

FREQUENTLY ASKED QUESTIONS September 8, 2009 (FAQs)

The following information is provided since posting the proposal on September 4, 2009. Questions were directed to BDO or received from families in collective groups (steering committees or otherwise). BDO will continue to receive questions and provide clarification as quickly as possible through FAQ postings.

After I vote, how soon will BDO move forward with court approval?

Creditors have up to the creditors meeting to cast their vote on the proposal. In the meantime BDO will be tracking votes as they are received. If you have decided how you will vote, you are encouraged to submit your vote as soon as possible.

If at the creditors' meeting the required voting thresholds are reached to approve the proposal, BDO will proceed with Court approval. There is a minimum 10 day notice period required before a Court date. The Trustee is reviewing the possibility of expediting the Court approval process.

What are the voting thresholds required to move the proposal forward?

In order for a proposal to be accepted by the creditors 51% of creditors holding at least 2/3 of the value of the proven claims of each class of creditors must vote in favour of the proposal as per Section 54(2) of the Bankruptcy and Insolvency Act.

What happens if I vote against the proposal, and how much money would be returned to me?

Pursuant to Section 9 of the Proposal, if the proposal is accepted by the creditors, no funds will be payable to the families (except as provided for in Section 12 of the proposal regarding the recovery of funds).

If the proposal is not accepted, Imagine Adoption will remain in bankruptcy. A dividend rate of approximately 7.3% is estimated. This amount may be reduced given the legal review that may be required throughout the bankruptcy process.

How do I vote by email?

Creditors may cast their vote by completing the voting letter and returning it to BDO by mail, fax or scanning a copy of the voting letter and returning it by email. Contact information can be found on the voting letter.

There is only one signature space on the voting letter. If we are a couple, are we both required to sign the document?

No, only one signature is required on the voting letter and only one vote will be accepted per family

Where I can find the proposal and voting letter?

All pertinent information including the voting letter can be found on the BDO website www.bdo.ca/imagineadoption.

We never received the claims form from BDO. How can I make sure I receive the proposal package?

Section 51 of the Bankruptcy and Insolvency Act requires the Trustee to provide notice of the creditors meeting at least ten days prior to the meeting. These were mailed on September 8th. If you have not received your package by September 12, 2009, individuals are asked to contact BDO. Alternatively all documents will be posted to the BDO website.

How long will it take to complete our adoptions and/or referrals? Will referrals occur starting immediately?

The new management will report back in February 2010 regarding adoptions, timelines and overall operations. They hope to restart referrals and concluding adoptions quickly. They will be better able to answer these questions by February 2010.

Why is February 2010 a key date?

It was recognized that the new management would have to report to all stakeholders quickly. Four months was considered a reasonable estimate of time for the restructured company to have completed their assessments of all adoption programs and complete a comprehensive report to the stakeholders as to the status of the company. This date has been integrated in Section 14 of the proposal as the first key milestone.

What is being done for those whose home studies are due to expire soon?

The ministry discussed this with BDO on September 8. They recognize the bankruptcy and proposal has caused a delay beyond control of the families. There will be further clarification shortly (some extension is being discussed).

When should we expect the cash flow statements?

The cash flow statements will be posted to the BDO website September 8 or 9th.

What is the \$4000 recovery fee for?

This amount required by families is to provide some start up funding for operations of the restructured company. Other funding will come from the Bankruptcy estate, possible fundraising and from the balance of the fees required to complete adoptions.

Why was it determined to have two installments of \$2000?

The split payment of the recovery fee is to protect the families. There is no reason to collect extra funds for the first 4 months. The balance is due in March 2010 when a viable operating plan is certain.

We signed on with IA before the fee increase in November 2008. If we were to continue with this adoption, what exactly would our fees be?

Families would pay the same amount they owed before the bankruptcy in addition to the \$4000 renewal fee. This is noted at Section 9 of the proposal.

Would we have to pay a higher renewal fee if we're adopting siblings?

No, the renewal fee is \$4000 per family, for either single and sibling adoptions.

When is the \$4000 renewal fee due?

The first \$2,000 will be due upon signing the renewal contract with the restructured Imagine Adoption. The second \$2,000 will be due in March 2010 as per section 9 of the proposal.

Will there be any large scale fundraising initiatives?

The new Board and management are considering this. A charitable organization is being reviewed for fundraising. The cash flows assume some fundraising with exact details still to be discussed.

Has the new Executive Director been confirmed yet?

There have been several individuals in contact with the new Board regarding their resume and interest in this position. The Board of Directors will conclude hiring the Executive Director if the proposal proceeds. It will be a formal application process. Based on our discussions to date, there are good qualified options.

Would children be referred from orphanages or would the Transition Home be re-opened and staff re-hired?

Point 14 of the proposal confirms that the status and ongoing role of the Transition Home will be assessed by February 2010. Operational issues including costs along with optimal care facilities for children will be considered in answering this question.

Has the referral process been discussed specifically?

The specifics for referrals will be decided by the Board of Directors and Advisory committee. If/when the company is brought out of bankruptcy, a board will assess and report on the referral process. A date driven selection of families for referral is anticipated. BDO will monitor this process/information.

Who decided the Board of Directors, are there conflicts, how will changes occur?

The Directors were in contact with several of the key organizers for this restructuring plan. Their credentials, experience and availability of time for this volunteer role were all factored in to assemble the Board.

Board members must always declare conflicts within an organization and during meetings. There are some families in the adoption process on the Board. They understand the conflict rules. BDO has reviewed this issue with the Ministry who indicated that some Board representation by adopting families is acceptable. A legal comment was also obtained. The Board is not all families; thus it should be balanced.

The process of changing Board members will be reviewed by the new Board. Typically, board positions are 2 or 3 year terms with options to renew.

If a family is unable to adopt from another country and has already paid their fees, will they have to pay any extra money to switch to the Ethiopia program?

If you switch to Ethiopia and the fees already paid to IA are less than those fees paid by the Ethiopia adopting families, you will need to pay the difference plus the renewal fees. This is as included in Section 9 of the proposal.

What are the conditions for helping families who are signed on to countries other than Ethiopia? Is it based on what the Ministry will allow?

Section 14 of the proposal confirms that all country programs will be assessed. This will be to determine if, how and when a Canadian adoption from the other country can proceed. If it is possible and viable, the new agency will facilitate the adoption for you.

What is the status of the Ghana program and why were there not more details outlined in the proposal?

Section 14 of the proposal confirms that all countries will be assessed, this will include Ghana. The situation of the Ghana program is unknown and seems to be beyond the control of any Canadian agency. Therefore, it was difficult for the restructuring group to know details to include in the proposal. The Ghana program will be assessed by February 2010 at the latest.

Out of the 350 families, how many families were with the Ghana program?

There are 26 families in the Ghana program.

With the uncertainty of the Ghana program, are we able to transfer our file ASAP into the Ethiopia program?

Yes. Section 9 of the proposal confirms that "if the program through a particular country is not available, affected families will have the option of transferring their adoption process to another Country and maintain the same status and priority based on their application state date of their original program country".

Would this be our original country start date? The date we signed the retainer agreement?

The start date of any file is the date the dossier was sent for a referral. This occurred immediately after all reports were provided to Imagine Adoption. This way all files will be processed in order of start date based on when families provided information.

As someone who is invested in the Ghana program, how can I possibly make any decision on voting when there is still no indication on whether or not the Ghana program will continue?

As per Section 14 of the proposal, all countries will be assessed. This includes Ethiopia, Ghana and others. However, there is uncertainty for all countries including Ethiopia. The proposal will ensure families are adopting in date order once country programs can proceed. Unfortunately, there is uncertainty for all countries at this time including Ghana and Ethiopia.

Do I have any options under the proposed plan if our adoption with the Ghana program is not possible, or if I decide not to proceed with the Ghana program?

See above. Families have the option under the proposal to transfer to the Ethiopia program and still maintain their priority based on the date their file went to Ghana.

Are there any other adoption agencies in Canada that will facilitate adoptions from Ethiopia?

BDO does not have this information. We understand that CAFAC (who also facilitates Ethiopian adoptions on behalf of Children's Bridge) has posted to their website that they are at full capacity as of September 1, 2009.

Will wait listed families have the opportunity to adopt through the restructured agency if approved?

Yes. New families will be considered in 2011 to start the process.