Court File No.: 01-CL-4063

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

B E T W E E N:

IBM CANADA LTD.

Applicant

- and -

BEAMSCOPE CANADA INC.

Respondent

MOTION RECORD
Motion for Discharge Order
Returnable January 10, 2022

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Toronto, Canada M5H 2S7

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Lawyers for IBM Canada Ltd.

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B E T W E E N:

IBM CANADA LTD.

Applicant

- and -

BEAMSCOPE CANADA INC.

Respondent

NOTICE OF MOTION
Motion for Discharge Order
Returnable January 10, 2022

IBM Canada Ltd. ("**IBM**"), with the consent of Ernst & Young Inc., in its capacity as Court-appointed receiver and manager (the "**Receiver**") of the assets, undertakings and properties of Beamscope Canada Inc. (the "**Debtor**") pursuant to an Order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated March 16, 2001 (the "**Appointment Order**"), will make a motion for an Order discharging the Receiver and granting ancillary relief before a Judge of the Court on January 10, 2021, at 12:00 p.m. or as soon after that time as the motion can be heard.

PROPOSED METHOD OF HEARING: The motion is to be heard:

☐ In writing under subrule 37.12.1 (1);
☐ In writing as an opposed motion under subrule 37.12.1(4);
☐ In person;
☐ By telephone conference;
☒ By video conference;

at the following location:

https://us02web.zoom.us/j/86217269938?pwd=VzRCRWdXRHN1SXdtUVVpaXVwdEZJUT09

Meeting ID: 862 1726 9938
Meeting Password: 088337

THE MOTION IS FOR:

1. An Order (the "**Discharge Order**"), in substantially the form contained at Tab 2 of the Motion Record that, among other things:

   (a) approves the Third and Final Report of the Receiver dated December 22, 2021 (the "**Final Report**") and the activities of the Receiver referred to therein;

   (b) approves the fees and disbursements of the Receiver incurred after January 19, 2004, including an accrual up to and including the date of the Receiver's discharge;

   (c) approves the Final Statement of Receipts and Disbursements attached to the Final Report;

   (d) directs the Receiver to distribute the remaining funds in the Debtor's estate after completion of the receivership proceedings, if any, to IBM as the first ranking secured creditor of the Debtor; and

   (e) discharges the Receiver from its duties pursuant to the Appointment Order upon the issuance of a certificate by the Receiver confirming that all matters to be attended to in connection with the receivership have been completed to the satisfaction of the Receiver; and

2. such further and other relief as counsel may request and this Court may permit.

THE GROUNDS FOR THE MOTION are as follows:

1. The Debtor operated a distribution business through which it distributed over 300 different video entertainment and digital technology products.

2. On November 14, 2000, the Debtor and its subsidiary, Flex Logistics Inc., obtained protection under the *Companies' Creditors Arrangement Act* (the "**CCAA**"). Ernst and Young Inc. ("**EYI**") was appointed Monitor in the CCAA proceedings.

3. On March 16, 2001, the Court granted the Appointment Order appointing EYI as Receiver of the Debtor and a separate Order terminating the CCAA proceedings.

4. On March 30, 2001, the Court granted an Order approving the sale of the assets of the Debtor's Laing division to SJS Group Ltd.

5. The Second Report of the Receiver dated January 21, 2004 describes the Receiver's activities with respect to the Debtor's remaining assets, the majority of which had been liquidated or realized upon by the date of the Second Report.

6. As described in the Final Report, the Receiver's activities since the Second Report include the collection of certain accounts receivable; the negotiation and completion of a settlement of litigation initiated by the Receiver (on behalf of the Debtor) against certain third parties for breach of contract; the collection of the remaining balance of an employee severance reserve; and the distribution of funds to IBM, the Debtor's first ranking secured creditor.

7. The Receiver does not believe that there is any realizable value in the Debtor's residual assets and has ceased further efforts to realize upon such assets.

8. As of the date of the Appointment Order, the Debtor was indebted to IBM in the amount of approximately $64 million. The Receiver has distributed approximately $12.6 million to IBM during the course of the receivership proceedings.

9. The Final Statement of Receipts and Disbursements reflects that the Debtor's estate has no remaining funds after disbursements and the payment of professional fees. The proposed Discharge Order directs the Receiver to distribute any remaining estate proceeds to IBM. It is expected that IBM will suffer a shortfall of at least $51 million on the amounts owing to it by the Debtor.

10. By Order dated February 10, 2004, the Court approved the fees and expenses of the Receiver and its legal counsel for the period ending January 19, 2004.

11. As set out in the Final Report, the Receiver incurred total fees and disbursements of $124,947.91 (including tax) for the period from January 20, 2004 to December 10, 2021, including estimated fees of $5,000 plus HST to address final reporting requirements and complete the receivership proceedings.

12. IBM supports the discharge of the Receiver at this time on the terms of the proposed Discharge Order. As the Receiver no longer has separate legal counsel, IBM has agreed to bring this motion for the Discharge Order.

13. The provisions of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended.

14. Such further and other grounds as counsel may advise and this Court may permit.

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

1. The Final Report and the appendices attached thereto; and

2. Such further and other materials as counsel may advise and this Court may permit.

December 22, 2021

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Lawyers for IBM Canada Ltd.

IBM CANADA LTD.
Applicant

- and -

BEAMSCOPE CANADA INC.
Respondent

Court File No.: 01-CL-4063

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
Proceeding commenced at Toronto

NOTICE OF MOTION
(Returnable January 10, 2022)

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Lawyers for IBM Canada Ltd.

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Court File No. 01-CL-4063

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE	)	MONDAY, THE 10TH
	)	
JUSTICE DIETRICH	)	DAY OF JANUARY, 2022

B E T W E E N:

IBM CANADA LTD.

Applicant

- and -

BEAMSCOPE CANADA INC.

Respondent

DISCHARGE ORDER

THIS MOTION, made by IBM Canada Ltd. ("**IBM**") for an Order, *inter alia*, discharging Ernst & Young Inc., in its capacity as receiver and manager without security (the "**Receiver**") over all the assets, property and undertaking of Beamscope Canada Inc. (the "**Debtor**") pursuant to an Order of this Court dated March 16, 2001 (the "**Appointment Order**") was heard this day via videoconference.

ON READING the Third and Final Report of the Receiver dated December 22, 2021 (the "**Final Report**"), and on hearing the submissions of counsel to IBM and such other counsel as were present, no one else appearing for any other person:

APPROVAL OF THE FINAL REPORT, ACTIVITIES AND FEES

1. **THIS COURT ORDERS** that the Final Report, and the activities of the Receiver referred to therein, be and are hereby approved; provided, however, that only the Receiver, in its personal capacity and only with respect to its own personal liability, shall be entitled to reply upon or utilize in any way such approval.

2. **THIS COURT ORDERS** that the fees and disbursements of the Receiver, as set out in the Final Report and in the affidavit of Alexander Morrison sworn December 13, 2021, are hereby approved.

3. **THIS COURT ORDERS** that the Final Statement of Receipts and Disbursements, as defined and detailed in the Final Report, is hereby approved.

DISTRIBUTION

4. **THIS COURT ORDERS** that, after payment of the fees and disbursements of the Receiver and counsel to IBM, the Receiver shall pay the monies remaining in its hands, if any, to IBM.

DISCHARGE OF RECEIVER

5. **THIS COURT ORDERS** that, upon the issuance of a certificate by the Receiver substantially in the form attached hereto as Schedule "A" confirming that all matters to be attended to in connection with the receivership of the Debtor have been completed to the satisfaction of the Receiver (the "**Receiver's Discharge Certificate**"), the Receiver shall be discharged as Receiver of the undertaking, property and assets of the Debtor, provided however that, notwithstanding such discharge, the Receiver shall remain Receiver for the performance of such incidental matters as may be required to complete the administration of the receivership (the "**Receiver Incidental Matters**").

6. **THIS COURT ORDERS** that, notwithstanding the discharge of the Receiver upon the issuance of the Receiver's Discharge Certificate, the Receiver shall continue to have the benefit of any of the rights, approvals, protections, releases and stays of proceedings in favour of the

Receiver at law or pursuant to the Appointment Order or any other order made in these proceedings, including in connection with any Receiver Incidental Matters.

GENERAL

7. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada, the United States or any other jurisdiction 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, and 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.

8. **THIS COURT ORDERS** that this order is effective as of the date hereof without the need for entry or filing.

____

Schedule A – Form of Receiver's Discharge Certificate

Court File No. 01-CL-4063

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

B E T W E E N:

IBM CANADA LTD.

Applicant

- and -

BEAMSCOPE CANADA INC.

Respondent

RECEIVER'S DISCHARGE CERTIFICATE

RECITALS

A. Pursuant to an Order of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated March 16, 2001, Ernst & Young Inc. was appointed as receiver and manager without security (the "**Receiver**") of all the assets, property and undertaking of Beamscope Canada Inc. (the "**Debtor**").

B. Pursuant to an Order of the Court dated January 10, 2022, the Receiver shall be discharged as Receiver of the Debtor upon the issuance of a certificate by the Receiver confirming that all matters to be attended to in connection with the receivership of the Debtor have been completed to the satisfaction of the Receiver.

THE RECEIVER CERTIFIES the following:

1. All matters to be attended to in connection with the receivership of the Debtor have been completed to the satisfaction of the Receiver.

2. This certificate was issued by the Receiver at ________ [TIME] on _______ [DATE].

Ernst & Young Inc., in its capacity as court-appointed receiver and manager of Beamscope Canada Inc. and not in its personal or corporate capacity

Per: ____________________________________

Name:

Title:

IBM CANADA LTD.
Applicant

- and -

BEAMSCOPE CANADA INC.
Respondent

Court File No. 01-CL-4063

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
Proceeding commenced at Toronto

DISCHARGE ORDER

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Lawyers for IBM Canada Ltd.

3

Court File No. 01-CL-4063

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

IBM CANADA LTD.

Applicant

-and-

BEAMSCOPE CANADA INC.

Respondent

THIRD AND FINAL REPORT OF THE RECEIVER AND MANAGER

DATED December 22, 2021

INTRODUCTION

1. By Order of the Ontario Superior Court of Justice (the "**Court**") dated November 14, 2000 (the "**CCAA Order**"), Beamscope Canada Inc. ("**Beamscope**") and its subsidiary Flex Logistics Inc. ("**Flex**") made an application and obtained certain relief under the *Companies' Creditors Arrangement Act* ("**CCAA**"). Ernst & Young Inc. ("**EYI"**) was appointed CCAA Monitor (the "**Monitor**") pursuant to the CCAA Order.

2. On March 16, 2001, this Court granted an Order ("**CCAA Termination Order**") terminating the CCAA proceedings and discharging the Monitor. On the same date, the Court granted an Order (the "**Receivership Order**") appointing EYI as Receiver and Manager (the "**Receiver**") of all assets, property and undertaking of Beamscope, without security. Copies of the CCAA Termination Order and the Receivership Order are attached hereto as **Appendices "A" and "B".**

3. On March 30, 2001, the Court issued an Order (the "**Vesting Order**") approving the sale of the assets of Beamscope's Laing division to SJS Group Ltd. (the "**Purchaser**") and vesting title in those assets in the Purchaser. A copy of the Vesting Order is attached hereto as **Appendix "C"**.

4. On October 17, 2002, the Court granted an Order declaring Beamscope bankrupt upon a petition by IBM Canada Ltd. ("**IBM**"). EYI was appointed the trustee of the bankrupt estate (the "**Bankruptcy Trustee**").

5. On February 10, 2004, the Court granted an Order (the "**February 2004 Order**"), among other things, approving the termination and wind-up of an employee severance trust (the **Employee Severance Trust**") and the transfer of the remaining balance of the Employee Severance Trust to the Receiver.

6. On December 13, 2005, the Bankruptcy Trustee sought and obtained its discharge. A copy of the Order discharging the Bankruptcy Trustee is attached hereto as **Appendix "D**".

PURPOSE

7. This Third and Final Report (the "**Final Report**") is filed by EYI in its capacity as the Receiver, with the purpose to provide this Court with the evidentiary basis upon which to make an Order (the "**Discharge Order**"):

   i) approving this Final Report and the activities of the Receiver described herein;

   ii) approving the fees and disbursements of the Receiver incurred after January 19, 2004, including an accrual up to and including the date of the Receiver's discharge;

   iii) approving the Receiver's final statement of receipts and disbursements as at December 14, 2021 (the "**Final Statement of Receipts and Disbursements**");

   iv) directing the Receiver to distribute the remaining funds, if any, after the completion of the Receivership Proceedings from the estate to IBM as first ranking secured creditor of Beamscope; and

   v) discharging the Receiver from its duties pursuant to the Receivership Order upon the issuance of a certificate by the Receiver confirming that all matters to be attended to in connection with the receivership of Beamscope have been completed to the satisfaction of the Receiver.

TERMS OF REFERENCE

8. In preparing the Final Report, EYI has relied upon information relating to Beamscope, including unaudited financial information, Beamscope's records, and Beamscope-prepared financial information and discussions with former management of Beamscope. EYI has not performed an audit or other verification of such information.

9. All dollar amounts in the Final Report are in Canadian dollars except where otherwise indicated. Capitalized terms that are not specifically defined in the Final Report have the meanings ascribed to them in the Orders made in the receivership proceedings.

10. A copy of this Final Report, together with certain relevant Court documents, will be posted on the Receiver's case website at www.ey.com/ca/beamscope (the "**Case Website**"). The Receiver has posted its contact information on the Case Website so that interested parties may contact the Receiver if they have questions with respect to the receivership proceeding.

BACKGROUND

11. Beamcope was a distributor of over 300 hundred different products in two categories – video entertainment products and digital technology products (including satellite receivers and dishes). As a subsidiary of Beamscope, Flex operated an internet fulfillment and distribution logistics business and did not have any material assets or liabilities.

PREVIOUS RECEIVER REPORTS

12. Copies of all previous reports (without appendices thereto) of the Receiver are attached to this Final Report as follows:

a) **Appendix "E"** - First Report of the Receiver dated March 26, 2001 (the "**First Report**"), which was approved by the Vesting Order;

b) **Appendix "F"** - Second Report of the Receiver dated January 21, 2004 (the "**Second Report**"), which was approved by the Court pursuant to the February 2004 Order. A copy of this Order is attached hereto as **Appendix "G".**

RECEIVER' ACTIVITIES SINCE THE SECOND REPORT

Overview

13. The Second Report sets out a summary of Beamscope's remaining assets at the time of the appointment of the Receiver as well as the Receiver's activities with respect to those assets. As described in detail in the Second Report, the majority of Beamscope's assets had already been liquidated and/or realized upon by the date of the Second Report.

14. Subsequent to the issuance of the Second Report, the Receiver, among other things:

a) collected approximately $185,000 of pre-receivership accounts receivable;

b) negotiated and entered into a settlement with the Broderbund Parties (as defined and described below);

c) received the remaining balance of the Employee Severance Trust in the amount of $1,289,378; and

d) made certain distributions to IBM as further described below.

15. A schedule of receipts and disbursements since the date of the Second Report is presented as part of the Receiver's Final Statement of Receipts and Disbursements is attached hereto as **Appendix "H"**.

Broderbund Settlement

16. As discussed in the Second Report, the Receiver commenced litigation against certain parties, including Broderbund LLC, GTG/Wizard LLC, Gores Technology, and Mattel Inc. (collectively the "**Broderbund Parties**"), in relation to a complaint for breach of contract. Trial of this action occurred in February 2004, with the defendants receiving favourable preliminary findings of fact and conclusions of law on all causes of action.

17. On July 22, 2004, the Receiver and the Broderbund Parties reached a settlement (the "**Broderbund Settlement**"), pursuant to which the Broderbund Parties agreed to pay the Receiver US$750,000 in exchange for the Receiver's agreement to dismiss the court action. IBM, Beamscope's first ranking secured creditor, supported and approved the settlement. The Receiver received the Broberbund Settlement proceeds in three installments on or

about July 28, 2004, October 1, 2004 and January 5, 2005. A copy of the Broderbund Settlement is attached hereto as **Appendix "I"**.

Residual Assets

18. At the time of this Final Report, the Receiver does not believe there is any realizable value in Beamscope's residual assets, which consist of:

i) Certain uncollectible accounts receivable due to offset claims, damage claims and other issues. The Receiver is of the view that potential costs to litigate these accounts for collection far outweigh any potential realizable benefits; and

ii) A 50% indirect interest in Unisel Holdings S.A. ("**Unisel**"), a company that operated a video and computer accessories distribution business in Chile and Argentina. Unisel went out of the business based on available information. Given the significant passage of time since the Receiver's appointment, any realization by the Receiver on Beamscope's interest in Unisel appears to be highly unlikely.

The Receiver has therefore abandoned all further attempts of realizing upon those residual assets.

Distributions to Secured Creditor

19. As at the date of Beamscope's receivership, Beamscope was indebted to IBM in the amount of approximately $64 million. As summarized in Appendix "H", during the course of the Receivership, IBM has been paid approximately $12.6 million, leaving the shortfall of its claim at greater than $51 million. Accordingly, the Receiver does not expect any recoveries for Beamscope's unsecured creditors.

Closure of Receivership

20. All of Beamscope's assets have been realized upon or otherwise dealt with by the Receiver as described above in this Final Report, and all available proceeds (net of receivership fees and costs) have been distributed to IBM. Accordingly, the Receiver has completed the administration of the Beamscope receivership.

21. The Receiver understands that IBM, the first ranking secured creditor that will suffer a significant shortfall on the amounts owing to it, supports the discharge of the Receiver on the terms set forth in the proposed Discharge Order. As the Receiver no longer has separate legal counsel, IBM has agreed to bring the motion for the Discharge Order.

Statement of Receipts and Disbursements

22. The Receiver's Final Statement of Receipts and Disbursements relating to Beamscope from March 16, 2001 to December 14, 2021 (the "**Receivership Reporting Period**"), including accruals to the anticipated date of the Receiver's discharge and/or duties in finalizing the administration of the receivership (as discussed below) is set out in Appendix "H".

23. The Final Statement of Receipts and Disbursements reflects that Beamscope's estate has no remaining funds after disbursements and the payment of professional fees. Given the passage of time, it is not expected that there will be any sundry refunds or payments received in the future. The proposed Discharge Order directs the Receiver to distribute the remaining proceeds in the estate, if any, to IBM.

Professional Fees

24. The Receiver has maintained detailed records of its professional costs and time during the course of the receivership administration.

25. The February 2004 Order approved the fees and expenses of the Receiver and its legal counsel for the period ending January 19, 2004.

26. Attached hereto as **Appendix "J"** is Affidavit of Alexander Morrison of EYI sworn December 13, 2021 (the "**Morrison Affidavit**"), attesting to the fees and disbursements of the Receiver. For the period January 20, 2004 to December 10, 2021, the Receiver's accounts amount to $101,371.20 in fees and administrative charges, $14,105.06 in disbursements and $9,471.65 in GST and HST for a total amount of $124,947.91. Included in the Receiver's final invoice is an estimated fee of $5,000 plus HST to address final reporting requirements and complete the administration. Attached as **Exhibit "B"** of the

Morrison Affidavit are copies of the accounts rendered by the Receiver in respect of the Receivership proceedings.

Recommendations

27. The Receiver respectfully recommends that this Honourable Court grant the Discharge Order in the form attached to the motion record.

All of which is respectfully submitted this 22nd day of December, 2021.

ERNST & YOUNG INC., solely in its capacity as
Court-Appointed Receiver and Manager of
Beamscope Canada Ltd.
and not in its personal or corporate capacity

Per:

____

Alex Morrison
Senior Vice-President

Appendix "A"

to the Third and Final Report
of the Receiver and Manager
Dated December 22, 2021

Court File No.: 00-CL-3928

ONTARIO

SUPERIOR COURT OF JUSTICE

(COMMERCIAL LIST)

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF BEAMSCOPE CANADA INC.

THE HONOURABLE MR.	)	FRIDAY, THE 16TH DAY
	)	
JUSTICE FARLEY	)	OF MARCH , 2001

COURT OF JUSTICE SUPERIOR
COUR SUPÉRIEURE DE JUSTICE
JUSTITIA

ORDER

THIS MOTION, made by IBM Canada Ltd. for an Order, terminating provisions of the Order of this Honourable Court dated November 14, 2000 under the *Companies' Creditors Arrangement Act* was heard this day at Toronto;

ON READING the Fourth Report of the Monitor dated March 14, 2001 and on hearing the submissions of IBM Canada Ltd., Ernst & Young Inc. in its capacity as Monitor pursuant to the CCAA Order, and Beamscope Canada Inc. ("Beamscope");

1. **THIS COURT ORDERS** the time for service of the Notice of Motion and the materials filed in support of this motion be and it is hereby abridged to the date of actual service, that this motion is properly returnable today and that service of the Notice of Motion and the materials filed in support of this motion upon any interested party, other than the persons served with the Notice of Motion and the materials filed in support of this motion, be and it is hereby dispensed with.

2. **THIS COURT ORDERS** that all capitalized terms not defined in this Order shall have the meanings described in the order of this Honourable Court dated November 14, 2000 (the "CCAA Order").

3. **THIS COURT ORDERS** that, except as expressly set out in this Order or in any Order of this Honourable Court to be made this day concerning the appointment of Ernst & Young Inc. as Receiver and Manager of Beamscope, the provisions of the CCAA Order and the Orders of this Honourable Court dated December 12, 2000 and January 30, 2001 extending the CCAA Order to March 16, 2001 are hereby terminated with effect as of 10:00 a.m. or such other time as this Court may direct on the date hereof.

4. **THIS COURT ORDERS** that the Monitor is hereby discharged and shall have no further obligations, liabilities, responsibilities or duties under the CCAA Order or with respect to its conduct under the CCAA proceedings, save and except the right of any creditor to review or tax the fees and disbursements of the Monitor.

5. **THIS COURT ORDERS** that the rights and protections afforded to Ernst & Young Inc. and its affiliates under paragraph 44 of the CCAA Order shall continue in full force and effect.

6. **THIS COURT ORDERS** that the Professional Advisors' Charge, the Directors' Charge and IBM's Charge (collectively the "CCAA Charges"), shall continue to bind the Property in respect of all proper claims under such charges which accrued prior to the making of this Order. The CCAA Charges shall have the priority set out in the Order of this Honourable Court to be made this day appointing a Receiver and Manager in respect of Beamscope.

LOCAL REGISTRAR

G26\43753173

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

MAR 1 C 2001

PER/PAR: NB

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF BEAMSCOPE CANADA INC.

Commercial Court File No: 00-CL-3928

ONTARIO SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

Proceeding commenced at Toronto

ORDER

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Solicitors for IBM Canada Ltd.

G26\4375317.3

Appendix "B"

to the Third and Final Report of the Receiver and Manager Dated December 22, 2021

Court File No. 01-CL-4063

ONTARIO

SUPERIOR COURT OF JUSTICE

COMMERCIAL LIST

THE HONOURABLE MR.	)	FRIDAY, THE 16TH DAY
	)	
JUSTICE FARLEY	)	OF MARCH, 2001

IBM CANADA LTD.

Applicant

\- and -

BEAMSCOPE CANADA INC.

Respondent

ORDER

THIS APPLICATION, made on notice, by IBM Canada Ltd. (the "Applicant") for an Order, *inter alia*, appointing Ernst & Young Inc. ("Ernst & Young") as receiver and manager without security over all the assets, property and undertaking of Beamscope Canada Inc. ("Beamscope");

ON READING the Affidavit of Bently Nikolaevsky, sworn March 15, 2001 and the Consent of Ernst & Young dated March 15, 2001, and upon hearing the submissions of counsel for the Applicant and other counsel present:

1. **THIS COURT ORDERS** the time for service of the Notice of Application and the materials herein be and it is hereby abridged and that the Application is properly returnable today and that further service thereof be and is hereby dispensed with.

2. **THIS COURT ORDERS**, effective at 10:00 a.m. or such other time as this Court may direct today, Ernst & Young be and is hereby appointed receiver and manager (the

"Receiver"), without security of all of the property, assets and undertaking of Beamscope (the "Property") with power to administer, manage and take control of the Property until further order of this Court and the Receiver is hereby empowered, authorized and directed to take possession of and control the Property and any and all proceeds, receipts and disbursements arising out of or from the Property.

3. **THIS COURT ORDERS** that Beamscope and its present and former directors, officers, employees, agents, shareholders and any other persons acting on any of their respective instructions including, without limitation, the accountants and counsel for Beamscope and all other persons having notice of this Order (collectively the "Affected Persons") shall forthwith deliver and grant access to the Property (excluding only communications or materials which are validly subject to solicitor-client privilege), wheresoever situate, to the Receiver including, without limitation:

(a) any and all of the books, securities, records, documents, accounts, contracts, deeds, papers, records and information related in any way to the Property;

(b) any and all budgets, accounting records, computer records, computer programs, computer tapes, computer disks, leases and agreements related in any way to the Property;

(c) any and all data storage, media and programs containing any such information;

(d) any information that Beamscope, its officers or directors would be entitled to by virtue of Beamscope's ownership interest in the shares of Unisel Holdings S.A. and its subsidiaries and Ironside Technologies Inc.;

(e) and other records of every nature and kind relating to the Property or the business carried on by Beamscope;

(items (a), (b), (c), (d) and (e) above being collectively referred to as the "Information")

and

(f) all monies, cheques, post-dated cheques and remittances of every nature and kind whenever and howsoever arising in respect of the Property, and to provide access to the same to the Receiver or, in the case of Information, to permit the Receiver to make, retain and take away copies thereof, and allow the Receiver immediate, continued and unrestricted access to the Property and the Information and to grant to the Receiver access to and use of accounting services, computer hardware and software and all facilities relating thereto promptly at the request of the Receiver. All Affected Persons are hereby restrained and enjoined from disturbing or interfering with the Receiver and with the exercise by the Receiver of its powers and the performance by the Receiver of its duties hereunder.

4. **THIS COURT ORDERS** if any of the Information is stored or otherwise contained in a computer (which term shall include any electronic data processing system) accessible to any of the Affected Persons, such Affected Persons shall, at the request of the Receiver, give the Receiver access to and assistance in retrieving such Information in such manner as the Receiver in its discretion considers reasonable and expedient.

5. **THIS COURT ORDERS** all persons with notice of this Order shall deliver to the Receiver any of the Property in their possession, without prejudice to any person's right to seek a declaration from this Court that they have a claim, charge or security interest in respect of the Property.

6. **THIS COURT ORDERS** the Receiver shall be at liberty and is hereby authorized and empowered, if in its opinion it is necessary or desirable for the purposes of receiving, preserving, protecting and realizing upon the Property or any part or parts thereof, to do any or all of the following, without the necessity for any further Order of the Court:

(a) to take possession of all or any part or parts of the Property;

(b) to make arrangements with such agents, consultants, assistants and employees as the Receiver may consider necessary or desirable to secure their assistance in the exercise of the Receiver's powers and the performance of the Receiver's duties hereunder;

(c) to carry on the business pertaining to the Property, including without limiting the foregoing, the power to sell, lease, mortgage, manage and operate the Property, or cease to do so, in whole or in part if in the opinion of the Receiver it is necessary or desirable to do so, and in furtherance thereof to enter into any agreements or incur any obligations, complete any work in progress, pay any creditors of Beamscope for services received or goods provided prior to or after the date of this Order if such payment is, in the discretion of the Receiver, necessary or desirable for the efficient operation of the business of Beamscope or the protection, preservation, maintenance or realization of the Property, or take any other steps incidental to these powers if in the opinion of the Receiver it is necessary or desirable to do so;

(d) to obtain any necessary appraisals of the Property or any part or parts thereof;

(e) to solicit offers to purchase the Property or any part or parts thereof whether directly or indirectly through agents, auctioneers or liquidators, whether for cash or on credit, privately or otherwise;

(f) to sell, lease or mortgage the whole of the Property out of the ordinary course of business in parts or en bloc without having any time appointed for redemption, provided that the purchase money, rents, proceeds or other consideration of any realization or realizations shall be paid to the Receiver;

(g) to take possession and control of all the securities in which Beamscope has an interest (directly or indirectly) and exercise all rights that may be enjoyed by a holder of such securities including, without limitation, rights (i) that may arise by virtue of the holder being a party to a shareholder or similar agreement that may, for example, restrict the powers of the directors to manage or supervise the management of the business and affairs of the corporation, (ii) to receive information, (iii) to attend at and/or cause to be held meetings of holders of securities of such corporations, (iv) to vote such securities for the removal or election of directors and approval of significant transactions (such as the sale or disposition of all or substantially all of the assets of a corporation or the winding-up, liquidation, rehabilitation, bankruptcy, receivership, restructuring or amalgamation of a corporation), and (v) to sell or otherwise dispose of such securities in such manner as the Receiver determines appropriate;

(h) to make such investments, including without limitation subscribing for new securities, from time to time as the Receiver in its discretion determines are appropriate for the protection, preservation, maintenance or realization of value of the Property;

(i) to take steps for the preservation and protection of the Property, including, without restricting the generality of the foregoing, (i) the right to make payments to persons, if any, having charges or encumbrances ranking in priority to the security held by the Applicant on the Property or any part or parts thereof on or after the date of this Order, which payments may include payments in respect of realty taxes owing in respect of any of the Property, (ii) the right to make repairs and improvements to the Property or any parts thereof and (iii) the right to make payments for ongoing services in respect of the Property;

(j) to employ and retain such agents, assistants, experts, auditors, advisors employees, solicitors and counsel, including legal counsel, as the Receiver may consider necessary or desirable;

(k) to receive, attorn and collect all monies and deposits now or hereafter owing to Beamscope;

(l) to extend the time for payment of any monies now or hereafter due or owing to Beamscope, with or without security, and to settle or compromise any such indebtedness;

(m) to apply for or renegotiate in respect of any permits, licences, approvals or permissions as may be required by any governmental authority with respect to the Property;

(n) to execute, sign, issue, endorse or negotiate in the name of and on behalf of Beamscope all necessary bills of sale, conveyances, deeds and documents of whatsoever nature necessary or incidental to the exercise of the powers granted herein;

(o) to purchase or lease such machinery, equipment, premises or other assets or supplies as may be necessary or desirable in the opinion of the Receiver to receive, preserve, protect or realize upon the Property or any part or parts thereof;

(p) to take such steps as in the opinion of the Receiver are necessary or appropriate to establish and maintain control over the Property or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of the Property, to dispose or safeguard them, the engaging of independent security personnel, the taking of physical inventories and the placement of adequate insurance coverage as required;

(q) to file an assignment in bankruptcy on behalf of, or consent to a receiving order against, Beamscope;

(r) to enter into arrangements with any trustee in bankruptcy appointed in respect of Beamscope (a "Trustee") including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by Beamscope;

(s) to act as Trustee;

(t) to take any steps, enter into any agreements or incur any obligations necessary or incidental to the exercise of the aforesaid powers;

(u) to register notice of this Order against title to the Property in the appropriate registry offices; and

(v) to terminate or consent to the termination of any contracts or agreements with Beamscope or in respect of the Property.

7. **THIS COURT ORDERS** that the Receiver is hereby fully and exclusively authorized and empowered to institute and prosecute and to continue the prosecution of all actions, applications, or proceedings including without limitation, any arbitrations or mediations, in and before both courts and administrative bodies as may, in its judgment be necessary or desirable to properly receive, protect, preserve and realize upon the Property or any part or parts thereof and also to defend all actions, applications or proceedings now pending or hereafter instituted against Beamscope or the Receiver, and to appear in and conduct the prosecution or defense of any such actions, applications or proceedings now pending or hereafter instituted in any court or administrative body by or against Beamscope, the prosecution or defence of which will, in the judgment of the Receiver, be necessary or desirable to properly receive, protect, preserve and realize upon the Property, or to protect the administration of the receivership and to settle or compromise any such actions, applications or proceedings which, in the judgment of the Receiver, should be settled, and the authority hereby conferred shall extend to such appeals as the Receiver shall deem proper and advisable in respect of any order or judgment pronounced in any such actions, applications or proceedings.

8. **THIS COURT ORDERS** the Receiver shall be at liberty to retain Meighen Demers LLP or any other counsel to advise it in connection with any matters associated with its appointment, the performance of its duties and the exercise of its powers hereunder.

9. **THIS COURT ORDERS** the Receiver be and is hereby relieved from compliance with the provisions of the Part XI of the *Bankruptcy and Insolvency Act* (the "BIA") and from compliance with the provisions of the Part V of the *Personal Property Security Act*, and from any provision of law relating to notice, statutory or otherwise, which a creditor or receiver is required to issue in order to dispose of the collateral of a debtor or otherwise.

10. **THIS COURT ORDERS** the Receiver, all other parties to these proceedings and other interested persons may, from time to time, upon notice to all parties to these proceedings, apply to this Court for directions and guidance in the exercise of the Receiver's powers and the performance of its duties hereunder.

Employees

11. **THIS COURT ORDERS AND DECLARES** that by virtue of the appointment of the Receiver or the exercise of any of its powers, or the performance of any of its duties hereunder, or the use or employment by the Receiver of any person in connection with its appointment and the performance of its powers and duties hereunder, shall not constitute the Receiver the employer, successor employer or related employer of the employees of Beamscope within the meaning of the *Labour Relations Code* (Ontario), the *Employment Standards Act* (Ontario), the *Pension Benefits Act* (Ontario), the *Canada Labour Code*, the *Pension Benefits Standards Act* (Canada) or any other provincial, federal, municipal legislation or common law governing employment or labour standards or any other statute, regulation or rule of law or equity for any purpose whatsoever or expose the Receiver to liability to any individuals arising from or relating to their previous employment by Beamscope. In particular, the Receiver shall not be liable to any of the employees for any wages (as "wages" are defined in the *Employment Standards Act*), including severance pay, termination pay and vacation pay except for such wages as the Receiver may specifically agree to pay. Further, by the granting of this Order, the business of Beamscope has not been sold and will continue to be the business of Beamscope until it is sold, in whole or in part, to a purchaser other than the Receiver. In this paragraph, "sell" includes leases, transfers and any other manner of disposition, and "sold" and "sale" have corresponding meanings.

Accounting for Receipts and Disbursements

12. **THIS COURT ORDERS** the Receiver shall pass its accounts from time to time and shall pay the balances in its hands as this Court may direct; provided that the Receiver shall be at liberty to distribute such portion or portions of the balances in its hands from time to time as it determines to the Applicant on the condition that the Applicant enter into a reimbursement agreement with the Receiver on terms satisfactory to the Receiver pursuant to which the Applicant agrees to reimburse the Receiver for any amounts paid to it to the extent that a person with a higher or better claim to that of the Applicant is determined to be entitled to such amounts.

13. **THIS COURT ORDERS** the Receiver's remuneration and any expenses which may be properly made or incurred by the Receiver in connection with the exercise of its powers and the performance of its duties hereunder (including any fees and disbursements of its counsel on a solicitor and its own client basis and including any fees and expenses of Ernst & Young in preparing for its appointment hereunder) shall be allowed to the Receiver in the passing of its accounts and shall form a first ranking priority charge on the Property (the "Receiver's Charge).

14. **THIS COURT ORDERS** the costs of the Applicant in the preparation of this motion, in the commencement of this application and up to and inclusive of the hearing of this motion and the entry of this Order be assessed as between a solicitor and his own client and the Receiver shall pay such costs which shall be treated as an expense of the Receiver and be satisfied as contemplated in paragraph 15 herein.

15. **THIS COURT ORDERS** the Receiver shall be at liberty, from time to time, to pay costs and other expenses relating to the Property, including its own remuneration and disbursements, from monies in its hands. Any amounts so applied against the Receiver's remuneration and expenses shall constitute advances against the amounts allowed on the passing of the Receiver's accounts.

16. **THIS COURT ORDERS** the Receiver be and is hereby indemnified out of the Property from and against all liabilities arising out of the due and proper performance of its duties as Receiver pursuant to the terms of this Order, save and except for any gross negligence or wilful conduct on part of the Receiver with respect to such duties and the Receiver's Charge shall hereby include a charge on the Property for such indemnity in priority to all security, charges and encumbrances affecting the Property.

Borrowing Powers

17. **THIS COURT ORDERS** the Receiver shall be at liberty and is hereby empowered to borrow monies without personal liability from time to time as it may consider necessary, not to exceed $10,000,000 (Cdn.) in principal amount in the aggregate, at such rate or rates of interest as it deems advisable and for such period or periods as it may be able to arrange,

for the purpose of exercising its powers and performing its duties. The Receiver is authorized to pledge, assign or give security or securities on any of the Property and/or its proceeds ranking in priority to the charge of the Applicant on the Property and/or its proceeds, but subject to the rights of the Receiver to be indemnified out of the Property with respect to its liability, expenses and its own remuneration properly incurred and thereafter any such security (the "Receiver's Borrowings Charge") shall rank in priority pursuant to the provisions of paragraph 25 of this Order.

18. **THIS COURT ORDERS** the monies authorized to be borrowed by this Order shall be evidenced by Certificates substantially in the form of the draft Certificate attached as Schedule "A" to this Order which the Receiver may pay off or re-borrow within the limits of the authority hereby conferred.

19. **THIS COURT ORDERS** all monies from time to time borrowed by the Receiver pursuant to this Order or to any further order of this Court and all Receiver's Certificates representing the same or any part thereof shall rank *pari passu*.

20. **THIS COURT ORDERS** any security granted by the Receiver in connection with its borrowings shall not be enforced without leave of this Court first being obtained.

<u>Stay of Proceedings</u>

21. **THIS COURT ORDERS** no one claiming an interest in the Property or any part thereof shall be at liberty to exercise such interest, including, without limitation, any right of possession of any part of the Property, except with the consent of the Receiver or leave of this Court first being obtained.

22. **THIS COURT ORDERS** no action, application or proceedings, self-help remedies, or any other suits, acts, extra-judicial proceedings enforcement processes, or private remedies including, without limitation:

(a) the exercise of any landlord right to distrain or terminate any lease, including without limitation, any leases for any rental programs or any condominium leases;

(b) the termination of any contract of insurance for the Property or any portion thereof in which Beamscope is a named or an unnamed insured or from which Beamscope may derive a benefit;

(c) the acceleration, termination, suspension, cancellation, modification, determination or alteration of any contract relating to the Property, whether written or oral, for the supply of goods or services to Beamscope including, without limitation, commercial leases, supply contracts, service contracts, subscriber agreements, licences, permits and approvals notwithstanding any provisions contained in such contract to the contrary;

(d) the acceleration, termination, suspension, cancellation, modification, determination or alteration of any of the rights or benefits of Beamscope under any agreements relating to the Property notwithstanding any provisions contained in such agreements to the contrary;

(e) the right of any person to make demand or draw under any debentures, notes, bonds or instruments of similar effect, issued by or on behalf of Beamscope, to take possession of, to foreclose upon or to otherwise realize upon or deal with any of the Property or to continue such actions or proceedings if commenced prior to the date of this Order;

(f) the right of any person to assert, enforce or exercise any right (including, without limitation, any right of dilution, buy-out, divestiture, forced sale, acceleration, termination, revocation, suspension, modification, cancellation or right to revoke any qualifications or registration), option or remedy available to it, including such right, option or remedy arising under or in respect of any agreement (including, without limitation, any partnership agreement, management agreement, franchise agreement, shareholders' agreement, pledge agreement, co-ownership agreement, agreement of purchase and sale, customer contract, purchase order, supply contract or lease) to which Beamscope, or any person in which Beamscope has an interest, is a party, arising out of, relating to or triggered by the occurrence of any default or non-performance of Beamscope thereunder, the making or filing of these proceedings, or any allegation contained in these proceedings including, without limitation, the making of any demand, the sending of any notice, the right to crystallize any security interest or the right to accelerate the repayment of any outstanding indebtedness;

(g) the exercise of any extra-judicial remedy against Beamscope, including, without limitation, the registration or re-registration of any securities owned by Beamscope into the name of any persons or their nominees, the exercise of any voting rights attaching to securities owned by Beamscope, any right of distress, repossession or consolidation of accounts in relation to amounts due or accruing due in respect of or arising from any indebtedness or obligation of Beamscope as at the date hereof;

(h) the exercise of any right of set off or off set as against Beamscope or as against amounts now or hereafter owing to Beamscope;

(i) the right of any person (including, without limitation, any authority with jurisdiction to levy realty taxes) to commence or continue realization in respect of any encumbrance, tax, lien, charge, mortgage, attornment of rents or other security held in relation to, or any trust attaching to, the Property, including the right of any person to take any steps in asserting or perfecting any right or interest, including, without limitation, the removal of any tooling, inventory, service parts, equipment, supplies and intellectual property or any right to the revindication of any goods supplied to Beamscope, whether taken in the Province of Ontario or elsewhere, and whether pursuant to the BIA or otherwise;

(j) the commencement or continuation of any proceeding under the *Employment Standards Code*. (Ontario) or the *Environmental Protection Act* (Ontario),

shall be taken, commenced or continued without the specific written consent of the Receiver or the leave of this Court first being obtained on seven (7) days' notice to the Receiver.

23. **THIS COURT ORDERS** without limiting the generality of any of the provisions hereof, all governments, governmental or regulatory agencies, persons, firms or corporations be and they are hereby restrained and enjoined from terminating licences, certifications, agreements or documentation relating to the status of the Property or disturbing or interfering with utility services, including but not limited to the furnishing of gas, heat, electricity, water, telephone, garbage collection or any other utilities of like kind, furnished up to the present date of this Order and pertaining to the Property, and they are hereby restrained and enjoined from cutting off, discontinuing or altering any such utilities or services to the Receiver except upon further Order of this Court on at least seven (7) days' notice to the Receiver.

24. **THIS COURT ORDERS** all persons be and they are hereby enjoined from disturbing or interfering with access, the status or certification of any of the Property and that no person shall in any manner unlawfully interfere with the possession, use or control of the Property by the Receiver or its assigns.

Priority of Charges

25. **THIS COURT ORDERS** that, notwithstanding any other provision of this Order, the charges contained in this Order and in the Order of this Court made November 14, 2000 in Court File No. 00-CL-3928 (the "CCAA Order") shall rank in priority to the claims of all persons, in the following priority:

(a) the Receiver's Charge;

(b) the Receiver's Borrowings Charge;

(c) the Directors' Charge and the Professional Advisors' Charge (both as defined in the CCAA Order); and

(d) IBM's Charge (as defined in the CCAA Order).

26. **THIS COURT ORDERS** that to the extent that the Applicant has received funds from the disposition of assets or property of Beamscope from and after the date of the CCAA Order pursuant to the terms of the CCAA Order and no person claims entitlement to such

proceeds in priority to the Applicant, the Applicant shall fund (in place of the Directors' Charge, as defined in the CCAA Order), any amounts required under the Director's Charge to a maximum of Cdn.$5,000,000 on the condition that there is a valid and final claim in respect of the Directors' Charge.

27. **THIS COURT ORDERS** that no person shall be required to file, register, record or perfect the Receiver's Charge or the Receiver's Borrowings Charge and such charges shall be binding on any Trustee and the security and charges under the terms of this Order shall retain their full perfection and priority pursuant to the terms of this Order.

Miscellaneous

28. **THIS COURT ORDERS** that when the Receiver is realizing upon all or any part of the Property, Beamscope shall join in and execute all necessary powers of attorney, conveyances, deeds and documents of whatsoever nature or form as required by the Receiver. For this purpose, the Receiver is hereby authorized and empowered to execute such powers of attorney, conveyances, deeds and documents in the name of and on behalf of Beamscope. Any such powers of attorney, conveyances, deeds and documents so executed by the Receiver shall have the same force and effect as if executed by Beamscope.

29. **THIS COURT ORDERS** that the Receiver shall assume all of the obligations of the Monitor under paragraph 47 of the CCAA Order.

30. **THIS COURT ORDERS** that, notwithstanding any other terms of this Order, the Receiver shall have all of the rights of Beamscope under the terms of the Trust Agreement dated October 11, 2000 between Beamscope and Mintz & Partners Limited and any ancillary arrangements related thereto.

31. **THIS COURT ORDERS** that notwithstanding any other provision contained in this Order, the Receiver shall be protected by the terms and provisions of the BIA, as amended, including without limitation, section 14.06 of the BIA.

32. **THIS COURT ORDERS:**

(a) the Receiver is not an owner of any of the Property for any purpose including, without limitation, for purposes of Environmental Legislation;

(b) the Receiver shall not be liable under Environmental Legislation in respect of any Adverse Environmental Condition with respect to the Property or any part thereof, for any Adverse Environmental Condition that arose or occurred before the later of the time of appointment of the Receiver or the date the Receiver goes into possession of the Property, if applicable;

(c) the Receiver shall not be liable under Environmental Legislation, in relation to its position as Receiver, in respect of any Adverse Environmental Condition at the Property or any part thereof that arose, occurred or continued after the time of appointment of the Receiver unless such Adverse Environmental Condition has been caused by gross negligence or wilful misconduct of the Receiver;

(d) notwithstanding subparagraph (c), the Receiver shall not be liable beyond the Net Realized Value (as defined in paragraph 34 herein) under Environmental Legislation in respect of any Adverse Environmental Condition with respect to the Property or any part thereof except that which has been caused by the gross negligence or wilful misconduct of the Receiver;

(e) for purposes of this Order, the term "Environmental Legislation" shall mean any federal, provincial or other jurisdictional legislation, statute, regulation or rule of law or equity (whether in effect in Canada, the United States of America or any other jurisdiction) 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 *Environmental Protection Act* (Ontario), the *Canadian Environmental Protection Act*, the *Ontario Water Resources Act*, or the *Occupational Health and Safety Act*, and regulations thereunder; and

(f) for purposes of this Order, the term "Adverse Environmental Condition" shall include, without limitation, any injury, harm, damage, impairment or adverse effect to the environmental condition of the Property and the unlawful storage or disposal of waste or other contamination on or from the Property.

33. **THIS COURT ORDERS** that by virtue of this Order nothing herein contained shall vest in the Receiver the ownership, control, possession or management nor require the Receiver to take possession, control or manage any of the Property which may be a pollutant or contaminant or cause or contribute to a discharge, release or deposit of a substance contrary to the *Environmental Protection Act*, (Ontario), the *Canadian Environmental Protection Act*, the *Ontario Water Resources Act*, the *Occupational Health and Safety Act*, the regulations thereunder, or any similar legislation which may have application in any jurisdiction in which any of the Property is situated.

34. **THIS COURT ORDERS** the liability of the Receiver which it may incur as a result of its appointment or as a result of the performance of its duties hereunder including its obligations under any Receiver's Certificates, save and except for, fraud, gross negligence or wilful misconduct, shall be limited in the aggregate to the Net Realized Value of the Property. The Net Realized Value of the Property shall be the proceeds realized in cash from the disposition of the Property or part thereof after deducting the amounts owed to the Applicant, the remuneration and disbursements of the Receiver and any costs or obligations, including monies borrowed hereunder, incurred by the Receiver or by any other person in connection with the actions of the Receiver pursuant to this Order, including without limitation, the completion of a sale of all or part of the Property.

35. **THIS COURT ORDERS** no action or other proceeding shall be commenced against the Receiver or Ernst & Young except with prior leave of this Court on notice to the Receiver or Ernst & Young and upon further order securing, as security for costs, the solicitor and his own client costs of the Receiver or Ernst & Young in connection with any such action or proceeding.

36. **THIS COURT ORDERS** and hereby seeks and requests the aid and recognition of any Court or administrative body in any Province of Canada, any Canadian Federal Court or administrative body and any federal or state Court or administrative body in the United States of

America or elsewhere to assist the Receiver and its agents to carry out the terms of this Order including the making of such vesting orders as may be requisite or desirable to complete the disposition of such of the Property as may be within the jurisdiction of such courts or administrative bodies.

37. **THIS COURT ORDERS** the Receiver or any party of right or any interested person with leave of this Court, may, from time to time, apply to this Court for advice and directions in respect of matters pertaining to the Property or the Receiver, including the discharge of the Receiver's powers and duties hereunder.

38. **THIS COURT ORDERS** that any interested person may apply to this Court to vary or rescind this Order or seek other relief upon 7 days' notice to the Applicant and 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.

Viktoria ...
LOCAL REGISTRAR

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SCHEDULE "A"

Cdn. $ Receiver's Certificate No.

TO:

1. This is to certify that the undersigned, Ernst & Young Inc., as the Receiver and Manager (the "Receiver"), of all of the assets, property and undertaking of Beamscope Canada Inc. (the "Property") pursuant to the Order of the ● dated ●, 2001 (the "Receivership Order"), acknowledges that as such Receiver it is indebted to ● in the sum of Dollars ($) in lawful money of Canada.

2. The principal sum of **[insert the borrowing limit in words]** ($**[insert the borrowing limit in numbers]**) represented by this Certificate is payable from the day of , 2001, on demand with interest thereon (both after as well as before maturity) at ● prime interest rate, as reported or announced from time to time or failing such reporting or announcement, at the rate established by it on an unsecured demand loan in the City of Toronto, Province of Ontario in Canadian dollars to its most credit-worthy commercial customers, plus percent (%) per annum.

3. The principal sum of Dollars ($) together with interest thereon and related expenses is by the terms of the Receivership Order, a fixed and specific charge on the Property ranking in accordance with paragraph ● of the Receivership Order.

4. All sums payable in respect of principal and interest under this Certificate are payable at the office of ●.

5. In case default shall be made under this Certificate, the principal and any interest thereon of this Certificate and related expenses may be declared immediately due and payable by the holder hereof. This Certificate shall not be enforced without leave of the Court, on motion made on notice to the Receiver.

6. The Receiver does not undertake and is not under any personal liability to pay any sum in respect of this Certificate.

7. This Certificate and the principal and interest evidenced hereby shall not be assigned in whole or part by the holder without the consent of the Receiver.

DATED at Toronto, Ontario this ____ day of ____________, 2001.

ERNST & YOUNG INC., in its capacity as the Receiver and Manager of all of the assets, property and undertaking of Beamscope Canada Inc., not in its personal capacity.

Per:______________________________________

IBM CANADA LTD. and **BEAMSCOPE CANADA INC.**

Applicant Respondent

Commercial Court File No: 01-CL-4063

ONTARIO SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

Proceeding commenced at Toronto

ORDER

GOODMANS LLP
Barristers & Solicitors
250 Yonge Street, Suite 2400
Toronto, Canada M5B 2M6

Robert J. Chadwick (LSUC#: 35165K)
Michèle S. Altaras (LSUC#: 34533D)
Tel: (416) 597-4193
Fax: (416) 979-1234

Solicitors for the Applicant

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Appendix "C"

to the Third and Final Report
of the Receiver and Manager
Dated December 22, 2021

Court File No. 01-CL-4063

ONTARIO SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE MR.	)	**FRIDAY, THE 30TH DAY OF**
	)	
JUSTICE CAMERON	)	**MARCH, 2001**

BETWEEN:

IBM CANADA LTD.

Applicant

- and -

BEAMSCOPE CANADA INC.

Respondent

ORDER

THIS MOTION made by Ernst & Young Inc. in its capacity as receiver and manager (the "Receiver") of all assets, property and undertaking, both real and personal, of Beamscope Canada Inc. ("Beamscope") appointed pursuant to section 101 of the *Courts of Justice Act,* without security, by order of the Honourable Mr. Justice Farley dated March 16, 2001, (the "Receivership Order"), for an order accepting and approving the first report of the Receiver dated March 26, 2001 (the "First Report") and the recommendations of the Receiver contained therein, and for an order authorizing the sale of Beamscope's Laing business division to SJS Group Ltd. ("SJS"), was heard this day at 393 University, Toronto, Ontario.

ON READING the First Report, and on hearing the submissions of counsel for the Receiver, IBM Canada Ltd., SJS, and the other stakeholders of Beamscope as appears on the counsel list of this motion, no one appearing for any other person on the Service List attached hereto as Exhibit "A", although properly served as appears from the Affidavit of Delia Nardone sworn March 27, 2001 herein,

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and Motion Record herein be and is hereby abridged such that this motion is properly returnable before this Court today and that further service thereof upon any interested party other than the persons served is hereby dispensed with.

1A. The First Report of the Receiver is approved.

2. **THIS COURT ORDERS** that the Receiver be and is hereby authorized and directed to complete the sale of the divisional business conducted by Beamscope relating to the contract manufacturing, sale and distribution of Laing branded computer and video game accessories and peripheral items, as more particularly described in the First Report, other than product design and intellectual property rights relating thereto owned by either Doghouse Designs Inc. and/or Karen Boldt, (the "Laing Business"), to SJS, substantially on the terms set out in the First Report, and pursuant to the terms and conditions of an Asset Purchase Agreement (the "SJS Agreement"), and that the Receiver be and is hereby authorized to execute and deliver the SJS Agreement and such additional ancillary documents governing or giving effect to the transaction contemplated by the SJS Agreement as the Receiver, in its discretion, may deem to be reasonably necessary or advisable to conclude the transaction, and all such documents are hereby ratified, approved and confirmed.

3. **THIS COURT ORDERS** that notwithstanding anything in paragraph 2 above, SJS shall be free to sell or otherwise distribute any of the physical assets that comprise the Laing Business including any physical assets acquired that were designed by Karen Boldt and/or Doghouse Designs Inc.

4. **THIS COURT ORDERS** that, upon title to the Laing Business passing to SJS in accordance with the terms of the SJS Agreement, all right, title and interest in and to the Laing Business will be vested in SJS, free and clear of all liens, charges, security interests, encumbrances, levies, taxes, trust claims and all other claims whatsoever of all persons, including, without limitation, all liens, charges, security interests, encumbrances, levies, taxes, trust claims and all other claims of any person on the Service List and the charges created pursuant to the orders made in these proceedings and the proceedings of Beamscope pursuant to the *Companies' Creditors Arrangement Act* (the "Beamscope Claims").

5. **THIS COURT ORDERS** that, upon title to the Laing Business passing to SJS under paragraph 4 above, the proceeds of the sale of the Laing Business shall, with respect to the Beamscope Claims, stand in the place of the Laing Business and the Beamscope Claims shall attach only to the proceeds of the Laing Business and any interest thereon with the same priority as such the Beamscope Claims had with respect to the Laing Business.

6. **THIS COURT SEEKS AND REQUESTS** the aid and recognition of any court or any juridical, regulatory or administrative body in any Province of Canada and the Federal Court of Canada and any judicial, regulatory or administrative tribunal or other court constituted pursuant to the Parliament of Canada or the legislature of any province and any court or any judicial, regulatory or administrative body of the United States and the states or other subdivisions of the United States and states and other subdivisions of any other nation or state to act in aid of and to be complementary to this Court in carrying out the terms of this Order.

Viktoria A. [illegible]

LOCAL REGISTRAR

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EXHIBIT "A"

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Ellesmere & Midland
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CANADIAN IMPERIAL BANK OF COMMERCE (TR #82213)
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DOG HOUSE DESIGNS INC.
366 Centre Street North
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Attention: Ms. Karen Boldt

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Toronto, Ontario
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CANADA CUSTOMS AND REVENUE AGENCY
Toronto North Tax Services Office
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Attention: Vivian Perovic
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DEPARTMENT OF JUSTICE
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MINISTRY OF FINANCE
Collections & Compliance Branch
33 King Street West, 6th Floor
Oshawa, Ontario L1H 8H5

Attention: **David Bridgman**
Manager of Insolvency Unit

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Court File No. 01-CL-4063

IBM CANADA LTD. - and - BEAMSCOPE CANADA INC.

Applicant Respondent

ONTARIO SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST
PROCEEDINGS COMMENCED AT TORONTO

ORDER

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Solicitors for Ernst & Young Inc.
as Receiver and Manager

Appendix "D"

to the Third and Final Report
of the Receiver and Manager
Dated December 22, 2021

File #31-411458

SUPERIOR COURT OF JUSTICE, ONTARIO

IN BANKRUPTCY AND INSOLVENCY

IN THE MATTER OF THE BANKRUPTCY OF BEAMSCOPE CANADA INC., a corporation carrying on business in the City of Richmond Hill, in the Province of Ontario

ORDER DISCHARGING TRUSTEE

DEC 13 2005

REGISTRAR	)	__________day, the _____ day
	)	
	)	of ______________ 2005

UPON the application of Ernst & Young Inc., the Trustee of the estate of Beamscope Canada Inc; upon reading the application of the said Trustee;

IT IS ORDERED that the said Trustee be and it is hereby discharged as Trustee in the above-noted Estate.

REGISTRAR

SCOTT W. NETTIE

No. 31-411458 A.D. 2005

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

IN BANKRUPTCY AND INSOLVENCY

IN THE MATTER OF THE BANKRUPTCY OF BEAMSCOPE CANADA INC., a corporation carrying on business in the City of Richmond Hill in the Province of Ontario

ORDER DISCHARGING TRUSTEE

ERNST & YOUNG INC.
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Phone #: (416) 943-2105
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Appendix "E"

to the Third and Final Report
of the Receiver and Manager
Dated December 22, 2021

Court File No: 01-CL-4063

ONTARIO
SUPERIOR COURT OF JUSTICE
(Commercial List)

BETWEEN:

IBM CANADA LTD.

- and -

BEAMSCOPE CANADA INC.

FIRST REPORT OF THE RECEIVER DATED MARCH 26, 2001

BACKGROUND

1. By order of the Superior Court of Justice (the "Court") dated November 14, 2000 (the "CCAA Order"), Beamscope Canada Inc. ("Beamscope" or the "Company") made an application and obtained certain relief under the *Companies' Creditors Arrangement Act* ("CCAA").

2. Pursuant to the terms of the CCAA Order, Ernst & Young Inc. was appointed as the Monitor of Beamscope (the "Monitor").

3. By Order of the Court dated March 16, 2001, the CCAA proceedings in respect of Beamscope were terminated and Ernst & Young Inc. was appointed Receiver and Manager of Beamscope (the "Receiver").

4. Beamscope was a distributor of video entertainment products and operated the Laing distribution business (a branded product, the rights to which are owned by Beamscope). The assets of this division comprise approximately $4.8 million of inventory at book value (as at March 6, 2001), the rights to the Laing brand name, intellectual property, product designs, and marketing material supporting this business (collectively the "Laing Business"). There are no specifically identifiable accounts receivable for this division, as the receivables are commingled with the third party video distribution receivables.

5. As reported in the Monitor's Fourth Report dated March 16, 2001, Beamscope was in the final stages of negotiations with SJS Group Ltd. (the "Purchaser") to sell the Laing Business and anticipated entering into an agreement of purchase and sale prior to March 16, 2001. The material terms and conditions were agreed to as between the Purchaser and Beamscope. However, Beamscope did not finalize and execute the agreement prior to the receivership. The Receiver believes that concluding this sale represents the best alternative to maximize the value of these assets and wishes to conclude this agreement.

6. The Receiver respectfully requests an order from the Court:
   (a) approving the sale of Beamscope Canada Inc.'s Laing division's assets to SJS Group Ltd. (the "Purchaser"); and
   (b) vesting the title of these assets in the Purchaser.

SALES PROCESS

7. As indicated in the Monitor's Second Report dated December 11, 2000, indications of interest had been received from a number of strategic purchasers for the Laing Business prior to the CCAA Proceedings. At that time, Beamscope's management and the Monitor discussed the options available to the Company to maximize the value of the business and

concluded that a formal sales process to solicit offers from the prospective purchasers should be completed.

8. Beamscope prepared an information package and set out a formal bidding process for the Laing Business. The information package and details of the process were provided to 8 interested parties in December 2000. These parties executed non-disclosure agreements and proceeded to complete due diligence. At the time of the Monitor's Second Report, the Company believed that they would receive formal expressions of interest from these interested parties. No such expressions of interest were received.

9. As reported in the Monitor's Third Report dated January 25, 2001, the process of seeking letters of intent did not result in any acceptable offer and the Company remained in discussions with several parties regarding a possible sale of the business on a going concern basis. In the Monitor's Third Report, the Monitor advised that if the Company could not complete a going concern sale, the Company would proceed to wind-down the Laing Business and attempt to sell the assets in a manner that maximized their value.

10. By the beginning of February 2001, the Company concluded that they would not be able to conclude a going concern sale and proceeded to seek bids for the remaining assets of the Laing Business while continuing to sell existing inventory through its retail channels. The Company approached a number of parties, including those previously approached, and three parties expressed interest and signed and/or reactivated non-disclosure agreements.

11. After holding various discussions with these three parties, the Company proceeded into exclusive negotiations with the Purchaser as their offer represented the highest offer on acceptable terms. The Company attempted to finalize the Agreement with the Purchaser by March 16, 2001; the date the stay of proceedings under the CCAA expired. While the material terms of an agreement were negotiated, the Company did not execute the agreement prior to the termination of the CCAA proceedings.

12. The Receiver now wishes to conclude this sale and a copy of the Asset Purchase Agreement dated March 22, 2001 is attached as Appendix A. Based on the Receiver's knowledge of the sales process from its previous experience as the Monitor, the Receiver believes that the Company undertook a competitive sales process and these assets were broadly exposed to the market with a view to realizing the best price. The Company pursued a going concern sale, and only after it was clear that such a sale was not available did it proceed to pursue a sale of the inventory on a discounted basis. As reported in the Monitor's Fourth Report, the Company terminated all but two of the employees supporting the Laing Business effective March 16, 2001.

13. The terms of the agreement of purchase and sale were negotiated in good faith between the Company and the Purchaser prior to the termination of the CCAA proceedings. The Monitor was involved indirectly in the negotiation of the agreements.

SALES AGREEMENT

14. The terms of the asset purchase agreement consist substantially of the sale of inventory (providing realizations of approximately 31.2 cents on the dollar of book value) the transfer of two remaining key employees to the Purchaser, the sale of one trade receivable/consignment inventory, the rights to the Laing brand name, intellectual property, product designs, and marketing material supporting the Laing Business. The Receiver estimates the proceeds will be approximately $1.5 million CDN plus the further sum of $117,661.67 US, subject to further adjustments.

15. If this sale cannot be completed, the only available alternative to the Receiver would be to sell the inventory on a piece-by piece basis. Based on the Receiver's knowledge of this inventory and the results of the bidding process completed by the Company prior to the termination of the CCAA proceedings, it is highly unlikely that this alternative would

result in realizations which are higher than that offered by completing the sale to the Purchaser. Furthermore, pursuing a piece-by-piece sale would result in significant additional costs which would reduce the net realizations from the sale of the Laing Business.

CLAIMS AGAINST THE ASSETS

16. On March 23, 2001, the Receiver received written notices from Karen Boldt and Dog House Designs Inc. (the "Claimants") asserting copyright over various designs of artwork and packaging relating to products distributed by the Laing Business. Copies of the notices are attached at Appendix B.

17. The Receiver has been advised that the Claimants have provided services to the Company for a number of years and have designed artwork for the Company which may include the artwork / designs as described in Schedule A of the Asset Purchase Agreement.

18. The Laing Business has historically used this artwork / packaging in the normal course of business in the sale of its products to the retail customer. The products are either packaged in or use certain of the artwork in product displays at the retail level.

19. The Order the Receiver proposes to obtain states that, upon title to the Laing Business passing to the Purchaser, the proceeds of the sale of the Laing Business shall stand in the place of the Laing Business and any claims shall attach only to the proceeds of the Laing Business and any interest thereon with the same priority as such claims had with respect to the Laing Business.

RECOMMENDATIONS

20. For the reasons outlined in this report, the Receiver believes that this sale represents the best alternative for maximizing value of these assets and respectfully recommends that an order be made to:

    (a) approve the purchase and sale agreement; and

    (b) vest title in the Purchaser.

All of which is respectfully submitted this 26th day of March 2001.

Ernst & Young Inc.
In its capacity as Court Appointed Receiver and Manager of all of the assets property and undertaking of Beamscope Canada Inc.

Per:

Alex F. Morrison
Senior Vice President

Carol McGran
Senior Manager

Appendix "F"

to the Third and Final Report
of the Receiver and Manager
Dated December 22, 2021

Court File No: 01-CL-4063

ONTARIO
SUPERIOR COURT OF JUSTICE
(Commercial List)

IBM CANADA LTD.

- and -

BEAMSCOPE CANADA INC.

SECOND REPORT OF THE RECEIVER AND MANAGER

January 21, 2004

INTRODUCTION

1. Ernst & Young Inc. submits this report to this Honourable Court in its capacity as Court Appointed Receiver and Manager of Beamscope Canada Inc. (the "Receiver"). The purpose of this report is to provide an update on the Receiver's activities since the first report of the Receiver dated March 26, 2001 (the "First Report").

2. The purpose of this second report (the "Second Report") is to:
   i. advise this Honourable Court of the bankruptcy of Beamscope Canada Inc. ("Beamscope" or the "Company");
   ii. advise this Honourable Court on the status of the receivership since the First Report, including an overview of the total realizations to-date and the shortfall to the secured creditor IBM Canada Ltd. ("IBM") that remains;
   iii. seek an order of this Honourable Court:
      a. authorizing the Trustee of the Employee Severance Trust (as defined herein) to pay the monies remaining in the Trust Account (as defined herein) to the

Receiver;

b. declaring the Trust Agreement (as defined herein) be terminated and wound-up in accordance with its terms;

c. authorizing and directing the Trustee to provide a final statement of receipts and disbursements for the trust account and remit the net funds thereof to the Receiver; and

d. discharge Minz and Partners Limited as Trustee of the Employee Severance Trust;

iv. seek an order of this Honourable Court approving the Receiver's activities and its fees and disbursements including those of its counsel to January 19, 2004.

BACKGROUND

3. By order of the Superior Court of Justice (the "Court") dated November 14, 2000 (the "CCAA Order"), Beamscope made an application and obtained certain relief under the *Companies' Creditors Arrangement Act* ("*CCAA*").

4. Pursuant to the terms of the CCAA Order, Ernst & Young Inc. was appointed as the Monitor of Beamscope (the "Monitor").

5. By Order of the Court dated March 16, 2001, (the "Receivership Order") the *CCAA* proceedings in respect of Beamscope were terminated and Ernst & Young Inc. was appointed Receiver.

BANKRUPTCY OF BEAMSCOPE

6. On October 8, 2002, IBM filed a petition for a receiving order as against Beamscope, such receiving order being granted by the Ontario Superior Court of Justice on October 17, 2002, thereby declaring Beamscope bankrupt. Ernst & Young Inc. was appointed the trustee of the bankrupt estate (the "Bankruptcy Trustee").

7. In connection with the bankruptcy proceedings, the Bankruptcy Trustee requested, and by letter dated September 12, 2003, obtained an independent legal opinion with respect to

the validity and enforceability of IBM's security. This legal opinion provides that, subject to certain assumptions stated therein, IBM security is valid and enforceable in accordance with its terms.

8. In connection with the bankruptcy proceedings, IBM provided the Bankruptcy Trustee with an indemnification for its fees and expenses in connection with its role and the conduct of its statutory duties and obligations with respect thereto. The fees and expenses associated therewith have been paid out of funds available in the receivership.

ACTIVITIES OF THE RECEIVER

9. At the date of appointment of the Receiver, the assets of the Company consisted primarily of:

   i. $27.2 million (at gross book value) of accounts receivable; consisting of approximately 260 accounts, 22 of which had individual balances greater than $100,000 representing $19.9 million;

   ii. various fixed assets, furniture and equipment and other miscellaneous assets (the "Fixed Assets") located at the Company's leased premises at 33 West Beaver Creek, Richmond Hill, Ontario;

   iii. approximately $4.8 million (at book value) of video inventory;

   iv. a fully diluted 13.4% interest in Ironside Technologies Inc. ("Ironside"), a private company that develops and markets business-to-business internet electronic commerce software; and

   v. a 50% indirect interest in Unisel Holdings S.A. ("Unisel"), a company that operates a similar video and computer accessories distribution business in Chile, Argentina, and Brazil.

10. The status of the Receiver's activities relating to these assets is discussed below. Detailed schedules of receipts and disbursements for the period March 16, 2001 to

January 21, 2004 are attached as Exhibit 1. The following provides an overview of more significant realizations to January 21, 2004:

i. the Receiver has realized approximately $10.3 million through the collection and sale of accounts receivable. The Receiver has initiated litigation on one of the more significant accounts receivable, however, the Receiver is uncertain of the recovery related thereto. This litigation is scheduled to go to trial in February 2004. With the exception of any recoveries realized in relation to the litigation, the Receiver does not anticipate any additional recoveries related to accounts receivable.

ii. the majority of the Fixed Assets were consigned to an auction process that realized approximately $674,000 of net of commissions payable with respect thereto. The Receiver also concluded the sale of certain office furniture and an A/S 400 computer server for additional proceeds of $149,000, resulting in total realizations relating to Fixed Assets of approximately $823,000;

iii. as discussed in the Receiver's First Report, the Receiver entered into an agreement to sell the remaining video inventory for proceeds of $1.6 million. The Receiver concluded this sale in April 2001 and concluded other inventory sales for additional proceeds of approximately $100,000. All inventories have now been sold;

iv. other receipts of approximately $415,000 consisting primarily of a settlement of an insurance claim, funds in the bank account as at March 16, 2001, a refund of insurance premiums, corporate tax refunds and investment income; and

v. The Receiver also realized on Beamscope's right title and interest in Ironside, discussed in more detail below.

IRONSIDE

11. As previously mentioned, at the date of the Receivership, the Company had a fully diluted 13.4% interest in Ironside. Over the past few years there has been a very high level of volatility in North American capital markets particularly in the technology sector. In

addition, the anticipated market for Ironside's products and services (business-to-business internet based transactions and technology sales) have declined significantly. Accordingly, over the past year Ironside has been seeking to find a strategic partner or financing source and has also considered the sale of all or part of its business.

12. From the date of the Receivership Order to August 2003, the Receiver monitored Beamscope's interest in Ironside by the receipt of quarterly reports from Ironside, as well as observing certain meetings of Ironside's Board of Directors. In the past two years, Ironside's sales declined along with many other business-to-business software companies. The decline in revenues and growth prospects resulted in a reduction in Ironside's cash resources; and Ironside believed it was at risk of a liquidity crisis if a strategic partner was not located or a divestiture not completed. When it became evident that there was a probability that Ironside may have to amalgamate or complete a divestiture of its operations, the Receiver reviewed the Ironside Shareholder's Agreement and the Amended Share Pledge Agreement to understand its powers as a shareholder if these events were to occur. The Receiver noted the Shareholder's Agreement provided that Beamscope's ability to vote on any resolution was terminated as a result of the CCAA filing and receivership; thereby terminating the Receiver's ability to vote as a shareholder. Furthermore, the Amended Share Pledge Agreement pledged Beamscope's shares in Ironside to IBM pursuant to a loan facility provided by IBM. In order to ensure that the Beamscope shares were eligible to vote with respect to a prospective sale of Ironside to another party, on December 23, 2002, the Receiver transferred its interest in the Ironside Shares to IBM, pursuant to a clause in the Amended Share Pledge Agreement, thereby allowing IBM to participate in relevant decisions of Ironside's Shareholders.

13. During the month of January 2003, Ironside engaged investment bankers to sell its operations or locate a strategic partner. The investment bankers completed an extensive search, however, there was limited interest from prospective purchasers. Ultimately, a purchase agreement was entered into with SSA Global Technologies Inc. The sale transaction closed in June 2003. Net proceeds from the sale were approximately US $5 million.

14. On August 8, 2003, IBM received an allocation of US $249,353.06 of the net proceeds of sale, of which they have received payment of $224,417.76. The allocation of the net proceeds was determined based on the liquidity preferences of various classes of shares held by the various Ironside shareholder groups. The remaining 10% of the purchase price is being held in escrow, subject to escrow agreements. It is anticipated that these funds will be released in 2004.

UNISEL

15. Unisel is one of Latin America's largest distributors of information technology products. Beamscope was an indirect passive investor in this business. The business is independently managed, financed and operated on a self-sustaining basis. In early summer of 2001, Latin America experienced economic upheaval, which negatively affected its distribution operations. Unisel's management advised the Receiver that on or about June 13, 2001, the operations in Argentina (Unisel Argentina) filed for creditor protection. This may result in certain guarantees issued by Unisel to Unisel Argentina to be called upon which will result in negative impact the value of Unisel and the overall timing and quantum of Beamscope's realization of this asset. It is unlikely at this time that there will be any realizations from Beamscope's interest in Unisel.

ESTIMATED SHORTFALL TO SECURED CREDITOR

16. As at March 16, 2001, Beamscope was indebted to IBM by approximately $64 million. To-date, over the course of the Receivership, IBM has been paid approximately $10.4 million. As at January 21, 2004, it is estimated that IBM Canada Ltd. will have a shortfall in excess of $52 million. Accordingly, there will be no monies available for the unsecured creditors.

EMPLOYEE TRUST AGREEMENT

17. Prior to its CCAA proceedings, on October 11, 2000, the Company established a trust (the "Trust") pursuant to the terms of a trust agreement (the "Trust Agreement") for 59 named beneficiaries (the "Beneficiaries") who were either (1) party to letter agreements

with the Company which set out the terms and conditions governing the termination of their employment with the Company, or (2) employees which would be terminated as a result of a sale of part of the Company's business and would receive severance payments as a result. At that time, Beamscope was negotiating a sale of its video distribution business to Navarre Corporation. The Trust Agreement was established in part to retain the services of the Company's employees to complete this transaction and to ensure there were sufficient funds in place to satisfy certain contingent obligations of the Company under individual letter agreement to employees. The sale to Navarre Corporation did not occur, and on November 14, 2000 the Company filed for protection under the CCAA.

18. Mintz and Partners Limited act as trustee of the Trust (the "Trustee"). A copy of the Trust Agreement, without Schedules, is attached as Exhibit 2.

19. Pursuant to paragraph 30 of the Receivership Order, the Receiver has all the rights of Beamscope under the terms of the Trust Agreement.

20. The entitlement of each of the Beneficiaries of the Trust was set out in individual letters (the "Letters") attached to the Trust Agreement. Due to the confidential nature of the Letters, copies have not been included with this report or included in Exhibit 2.

21. Based on the Receiver's review of the Company's records and discussion with the Trustee, payments were made to satisfy the obligations of the letters from both the trust account (the "Trust Account") and directly by the Company. The Receiver verily believes that all of the Beneficiaries of the Trust Agreement have now received all amounts which they were entitled to receive pursuant to the terms of the Trust Agreement. Accordingly, in accordance with paragraph 9 of the Trust Agreement, the Receiver has provided written notice to the Trustee of the same, a copy of which is attached as Exhibit 3.

22. Attached as Exhibit 4 is the first and final report of the Trustee dated January 20, 2004 (the "Trustee's Report") on its activities as Trustee.

23. At the time the Trust Agreement was established, Beamscope placed $2.85 million in the Trust Account. Appendix A of the Trustee's Report is the statement of receipts and disbursements of the Trust Account. As at January 20, 2004 approximately $1.29 million remained in the Trust Account. This amount remains due to the following factors:
    i. the sale of the Company's video distribution operations to Navarre was not concluded, therefore certain of the Beneficiaries were no longer entitled to payments pursuant to the terms of the Trust Agreement;
    ii. the Company paid certain of the entitlements from Company funds, outside of the Trust Account;
    iii. the Company placed approximately $407,000 in the Trust Account to cover administrative charges; and
    iv. interest has been earned on the undistributed funds in the Trust Account.

24. Pursuant to Paragraph 12 of the Trust Agreement and paragraph 3 of the Trustee's Report, the fees of the Trustee and its counsel were to have been paid by the Company and not from funds held in the Trust Account.

25. Pursuant to Paragraph 9 of the Trust Agreement, once the Receiver has provided the required written notice to the Trustee that all Beneficiaries have received their entitlement, the Trust Agreement is to terminate and the remaining funds are to be transferred to the Company.

26. The Receiver intends to notify the Beneficiaries of the motion to terminate and wind-up the Trust by serving them with a copy of the corresponding motion record.

27. The Trustee has not received a Clearance Certificate from Canada Customs and Revenue Agency as it relates to withholdings and remittances associated with payments from the Trust. Due to this fact, and the fact that the remittances were made and filed under the same Business Number as that of the Company, the Receiver has agreed to provide the Trustee with a limited form of indemnification related to potential tax liabilities associated with the Trust. A copy of the letter and reimbursement agreement is provided

herein as Exhibit 5. IBM has agreed to be party to this agreement as evidenced by their signature therein.

RECEIVER'S STATEMENT OF RECEIPTS AND DISBURSEMENTS

28. Attached hereto as Exhibit 1 are the Receiver's Statements of Receipts and Disbursements for the period March 16, 2001 to January 21, 2004.

29. As at January 21, 2004, the Receiver is in possession of cash and cash equivalents of C$496,768 and US$ 5,599.20.

30. The Receiver's fees for the period from March 16, 2001 to January 19, 2004 are summarized at Exhibit 6. The Receiver has incurred 2,594.4 hours, representing fees of $843,456.41 during this period.

31. Legal fees have been $814,856 and, relate to general legal counsel, legal fees associated with the collection of accounts receivable and the litigation referred to previously.

RECOMMENDATIONS

32. Based on the foregoing, it is the recommendation of the Receiver to this Honourable Court that the Court:

    i. grant an order to authorize the Trustee to distribute and pay the monies remaining in the Trust Account to the Receiver;

    ii. declare that the Trust Agreement be terminated and wound-up in accordance with its terms;

    iii. authorize and direct the Trustee to provide a final statement of receipts and disbursements for the trust account and remit the net funds remaining to the Receiver;

    iv. approve the activities of the Receiver from March 16, 2001 to the date hereof; and

v. approve the fees and disbursements of the Receiver and its legal counsel as detailed herein.

All of which is respectfully submitted this 21 day of January 2004.

ERNST & YOUNG INC.
In its capacity as Court Appointed Receiver and Manager
of all of the assets property and undertaking
of Beamscope Canada Inc.

Per:

Alex F. Morrison
Senior Vice President

Leslea C. Gordon
Vice-President

Beamscope #63 84

Court File No. 01-CL-4063

ONTARIO SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE MR.	)	TUESDAY, THE 10TH DAY
	)	
JUSTICE LANE	)	OF FEBRUARY, 2004.

BETWEEN:

IBM CANADA LTD.

Applicant

COUR SUPÉRIEURE DE JUSTICE SUPERIOR COURT OF JUSTICE

- and -

BEAMSCOPE CANADA INC.

Respondent

ORDER

THIS MOTION made by Ernst & Young Inc. in its capacity as receiver and manager (the "Receiver") of all assets, property and undertaking, both real and personal, of Beamscope Canada Inc. ("Beamscope") appointed pursuant to section 101 of the *Courts of Justice Act,* without security, by order of the Honourable Mr. Justice Farley dated March 16, 2001, (the "Receivership Order"), for an order accepting and approving the second report of the Receiver dated January 21, 2004 (the "Second Report") and the recommendations of the Receiver contained therein.

ON HEARING the submissions of counsel for the Receiver, counsel for Mintz & Partners Limited ("Mintz" or the "Trustee") in its capacity as trustee of certain trust monies under a Trust Agreement dated October 11, 2000 between Beamscope as settlor and Mintz as Trustee (the "Trust Agreement" and the "Trust"), notice having been duly given to the beneficiaries of the Trust, and upon reading the Second Report and the Report of the Trustee dated January 20, 2004 (the "First Report of the Trustee"):

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and Motion Record herein be and is hereby abridged such that this motion is properly returnable before this Court today and that further service thereof upon any interested party other than the persons served is hereby dispensed with.

2. **THIS COURT ORDERS** that the Second Report of the Receiver be and is hereby approved.

3. **THIS COURT ORDERS** that the First Report of the Trustee be and is hereby approved.

4. **THIS COURT ORDERS** that the following scheme of distribution with respect to the monies remaining in the Trust, subject to reasonable adjustments in respect of estimated amounts, is hereby approved and authorized:

Trust balance as of October 24, 2000	$2,850,000.00
Interest Earned	$ 134,298.33
	$2,984,298.33
Less distribution to beneficiaries of the trust	$1,156,012.48
Less related withholdings	$ 538,549.41
Monies available for distribution to the Receiver	**$1,289,736.44**

5. **THIS COURT ORDERS** that the Trustee is hereby authorized and directed to distribute and pay out the monies remaining in the Trust in accordance with the distribution scheme set out in paragraph 4 of this Order, subject to reasonable adjustments to estimated amounts.

6. **THIS COURT ORDERS** that the reasonable fees and disbursements of Gowling Lafleur Henderson LLP, the solicitors for the Trustee, as set out in the First Report of the Trustee, be and are hereby approved and allowed as an expense of the administration of the Trust.

7. **THIS COURT ORDERS** that the reasonable fees and disbursements of the Trustee, as set out in the First Report of the Trustee be and are hereby approved and allowed as an expense of the administration of the Trust.

8. **THIS COURT ORDERS** that the Trustee is authorized and directed to provide a final statement of receipts and disbursements for the Trust.

9. **THIS COURT ORDERS AND DECLARES** that after payment of the amounts referred to in paragraph 4, and after subsequent delivery of the final statement of receipts and disbursements for the Trust, the Trust is terminated and wound up.

10. **THIS COURT ORDERS** that upon the winding up of the Trust in accordance with paragraph 9, the Trustee is fully exonerated, released and discharged from any and all liability with respect to the administration of the Trust and with respect to any distribution of the assets of the Trust in accordance with the terms of this Order and that no beneficiary of the Trust or person claiming through or on behalf of such beneficiary shall have any claim against the Trustee.

11. **THIS COURT ORDERS** that the fees and expenses of the Receiver, including legal fees and expenses as set out in the Second Report, be and the same are hereby approved for the period ending January 19, 2004.

12. **THIS COURT ORDERS** that the activities of the Receiver as more particularly set out in the Second Report be and they are hereby ratified and approved.

ENTERED AT / INSCRIT À TORONTO
ON/BOOK NO:
LE/DANS LE REGISTRE NO:
FEB 10 2004

PER/PAR:

Appendix "G"

to the Third and Final Report of the Receiver and Manager Dated December 22, 2021

Beamscope #65

Court File No. 01-CL-4063

ONTARIO SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE MR.	)	TUESDAY, THE 10TH DAY
	)	
JUSTICE LANE	)	OF FEBRUARY, 2004.

BETWEEN:

IBM CANADA LTD.

Applicant

- and -

BEAMSCOPE CANADA INC.

Respondent

ORDER

THIS MOTION made by Ernst & Young Inc. in its capacity as receiver and manager (the "Receiver") of all assets, property and undertaking, both real and personal, of Beamscope Canada Inc. ("Beamscope") appointed pursuant to section 101 of the *Courts of Justice Act,* without security, by order of the Honourable Mr. Justice Farley dated March 16, 2001, (the "Receivership Order"), for an order accepting and approving the second report of the Receiver dated January 21, 2004 (the "Second Report") and the recommendations of the Receiver contained therein.

ON HEARING the submissions of counsel for the Receiver, counsel for Mintz & Partners Limited ("Mintz" or the "Trustee") in its capacity as trustee of certain trust monies under a Trust Agreement dated October 11, 2000 between Beamscope as settlor and Mintz as Trustee (the "Trust Agreement" and the "Trust"), notice having been duly given to the beneficiaries of the Trust, and upon reading the Second Report and the Report of the Trustee dated January 20, 2004 (the "First Report of the Trustee"):

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and Motion Record herein be and is hereby abridged such that this motion is properly returnable before this Court today and that further service thereof upon any interested party other than the persons served is hereby dispensed with.

2. **THIS COURT ORDERS** that the Second Report of the Receiver be and is hereby approved.

3. **THIS COURT ORDERS** that the First Report of the Trustee be and is hereby approved.

4. **THIS COURT ORDERS** that the following scheme of distribution with respect to the monies remaining in the Trust, subject to reasonable adjustments in respect of estimated amounts, is hereby approved and authorized:

Trust balance as of October 24, 2000	$2,850,000.00
Interest Earned	$ 134,298.33
	$2,984,298.33
Less distribution to beneficiaries of the trust	$1,156,012.48
Less related withholdings	$ 538,549.41
Monies available for distribution to the Receiver	**$1,289,736.44**

5. **THIS COURT ORDERS** that the Trustee is hereby authorized and directed to distribute and pay out the monies remaining in the Trust in accordance with the distribution scheme set out in paragraph 4 of this Order, subject to reasonable adjustments to estimated amounts.

6. **THIS COURT ORDERS** that the reasonable fees and disbursements of Gowling Lafleur Henderson LLP, the solicitors for the Trustee, as set out in the First Report of the Trustee, be and are hereby approved and allowed as an expense of the administration of the Trust.

7. **THIS COURT ORDERS** that the reasonable fees and disbursements of the Trustee, as set out in the First Report of the Trustee be and are hereby approved and allowed as an expense of the administration of the Trust.

8. **THIS COURT ORDERS** that the Trustee is authorized and directed to provide a final statement of receipts and disbursements for the Trust.

9. **THIS COURT ORDERS AND DECLARES** that after payment of the amounts referred to in paragraph 4, and after subsequent delivery of the final statement of receipts and disbursements for the Trust, the Trust is terminated and wound up.

10. **THIS COURT ORDERS** that upon the winding up of the Trust in accordance with paragraph 9, the Trustee is fully exonerated, released and discharged from any and all liability with respect to the administration of the Trust and with respect to any distribution of the assets of the Trust in accordance with the terms of this Order and that no beneficiary of the Trust or person claiming through or on behalf of such beneficiary shall have any claim against the Trustee.

11. **THIS COURT ORDERS** that the fees and expenses of the Receiver, including legal fees and expenses as set out in the Second Report, be and the same are hereby approved for the period ending January 19, 2004.

12. **THIS COURT ORDERS** that the activities of the Receiver as more particularly set out in the Second Report be and they are hereby ratified and approved.

ENTERED AT / INSCRIT À TORONTO
ON/BOOK NO:
LE/DANS LE REGISTRE NO:
FEB 10 2004

PER/PAR:

Appendix "H"

to the Third and Final Report
of the Receiver and Manager
Dated December 22, 2021

ERNST & YOUNG INC.
Court Appointed Receiver & Manager of
Beamscope Canada Inc. - RM (Cdn)
STATEMENT OF RECEIPTS AND DISBURSEMENTS
FOR THE PERIOD March 16, 2001 to December 14, 2021

	Previously Approved for the Period March 16, 2001 to January 21, 2004	For the Period January 22, 2004 to December 14, 2021	Cumulative to December 14, 2021
Receipts:			
Accounts Receivable	$ 10,044,000.27	$ 75,564.52	$ 10,119,564.79
Sale of Inventory	1,619,497.79		1,619,497.79
Employee Severance Trust	-	1,289,378.93	1,289,378.93
Sale of Fixed Assets	823,322.97		823,322.97
GST Collected	171,196.69		171,196.69
Transfer of funds from US account	138,276.79	876,154.35	1,014,431.14
Cash on Hand	99,587.94		99,587.94
Insurance Proceeds	98,866.07		98,866.07
Misc. Receipts	90,061.09		90,061.09
Interest Earned on Investment	84,779.37	96,227.11	181,006.48
GST , PST & Other Tax Refunds	88,899.74	22,179.29	111,079.03
A/R Recovery	-	112,421.82	112,421.82
Federal Corporate Tax Refunds	38,913.35		38,913.35
Transfer of funds from old Co. account	5,520.47		5,520.47
Retainer Refund (Trustee)	5,317.71		5,317.71
Sales of Assets - general	3,430.00		3,430.00
Transf. funds from Monitor account	1,667.24		1,667.24
Total Receipts	13,313,337.49	2,471,926.02	15,785,263.51
Disbursements:			
Distributions to Secured Creditor	$ 10,137,745.05	$ 2,441,948.00	$ 12,579,693.05
Receiver and Manager Fees (Note 1)	861,687.13	97,245.54	958,932.67
Legal Fees	572,041.75	49,707.97	621,749.72
Transfer of funds to US account	65,925.00	268,200.00	334,125.00
Rent	201,081.21		201,081.21
Consulting Fees and expenses	169,212.18	10,907.62	180,119.80
Payroll	167,570.74		167,570.74
GST Paid	267,263.09	15,975.50	283,238.59
Payroll Remittances	92,728.08		92,728.08
Storage and Security	30,193.75	28,324.41	58,518.16
Insurance	57,969.00		57,969.00
Utilities	49,863.63		49,863.63
Advance to Trustee in Bankruptcy	-	44,116.83	44,116.83
Monitor Fees	-	33,071.90	33,071.90
Telephone	36,563.47		36,563.47
Trustee of Employee Trust Fees and Disbursements	33,719.24	(14,870.00)	18,849.24
Accounting Services	11,912.50		11,912.50
Equipment Rental	9,204.41		9,204.41
Repairs and Maintenance	7,918.21		7,918.21
Security Services	7,237.93		7,237.93
Waste Disposal	5,830.91		5,830.91
Deemed Trust Claim	5,140.87		5,140.87
Internet Service -Labour Cost	4,969.45		4,969.45
Employee Expenses	3,185.62		3,185.62
PST Remitted	3,017.56		3,017.56
Mattel-Mediation Fees	-	1,932.50	1,932.50
Income Tax - re: Employee Trust	-	1,719.47	1,719.47
Miscellaneous Expenses	1,334.94	(67.98)	1,266.96
Bank Charges	822.39	67.07	889.46
WSIB Payments	723.09		723.09

ERNST & YOUNG INC.
Court Appointed Receiver & Manager of
Beamscope Canada Inc. - RM (Cdn)
STATEMENT OF RECEIPTS AND DISBURSEMENTS
FOR THE PERIOD March 16, 2001 to December 14, 2021

	Previously Approved for the Period March 16, 2001 to January 21, 2004	For the Period January 22, 2004 to December 14, 2021	Cumulative to December 14, 2021
QST Paid	612.30		612.30
Commissions	576.00		576.00
Messenger and Courier	450.25		450.25
Offices Supplies	336.24		336.24
Moving Costs	148.69		148.69
Legal Fees - Bankruptcy	8,784.40	(8,784.40)	0.00
First Meeting of Creditors - N	800.00	(800.00)	0.00
Total Disbursements	12,816,569.08	2,968,694.43	15,785,263.51
Excess (Deficiency) of Receipts over Disbursements	496,768.41	(496,768.41)	0.00
Represented By:			
Current Account # 129-721-7	**496,768.41**	**(496,768.41)**	**0.00**
Total	**$ 496,768.41**	**$(496,768.41)**	**$0.00**

Note:

1. Includes accrual to the anticipated date of the Receiver’s discharge and/or duties in finalizing the administration of the receivership

ERNST & YOUNG INC.
Court Appointed Receiver & Manager of
Beamscope Canada Inc. - RM (US)
STATEMENT OF RECEIPTS AND DISBURSEMENTS
FOR THE PERIOD March 16, 2001 to December 14, 2021

		Previously Approved for the Period March 16, 2001 to January 21, 2004	For the Period January 22, 2004 to December 14, 2021	Cumulative to December 14, 2021
Receipts:				
Settlement re Mattel Litigation		$ -	$ 749,990.00	$ 749,990.00
Accounts Receivable		119,046.99		119,046.99
Sale of Accounts Receivable		117,661.61		117,661.61
Transfer of funds from Canadian account		50,000.00	200,000.00	250,000.00
Interest Earned on Investment		4,592.52	30,027.91	34,620.43
	Total Receipts	291,301.12	980,017.91	1,271,319.03
Disbursements:				
Transfer of funds to Canadian account		88,729.97	779,587.76	868,317.73
Legal Fees and disbursements		194,436.03	205,706.10	400,142.13
Accounts Receivable Legal Fees		2,544.12	-	2,544.12
GST Paid		-	280.00	280.00
Bank Charges		(8.20)	43.25	35.05
	Total Disbursements	285,701.92	985,617.11	1,271,319.03
Excess (Deficiency) of Receipts over Disbursements		5,599.20	(5,599.20)	-
Represented By:				
Current Account # 404-248-7		**5,599.20**	**(5,599.20)**	**-**
	Total	**$ 5,599.20**	**$(5,599.20)**	**$ -**

Appendix "I"

to the Third and Final Report
of the Receiver and Manager
Dated December 22, 2021

SETTLEMENT AGREEMENT AND MUTUAL RELEASE

This Settlement Agreement and Mutual Release ("Agreement") is entered into as of July 22, 2004 ("Effective Date") by and between Beamscope Canada Inc. ("Beamscope"), by and through Ernst & Young Inc. solely in its capacity as court-appointed Receiver and Manager of Beamscope and not in its personal capacity ("E&Y"), on the one hand, and Broderbund LLC ("Broderbund"), GTG/Wizard, LLC ("GTG"), Gores Technology Group ("Gores"), and Mattel, Inc. ("Mattel") (collectively, "the Defendants"), and RVDP, Inc. ("RVDP"), Riverdeep Inc., a Limited Liability Company ("RD Inc."), Riverdeep Interactive Learning USA, Inc. ("RD USA"), Riverdeep UK Limited ("RD UK"), Riverdeep Interactive Learning Limited ("RD Ireland"), Riverdeep Group Limited ("RDG Ireland"), Hertal (Investments) Ltd. ("Hertal Ltd.") and Hertal Acquisitions plc ("Hertal plc", and together with RVDP, RD Inc., RD USA, RD UK, RD Ireland, RDG Ireland and Hertal Ltd., the "Riverdeep Entities", which, together with Broderbund, GTG, Gores and Mattel, shall be referred to collectively herein as the "Broderbund Parties"), on the other hand, with reference to the following facts:

I. RECITALS

A. On or about October 17, 2002, Beamscope, by and through E&Y, commenced an action against Mattel and Gores by filing a Complaint for breach of contract, account stated, open book account and unjust enrichment (quantum valebant) (the "Complaint") in the United States District Court, Central District of California ("District Court"), original Case No. CV02-08066-PA (CWx) (and later re-numbered as Case No. CV SA 03-00677-CJC (CWx)) (the "Action"), based on certain credits issued to Beamscope (the "Credits") during the course of the distributorship relationship (the "Distributorship") between Beamscope and The Learning Company ("TLC"), then wholly-owned by Mattel and now known as Broderbund. TLC was later acquired by GTG, an affiliate of Gores, and still later by one of the Riverdeep Entities.

B. On or about June 16, 2003, Beamscope filed an Amended Complaint for breach of contract, account stated, open book account and unjust enrichment (quantum valebant) (the "Amended Complaint") in the Action, substituting GTG as a defendant in the Action in place of Gores, and adding Broderbund as a defendant in the Action.

C. Trial of the Action occurred before the Honorable Cormac J. Carney in February, 2004. Judge Carney issued Preliminary Findings of Fact and Conclusions of Law finding in favor the defendants on all causes of action. Final findings of fact and conclusions of law have not been entered by the Court.

D. Except as may be expressly set forth herein, the parties hereto have agreed to resolve and settle all disputes between Beamscope, on the one hand, and the Broderbund Parties, on the other hand, in any way arising from and/or relating to (i) the Credits, (ii) the Distributorship, (iii) the Complaint, (iv) the Amended Complaint, and (v) the Action (collectively, the "Disputes"), on the terms and conditions provided for in this Agreement.

II. COVENANTS, PROMISES, OBLIGATIONS AND RELEASES

NOW, THEREFORE, THE PARTIES AGREE AS FOLLOWS:

1. Settlement Payment by Broderbund/Acceleration upon Default. In addition to the sum of $250,000 paid concurrently with the execution of this Agreement, Broderbund agrees to pay Beamscope the sum of $750,000 (the "Settlement Payment"), payable in quarterly installments of $250,000 each commencing on September 30, 2004 (the "Installment Payments"). At the discretion of Broderbund, the Installment Payments may be made by cashier's check delivered to Leslea Gordon at Ernst & Young Inc., Ernst & Young Tower, Toronto-Dominion Centre, P.O. Box 251, 222 Bay St., Toronto, Canada M5K LJ7, or by wire transfer in accordance with instructions to be provided by E&Y. Subject only to the provisions of Paragraph 2 below, in the event that Broderbund does not fully and timely make, or within thirty (30) days after the respective due dates thereof does not cure any failure to fully and timely make, any of the Installment Payments due hereunder, the entire unpaid balance of the Settlement Payment shall immediately become due and owing to Beamscope (from Broderbund and each of the Riverdeep Entities) without notice.

2. Conditional Waiver/Forgiveness of Final Installment Payment. Beamscope agrees to waive and forgive the final Installment Payment of $250,000 due on March 31, 2005 in the event that Broderbund fully and timely makes, or within thirty (30) days after the respective due dates thereof cures any failure to fully and timely make, each of the two Installment Payments of $250,000 due on September 30, 2004 and December 31, 2004, respectively.

3. Stipulation for Entry of Judgment.

(a) Concurrently with their execution of this Agreement, Broderbund and each of the Riverdeep Entities shall execute the Stipulation to Deem Complaint Further Amended and For Entry Of Judgment; Request For Hearing On Entry of Judgment ("the Stipulated Judgment") attached hereto as Exhibit "A" and incorporated herein by reference. In the event that Broderbund fails to fully and timely make either of the first two Installment Payments, and fails to cure such failure within thirty (30) days after the due date thereof, Beamscope shall be entitled to file the Stipulated Judgment in the Action, in accordance with its terms, and to have judgment entered thereon.

(b) For purposes of filing the Stipulated Judgment in accordance with the terms hereof, and entry, enforcement, and collection of judgment thereon, Broderbund and each of the Riverdeep Entities hereby explicitly (i) acknowledge and agree that the United States District Court for the Central District of California has jurisdiction over the subject matter thereof, and over the persons of each of them, (ii) waive all rights to the filing of an amended complaint naming the Riverdeep Entities as defendants and alleging their liability for the obligations of Broderbund to Beamscope, and service of a summons and amended complaint upon them, to present defenses to a lawsuit or to assert any counterclaims or setoffs or other rights which otherwise would diminish the amount for which judgment is entered, to receive notice of trial by court or jury, to a statement of intended decision, to move for new trial, to appeal any judgment, and to any and all equitable relief that may be sought to challenge the fact of entry of judgment, (iii) acknowledge and agree that they have been afforded due process in connection with the Stipulated Judgment, and any judgment entered thereon in accordance with the terms hereof, (iv) acknowledge and agree that Beamscope can and may register any judgment entered in accordance with the terms hereof in any other jurisdiction or jurisdictions, whether domestic or foreign (including in foreign countries), (v) waive the right to challenge or contest the Stipulated Judgment, or the filing, entry, validity and/or enforcement and collection thereof, including but not limited to any registration, enforcement or collection thereof in any other jurisdiction or jurisdictions, whether domestic or foreign (including in foreign countries), in any way whatsoever, whether in the United States District Court for the Central District of California, or in any other court, proceeding or jurisdiction, whether domestic or foreign (including in foreign countries). All parties to this agreement expressly agree that such waiver shall not include the rights of Broderbund and each of the Riverdeep Entities to contest the existence of a default under this Agreement and to contest the amount to be entered in proceedings before the District Court for the entry of judgment, pursuant to the procedure set forth in the Stipulated Judgment, and any writ or appeal thereform.

(c) In the event that Broderbund fully and timely makes, or within thirty (30) days after the due date thereof cures any failure to fully and timely make, the second Installment Payment of $250,000 due on December 31, 2004, thereby triggering the operation of Paragraph 2 above, Beamscope shall return the Stipulated Judgment to counsel for the Broderbund Parties.

4. Dismissal of Action. Within five (5) business days after execution of this Agreement by all parties hereto and their respective attorneys of record, and receipt by Beamscope of the sum of $250,000 paid concurrently therewith, Beamscope, GTG and Mattel and their respective attorneys of record shall execute, and Beamscope shall cause to be filed in the District Court, a Stipulation of Dismissal with prejudice of GTG and Mattel from the Action. Unless the Stipulated Judgment shall have been filed in accordance with its terms, within five (5) business days after receipt by Beamscope of the Installment Payment due on December 30, 2004, Beamscope and Broderbund and their respective attorneys of record shall execute, and Beamscope shall cause to be filed in the District Court, a Stipulation of Dismissal with Prejudice of the entire Action.

5. Releases. Except for obligations arising hereunder, the following releases shall immediately have full force and effect:

5.1. Release by Beamscope. Except with respect to the promises, covenants and obligations set forth in this Agreement, for good and valuable consideration, receipt of which is hereby acknowledged, Beamscope, on behalf of itself and E&Y and IBM Canada Ltd. ("IBM Canada"), hereby releases and forever discharges the Defendants, and all of their past and present predecessors, affiliates, parents, subsidiaries, heirs, successors, representatives, assigns, agents, employees, officers, directors and attorneys, and each of them (collectively the "Broderbund Releasees"), of and from any and all claims, debts, liabilities, demands, obligations, costs, expenses, actions and causes of action, of every nature, character and description, known and unknown, which Beamscope, E&Y or IBM Canada, or any one or more of them, now own or hold, or have at any time heretofore owned or held, or may at any time own or hold, whether based on contract, tort, statutory or other legal or equitable theory of relief, in any way arising out of, connected to, or related in any manner to, the Disputes (including but not limited to all claims relating to the Credits and the Distributorship which were asserted, or which could have been asserted, in the Action).

5.2. Release by the Defendants. Except with respect to the promises, covenants and obligations set forth in this Agreement, for good and valuable consideration, receipt of which is hereby acknowledged, the Defendants hereby release and forever discharge Beamscope (and E&Y and IBM Canada), and all of their past and present predecessors, affiliates, parents, subsidiaries, heirs, successors, representatives, assigns, agents, employees, officers, directors and attorneys, and each of them (collectively the "Beamscope Releasees"), of and from any and all claims, debts, liabilities, demands, obligations, costs, expenses, actions and causes of action, of every nature, character and description, known and unknown, which the Defendants, or any one or more of them, now own or hold, or have at any time heretofore owned or held, or may at any time own or hold, whether based on contract, tort, statutory or other legal or equitable theory of relief, in any way arising out of, connected to, or related in any manner to the Disputes and/or the role of E&Y and IBM Canada in connection with Beamscope's liquidation and the Action (including but not limited to all claims relating to the Credits and the Distributorship which were asserted, or which could have been asserted, in the Action). Defendants hereby represent and warrant that they alone, and not any of the Riverdeep Entities, hold any and all claims arising from the Disputes and the Action.

5.3. Unknown Claims; Waiver of Section 1542. With respect to the releases provided for herein, Beamscope (on behalf of itself and E&Y and IBM Canada), on the one hand, and the Broderbund Parties, on the other hand, each waive and relinquish all rights and benefits afforded by Section 1542 of the Civil Code of the State of California with respect to one another. Beamscope and the Broderbund Parties each understand that the facts in respect of which the Releases made in this Agreement are given may hereinafter turn out to be other than or different from the facts in that connection now known or believed by Beamscope and the Broderbund Parties to be true, and Beamscope and the Broderbund Parties each hereby accept and assume the risk of the facts turning out to be different and agree that this Agreement shall be and remain in all respect effective and not subject to termination or rescission for any reason, including, but not limited to, any such difference in facts.

Section 1542 of the Civil Code of the State of California reads as follows:

> "A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor."

6. Attorneys' Fees and Costs. Each side will bear its attorneys' fees and costs incurred in connection with the Action and the negotiation and execution of this Agreement.

III. GENERAL PROVISIONS

7. Assignment of Claims. The parties hereto each represent and warrant to one another that they have not assigned to any person, partnership, corporation, or other entity not a signatory to this Agreement any claim, debt, liability, demand, obligation, cost, expense, action, or cause of action (collectively, "Claim") released hereunder. In the event that contrary to the foregoing representation and warranty any party has heretofore assigned, or purported to have assigned, any Claim released hereunder, such party agrees to indemnify and hold harmless all parties in whose favor such release runs hereunder and to satisfy any such Claim, including actual expenses of investigation, attorneys' fees and costs.

8. Authority to Enter Into and Execute Agreement. All the individuals executing this Agreement and the exhibits attached hereto on behalf of the non-individual parties to this Agreement represent and warrant that they have the consent and authority of such parties to enter into and execute this Agreement and the exhibits attached hereto on behalf of such parties. E&Y expressly represents and warrants that it has authority to bind Beamscope to this agreement and to cause Beamscope to enter into this agreement. In addition, E&Y expressly represents and warrants that it has authorized Beamscope to enter into this Agreement and will be bound thereby. In the event that contrary to the foregoing representations and warranties any individual or corporation is not so authorized, such representing party agrees to indemnify the party or parties in whose favor the foregoing representations and warranties were made for any damages suffered by all parties in whose favor such representations and warranties were made as a result of such representations and warranties.

9. Representation by Counsel. Each party to this Agreement acknowledges that (i) it has had the opportunity to be represented by independent legal counsel of its own choice throughout all of the negotiations which preceded the execution of this Agreement, and retained counsel, (ii) it has executed this Agreement with the consent and on the advice of such independent legal counsel, (iii) it and its counsel have had an adequate opportunity to make whatever investigation or inquiry they may deem necessary or desirable in connection with the subject matter of this Agreement prior to the execution hereof and the delivery and acceptance of the consideration specified herein, and (iv) it has executed this Agreement voluntarily, knowingly, and without coercion.

10. Binding on Successors. This Agreement shall be binding upon the parties and their respective heirs, representatives, successors and assigns. All of the covenants and agreements herein contained in favor of the parties are for the express benefit of each and all of them.

11. Other Documents. The parties to this Agreement agree to execute any agreement or other documents that are required in order to effectuate the terms, conditions, purposes and objectives of this Agreement.

12. Severability. Should any part, term or provision of this Agreement be declared or determined by any court to be illegal or invalid, such part, term or provision shall be deemed not to be a part of this Agreement and the remainder of the Agreement shall remain valid and enforceable.

13. Integration/Entire Agreement. This Agreement and the documents, instruments and/or agreements referred to herein, set forth the entire agreement between the parties with regard to the subject matter hereof. All agreements, covenants, representations and warranties, express or implied, oral and written, of the parties with regard to the subject matter hereof are contained herein, in the exhibit(s) hereto, and in the documents, instruments, and agreements referred to herein, or implementing the provisions hereof. No other agreements, covenants, representations or warranties, express or implied, oral or written, have been made by any party to another with respect to the subject matter of this Agreement. All prior and contemporaneous conversations, negotiations, possible and alleged agreements and representations, covenants, and warranties with respect to the subject matter hereof are waived, merged herein and therein and superseded hereby and thereby. This is an integrated agreement. Each of the parties hereto acknowledges that any party or agent or attorney of any other party has not made any promise, representation or warranty whatsoever, express or implied, written or oral, not contained herein concerning the subject matter hereof to induce it to execute this Agreement and each of the parties acknowledges that it has not executed this Agreement, in reliance on any promises, representation or warranty not contained herein.

14. Amendment. No modification, amendment or waiver of any of the provisions of this Agreement shall be effective unless in writing signed by all the parties.

15. Waiver. The failure to enforce at any time any of the provisions of this Agreement or to require at any time performance by another party of any of the provisions hereof shall in no way be construed to be a waiver of said provision or to affect either validity of this Agreement, or any part hereof, or the right of any party thereafter to enforce each and every such provision in accordance with the terms of this Agreement. Any waiver of any condition in, or breach of, this Agreement in a particular instance, shall not operate as a waiver of other or subsequent conditions or breaches of the same or a different kind. The parties' exercise or failure to exercise any rights under this Agreement in a particular instance shall not operate as a waiver of their right to exercise the same or different rights in subsequent instances.

16. Captions. The captions of the various paragraphs herein are for convenience only, and none of them is intended to be any part of the body or text of this Agreement or to be referred to in construing any of the provisions hereof.

17. Interpretation. This Agreement has been prepared and negotiations in connection therewith have been carried on by the joint efforts of the parties. This Agreement is to be construed and fairly and not strictly for or against any of the parties hereto.

18. Governing Law. This Agreement and any claims or disputes arising hereunder shall be governed by and construed in accordance with the laws of the State of California. The Parties agree that any disputes arising hereunder shall be presented to the United States District Court, Central District of California; Santa Ana, and, if Judge Cormac J. Carney will agree to resolved such disputes, specifically to Judge Carney. Should Judge Carney refuse to adjudicate any such disputes, any claims or disputes will remain in the Santa Ana division of the Central District of California.

19. Counterparts. This Agreement may be executed in any number of counterparts, any of which shall be deemed to be the original. Signatures by facsimile shall be effective as originals.

20. No Third Party Beneficiaries. Except with respect to those parties released herein (who are intended third party beneficiaries of this Agreement) and except as otherwise expressly provided in this Agreement, this Agreement does not create, and shall not be construed as creating, any rights enforceable by any person, partnership, corporation, or other entity not a signatory to this Agreement.

21. **Mutual Waiver of Jury Trial. The parties each hereby waive the right to trial by jury in any action or proceeding based upon, arising out of, or in any way relating to, this Agreement or the settlement contained herein.**

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed as of the Effective Date and their attorneys have indicated their approval as to form by their respective signatures in the appropriate spaces below.

BEAMSCOPE CANADA INC., a Canadian corporation by and through its Court-Appointed Receiver and Manager, Ernst & Young Inc. solely in its capacity as Court Appointed Receiver and Manager and not in its personal capacity

By: Leslea C. Gordon
Its: Vice-President

AGREED AS TO PARAGRAPHS 6 THROUGH 21:

ERNST & YOUNG INC., solely in its capacity as Court Appointed Receiver and Manager of Beamscope Canada Inc. and not in its personal capacity

By: Leslea C. Gordon, Vice-President

BRODERBUND LLC, a Minnesota limited liability company

By: David Mulville, Treasurer

GTG/WIZARD, LLC, a Delaware limited liability company

By:________________
Its:________________

GORES TECHNOLOGY GROUP, a California corporation

By:________________
Its:________________

IBM CANADA LTD., a Canadian corporation

By: Ben Nikolaevsky, Mgr Capital Markets Americas & Business Development

MATTEL, INC., a Delaware corporation

By:________________________
Its:________________________

RVDP, Inc., a Delaware corporation

By: Anthony Mulderry , President

RIVERDEEP INC., A LIMITED LIABILITY COMPANY, a Delaware Limited Liability Company

By: Simon Calver, Chief Operating Officer of its Sole Member (Riverdeep Interactive Learning USA, Inc.)

RIVERDEEP INTERACTIVE LEARNING USA, INC., a Delaware corporation

By: Simon Calver , Chief Operating Officer

RIVERDEEP UK LIMITED, a company incorporated under the Laws of England

By: David Mulville, Secretary

19. Counterparts. This Agreement may be executed in any number of counterparts, any of which shall be deemed to be the original. Signatures by facsimile shall be effective as originals.

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BEAMSCOPE CANADA INC., a Canadian corporation by and through its Court-Appointed Receiver and Manager, Ernst & Young Inc. solely in its capacity as Court Appointed Receiver and Manager and not in its personal capacity

By:____________________
Its:____________________

AGREED AS TO PARAGRAPHS 6 THROUGH 21:

ERNST & YOUNG INC., solely in its capacity as Court Appointed Receiver and Manager and not in its personal capacity

By:____________________
Its:____________________

BRODERBUND LLC, a Minnesota limited liability company

____
By: David Mulville, Treasurer

GTG/WIZARD, LLC, a Delaware limited liability company

By:____________________
Its:____________________

GORES TECHNOLOGY GROUP, a California corporation

By:____________________
Its:____________________

19. Counterparts. This Agreement may be executed in any number of counterparts, any of which shall be deemed to be the original. Signatures by facsimile shall be effective as originals.

20. No Third Party Beneficiaries. Except with respect to those parties released herein (who are intended third party beneficiaries of this Agreement) and except as otherwise expressly provided in this Agreement, this Agreement does not create, and shall not be construed as creating, any rights enforceable by any person, partnership, corporation, or other entity not a signatory to this Agreement.

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IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed as of the Effective Date and their attorneys have indicated their approval as to form by their respective signatures in the appropriate spaces below.

BEAMSCOPE CANADA INC., a Canadian corporation by and through its Court-Appointed Receiver and Manager, Ernst & Young Inc. solely in its capacity as Court Appointed Receiver and Manager and not in its personal capacity

By: Leslea C. Gordon
Its: Vice-President

AGREED AS TO PARAGRAPHS 6 THROUGH 21:

ERNST & YOUNG INC., solely in its capacity as Court Appointed Receiver and Manager of Beamscope Canada Inc. and not in its personal capacity

By: Leslea C. Gordon, Vice-President

BRODERBUND LLC, a Minnesota limited liability company

By: David Mulville, Treasurer

GTG/WIZARD, LLC, a Delaware limited liability company

By:
Its: Vice President

GORES TECHNOLOGY GROUP, a California corporation

By:
Its: Vice President

IBM CANADA LTD., a ______________

By:______________________
Its:______________________

MATTEL, INC., a Delaware corporation

By: Jill Thomas
Its: VP, Asst General Counsel

RVDP, Inc., a Delaware corporation

____
By: Anthony Mulderry , President

RIVERDEEP INC., A LIMITED LIABILITY COMPANY, a Delaware Limited Liability Company

____
By: Simon Calver, Chief Operating Officer of its Sole Member (Riverdeep Interactive Learning USA, Inc.)

RIVERDEEP INTERACTIVE LEARNING USA, INC., a Delaware corporation

____
By: Simon Calver , Chief Operating Officer

RIVERDEEP UK LIMITED, a company incorporated under the Laws of England

____
By: David Mulville, Secretary

IBM CANADA LTD., a ________________

By:______________________________
Its.______________________________

MATTEL, INC., a Delaware corporation

By:______________________________
Its:______________________________

RVDP, Inc., a Delaware corporation

____
By: Anthony Mulderry, President

RIVERDEEP INC., A LIMITED LIABILITY COMPANY, a Delaware Limited Liability Company

____
By: Simon Calver, Chief Operating Officer of its Sole Member (Riverdeep Interactive Learning USA, Inc.)

RIVERDEEP INTERACTIVE LEARNING USA, INC., a Delaware corporation

____
By: Simon Calver, Chief Operating Officer

RIVERDEEP UK LIMITED, a company incorporated under the Laws of England

____
By: David Mulville, Secretary

IBM CANADA LTD., a ______ ________

By:____________________________
Its:__________________________

MATTEL, INC., a Delaware corporation

By:____________________________
Its:__________________________

RVDP, Inc., a Delaware corporation

Anthony Mulderry

By: Anthony Mulderry, President

RIVERDEEP INC., A LIMITED LIABILITY COMPANY, a Delaware Limited Liability Company

____

By: Simon Calver, Chief Operating Officer of its Sole Member (Riverdeep Interactive Learning USA, Inc.)

RIVERDEEP INTERACTIVE LEARNING USA, INC., a Delaware corporation

____

By: Simon Calver , Chief Operating Officer

RIVERDEEP UK LIMITED, a company incorporated under the Laws of England

____

By: David Mulville, Secretary

RIVERDEEP INTERACTIVE LEARNING LIMITED, an Irish company

By: David Mulville, Secretary

RIVERDEEP GROUP LIMITED, an Irish private limited company.

By: David Mulville, Secretary

HERTAL (INVESTMENTS) LTD., a company incorporated under the Laws of England

By:________________________
Its:________________________

HERTAL ACQUISITIONS PLC, a company incorporated in the Republic of Ireland

By: Simon Calver, Chief Operating Officer

APPROVED AS TO FORM:

LEVY, SMALL & LALLAS
A Partnership Including Professional Corporations

By: ______________________________
Leo D. Plotkin
Attorneys for Beamscope Canada Inc., by and through its Court-Appointed Receiver and Manager Ernst & Young Inc. solely in its capacity as Court Appointed Receiver and Manager and not in its personal capacity

PETRIE ~~BAUER~~ SCHWARTZ, LLP

By: ______________________________
Irwin B. Schwartz
Attorneys for Broderbund LLC, GTG/Wizard, LLC, Gores Technology Group, Mattel, Inc., RVDP, Inc., Riverdeep Inc., a Limited Liability Company, Riverdeep Interactive Learning USA, Inc., Riverdeep UK Limited, Riverdeep Interactive Learning Limited, Riverdeep Group Limited, Hertal (Investments) Ltd. and Hertal Acquisitions plc

SettAgv-8

Appendix "J"

to the Third and Final Report of the Receiver and Manager Dated December 22, 2021

Court File No. 00-CL-003928

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

IBM CANADA LTD.

-and-

BEAMSCOPE CANADA INC.

AFFIDAVIT OF ALEXANDER MORRISON
Sworn December 13th, 2021

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

I am a Senior Vice President with Ernst & Young Inc. ("**EYI**"), the Court Appointed Receiver and Manager (the "**Receiver**") of Beamscope Canada Inc. (the "**Debtor**") and, as such, I have knowledge of the matters to which I hereinafter despose. Unless I indicate to the contrary, the facts herein are within my personal knowledge and are true. Where I have indicated that I have obtained facts from other sources, I believe those facts to be true.

1. Attached hereto as **Exhibit "A"** is a schedule summarizing, for each invoice issued by the Receiver for the period from January 20, 2004 to completion, the fees, disbursements, HST and total fees charged for each invoice.

2. Attached hereto as **Exhibit "B"** is a true copy of the invoices prepared by the Receiver for fees and disbursements incurred by the Receiver in the course of these proceedings in respect of the Debtor for the period from January 20, 2004 to completion.

3. To the best of my knowledge, the rates charged by EYI throughout the course of these proceedings are comparable to the rates charged by other accounting firms in the Toronto market for the provision of similar services.

4. I make this affidavit in support of a motion by the Receiver for, *inter alia,* approval of the fees and disbursements of the Receiver.

Sworn before me at the City of Toronto, in the Province of Ontario, this 13th day of December 2021	))))	**Alexander Morrison**

A commissioner for taking oaths, etc.

ROBERT DAVID FERGUSON, a Commissioner, etc., Province of Ontario, for Ernst & Young Inc. Expires September 12, 2022.

THIS IS EXHIBIT "A" REFERRED
TO IN THE AFFIDAVIT OF
ALEXANDER MORRISON
SWORN BEFORE ME THIS 13^{TH}
DAY DECEMBER 2021

ROBERT DAVID FERGUSON, a Commissioner, etc.,
Province of Ontario, for Ernst & Young Inc.
Expires September 12, 2022.

Beamscope Canada Inc.
For the Period January 2004 to Completion

Date	Invoice No.	Period	Fee	Disbursements	GST/HST	Total
March 8, 2004	88636045	January 17 to February 20, 2004	43,654.50	9,638.30	3,730.50	57,023.30
March 24, 2004	88642381	February 21 to March 19, 2004	3,553.00	649.98	294.21	4,497.19
May 21, 2004	CA0189205744	March 20 to April 23, 2004	4,548.50	363.88	343.87	5,256.25
August 31, 2004	CA0189223828	April 24 to August 13, 2004	8,707.50	696.60	658.29	10,062.39
November 24, 2004	CA0189227193	August 14 to September 24, 2004	1,970.50	807.50	194.46	2,972.46
November 5, 2004	CA0189231149	September 25 to October 29, 2004	1,638.50	131.08	123.87	1,893.45
January 6, 2005	CA0189238851	November 1 to December 31, 2004	1,138.50	91.88	86.13	1,316.51
July 10, 2007	CA0189380502	January 3, 2005 to June 21, 2007	11,275.50	1,365.16	758.44	13,399.10
October 8, 2010	CA0189584075	June 22 to September 3, 2010	4,508.50	360.68	632.99	5,502.17
October 20, 2021	CA12C500007514	July 3, 2015 to completion	20,376.20	0.00	2,648.91	23,025.11
			101,371.20	14,105.06	9,471.65	124,947.91

THIS IS EXHIBIT "B" REFERRED TO IN THE AFFIDAVIT OF ALEXANDER MORRISON SWORN BEFORE ME THIS 13TH DAY DECEMBER 2021

ROBERT DAVID FERGUSON, a Commissioner, etc.,
Province of Ontario, for Ernst & Young Inc.
Expires September 12, 2022.

ERNST & YOUNG

Ernst & Young Inc.
Toronto, Canada

Phone: (416) 941-7743
Fax: (416) 943-3300

Invoice

Invoice Number: 88636045
Date : February 27, 2004

IBM Canada Limited
3600 Steeles Avenue East
Markham, Ontario L3R 9Z7

Remit To:
Ernst & Young Inc.

P.O. Box 251, T.D. Centre
Toronto, Ontario M5K 1J7
A/R Queries :
416-943-3851
1-800-311-1104

Client Reference: 024566-003

Re: Beamscope Canada Inc.

For professional services rendered for the period January 17 to February 20, 2004 in our capacity as Court Appointed Receiver as detailed on the attached analysis.	$43,654.50

CAE @ 8.0%.

Expenses:	9,638.30
Subtotal:	53,292.80
GST:	3,730.50
TOTAL DUE:	$57,023.30

Terms: Payment due upon receipt. Interest is charged at the rate of 12% per annum on balances unpaid after 30 days from date of invoice. Any disbursements not charged to your account on the date of this invoice will be billed later.
GST: R123425522 **QST:** 1006354498

ERNST & YOUNG INC.

Beamscope Canada Inc.
Time Summary
For the Period January 17 to February 20, 2004

Person	Hours	Rate ($)	Total ($)
Managers			
Leslea Gordon	112.6	375	42,225.00
Other Staff			
Rob Ferguson	7.6	120	912.00
Marites Carandang	4.0	115	460.00
Cam Bear	0.5	115	57.50
TOTAL	124.7		$ 43,654.50

ERNST & YOUNG

Ernst & Young Inc.
Toronto, Canada

Phone: (416) 941-7743
Fax: (416) 943-3300

Invoice

Invoice Number: 88642381
Date : March 24, 2004

IBM Canada Limited
3600 Steeles Avenue East
Markham, Ontario L3R 9Z7

Remit To:
Ernst & Young Inc.

P.O. Box 251, T.D. Centre
Toronto, Ontario M5K 1J7
A/R Queries :
416-943-3851
1-800-311-1104

Client Reference: 024566-003

Re: Beamscope Canada Inc.

For professional services rendered for the period February 21 to March 19, 2004 in our capacity as Court Appointed Receiver as detailed on the attached analysis. $3,553.00

Expenses include out-of-pocket costs for meals $365.74.
CAE @ 8.0%.

Expenses:	649.98
Subtotal:	4,202.98
GST:	294.21
TOTAL DUE:	$4,497.19

Terms: Payment due upon receipt. Interest is charged at the rate of 12% per annum on balances unpaid after 30 days from date of invoice. Any disbursements not charged to your account on the date of this invoice will be billed later.
GST: R123425522 **QST:** 1006354498

ERNST & YOUNG INC.

Beamscope Canada Inc.
Time Summary
For the Period February 21 to March 19, 2004

Person	Hours	Rate ($)	Total ($)
Partner			
Alex Morrison	0.2	440	88.00
Managers			
Leslea Gordon	7.6	375	2,850.00
Other Staff			
Rob Ferguson	1.1	120	132.00
Marites Carandang	3.8	115	437.00
Cam Bear	0.4	115	46.00
TOTAL	13.1		$ 3,553.00

ERNST & YOUNG

Ernst & Young Inc.
Toronto, Canada

Invoice
Private & Confidential

Invoice Number: CA0189205744
Date: April 29, 2004

IBM Canada Limited
IBM - BCS/PwCC
3600 Steeles Avenue East
Markham, ON L3R 9Z7
Canada

Remit To:

P.O. Box 251, T.D. Centre
Toronto, Ontario M5K 1J7

A/R Queries :
416-943-3851
1-800-311-1104

Client Reference: 11419606

Re: Beamscope Canada Inc.

		CAD
For professional services rendered for the period March 20 to April 23, 2004 in our capacity as Court Appointed Receiver as detailed on the attached analysis.		4,548.50
Expenses include CAE @8%		
Expenses		363.88
	Subtotal:	4,912.38
	GST:	343.87
	TOTAL DUE:	$5,256.25

A member of Ernst & Young Global

Terms: Payment due upon receipt. Interest is charged at the rate of 12% per annum on balances unpaid after 30 days from date of invoice. Any disbursements not charged to your account on the date of this invoice will be billed later.
GST: R123425522 **QST:** 1006354498

ERNST & YOUNG INC.

Beamscope Canada Inc.
Time Summary
For the Period March 20 to April 23, 2004

Person	Hours	Rate ($)	Total ($)
Managers			
Leslea Gordon	11.7	375	4,387.50
Other Staff			
Marites Carandang	1.4	115	161.00
TOTAL	13.1		$ 4,548.50

ERNST & YOUNG

Ernst & Young Inc.
Toronto, Canada

Invoice

Invoice Number: CA0189223828
Date: August 19, 2004

IBM Canada Limited
3600 Steeles Avenue East
Markham, ON L3R 9Z7
Canada

Remit To:

P.O. Box 251, T.D. Centre
Toronto, Ontario M5K 1J7

A/R Queries :
416-943-3851
1-800-311-1104

Client Reference: 11419606

Re: Beamscope Canada Inc.

		CAD
For professional services rendered for the period April 24 to August 13, 2004 in our capacity as Court Appointed Received as detailed on the attached analysis.		8,707.50
Expenses include CAE @ 8%		
Expenses		696.60
	Subtotal:	9,404.10
	GST:	658.29
	TOTAL DUE:	$10,062.39

A member of Ernst & Young Global

Terms: Payment due upon receipt. Interest is charged at the rate of 12% per annum on balances unpaid after 30 days from date of invoice.
Any disbursements not charged to your account on the date of this invoice will be billed later.
GST: R123425522 **QST:** 1006354498

ERNST & YOUNG INC.

Beamscope Canada Inc.
Time Summary
For the Period April 24 to August 13, 2004

Person	Hours	Rate ($)	Total ($)
Partner			
Alex Morrison	3.5	440	1,540.00
Managers			
Leslea Gordon	17.6	375	6,600.00
Other Staff			
Elaine Hildebrand	0.4	125	50.00
Marites Carandang	2.7	115	310.50
Cam Bear	1.8	115	207.00
TOTAL	26.0		$ 8,707.50

ERNST & YOUNG

Ernst & Young Inc.
Toronto, Canada

Invoice
Private & Confidential

Invoice Number: CA0189227193
Date: September 29, 2004

IBM Canada Limited
3600 Steeles Avenue East
Markham, ON L3R 9Z7
Canada

Remit To:

P.O. Box 251, T.D. Centre
Toronto, Ontario M5K 1J7

A/R Queries :
416-943-3851
1-800-311-1104

Client Reference: 11419606

Re: Beamscope Canada Inc.

		CAD
For professional services rendered for the period of August 14 to September 24, 2004 in our capacity as Court Appointed Receiver as detailed on the attached analysis.		1,970.50
Expenses		807.50
	Subtotal:	2,778.00
	GST:	194.46
	TOTAL DUE:	$2,972.46

A member of Ernst & Young Global

Terms: Payment due upon receipt. Interest is charged at the rate of 12% per annum on balances unpaid after 30 days from date of invoice. Any disbursements not charged to your account on the date of this invoice will be billed later.
GST: R123425522 **QST:** 1006354498

ERNST & YOUNG INC.

Beamscope Canada Inc.
Time Summary
For the Period August 14 to September 24, 2004

Person	Hours	Rate ($)	Total ($)
Partner			
Alex Morrison	0.2	440	88.00
Managers			
Leslea Gordon	3.7	375	1,387.50
Other Staff			
Rob Ferguson	0.1	120	12.00
Marites Carandang	1.3	115	149.50
Cam Bear	2.9	115	333.50
TOTAL	8.2		$ 1,970.50

ERNST & YOUNG

Ernst & Young Inc.
Toronto, Canada

Invoice

Private & Confidential

Invoice Number: CA0189231149

Date: November 5, 2004

IBM Canada Limited
3600 Steeles Avenue East
Markham, ON L3R 9Z7
Canada

Remit To:

P.O. Box 251, T.D. Centre
Toronto, Ontario M5K 1J7

A/R Queries :
416-943-3851
1-800-311-1104

Client Reference: 11419606

		CAD
For professional services rendered for the period of September 25 to October 29, 2004 in our capacity as Court Appointed Receiver as detailed on the attached analysis.		1,638.50
Expenses		131.08
	Subtotal:	1,769.58
	GST:	123.87
	TOTAL DUE:	$1,893.45

A member of Ernst & Young Global

Terms: Payment due upon receipt. Interest is charged at the rate of 12% per annum on balances unpaid after 30 days from date of invoice. Any disbursements not charged to your account on the date of this invoice will be billed later.
GST: R123425522 **QST:** 1006354498

ERNST & YOUNG INC.

Beamscope Canada Inc.
Time Summary
For the Period September 25 to October 29, 2004

Person	Hours	Rate ($)	Total ($)
Managers			
Leslea Gordon	2.1	375	787.50
Other Staff			
Marites Carandang	1.3	115	149.50
Cam Bear	6.1	115	701.50
TOTAL	9.5		$ 1,638.50

BEAMSCOPE CANADA INC.

ERNST & YOUNG INC.

DISBURSEMENT SUMMARY OF FEES FOR THE PERIOD ENDED OCTOBER 29, 2004

COURT APPOINTED RECEIVER

Add: Client Administrative Expenses @ 8.0%	131.08
Total Expenses Due	$ 131.08

ERNST & YOUNG

Ernst & Young Inc.
Toronto, Canada

Invoice
Private & Confidential

Invoice Number: CA0189238851
Date: January 6, 2005

IBM Canada Limited
3600 Steeles Avenue East
Markham, ON L3R 9Z7
Canada

Remit To:

P.O. Box 251, T.D. Centre
Toronto, Ontario M5K 1J7

A/R Queries :
416-943-3851
1-800-311-1104

Client Reference: 11419606

		CAD
For professional services rendered for the period of November 1 to December 31, 2004 in our capacity as Court Appointed Receiver as detailed on the attached analysis.		1,138.50
Expenses		91.88
	Subtotal:	1,230.38
	GST:	86.13
	TOTAL DUE:	$1,316.51

A member of Ernst & Young Global

Terms: Payment due upon receipt. Interest is charged at the rate of 12% per annum on balances unpaid after 30 days from date of invoice.
Any disbursements not charged to your account on the date of this invoice will be billed later.
GST: R123425522 **QST:** 1006354498

ERNST & YOUNG INC.

Beamscope Canada Inc.
Time Summary
For the Period November 1 to December 31, 2004

Person	Hours	Rate ($)	Total ($)
Managers			
Leslea Gordon	2.3	375	862.50
Other Staff			
Elaine Hildebrand	0.4	115	46.00
Marites Carandang	1.0	115	115.00
Cam Bear	1.0	115	115.00
TOTAL	4.7		$ 1,138.50

ERNST & YOUNG

Ernst & Young Inc.
Toronto, Canada

Invoice

Private & Confidential

Invoice Number: CA0189380502
Date: July 10, 2007

IBM Canada Limited
3600 Steeles Avenue East
Markham, ON L3R 9Z7
Canada

Remit To:

P.O. Box 251, T.D. Centre
Toronto, Ontario M5K 1J7

A/R Queries :
416-943-3851
1-800-311-1104

Client Reference: 11419606

		CAD
For professional services rendered for the period of January 3, 2005 to June 21, 2007 in our capacity as Court Appointed Receiver as detailed on the attached analysis.		11,275.50
Expenses		1,365.16
	Subtotal:	12,640.66
	GST 6%:	758.44
	TOTAL DUE:	$13,399.10

A member of Ernst & Young Global

Terms: Payment due upon receipt. Interest is charged at the rate of 12% per annum on balances unpaid after 30 days from date of invoice.
Any disbursements not charged to your account on the date of this invoice will be billed later.
GST: R123425522 **QST:** 1006354498

ERNST & YOUNG INC.

Beamscope Canada Inc.
Time Summary
For the Period January 3, 2005 to June 21, 2007

Person	Hours	Rate ($)	Total ($)
Partner			
Alex Morrison	6.3	440	2,772.00
Managers			
Leslea Gordon	9.5	375	3,562.50
Other Staff			
Elaine Hildebrand	13.3	125	1,662.50
Rob Ferguson	2.5	120	300.00
Sandra Bava	0.4	115	46.00
Marites Carandang	10.0	115	1,150.00
Cam Bear	15.5	115	1,782.50
TOTAL	57.5		$ 11,275.50

BEAMSCOPE CANADA INC.

ERNST & YOUNG INC.

DISBURSEMENT SUMMARY OF FEES FOR THE PERIOD ENDED JUNE 21, 2007

COURT APPOINTED RECEIVER

Parking Charges	463.12
Sub-Total	$463.12
Add: Client Administrative Expenses @ 8%	902.04
Total Expenses Due	**$1,365.16**

ERNST & YOUNG

Ernst & Young Inc.
Toronto, Ontario

Invoice Number: CA0189584075
Date: October 8, 2010

Mr. Ben Nikolaevsky
IBM - BCS/PwCC
3600 Steeles Avenue East
Markham, ON L3R 9Z7
Canada

Remit To:

P.O. Box 57104, Postal Station A
Toronto, Ontario M5W 5M5

A/R Queries :
416-943-3851
1-800-311-1104

Client Reference: 11419606

		CAD
For professional services rendered for the period June 22, 2007 to September 3, 2010 in our capacity as Court Appointed Receiver as detailed on the attached analysis.		4,508.50
Administrative Expenses at 8%		360.68
	Subtotal:	4,869.18
	HST 13% Ontario:	632.99
	TOTAL DUE:	$ 5,502.17

A member of Ernst & Young Global

Terms: Payment due upon receipt. Interest is charged at the rate of 12 % per annum on balances unpaid after 30 days from date of invoice. Any disbursements not charged to your account on the date of this invoice will be billed later.
GST/HST: R123425522 **QST:** 1006354498

Wire transfer instructions:
Send direct and pay to: Bank of Montreal, International Banking, H.O. Montreal, SWIFT BIC Address BOFMCAM2, Ernst & Young LLP, Transit #2411 Account #24111000237, 6 King Street West, Toronto, Ontario, Canada, M5H 1C3; Reference the name & address of remitter, invoice number & engagement number

ERNST & YOUNG INC.
Beamscope Canada Inc.
Time Summary
For the Period June 22, 2007 to September 3, 2010

Person	Hours	Rate	Fees
Partner			
Alex Morrison	5.3	440	2,332.00
Other Staff			
Rob Ferguson	0.6	120	72.00
Marites Carandang	1.1	115	126.50
Cam Bear	17.2	115	1,978.00
TOTAL	24.2		$ 4,508.50

DISBURSEMENTS

Administrative Expenses @ 8%	$ 360.68
Time	$ 4,508.50
HST @ 13%	632.99
Total Invoice	$ 5,502.17

EY

Ernst & Young Inc.
Toronto, ON

Invoice

IBM Canada Limited
3600 Steeles Ave E
Markham, ON L3R 9Z7
Canada

Invoice No.: CA12C500007514
Please include this number with payment

Invoice Date: December 13, 2021
Due Date: Upon receipt
Client No.: 0011215502
Engagement No.: E-65005811

Remit To:
P.O. Box 57104, Postal Station A
Toronto, Ontario M5W 5M5
A/R Queries:
EYCanadaInvoiceInquiry@ca.ey.com

For professional services rendered for Beamscope Canada Inc. for the period July 3, 2015 to completion.

		Net	Tax	Rate	Tax Amount	CAD Total
Subtotal		25,268.00				
Discount		-4,891.80				
Fee		20,376.20	HST	13 %	2,648.91	23,025.11
		20,376.20			**2,648.91**	**23,025.11**
Invoice summary		**20,376.20**				
Tax:	13% HST				2,648.91	
Total:		**20,376.20**			**2,648.91**	**23,025.11**

A member of Ernst & Young Global

Terms: Payment due upon receipt. Interest is charged at the rate of 12 % per annum on balances unpaid after 30 days from date of invoice. Any disbursements not charged to your account on the date of this invoice will be billed later.
GST/HST: R123425522 **QST:** 1006354498

Electronic payment instructions:
Send direct and pay to: Bank of Montreal, International Banking, H.O. Montreal, SWIFT BIC Address BOFMCAM2, Ernst & Young LLP, 6 King Street West, Toronto, Ontario, Canada, M5H 1C3.

Wire transfer instructions: Transit #2411 Account #24111000237. Reference the name and address of remitter, invoice number and engagement number.

Electronic fund transfer instructions: Bank ID: 0001 Transit# 24112 Account# 1000237. To ensure accurate allocation of funds, please email gss.canadaaccountsreceivable@xe02.ey.com and include amount paid, invoice number and company name.

ERNST & YOUNG INC.

Beamscope Canada Inc.
Time Summary
For the Period July 3, 2015 to Completion

Person	Hours	Rate ($)	Total ($)
Partner			
Alex Morrison	2.2	750.00	1,650.00
Senior Manager			
Allen Yao	14.5	570.00	8,265.00
Other Staff			
Donna Hatfull	11.8	210.00	2,478.00
Robert Ferguson	7.8	210.00	1,638.00
Marites Carandang	17.3	210.00	3,633.00
Cam Bear	12.4	210.00	2,604.00
	66.0		20,268.00
Estimated fees to Completion			5,000.00
			25,268.00
Discount			(4,891.80)
Total			$ 20,376.20
HST			2,648.91
Total			23,025.11

Court File No.: 01-CL-4063

IBM CANADA LTD.
Applicant

- and -

BEAMSCOPE CANADA INC.
Respondent

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)
Proceeding commenced at Toronto

MOTION RECORD
(Returnable January 10, 2022)

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