



BDO Dunwoody Limited
Trustee in Bankruptcy

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**TRUSTEES PRELIMINARY REPORT
IN THE MATTER OF THE BANKRUPTCY OF**

SAINT ANNE ADOPTION CENTRE

**OF THE CITY OF CAMBRIDGE, IN THE REGION OF WATERLOO, IN THE PROVINCE OF
ONTARIO**

Trustee: BDO Dunwoody Limited

General Comments

An Assignment in Bankruptcy for the general benefit of creditors of Saint Anne Adoption Centre (“Saint Anne”) was filed on August 14, 2009.

Saint Anne is licensed agency that facilitated Canadian adoptions of children abroad. Operations had ceased at July 14th being the date of bankruptcy for a related organization, Kids Link International Adoption Agency o/a Imagine Adoption.

Section A – Assets

Class I – Cash & Financial Deposits – Statement of Affairs Value – \$35,000

There were funds in Canadian and US accounts that have been seized by the Trustee.

Class II – Inventory – Statement of Affairs Value - Nil

Class III – Accounts receivable – Statement of Affairs Value - Nil

Class IV – Machinery, Equipment and Plant and Office Furnishings – Statement of Affairs Value - Nil

Class V – Vehicles – Statement of Affairs Value - Nil

Class VI Real Estate – Statement of Affairs Value - Nil

Class VII – Books and Records

See Section C below – Some prior year accounting records are in possession of the accountants who are in discussion with the Trustee. Intellectual property including registered trade and domain names will be reviewed by the Trustee.

Class VIII – Other Assets – None

Section B – Secured Creditors

The Trustee is not aware of any secured creditors.

Section C – Conservatory and Protective Actions

BDO attended the premises on July 14 and 15. All files were boxed, secured, inventoried and relocated to the BDO offices to ensure safety of records. The electronic data was also secured on copied drives. The bank accounts were frozen at that date and seized following the bankruptcy in August.

Section D – Provable Claims

	#	<i>Declared</i>	#	<i>Filed</i>
Secured	-		-	-
Preferred	4		4	-
Unsecured				
• Families	29	\$ 29,000	13	\$ 154,133
• Families (US funds)	-		8	\$ 83,000
• Trade Creditors	3		3	-

Claims may still be filed after the creditor meeting. The above numbers were as of 3 pm on August 31, 2009 and will be updated prior to 10:00 am.

Section E – Legal Proceedings

The Trustee is not aware of any legal proceedings related to the organization. No legal counsel has been retained.

Section F – Reviewable Transactions and Preference Payments

The Trustee reviewed three bank accounts for the period of April 2009 to June 2009. Transactions greater than \$2,000 were summarized. These consisted primarily of cheques. Amounts were business related being for Receiver General, rent and payroll. Any transfers were between different bank accounts under the ownership of Saint Anne.

A further review of bank statements from March 2009 to July 2008 was completed. Disbursements continued to be for payroll, rent and business items. There was one amount for renovations that will be investigated further. There were funds transferred to Imagine Adoption and/or Global Reach totaling less than \$40,000 during this time period.

For information, we summarize the payroll figures as reported on 2008 and 2009 T4s for Saint Anne and Kids Link International Adoption Agency o/a Imagine Adoption as follows:

<i>Employee</i>	<i>2009 St Anne</i>	<i>2009 Kids Link</i>	<i>2008 St Anne</i>	<i>2008 Kids Link</i>
Exec. Director	38,461	39,830	71,345	78,269
CFO	29,230	34,615	50,961	59,807
Office Staff	-	28,201	34,640	-
Office Staff	-	2,080	640	39,520
Office Staff	-	2,052	12,880	-
Office Staff	-	19,320	25,840	
Office Staff		14,400	38,160	

Section G – Anticipated Realization and Projected Distribution

Realizations are not expected to exceed the bank funds of \$45,000 already seized. Distribution to creditors will be nominal considering costs of the administration.

Section H – Other Matters

Professional fees of the Trustee will be reported for payment from the estate.

Dated at Kitchener Ontario the 31st day of August, 2009.

BDO Dunwoody Limited
 Susan E. Taves, CA-CIRP
 Senior Vice President