

RETURN ON INNOVATION CAPITAL LTD. as agent  
for ROI9 FUND INC., ROI SCEPTRE CANADA  
RETIREMENT FUND, ROI GLOBAL RETIREMENT  
FUND and ROI HIGH YIELD PRIVATE PLACEMENT  
FUND and ANY OTHER FUND MANAGED by ROI  
from time to time

Applicants

and GANDI INNOVATIONS LIMITED  
GANDI INNOVATIONS HOLDINGS  
LLC AND GANDI INNOVATIONS LLC

Respondents

Court File No: 09-CL-8172

19 MAY 2009

ONTARIO  
SUPERIOR COURT OF JUSTICE

Proceeding commenced at Toronto

MOTION RECORD  
(RETURNABLE MAY 19, 2009)

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**LATE FILING**

May 19/09  
See attached handwritten  
endorsement.  
D. Murdoch,

NO. ON LIST: 6

SUPERIOR COURT OF JUSTICE

COURT FILE NO: 09-8172-00CL

DATE: May 19-09

SHORT TITLE:

INNOVATION CAPITAL LTD. VS. GAN DI INNOVATIONS LTD.  
COUNSEL SHEETS FOR MOTION (CIVIL)

MOVING COUNSEL  
NAME:

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*repts Grandi et al*

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Tools Ltd  
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Roger Jaiswal/Mary Arzoumanidis  
for State Bank of India (Canada)

APPEARING FOR

- PLAINTIFF/PETITIONER/APPLICANT
- DEFENDANT/RESPONDENT
- OTHER--SPECIFY

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- OTHER--SPECIFY

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TYPE OF MOTION (CHECK ONE ONLY)

- INJUNCTION
- JUDGEMENT
- DECLARATION
- CONTEMPT
- DISMISS ACTION
- STAY PROCEEDINGS
- ORDER TO GO
- ATTEND EXAMINATION
- APPEAL MASTER
- EXPEDITE TRIAL
- VEXATIOUS PROCEEDINGS
- OPINION/ADVIS/DIRECTIONS
- APPOINT OR REMOVE EXECUTOR
- OTHER

NATURE OF MOTION (CHECK ONE ONLY)

- CONTESTED
- UNOPPOSED
- ON CONSENT
- WITHOUT NOTICE

Superior Court of Justice  
Commercial List

FILE/DIRECTION/ORDER

Re Return on Innovator Capital Ltd et al  
Plaintiff(s)

AND

Grandi Innovations Limited et al  
Defendant(s)

Case Management  Yes  No by Judge: \_\_\_\_\_

Counsel	Telephone No.:	Facsimile No.:

- Order  Direction for Registrar (No formal order need be taken out)
- Above action transferred to the Commercial List at Toronto (No formal order need be taken out)
- Adjourned to: \_\_\_\_\_
- Time Table approved (as follows):

The Grandi Companies seek an order extending the stay of proceedings granted by Hay J on May 8, 09. All parties appearing are unopposed. Since the granting of that order, a cash flow forecast for the 13 week period May 15, 09 to Aug 7, 09 has been prepared by the Monitor using information provided by management of the Grandi Companies. The forecast indicates that the debtors have sufficient cash resources to fund operations well after the requested stay extension date of June 19, 09. Although it would appear that some funds may be available for payments to secured creditors there will be no such payments absent a further court order. In addition, while the forecast includes amounts

May 19/09  
Date

St. Pysall, J.  
Judge's Signature

Superior Court of Justice  
Commercial List

## FILE/DIRECTION/ORDER

## Judges Endorsement Continued

for costs incurred, with respect to the US consultant, Richard P. Bueche, up to May 15/09 + possible future restructuring costs for that consultant, the Monitor is currently assessing whether such a continued retention is prudent.

The debtors are not yet in a position to present a proposed restructuring plan but I am persuaded that they stay extensions is necessary to ensure stability + that the debtors are acting in good faith + with due diligence all with a view to preparing a plan that will maximize long-term value for the benefit of all stakeholders. Since the granting of the May 8/09 Hay I order, the debtors + the Monitor also pursued obtaining protection from their creditors in the US by applying for recognition of this proceeding as a foreign main proceeding pursuant to Chap 15 of the US Bankruptcy Code. A 90 day notice period was required + therefore provisional relief was granted by US Bankruptcy Judge Jeffrey M. Clark. Counsel advises that as final order for recognition will be sought on May 27/09. Judge Clark wished clarification of paragraph 27 of Hay I order relating to the carve out of proceedings brought by TA in Bexar County, Texas. In no way was paragraph 27 of that order intended to preclude the US Bankruptcy Court of the Western District of Texas from granting such relief as it fits with respect to the TA proceeding pending recognition

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Superior Court of Justice  
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**FILE/DIRECTION/ORDER**

Judges Endorsement Continued

of the within procedure as a foreign  
main procedure pursuant to  
Chapter 15  
order have signed the amended