

BDO CANADA LIMITED EXECUTIVE SUMMARY

Description of the Company

Your proponent, BDO Canada Limited (“BDO”), is located in Halifax, Nova Scotia and is the first Atlantic Canadian office of BDO Canada LLP, the sixth largest accounting firm in Canada. BDO is part of the Financial Recovery Services (“FRS”) group and specializes in insolvency consulting and formal insolvency mandates. Your proponent was previously known to the Nova Scotia Department of Economic Development as BDO Dunwoody Goodman Rosen Inc., a predecessor to BDO.

BDO Dunwoody Goodman Rosen Inc. was formed as the result of a merger on July 1, 2007 of BDO Dunwoody Limited, Trustee in Bankruptcy, one of Canada’s most comprehensive financial recovery practices, and Goodman Rosen Inc., Trustee in Bankruptcy, a boutique professional services firm that was established as a predecessor organization by Paul G. Goodman, FCA, FCIRP, FIIC in 1998 after spending 28 years with one of Canada’s largest accounting firms. In 2002, after 18 years with another national firm, Mark S. Rosen, LLB, FCIRP joined Mr. Goodman under the Goodman Rosen firm name. Mr. Rosen is a Partner in BDO Canada & Partners, is a Senior Vice-President of BDO, and is the Nova Scotia Managing Partner. Mr. Goodman retired as a Partner in BDO Canada LLP effective January 1, 2012 but is currently a consultant to BDO. Both Mr. Rosen and Mr. Goodman are Trustees in Bankruptcy and work out of the Halifax office of BDO.

In Halifax, BDO has, at present, 11 full-time people. These people have various skill sets and a number of them have been with BDO and its predecessors for many years.

BDO also has an FRS office in Sydney, Nova Scotia. Two Trustees in Bankruptcy and two full-time support persons operate out of the Sydney office on a full-time basis.

Staff of both the Halifax and Sydney offices additionally service other centres in Nova Scotia on a regular basis as well as other areas in Atlantic Canada as required.

BDO is part of a dedicated group of FRS specialists within a national network of professionals and has access to their resources. The FRS group offers its clients an expanded range of services, while allowing BDO to more effectively serve the Atlantic Canada marketplace. BDO continues to operate and grow financial recovery practices throughout the rest of Canada. BDO holds ones of Canada’s first corporate licenses as a Trustee in Bankruptcy and presently has 120 partners and professional staff nationwide.

As an aside, on September 18, 2009, important amendments to the Bankruptcy and Insolvency Act were enacted. The specific change which affects appointments on behalf of the Procurement Branch of the Province of Nova Scotia is that only Trustees in Bankruptcy can act as Receivers and Agents, on behalf of secured lenders where the assets are substantially all of the business assets of the company, and Monitors under Companies’ Creditors Arrangement Act (“CCAA”) applications.

BDO is part of BDO Canada LLP, one of Canada's largest national accounting and advisory firms, which is an independent member firm of BDO International.

BDO Canada LLP is the Canadian Member Firm of the BDO International Network and has 95 offices across Canada, with 1,200 professionals and over 300 partners. The BDO International network is the fifth largest accountancy network in the world. The Network is comprised of Member Firms which are each governed as an independent legal entity in its own country. The network is comprised of 95 Member Firms in 107 countries. With over 30,000 professionals on staff in over 600 offices worldwide, the international network is able to take on a multitude of services.

Despite their stature in the international community, BDO's offices still have the personal characteristics of a local firm. The international network allows its Member Firms to draw on an extremely large knowledge base to find the right solutions for its clients' issues. In Canada, BDO works closely with other Member Firms for information sharing, gaining valuable insight in order to serve their clients who have international needs.

BDO International was formed in Europe in 1963 from accounting firms out of the UK, Netherlands, Germany, US and Canada. The global structure as it exists today was developed in order to create an international entity, but continues to have member firms retain local strength. As such, the acronym of BDO (for Binder, Dijker, Otte & Co) appears before each Member Firm's name, signifying the unified structure of the BDO brand, and the independence of each local firm.

BDO's services include:

- Assurance and accounting services (A&A)
- Taxation services (Tax)
- Financial advisory services (FAS)
- Risk advisory services (RAS)
- Financial recovery services (FRS).

BDO's financial recovery services (FRS) include:

- Reorganization and debt restructuring
- Business viability, operational, and loan security reviews
- Pre-lending reviews and due diligence
- Liquidity investigations and cash crisis management
- Expert testimony on insolvency issues, financial damages, and valuations
- Full forensic investigations for commercial fraud and asset tracing, as well as hidden assets location
- Formal insolvency and restructuring appointments
- Corporate wind-ups.

BDO has a proven track record of fulfilling clients' needs for recovery, refinancing, and restructuring throughout North America and abroad, including Bermuda, Europe, the Middle East, the West Indies, and Asia. From small single location owner-managed

businesses to multi-location public companies with many millions of debt, BDO's professionals work closely with financially-stressed clients to implement creative recovery strategies that make business renewal possible.

Financial Stability

BDO Canada Limited is owned 100 percent by BDO Canada LLP. BDO Canada LLP is a limited liability partnership owned 100 percent by the approximately 315 partners all resident in Canada.

The BDO Canada LLP group has assets in excess of \$100 million which are financed approximately 80 percent by the partners' capital.

On an operational basis, the BDO Canada LLP group produces in excess of \$300 million of gross fee revenue of which in excess of \$100 million is available as profits to the distribution of the firm's partners.

The BDO Canada LLP group has arranged significant professional liability insurance and also has more than adequate insurance retention reserve funds financed by the partners.