

Delivered to:

Deloitte & Touche Inc.
 Court-Appointed Receiver of
 Healthscreen Solutions Inc.
 181 Bay Street, Suite 1400
 Toronto, Ontario M5J 2V1

Attn: Catherine Hristow

Dear Sirs:

**Re: Confidentiality Agreement Pertaining to
 Healthscreen Solutions Inc. (the "Company")**

We have expressed an interest in reviewing the information more particularly defined below (the "**Information**") regarding the Company solely for the purpose of evaluating a potential acquisition of the assets of the Company (the "**Purpose**"). We each understand and agree that Deloitte & Touche Inc., in its capacity as Court-Appointed Receiver of Healthscreen Solutions Incorporated (the "**Receiver**") is willing to provide us with the Information, provided that we provide our respective undertakings as set out herein with respect to the Information.

*We understand and agree that the Information contains sensitive confidential business information about the Company. We agree that we shall keep the Information confidential and that we shall make no use of the Information other than in accordance with the Purpose. We further acknowledge that we have received a copy of the order of the Honourable Justice Marrocco appointing Deloitte & Touche Inc. as Receiver of the Company (the "**Order**") and in that regard, we agree to comply with the terms applicable in the Order to a prospective purchaser or a potential successor.*

We appreciate that all of the Information is of a confidential nature. In consideration of the Receiver providing such Information and for other good and valuable consideration, the receipt and adequacy of which is acknowledged, we each agree as follows:

1. "Information" in this Agreement means, in respect of the Company:
 - a) any communications between us and the Receiver or its agents or representatives, and any information or other material which in any way relates to the assets, undertakings, properties or business of the Company provided to us or acquired by us during our review regardless of whether same is marked "Confidential;"
 - b) any information concerning historical or projected, volumes, values and rebates and any reports thereof;

- c) any information concerning the customers or suppliers of the Company;
 - d) any information concerning the contracts and agreements, regardless of whether executed, and government or regulatory licences pertaining to or used in the operations of the Company; and
 - e) any other information concerning the Company, including any trade secrets, technical data, product information, operating procedures, and any other information, financial or otherwise pertaining to the Company' business transactions, financial projections and other financial arrangements but not including information published or made available to the public, or information which is in the public domain.
2. Subject to section 4, we acknowledge and agree that the Receiver agreed to furnish the Information to us solely for the Purpose and we covenant that we (which, for the purposes of such covenant shall include any and all of our officers, professional counsel, directors, agents or employees or any other person who receives any of the Information from any of them) shall not use the Information for any purpose other than the Purpose. For greater certainty, we and all of our officers, employees, professional consultants and representatives will not use the Information in carrying on our business or that of any affiliate, as defined in the Securities Act (Ontario), and will not disclose the Information to any other person, firm, corporation or organization without your prior written consent. We will provide the Receiver with lists of all persons to whom any Information is made available.

We acknowledge that the Receiver shall not be deemed to have made any representation or warranty as to the accuracy or completeness of any of the Information furnished to us at any time, nor shall the Receiver have any liability to us or our representatives relating to or arising from our use of any of the Information. We also acknowledge that the Receiver reserves the right to negotiate with one or more prospective purchasers at any time and to enter into a definitive sales agreement with respect to the Company without prior notice to us or any other prospective purchaser.

Without the written consent of the Receiver neither we nor any affiliate of us or any representative of us will, for a period of two years from the date hereof, directly or indirectly solicit for employment or employ any person who is now employed by the Company in any executive, sales or technical position.

- 3. Notwithstanding section 2, the Information or part thereof may be disclosed to and used by our employees, officers and professional consultants to the extent that it is bona fide necessary for the Purpose, provided that any such persons undertake to maintain the confidentiality of such Information.
- 4. For greater certainty, but without limiting our covenant to keep the Information confidential, we will take all reasonable steps to prevent the disclosure of the Information, by ensuring that:
 - a) Only persons whose duties require them to process the Information will have access thereto, and they will be instructed and required to treat the Information as confidential.

- b) Proper and secure storage is provided for all written Information or any Information which is stored on any computer or data retrieval system.
 - c) We will not make, permit or cause to be made unnecessary copies of the Information.
 - d) We will not disclose either the Information or the fact that discussions regarding the opportunity to purchase the assets or shares of the Company are taking place or the status thereof to any person other than permitted persons as specifically identified hereunder for any reason whatsoever unless:
 - (i) in the reasonable opinion of independent legal counsel approved by you in writing, such approval not to be unreasonably withheld, disclosure is required under the securities laws of any province of Canada;
 - (ii) any securities commission, stock exchange or other regulatory body having jurisdiction requires disclosure; or
 - (iii) disclosure is required to be made by us pursuant to due legal process.
5. In the event that we or anyone to whom we transmit the Information becomes legally compelled to disclose any of the Information, we will provide you with prompt notice so that you may seek a protective order or other appropriate remedy and/or waive compliance with the provisions of this Agreement. In the event that either such protective order or other remedy is obtained or you waive compliance with provisions of this Agreement, we will furnish only that portion of the Information which is legally required and will exercise our best efforts to obtain a protective order or other reliable assurance that confidential treatment will be accorded to the Information.
 6. If no agreement to purchase the assets of the Company is finalized with you, we acknowledge that our officers, employees, professional consultants and representatives will continue to be bound to hold the Information in confidence for a period of three years after discussions are terminated and the Information together with any copies thereof will be returned to the Receiver immediately on request in accordance with section 8 hereof.
 7. We will indemnify and hold the Receiver and the Company harmless from any and all loss or damage (including legal costs) which arise directly from the unauthorized disclosure or use of the Information by us, or by our officers, employees, professional consultants and representatives or in any other way which is contrary to the terms of this Agreement.
 8. The Information, together with any copies thereof, will be returned to the Receiver immediately upon request. The return, by us, of any Information to the Receiver will not diminish any of our obligations hereunder. That portion of the Information which consists of analyses, compilations, studies, or other documents prepared by us, our agents, or our employees, shall be either held by us and kept confidential subject to the terms of this Agreement or destroyed. It is agreed that monetary damages would not be a sufficient remedy for any breach of this Agreement and we agree that the Receiver shall be entitled to injunctive relief, specific performance or any other appropriate equitable remedies for any such breach. Any of such remedies shall not be deemed to be the exclusive remedy for any breach of this Agreement but shall be in addition to other remedies available at law or in equity to the Receiver. In the event that the Receiver brings an action to enforce

our obligations hereunder, we shall reimburse the Receiver for all costs and expenses, including legal fees, incurred by the Receiver in that regard.

9. Any notice required or permitted to be given under this Agreement shall be given by letter addressed Private and Confidential and sent to:

(i) in the case of the Receiver, as follows:

Deloitte & Touch Inc.
Court-Appointed Receiver of
Healthscreen Solutions Inc.
Brookfield Place,
181 Bay Street, Suite 1400
Toronto, Ontario, M5J 2V1
Attn: Catherine Hristow

(ii) in the case of the undersigned, as follows:

and personally delivered to such addresses. Any notice personally delivered as aforesaid shall be deemed to have been received on the date of delivery. Either of us may change our address for service of notice or the person to whom such notice shall be directed from time to time by notice given in accordance with the foregoing.

10. We agree that we may not assign this Agreement nor any of its rights hereunder, whether in whole or in part.
11. This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and each of us hereby irrevocably attorn to the jurisdiction of the courts of such province.
12. In the event of a transaction being successfully completed we confirm that we and our officers, employees, professional consultants and agents are not acting on behalf of the Receiver or the Company in such a manner as to give rise to any valid claim against the Receiver or the Company for broker's or finder's fee or similar compensation.
13. This Agreement constitutes the entire agreement between us and the Receiver with respect to the subject matter hereof and supersedes all prior agreements and or discussions relating to the subject matter hereof. This Agreement may only be amended by further written agreement between the parties.

For good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, each of the undersigned have executed this Agreement and hereby agree to all of the obligations in favour of the Receiver contemplated herein.

Yours very truly,

_____[A]_____

Per: _____

Name: _____

Title: _____

I have authority to bind the Company
















































Witness




























































Name: _____













































President / CEO of: _____[A]_____

TAB F

Administration Files

- [1]  Leased Premises
 - [1.1]  Krugerand - 11th floor.pdf
 - [1.2]  Krugerand - 12th floor additional space.pdf
 - [1.3]  Krugerand - 12th floor original space.pdf
 - [1.4]  Lease- 110 Hannover Drive.PDF
 - [1.5]  Sub-lease - Greater Canadian Personnel.pdf
- [2]  Segregated Information
 - [2.1]  Job Descriptions
 - [2.1.1]  Manager-Client_Care[1].doc
 - [2.1.2]  Operations Analyst.doc
 - [2.1.3]  Patient Relations Representative.doc
 - [2.1.4]  Payment Proccesor.doc
 - [2.1.5]  Payment Processing, Team Lead.doc
 - [2.1.6]  Physician Care Coordinator.doc
 - [2.1.7]  Physician Care- Tier 2 MD400.doc
 - [2.1.8]  Production Coordinator- Data.doc
 - [2.1.9]  Team Lead, Patient Care.doc
 - [2.1.10]  Team Lead, Physician Care.doc
 - [2.2]  2008 Primary Care Initiatives Memo
 - [2.3]  686 Analysis Sept 22.xls
 - [2.4]  CallerMD Ageing Data Room Scrubbed.xls
 - [2.5]  CallerMD_Doctor_s_Letter
 - [2.6]  CMD Doctor by Service Type and Qtr
 - [2.7]  CMD HA Revenue & Collections Version 2.xls
 - [2.8]  Data Room Service Doctors Segregated.xls
 - [2.9]  Extract Distribution by Billing Package.xls
 - [2.10]  FMO Invoice Sample.pdf
 - [2.11]  Healthalert refunds 2009-2010-2011
 - [2.12]  Lucrative Sales Contract.pdf
 - [2.13]  MTC cash - June - July - August 2011
 - [2.14]  Paid mailings for July and August.doc
 - [2.15]  Prevcare 6.86 Services - billed and collected Segregated.xls
 - [2.16]  PrevCare COGS.xls
 - [2.17]  PrevCare Docs - Capitated Model vs Not.xls
 - [2.18]  Sample Sales Rep Commission Data Room.xls
 - [2.19]  Services HS IT INVENTORY.xls
 - [2.20]  Services Model - Sept 2011 Data Room Segregated.xls
 - [2.21]  Services Sales Activity in 2011 Segregated.xls
 - [2.22]  TORONTO-#259745-v3-Asset_Purchase_Agreement_Form_-_Receivership.pdf
 - [2.23]  Withdrawal Tickets from JIRA - No Reasons Listed Data Room Scrubbed
- [3]  Services (CallerMD, Prevcare, Health Alert, Wellness)
 - [3.1]  Job Descriptions
 - [3.1.1]  Manager-Client_Care[1].doc
 - [3.1.2]  Operations Analyst.doc
 - [3.1.3]  Patient Relations Representative.doc
 - [3.1.4]  Payment Proccesor.doc
 - [3.1.5]  Payment Processing, Team Lead.doc
 - [3.1.6] Physician Care Coordinator.doc
 - [3.1.7] Physician Care- Tier 2 MD400.doc
 - [3.1.8] Production Coordinator- Data.doc
 - [3.1.9] Team Lead, Patient Care.doc
 - [3.1.10] Team Lead, Physician Care.doc
 - [3.2] 2009 Annual Report.pdf
 - [3.3] 2010 Annual Report.pdf

- [3.4]  2010 Dec 1 - Master Terms and conditions.doc
- [3.5]  CallerMD Ageing Data Room Scrubbed.xls
- [3.6]  CMD Doctor by Service Type and Qtr
- [3.7]  CMD HA Revenue & Collections Version 2.xls
- [3.8]  CMD Qtrly Revenue by Doctor
- [3.9]  Data Room Service Doctors.xls
- [3.10]  Extract Distribution by Billing Package.xls
- [3.11]  FMO Invoice Sample.pdf
- [3.12]  FY_08_annual_report_Final_doc.pdf
- [3.13]  Healthalert refunds 2009-2010-2011
- [3.14]  Historical Prevcare Revenue.xls
- [3.15]  Initial Single Doctor - (2011 OMA Rates).doc
- [3.16]  Lucrative Sales Contract.pdf
- [3.17]  MOH Col. Cancer Incentive - April 2008 FOBT.pdf
- [3.18]  MOH PrevCare Bonus Info - April 2007 Fact Sheet.pdf
- [3.19]  Prevcare 6.86 Wellness Services - billed and collected.xls
- [3.20]  PrevCare COGS.xls
- [3.21]  PrevCare Docs - Capitated Model vs Not.xls
- [3.22]  PrevCareMD Accounts Receivable Data Room.xls
- [3.23]  Q1 11 FS and Notes Final.pdf
- [3.24]  Q2-11 Interim FS.PDF
- [3.25]  Quarterly_Diamond_Sept_19.xls
- [3.26]  Sample Sales Rep Commission Data Room.xls
- [3.27]  Services Description
- [3.28]  Services Head Count No Names.xls
- [3.29]  Services HS IT INVENTORY.xls
- [3.30]  Services Model - Sept 2011 Data Room.xls
- [3.31]  TORONTO-#259745-v3-Asset_Purchase_Agreement_Form_-_Receivership.pdf
- [3.32]  Withdrawal Tickets from JIRA - No Reasons Listed Data Room Scrubbed
- [4]  Software (EMR, Billing & Scheduling)
 - [4.1]  Customer Information
 - [4.1.1]  Master Site and Doctor Table
 - [4.2]  Financial
 - [4.2.1]  10 Largest Suppliers.xls
 - [4.2.2]  Deferred Revenue
 - [4.2.3]  EMR HS IT INVENTORY.xls
 - [4.2.4]  Historical Revenue by Quarter
 - [4.2.5]  Maintenance billings July to June 2012 X-Out
 - [4.2.6]  Sample EMR Proposal-Contract
 - [4.2.7]  September 22 EMR aged accounts receivable
 - [4.2.8]  TORONTO-#259745-v3-Asset_Purchase_Agreement_Form_-_Receivership.pdf
 - [4.3]  Staff
 - [4.3.1]  37- Org Chart EMR- June 2011.xls
 - [4.3.2]  38- 33- HS Job description.doc
 - [4.3.3]  38- 33- Mgr, Training and Implementation.doc
 - [4.3.4]  38- 44 Client Satisfaction Coord.doc
 - [4.3.5]  38- 44 HS Job description.doc
 - [4.3.6]  38- 51 - Mgr, Client Services.doc
 - [4.3.7]  38- 51- HS Job description.doc
 - [4.3.8]  38-23MgrTechnicalServices97
 - [4.3.9]  Employee - Start dates.xls
 - [4.3.10]  Head Count No Names.xls
 - [4.4]  Technical
 - [4.4.1]  Quality
 - [4.4.1.1]  Test Cases
 - [4.4.1.1.1]  HS WorkQueue-Fax.doc
 - [4.4.1.1.2]  HS_Billing.doc
 - [4.4.1.1.3]  HS-Chart-Alerts.doc
 - [4.4.1.1.4]  HS-Chart-Allergy.doc

- [4.4.1.1.5]  HS-Chart-Consultation.doc
- [4.4.1.1.6]  HS-Chart-Exam.doc
- [4.4.1.1.7]  HS-Chart-FamilyHistory.doc
- [4.4.1.1.8]  HS-Chart-Immunization.doc
- [4.4.1.1.9]  HS-Chart-Lab.doc
- [4.4.1.1.10]  HS-Chart-Medication.doc
- [4.4.1.1.11]  HS-Chart-Notes.doc
- [4.4.1.1.12]  HS-Chart-Problems.doc
- [4.4.1.1.13]  HS-Chart-Procedure.doc
- [4.4.1.1.14]  HS-Chart-profiles.doc
- [4.4.1.1.15]  HS-Chart-Recalls.doc
- [4.4.1.1.16]  HS-EDT.doc
- [4.4.1.1.17]  HS-Messenger.doc
- [4.4.1.1.18]  HS-PatientList-Demographics.doc
- [4.4.1.1.19]  HS-Reports.doc
- [4.4.1.1.20]  HS-Scheduling-Calendar.doc
- [4.4.1.1.21]  HS-Scheduling-Configuration.doc
- [4.4.1.1.22]  HS-Scheduling-Daysheet.doc
- [4.4.1.1.23]  HS-Setup-3rd parties.doc
- [4.4.1.1.24]  HS-Setup-Billing.doc
- [4.4.1.1.25]  HS-Setup-Chart.doc
- [4.4.1.1.26]  HS-Setup-Doctors&Providers.doc
- [4.4.1.1.27]  HS-Setup-Location.doc
- [4.4.1.1.28]  HS-Setup-Locations.doc
- [4.4.1.1.29]  HS-Setup-Pharmacy.doc
- [4.4.1.1.30]  HS-Setup-Template.doc
- [4.4.1.1.31]  HS-Setup-User.doc
- [4.4.1.1.32]  HS-Setup-UserRoles.doc
- [4.4.1.1.33]  HS-WorkQueue-Consults.doc
- [4.4.1.1.34]  HS-WorkQueue-LabTests.doc
- [4.4.1.1.35]  HS-WorkQueue-Procedure.doc
- [4.4.1.2]  28- Hiring Process.rtf
- [4.4.1.3]  28- New Employee Training Checklist..rtf
- [4.4.1.4]  28- Release Process for HSpractice.rtf
- [4.4.1.5]  28- Test Complete Coding Guidelines.rtf
- [4.4.2]  22- Healthscreen Technology overview.pdf
- [4.4.3]  22- hspatice_roadmap.png
- [4.4.4]  22- Product Development Process.doc
- [4.4.5]  22- Read Me.doc
- [4.4.6]  22- Release Process for HSpractice.doc
- [4.4.7]  24- Third Party Licenses.doc
- [4.4.8]  25- Desc and Rationale for RND projects with forecast and cost.doc
- [4.4.9]  26- Software development expense versus capitalization.doc
- [4.4.10]  HS Practice Products

TAB G

Bid Proposal and Agreement of Purchase
and Sale for 2293035 Ontario Limited
(CONFIDENTIAL)

TAB H

Bid Proposal and Agreement of Purchase
and Sale for Physiomed
(CONFIDENTIAL)

TAB I

EXHIBIT 1

**DELOITTE & TOUCHE INC., COURT APPOINTED RECEIVER OF
HEALTHSCREEN SOLUTIONS INCORPORATED
INTERIM STATEMENT OF RECEIPTS AND DISBURSEMENTS
FOR THE PERIOD SEPTEMBER 2, 2011 TO SEPTEMBER 27, 2011**

	<u>Operating Funds</u>	<u>Trust Funds</u>
Receipts		
Opening operating cash	\$ 238,874.42	
Opening trust cash		\$ 161,340.85
Cash received from operations	\$ 280,882.81	
Cash received for trust account		\$ 152,500.85
Total receipts	<u>\$ 519,757.23</u>	<u>\$ 313,841.70</u>
Disbursements		
Payroll (Pre-receivership)	\$ 173,507.21	
Payroll (Receiver's)	\$ 181,727.91	
Payment of trust funds to doctors		\$ 133,562.36
Consulting fees & commissions	\$ 70,055.14	
Purchases	\$ 26,707.28	
HST paid	\$ 11,931.24	
Postage	\$ 8,169.81	
Insurance	\$ 3,957.77	
Rent	\$ 2,227.20	
Telephone	\$ 1,511.34	
Bank charges	\$ 1,072.42	
Lease payments	\$ 304.90	
Payroll Services	\$ 182.73	
Filing fees	\$ 70.00	
Total disbursements	<u>\$ 481,424.95</u>	<u>\$ 133,562.36</u>
Excess of Cash Receipts over Disbursements	<u><u>\$ 38,332.28</u></u>	<u><u>\$ 180,279.34</u></u>

TAB J

Court File No. CV-11-9365-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

B E T W E E N:

2293035 ONTARIO LIMITED

Applicant

-and-

HEALTHSCREEN SOLUTIONS INCORPORATED

Respondent

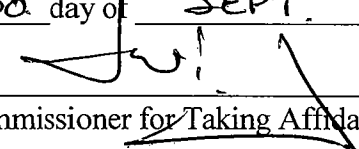
AFFIDAVIT OF CATHERINE HRISTOW
sworn on September 30, 2011

I, Catherine Hristow, of the Town of Richmond Hill, in the Province of Ontario,

MAKE OATH AND SAY:

1. I am a Vice President of Deloitte & Touche Inc. ("**Deloitte**"), the Court-appointed Receiver of Healthscreen Solutions Incorporated ("**Healthscreen**" or the "**Company**"), and as such have personal knowledge of the matters herein deposed.
2. On September 2, 2011, Deloitte was appointed as Receiver without security of all of the assets, undertakings and properties of Healthscreen, pursuant to an order made by the Honourable Justice Marrocco of the Ontario Superior Court of Justice.
3. Attached hereto and marked as **Exhibit "A"** is a true copy of the account rendered by Deloitte to Healthscreen for the period from July 26, 2011 to September 27, 2011, including a summary of the staff and their respective hourly rates. The average hourly rate is \$392.94. The attached accounts also provide a fair and accurate description of the services provided by Deloitte.

SWORN before me
 at the City of Toronto,
 in the Province of Ontario,
 this 30 day of SEPT., 2011.



 A Commissioner for Taking Affidavits, etc.



CATHERINE HRISTOW

This is Exhibit 'A' referred to in the
affidavit of Catherine Hristow
sworn before me, this 30th
day of September 20 11
[Signature]
A Commissioner, etc.

Deloitte & Touche Inc.
Brookfield Place
181 Bay Street
Suite 1400
Toronto ON M5J 2V1
Canada

Tel: 416-601-6549
Fax: 416-601-6690
www.deloitte.ca

Healthscreen Solutions Incorporated
c/o: Deloitte & Touche Inc.
Brookfield Place
181 Bay Street
Suite 1400
Toronto ON M5J 2V1

Date: September 29, 2011
Invoice No: 2932641
Client/Mandate No: 917445/1000001
Partner: Bryan A. Tannenbaum
HST Registration No: 122893605

Invoice

Professional services rendered in connection with the appointment of Deloitte & Touche Inc. as Receiver (the "Receiver") of the undertakings and properties of Healthscreen Solutions Incorporated ("Healthscreen" or the "Company") for the period from July 26, 2011 to September 27, 2011.

Date	Professional	Description	Hours
7/26/2011	Tannenbaum, Bryan	Meeting with S. Mingie to obtain background information; attendance at a meeting in at our offices with J. Gillberry and A. Hildebrandt of QHR Technologies Inc. ("QHR") and S. Davis of Healthscreen to obtain further background and financial information, discuss alternatives and options; separate telephone attendance with S. Davis and D.J. Miller of Thornton Grout Finnigan LLP ("TGF") regarding status and action plan to move forward; preparation of tentative timeline summary, information required from the company etc.	4.5
8/2/2011	Tannenbaum, Bryan	Telephone attendance with S. Davis; review materials; telephone attendance with D.J. Miller regarding her calls; telephone attendance with S. Mingie.	1.0
8/3/2011	Tannenbaum, Bryan	Telephone conference call with V. DaRe of Fogler Rubino LLP and D.J. Miller regarding action plan and issues, etc.	0.5
8/11/2011	Hristow, Catherine	Conference call with D.J. Miller and V. DaRe; subsequent discussions with V. DaRe.	1.3
8/11/2011	Tannenbaum, Bryan	Attendance on conference call with D.J. Miller and V. DaRe	0.5

Date	Professional	Description	Hours
		regarding various issues.	
8/15/2011	Hristow, Catherine	Review draft court documentation.	0.9
8/17/2011	Hristow, Catherine	Attendance on conference call with D.J. Miller and K. Mahar; subsequent discussions with B. Tannenbaum.	0.8
8/17/2011	Tannenbaum, Bryan	Conference call with D.J. Miller regarding various issues to effect process going forward.	1.0
8/18/2011	Hristow, Catherine	Attendance on conference call with D.J. Miller, K. Mahar and B. Tannenbaum.	0.3
8/18/2011	Tannenbaum, Bryan	Telephone attendance with S. Mingie regarding issues between counsel and procedure; conference call with D.J. Miller, K. Mahar and C. Hristow regarding action plan and next steps.	0.5
8/24/2011	Hristow, Catherine	Attendance at the offices of Healthscreen and meet with I. Cattelan and S. Davis to obtain information regarding status, review cashflows and suggest amendments, etc.; discussions with B. Tannenbaum; email correspondence with legal counsel.	2.5
8/24/2011	Tannenbaum, Bryan	Attendance at the offices of Healthscreen and meet with I. Cattelan, and S. Davis at Healthscreen offices to obtain information regarding status and review cashflows and suggest amendments, etc.; discussion with C. Hristow regarding action plan.	2.5
8/25/2011	Tannenbaum, Bryan	Telephone call from J. Gillberry and V. DaRe regarding lack of agreement with Healthscreen and fees of TGF; email from D.J. Miller;	0.5
8/26/2011	Hristow, Catherine	Review correspondence received from V. DaRe; discussion with B. Tannenbaum.	0.2
8/26/2011	Tannenbaum, Bryan	Attendance on a conference call with legal counsel and C. Hristow regarding background and status, discuss approach, try to arrange meeting with all parties; telephone call with S. Davis regarding status and that the engagement is now turning to a Court Appointed Receivership, and that consent was signed by him earlier in the day; agreement with S. Davis for Deloitte to act in this capacity, strategies and action plan discussed and questions answered.	1.8
8/29/2011	Hristow, Catherine	Email correspondences with I. Cattelan; email correspondence with V. DaRe; review court documentation.	0.9
8/29/2011	Tannenbaum, Bryan	Receipt and review emails from V. DaRe regarding proceeding to Receivership; execute consent and send with covering letter; discussions with C. Hristow regarding events and discussions with S. Davis on August 25, 2011.	0.5
8/30/2011	Hristow, Catherine	Attendance on conference call with J. Gillberry, V. DaRe and B. Tannenbaum; telephone attendance with J. Wigley of Gardiner Roberts LLP, B. Tannenbaum and V. DaRe; prepare and send	1.8

Date	Professional	Description	Hours
		engagement letter to J. Gillberry.	
8/30/2011	Tannenbaum, Bryan	Telephone call from M. Kaplan regarding status and going forward; telephone call from J. Gillberry regarding issues and concerns and clarification; conference call with J. Gillberry, V. DaRe, and C. Hristow regarding court, independent counsel, employee retention, sales process, operational issues, funding, indemnification and engagement letter; attendance on a conference call with J. Wigley and V. DaRe and C. Hristow regarding independent counsel and procedure for Court, marketing business, priority payments, WEPPA, etc.	2.2
8/31/2011	Hristow, Catherine	Discussions with J. Wigley regarding court materials; email correspondence with I. Cattelan regarding information required; status update with B. Tannenbaum.	0.7
8/31/2011	Tannenbaum, Bryan	Telephone call from S. Davis regarding cashflow.	0.3
9/1/2011	Hristow, Catherine	Meeting with J. Gillberry; email and telephone attendances with I. Cattelan; telephone attendance with S. Davis; telephone attendance with J. Gillberry; draft letters to freeze bank accounts; discussions with B. Litvack; discussion with B. Tannenbaum; forward Ministry of Finance claim; review draft press release and forward to J. Wigley for comment.	3.4
9/1/2011	Litvack, Bryan	Review and finalize letters to freeze bank accounts.	0.7
9/2/2011	Hristow, Catherine	Attendance at Healthscreen; various conversations with I. Cattelan and S. Davis regarding communications, IT, and other matters; meeting with IT staff to discuss risks; discussion with B. Tannenbaum regarding M. Partners; discussions with A. Zailer regarding Receiver's website; correspondence with B. Litvack regarding letters to freeze bank accounts and cancel credit cards; review various stakeholder communications and forward same to J. Wigley for comments; review draft invitation for offers; discussions with I. Cattelan regarding cash flow and bank accounts; status update with B. Tannenbaum.	8.0
9/2/2011	Litvack, Bryan	Various discussions with different branches of TD Bank regarding letters sent to freeze bank accounts; draft letter to cancel corporate credit cards and send out; various correspondence with C. Hristow.	2.8
9/2/2011	Tannenbaum, Bryan	Review court material, and attend at Court for the appointment of the Receiver; various discussions with C. Hristow regarding operations; email to V. DaRe regarding Court Order required for letters; telephone call from T. Kofman of M Partners regarding assisting with sale of the business.	3.2
9/2/2011	Zailer, Anna	Set up new website including uploading all required documents and requesting specialty website address.	2.0

Date	Professional	Description	Hours
9/6/2011	Litvack, Bryan	Follow-up with banks on freezing bank accounts; follow-up and prepare letter for TD bank to allow payroll to be taken from the account; prepare letter to Canada Revenue Agency ("CRA") requesting new payroll and HST accounts; draft letter to Workers' Safety and Insurance Board ("WSIB") regarding opening new account.	3.8
9/6/2011	Hristow, Catherine	Meetings with I. Cattelan and S. Davis; discussions with A. Hutton regarding amounts payable to Doctors; discussions with D. Armstrong regarding communications; dealing with employees and employee letters; various correspondence with J. Wigley regarding contracts with the Doctors, letters of termination, trust funds, invitation for proposals and other matters; dealing with banking and operational matters; review correspondence from the OSC/TSX; requesting information on particular installations, deposits and other matters.	10.8
9/6/2011	Tannenbaum, Bryan	Sign banking documents; telephone call from D. Lee of M Partners regarding status of sale efforts and their potential involvement.	0.4
9/6/2011	Brown, Rose	Open and setup two bank accounts: one for operating and the other for CallerMD; review creditor listing received.	1.8
9/7/2011	Litvack, Bryan	Send out CRA and WSIB letters; draft 245/246 Notice of Receiver, letter to creditors and organize creditors listing; attend at Healthscreen head office; meeting with I. Cattelan and K. Skells to discuss information required for creditors listing and employee list; arrange bank transfers with R. Brown; prepare employment letter for active employees.	7.8
9/7/2011	Hristow, Catherine	Meeting with the senior staff to discuss protocols, information requirements and other matters; dealing with various banking matters; discussions with P. Cresswell regarding NOUS; dealing with employee matters; meeting with A. Hutton regarding CallerMD; reviewing requests for refunds, accounts payable, and contracts; correspondence and discussion with J. Wigley; discussions with S. Davis regarding e-room; reviewing TSX correspondence.	5.5
9/7/2011	Brown, Rose	Complete account opening process for two Receiver accounts in Ascend; courier original letters and documents to TD Bank; prepare wire transfer information sheet. Telephone calls to TD Bank to confirm transfer/wire from old company accounts to Receiver account and have the required documentation executed; follow up with TD Bank to confirm documentation received and transfers completed; review creditor listing and format same for importing to Ascend to prepare creditor mailing labels.	4.2

Date	Professional	Description	Hours
9/8/2011	Litvack, Bryan	Review Regent boxes and update customer spreadsheet for signed contracts from Doctors in preparation of due diligence requirements by potential purchasers; prepare additional employment and termination letters for employees; revise 245/246 notice and creditor listing and Quality Review package; meeting with I. Cattelan to discuss commission structure for sales employees.	8.5
9/8/2011	Hristow, Catherine	Various correspondences with employees; conference call with D. Armstrong and the employees in the west region; review TSX orders; discussions with A. Hutton and D. Szadkowski regarding nurses; review draft contract termination letters; correspondence with J. Wigley; reviewing various deposits; meeting with I. Cattelan and T. Beckley regarding recording of deposits, back up documentation required and other matters; discussions with S. Davis regarding the e-room; discussion with B. Tannenbaum.	8.5
9/8/2011	Tannenbaum, Bryan	Discussion with C. Hristow regarding sales process, potential bidders, employees, and sales package, TSX and sign cheques.	0.7
9/8/2011	Brown, Rose	Prepare wires to Vancity and Compucom and disbursement cheques; telephone calls to TD bank regarding online banking; continue formatting and importing creditor listing.	4.2
9/9/2011	Litvack, Bryan	Finalize the Receiver's Notice to Creditors and organize mailing with R. Brown; discuss merchant accounts with K. Skells; respond to employee questions regarding their employment; review bank deposit spreadsheets.	4.2
9/9/2011	Hristow, Catherine	Meeting with J. Gillberry, A. Hildebrandt and B. Tannenbaum regarding due diligence; discussion with counsel regarding 245/246 notice and finalize same; dealing with staffing concerns including WEPPA; conference call with St. Catharines staff; correspondence with S. Graham; reviewing cash collections; discussions with B. Litvack regarding additional requirements; dealing with operations.	9.1
9/9/2011	Tannenbaum, Bryan	Telephone call from J. Watts regarding prospective purchaser; attendance at Healthscreen's premises; meeting with J. Gillberry, A. Hildebrandt and C. Hristow; meeting with S. Davis; status discussion with C. Hristow.	1.7
9/9/2011	Casey, Paul	Review of Section 246 Report; discussion with B. Tannenbaum and B. Litvack.	0.5
9/9/2011	Brown, Rose	Preparing mailing of Receiver's S.246 Notice to Creditors; complete formatting and import into Ascend; prepare labels and envelopes; photocopy notices; prepare mailing room voucher and take to the mail room.	7.5

Date	Professional	Description	Hours
9/12/2011	Litvack, Bryan	Prepare letter to insurance company to continue coverage and add Receiver as insured and loss payee; review bank deposit spreadsheets; discuss bank accounts with R. Brown and I. Cattelan; return creditor calls; prepare employment letters; prepare opening bank account summary for R. Brown to adjust opening balance in Ascend; discuss issues with I. Cattelan and K. Skells as they arise.	6.4
9/12/2011	Hristow, Catherine	Discussions with D. Armstrong; review and finalize various contract termination letters; correspondence with A. Hutton regarding Prevcare and CallerMD; review cash collections; revise and finalize information package, terms and conditions; meeting with B. Tannenbaum; correspondence with J. Rosekat of Gardiner Roberts regarding RBC; request documentation regarding leases; correspondence with D. Armstrong regarding mailings; discussion with J. Gillberry regarding due diligence; dealing with staffing matters.	8.6
9/12/2011	Tannenbaum, Bryan	Review information package, terms and conditions and confidentiality agreement.	1.0
9/12/2011	Brown, Rose	Request cash balance report and send to B. Litvack; complete forms for TD Web Business banking online service and PDF copy to TD and mail original; print various deposits back received and input into Ascend for last week; prepare transfers between company accounts and the Receiver account.	3.5
9/13/2011	Hristow, Catherine	Discussions with J. Gillberry regarding due diligence; various emails to potential purchasers enclosing court order, invitation for proposals and confidentiality agreement; meeting with S. Davis to review potential additional purchasers; telephone attendance with K. Singh of CRA regarding source deduction audit; discussions with I. Cattelan regarding cash flow requirements, payroll and other matters; review requests for payment; discussions with S. Davis regarding staffing, e-room and other matters; approval for employee contracts; discussion with B. Litvack regarding banking, staffing, disbursements and other matters; discussion with the landlord for 80 Bloor Street and correspond via email; telephone discussion with representatives from SOA Projects; review disbursement requests; email correspondence to J. Wigley and Jeffrey Rosekat; email correspondences to Jeffrey Watts; email correspondences to/from J. Belobaba; discussions with representatives of NOUS; email correspondence with Canada Post.	10.3

Date	Professional	Description	Hours
9/13/2011	Litvack, Bryan	Review forecasted disbursements; prepare and send letter to Bell requesting new Receiver account; finalize purchase order form and discuss procedure with I. Cattelan and K. Skells; call CRA and follow up on opening of new Receiver account; prepare employment letters for sales staff; create sales tracking spreadsheet; return creditor calls; follow-up on outstanding items.	7.8
9/13/2011	Brown, Rose	Input deposits, prepare transfer between accounts, input and print Doctors' trust disbursement cheques and courier to Healthscreen for signature.	6.0
9/14/2011	Zailer, Anna	Update Receiver's website including posting of additional documentation.	0.2
9/14/2011	Litvack, Bryan	Obtain and review support for disbursements and forward to R. Brown; return creditor calls; assist C. Hristow in preparing the mailing of cheques and statements to Doctors; send out sales packages and update sales tracking spreadsheet; discuss payroll issues with K. Skells and I. Cattelan; reconcile bank account to Ascend.	8.2
9/14/2011	Hristow, Catherine	Reviewing CallerMD statements and cheques issued to ensure cheque corresponds to the statement; discussions with A. Hutton regarding statements, letter to the doctors and one particular client; sign CallerMD cheques; meeting with staff regarding separation of Physician Services and Software upon sale; discussions with IT regarding NOUS; review correspondence from NOUS and respond to same; forward correspondence to J. Wigley regarding request from a lawyer on behalf of Wilson Group; sent out documentation to potential purchasers; respond to creditor inquiry; various discussions with K. Skells and I. Cattelan; respond to queries regarding section 245/246 notice.	9.6
9/14/2011	Brown, Rose	Prepare disbursement cheques and courier to Healthscreen; courier cheque to Canada Post and prepare wire to Compucom; input deposits and print to deposits made to company accounts and Receiver accounts.	5.9
9/15/2011	Litvack, Bryan	Discuss and review bank accounts reconciliation to Ascend with R. Brown; prepare letter to CompuSolve explaining partial payment of invoice; update sales tracking spreadsheet; return creditor calls; review stuffed envelopes containing cheques and statements to doctors; discussions with R. Brown regarding returned item in the bank account; deal with ongoing receivership issues at Healthscreen as they arise.	8.1

Date	Professional	Description	Hours
9/15/2011	Hristow, Catherine	Meeting with S. Davis and A. Hutton to review list of questions from CML; telephone attendance with J. Gillberry regarding potential borrowing for next week; various correspondence and telephone attendance with J. Rosekat; correspondence with the landlord; various correspondence with Physiomed; review financial statements for the public companies interested in Healthscreen; discussions with A. Hutton regarding Prevcare; correspondence with legal counsel regarding set-off; discussions with staff regarding mailing to the doctors; reviewing confidentiality agreements and forwarding for access to the e-room.	7.3
9/15/2011	Brown, Rose	Input deposits, prepare cash receipts schedule and reconcile to Ascend; discussion with TD Bank regarding returned item (merchant deposit) issue in old account; several telephone calls to TD Bank and B. Litvack.	3.8
9/16/2011	Litvack, Bryan	Discuss customer installation on the weekend with Healthscreen staff; contact CRA about new payroll and HST numbers; work with K. Skells in setting up new payroll account with ADP; return creditor calls; prepare letter to consultants to continue their contracts; review lease schedule and agreements; review first draft of payroll; update sales tracking spreadsheet.	7.3
9/16/2011	Hristow, Catherine	Attendance at a due diligence meeting with CML and their advisors and representatives from Healthscreen; various correspondence with legal counsel; meeting with D. Armstrong regarding supplier invoices, due diligence meetings and other matters; review various correspondence dealing with the confidentiality agreement with Physiomed; reviewing information regarding payroll, transactions regarding secured creditors; email correspondence with potential purchasers; telephone attendance with R. LeFrancois of Softinfo; telephone attendance with N. Dattoo regarding confidentiality agreements to be signed; review and send status update to legal counsel; status update with B. Tannenbaum; dealing with client concerns; various discussions with S. Davis and A. Hutton; meeting with P. Gomes.	8.7
9/16/2011	Brown, Rose	Request cash balance from TD Bank; prepare cash receipts report and reconcile to Ascend; provide report to B. Litvack and C. Hristow; prepare disbursement cheque.	1.2
9/19/2011	Litvack, Bryan	Review payroll timesheets and expense reports; respond to creditor calls and emails; prepare WEPP spreadsheet to calculate claims; discuss accounting for sales during the receivership with I. Cattelan and K. Skells; update sales tracking spreadsheet; review bank accounts and determine if we have sufficient funds for the week.	8.0

Date	Professional	Description	Hours
9/19/2011	Tannenbaum, Bryan	Telephone C. Hristow regarding status;	0.4
9/19/2011	Hristow, Catherine	Attendance at due diligence meetings with CML and York Med; various discussions with staff regarding information requests; discussions with B. Litvack and I. Cattelan regarding payroll and employee matters; correspondence with Jones Brown (insurers); dealing with issues with respect to the confidentiality agreement; discussions with D. Armstrong; dealing with operational matters.	10.5
9/19/2011	Brown, Rose	Request and print daily activity in TD Bank accounts; print back up documentation for the deposits and input into Ascend; prepare draft payroll wire letter; update daily general ledger/bank balance report; set up three new users on Web Business Banking (Online banking transaction system).	3.5
9/20/2011	Hristow, Catherine	Finalize Physiomed confidentiality agreement and meet with Physiomed; reviewing information for e-room; various discussions with S. Davis and A. Hutton; correspondence with potential purchasers; discussions with I. Cattelan and others regarding reporting requirements; correspondence with legal counsel.	9.0
9/20/2011	Litvack, Bryan	Obtain final payroll numbers and send to R. Brown for payment; contact PSIGate to find out why they are holding funds; discuss accounting for cash deposits with I. Cattelan; review e-room for documentation; update sales tracking spreadsheet and respond to purchaser emails; meet with J. Cook to discuss outstanding matters; meet with I. Cattelan to discuss accounting of receipts.	7.3
9/20/2011	Brown, Rose	Update user password for web business banking, discuss chargeback in old accounts with B. Litvack and TD Bank; prepare payroll wire for signature, obtain same and fax to TD Bank; discuss deposit general ledger coding with B. Litvack; input CallerMD deposits; print daily bank reports for all TD Accounts. reconcile general ledger and bank accounts; update cash position schedule and email to B. Litvack and C. Hristow.	4.5
9/20/2011	Cook, James	Attendance at Healthscreen and meet with B. Litvack and C. Hristow to discuss operations, information requirements and other matters.	1.5
9/21/2011	Brown, Rose	Print daily bank reports for all TD Bank accounts; reconcile general ledger and TD Bank; update cash position schedule and email to B. Litvack and C. Hristow; print documentation for prior day's deposits; input deposits into Ascend; discussions with TD Merchant Services and C. Hristow regarding chargeback; telephone call to ADP and TD Bank regarding double withdrawal from the account for payroll; prepare return item report with TD Bank, have signed and sent rush courier to TD Bank..	5.1

Date	Professional	Description	Hours
9/21/2011	Hristow, Catherine	Various discussions/correspondence with J. Rosekat regarding sales process; status update with B. Tannenbaum; discussions with R. Brown regarding banking matters; discussion with TD Merchant Services regarding court order and transaction refunds; meeting with Healthscreen staff to discuss issues with installs, refunds and other matters; review information for the e-room; attendance on a conference call with S. Davis, D. Armstrong and G. Jayaraman of Asus Medical; review projected disbursements with I. Cattelan; review revised confidentiality agreement from Doctor Services; email prospective purchasers and remind them of the closing date and deadline for bids; email correspondence with ADP.	8.5
9/21/2011	Cook, James	Attendance at Healthscreen; various discussions with K. Skells regarding PSIGate and First Data to confirm change of banking information; discussions with R. Brown regarding various banking matters and input of information into Ascend; draft various correspondence; review banking summary and discussion of charge back of funds by TD Merchant Services with R. Brown, C. Hristow and I. Cattelan; various discussions with C. Hristow.	6.5
9/21/2011	Tannenbaum, Bryan	Telephone conference call with J. Rosekat and C. Hristow regarding status of sales process, sales tracking sheet and other matters; review correspondence; telephone call with C. Hristow regarding status update.	1.3
9/22/2011	Brown, Rose	Print daily bank reports for all TD Bank accounts; reconcile general ledger to bank accounts; update cash position schedule and email to B. Litvack and C. Hristow; print deposit backup.	1.9
9/22/2011	Cook, James	Attendance at Healthscreen; various emails, discussions and correspondence with management, C. Hristow and legal counsel regarding TD Merchant Services; telephone attendance with TD Merchant Services; discussions with R. Brown regarding banking information and reconciliation; follow up regarding change of banking information with PSIGate and First Data; various discussions with K. Skells and I. Cattelan.	6.5

Date	Professional	Description	Hours
9/22/2011	Hristow, Catherine	Various discussions/correspondence with R. Brown regarding banking matters; review summary of receipts and disbursements; review EMR proposals; review correspondence from CallerMD Doctors; review EMR aged receivables listing; discussion with M. Hall and S. Davis; correspondence with J. Gillberry; correspondence with J. Rosekat regarding TD Bank Merchant services chargeback; meetings and discussions with A. Hutton and S. Davis regarding information to be posted to the e-room; review ASUS Medial questions with S. Davis; respond to shareholder inquiry; review correspondence from V. DaRe; correspondence with A. Flint of York Medical; dealing with operational matters.	7.8
9/23/2011	Brown, Rose	Print daily bank reports for all TD Bank accounts; reconcile general ledger and the bank accounts; update cash position schedule and email to B. Litvack and C. Hristow; print deposit documentation; disbursement cheques and wires; telephone calls and email correspondence with TD Bank to obtain confirmation of wires.	2.6
9/23/2011	Hristow, Catherine	Various discussions and correspondence with G. Jayaraman from Asus Medical; email correspondence with C. McKenzie at Volaris Group; reviewing draft letter to the physicians regarding CallerMD; various discussions with J. Cook regarding operational matters; instructions to the mailroom regarding date and time stamping of bids; meeting with J. Gillbery and A. Hildebrandt to accept sealed bid; reviewing correspondence received from legal counsel and forward same to J. Rosekat for review and response; review draft letter to legal counsel; open bids, prepare summary and forward same to B. Tannenbaum, J. Rosekat and J. Wigley; telephone attendance with B. Tannenbaum and J. Wigley; telephone attendance with J. Gillberry advising 2293035's bid was accepted subject to court approval; email correspondence to S. Wilson of Physiomed advising that Physiomed's bid was accepted subject to court approval; review Asset Purchase Agreements and forward same to J. Rosekat and J. Wigley.	7.5
9/23/2011	Cook, James	Attendance at Healthscreen; follow up regarding TD Merchant Services; discussion with K. Skells regarding First Data and PSIGate; correspondence with A. Hutton and C. Hristow regarding information to be sent to the physicians regarding CallerMD; supervise mailings to physicians; discussions with C. Hristow regarding various outstanding matters; meeting with C. Hristow.	6.5
9/23/2011	Tannenbaum, Bryan	Discussion and meeting with J. Wigley regarding results of offer; call to C. Hristow with J. Wigley regarding same.	1.0
9/26/2011	Brown, Rose	Print daily bank reports for all TD accounts; reconcile general	3.7

Date	Professional	Description	Hours
		ledger to the bank accounts; update cash position schedule and email to B. Litvack and C. Hristow; print deposit back up documentation and input deposits into Ascend; prepare deposit (Bid deposits) and take to the bank.	
9/26/2011	Hristow, Catherine	Discussion with A. Hutton regarding process going forward; discussion with D. Armstrong; email correspondence to J. Wigley regarding communication to employee; reviewing correspondence from NOUS; dealing with operational matters; discussion with K. Skells regarding information requirements; meeting with J. Gillberry; commence drafting First Report to the Court.	8.4
9/26/2011	Litvack, Bryan	Compile and calculate WEPP calculations; meetings with I. Cattelan and K. Skells regarding outstanding matters; return creditor calls; review expected cash flow for the week and next with I. Cattelan; discussions with R. Brown regarding banking requirements and recording of deposits into Ascend.	7.2
9/27/2011	Brown, Rose	Print daily bank reports for TD Bank accounts; reconcile general ledger to the bank accounts; update cash position schedule and email to B. Litvack and C. Hristow; print deposit back up and input deposit into Ascend; prepare transfer between accounts (Healthscreen account to Receiver accounts).	3.5
9/27/2011	Hristow, Catherine	Various email correspondence with J. Wigley regarding secured creditors; various correspondence with B. Litvack regarding information requirements, transition meeting and other matters; continue drafting First Court Report of the Receiver; meeting with J. Gillberry and J. Belobaba regarding transition and process; discussions and correspondence with J. Belobaba regarding security documentation; requesting information from S. Davis and A. Hutton; reviewing customer proposal;	11.4
9/27/2011	Litvack, Bryan	Attendance at meeting with department heads to discuss transition issues for splitting up the Software and Physician Services Businesses; return creditor calls; follow-up with First Data on changing bank account; send letter to First Data; telephone call to TD Bank to request change in bank account for visa deposits; review purchase orders; various correspondences with C. Hristow regarding information requests.	8.3
Total Hours			370.8

Summary of Fees

Professional	Level	Hours	Rate	Total Fees
Tannenbaum, Bryan	Senior Vice President	25.5	\$550.00	\$ 14,025.00
Casey, Paul M.	Senior Vice President	0.5	550.00	275.00
Hristow, Catherine	Vice President	162.3	475.00	77,092.50
Cook, James	Manager	21.0	375.00	7,875.00
Litvack, Bryan	Manager	96.4	375.00	36,150.00
Brown, Rose	Trust Administration	62.9	160.00	10,064.00
Zailer, Anna	Administration	2.2	100.00	220.00
Total hours and professional fees		<u>370.8</u>		\$ 145,701.50
Disbursements				
PPSA Search				12.00
Total professional fees and disbursements				\$ 145,713.50
HST@13%				18,942.76
Total payable				\$ 164,656.26

Payable upon receipt to: Deloitte & Touche Inc.

REMITTANCE ADDRESS:

Deloitte Management Services LP
5140 Yonge Street, Suite 1700
Toronto, ON M2N 6L7 CANADA

Wire Transfer Information: Bank of Nova Scotia, Scotia Plaza, 44 King Street West, Toronto, Ontario M5H 1H1

Transit #47696
Bank Code #002

US Bank Account
Account #476968822816
Swift Code and ABA Address
NOSCCATT
ABA # 026002532

Canadian Bank Account
Account #476960440019
Swift Code Address – Canada / Int'l Wires
NOSCCATT
ABA # 026002532

Please reference the invoice number listed above when wiring funds.

TAB K

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

B E T W E E N:

2293035 ONTARIO LIMITED

Applicant

and

HEALTHSCREEN SOLUTIONS INCORPORATED

Respondent

**AFFIDAVIT OF FEES AND DISBURSEMENTS
OF JONATHAN WIGLEY of COUNSEL TO THE RECEIVER**

**I, JONATHAN WIGLEY, of the City of Toronto, in the Province of Ontario, MAKE OATH
AND SAY AS FOLLOWS:**


1. I am a lawyer with the law firm of Gardiner Roberts LLP and have knowledge of the matters hereinafter deposed.
2. Attached hereto as Exhibit "A" is a true copy of the account rendered by Gardiner Roberts LLP to Deloitte & Touche Inc., in its capacity as Court-appointed Receiver of the Respondent (the "Receiver"), which said accounts set out the particulars of the work performed by Gardiner Roberts LLP personnel with respect to this matter and the expended time in relation to each entry.
3. The total of all fees, disbursements and applicable taxes for the period from August 30, 2011 to September 23, 2011 in this matter is \$20,443.78 is reflected in the account at Exhibit "A".

4. The following are the billing rates of the lawyers, paralegals and students at law who have worked upon the matter together with their year of call where applicable:

Timekeeper	Hourly Rate	Year of Call
Jonathan Wigley	\$425.00	1980
Jeffrey Rosekat	\$400.00	2000
G. E. Thomas	\$195.00	Clerk

5. The hourly billing rates applied are Gardiner Roberts LLP's agreed hourly rates for this client which were in effect throughout the duration of Gardiner Roberts LLP's retainer by the Receiver.

SWORN BEFORE ME at the
City of Toronto, in the Province
of Ontario, on September 30, 2011


A Commissioner for Taking Oaths

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)
) 
JONATHAN WIGLEY



GARDINER ROBERTS

This is Exhibit "A" referred to in the
affidavit of Jonathan Wigley
sworn before me, this 30th
day of September 20 11
Anna Hara
A Commissioner, etc.

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Deloitte & Touche Inc.
Maritime Life Tower, TD Centre
79 Wellington Street West
Toronto, Ontario M5K 1B9

September 23, 2011
Bill #224582

GST/HST #R119424976

Attention: Bryan Tannenbaum

Re: Receivership of Healthscreen Solutions Incorporated

FILE: DETO79-97116/JHW

STATEMENT OF ACCOUNT

TO PROFESSIONAL SERVICES RENDERED on your behalf in connection with the above-noted matter for the period from August 30, 2011 to September 23, 2011:

DATE	TKPR	HOURS	DESCRIPTION
30-Aug-11	JHW	2.10	Telephone call with B. Tannenbaum, C. Hristow and V. DaRe regarding court appointed receivership; consider materials provided by V. DaRe on motion and further email re sales process.
31-Aug-11	JHW	2.80	Receipt of the APA from V. DaRe; review same and some modification; email to C. Hristow; further call from V. DaRe.
02-Sep-11	JHW	2.90	Email exchange re communications with C. Hristow; revise Physician Services communication; draft Invitation for Proposals and email.
06-Sep-11	GET	0.80	Conduct PPSA searches and PPSA summaries on Healthscreen Solutions Inc., Medical Telecom Corporation and 1589681 Ontario Limited; retrieve and review printouts; memos to J. Rosekat reporting on and attaching searches.
06-Sep-11	JHW	4.30	Email from C. Hristow regarding employment information; consider termination of supplier letters; review Order; email exchange with C. Hristow.
07-Sep-11	JHW	4.80	Revise agreement and invitation for proposal; email to C. Hristow; email to securities commissions; letter re hearing at OSC; email to TSX representative.
08-Sep-11	JHW	2.10	Discussion with C. Hristow re contracts; brief discussion with J. Rosekat and email from him; comments to C. Hristow re powers under the order and contracts requiring termination.
08-Sep-11	JBR	0.90	Review several contracts for termination provisions; discussion with J. Wigley; e-mail report.
09-Sep-11	JHW	0.10	Email re M Partners amendment.
12-Sep-11	GET	0.30	Conduct business names search on Healthscreen and retrieve and review search; memo to J. Rosekat reporting on and attaching Statement of No Match Found.
12-Sep-11	JHW	1.30	Various email exchanges with C. Hristow, J. Rosekat, regarding contracts and concerns expressed by J. Watt among other things. issues regarding information disclosure in the e-data room eg. doctor names.
12-Sep-11	JBR	4.70	Various e-mails regarding Healthscreen; draft security opinion; request and review business names registration and other searches; consider privacy issues relating to employees and data room; discussion with J. Allen regarding same; discussions with C. Hristow regarding same.

GARDINER ROBERTS LLP

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13-Sep-11	GET	0.70	Conduct due diligence searches on Healthscreen Solutions Incorporated and Medical Telecom Corporation; retrieve and review printouts; memo to J. Rosekat reporting on and attaching searches.
13-Sep-11	JBR	3.10	Finalise opinion; draft letter to Alliance Funding Corporation; consider implications of PPSA priority registration against predecessor company in amalgamation; review act and caselaw regarding same.
15-Sep-11	JBR	2.70	Various inquiries and document reviews relating to bidding process.
16-Sep-11	JHW	0.60	Email exchange re various matters; in particularly confidentiality agreement and position; discussion with J. Rosekat re same.
16-Sep-11	JBR	1.80	Telephone call with counsel for J. Belobaba/Physiomed; discussions with J. Wigley regarding various issues; e-mail to C. Hristow advising of status.
19-Sep-11	JHW	0.50	Prepare certificate no. 1 for receiver borrowings.
19-Sep-11	JBR	2.40	Various issues regarding confidentiality agreement; discussions regarding same.
20-Sep-11	JHW	0.10	Email exchange with C. Hristow regarding various matters.
20-Sep-11	JBR	0.90	Discussions regarding bid process and inquiries from interested parties.
22-Sep-11	JBR	2.10	E-mail exchange regarding TD set-off; telephone call with counsel at TD; consider issues of set-off; further e-mail exchange regarding same.
23-Sep-11	JBR	2.10	Various e-mails and other communications regarding bids; draft letter to Alberta lawyer enclosing Receivership Order.

TO OUR FEE:**\$ 17,811.00****DISBURSEMENTS – NON-TAXABLE:**

PPSA Searches - Electronic Access	24.00
Bank Act - Printed	29.56
Business Name Search	8.00
Writs Name	34.78

DISBURSEMENTS - TAXABLE:

Telecopier	33.96
Online Search Fee	120.00
Courier	9.37
Printing	32.25

TOTAL DISBURSEMENTS**\$ 291.92**

TOTAL HST ON \$ 17,811.00 FEES

\$ 2,315.43

TOTAL HST ON \$ 195.58 DISBURSEMENTS

\$ 25.43**TOTAL FEES, DISBURSEMENTS AND GST/HST:****\$ 20,443.78**

**THIS IS OUR ACCOUNT HEREIN
GARDINER ROBERTS LLP**



Per: Jonathan Wigley

E. & O. E.

	TIMEKEEPER	HOURS	RATE
GET	G.E. Thomas	1.80	195.00
JBR	Jeffrey Rosekat	20.70	400.00
JHW	Jonathan Wigley	21.60	425.00

This account is due on delivery. In accordance with Section 33 of the Solicitors Act, unpaid fees, charges or disbursements are subject to interest at the rate of 0.13% per annum, calculated from the date that is one month after this account is delivered.

2293035 ONTARIO LIMITED
Applicant

-and-

HEALTHSCREEN SOLUTIONS INCORPORATED
Respondent

Court File No. CV-11-0365-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

PROCEEDING COMMENCED AT
TORONTO

**MOTION RECORD OF THE RECEIVER
(MOTION: APPROVAL AND VESTING ORDERS
RETURNABLE OCTOBER 11, 2011)**

GARDINER ROBERTS LLP

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Lawyers for Deloitte & Touche Inc., the Court-appointed
Receiver of Healthscreen Solutions Incorporated