

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

GANDI INNOVATIONS LIMITED, GANDI INNOVATIONS HOLDINGS LLC, GANDI INNOVATIONS LLC, GANDI INNOVATIONS HOLD CO. AND GANDI SPECIAL HOLDINGS LLC

- and -

Applicants

Respondents

28 JAN 2010

Court File No. 09-CL-8172

January 28/2010

ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)

Proceedings Commenced At Toronto

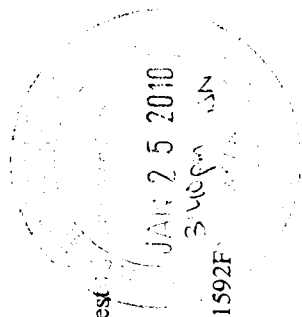
**MOTION RECORD**

(Re: Distribution Order - Returnable:  
January 28, 2010)

**CHAITONS LLP**  
Barristers And Solicitors  
185 Sheppard Avenue West  
Toronto, ON M2N 1M9

Harvey Chaiton  
LSUC Registration No. 21592F  
Tel: (416) 218-1129  
Fax: (416) 218-1829

**Lawyers for BDO Canada Limited**  
(formerly BDO Dunwoody Limited) in its capacity as Court-appointed monitor of Gandi Innovations Limited, Gandi Innovations LLC, Gandi Innovations Holdings LLC, Gandi Innovations Hold Co. and Gandi Special Holdings LLC



H. G. Chaiton for Mr.  
N. Jayaram } SRIC  
A. Rybach } RO1 Capital  
S. Gaurav }

K. Tack for Chaiton

A. Sankar for CIT Financial

E. CDBS for T.A. Associates

All notes for distribution was not opened.

The Plaintiff states that both SRIC and RO1 have satisfied the Trust that they have not secured claims.

The Trust has determined that SRIC has not secured any in the US assets. All that RO1 has the second ranking security in Canada.

The Trustee has indicated that throughout the doctrine of marshaling has been applied such that the proceeds allocated to US assets have been ~~used~~ <sup>applied</sup> to reduce the 1810 indebtedness. This is to the benefit of RO1.

Without view

~~of this allocation~~

Counsel to the major unsecured creditors, T.A. Associates, takes no issue with the Trustee's allocation.

It is expected that the Trustee will return to Court to address issues relating to a claims process to address the surplus as well as final payment issues to the secured creditors and any issues relating to the Reaffirmation Agreement of date August 12, 2009 and January 27, 2010.

Counsel to the Trustee ~~advised~~ <sup>advised</sup> that no adverse comment has been received to the 9<sup>th</sup> Report. The contents of the Report and the activities of the Trustee are approved.

Order to go in the form submitted.



## Endorsement

The State Bank of India (Canada) (the "Bank") supports the relief sought by the Monitor on the understanding that:

1) the monitor ~~will bring a~~ *currently proposes to bring a* motion in early March to set up a claims process and that at the end of the claims process the Monitor will bring a motion as soon as ~~possible~~ *practicable* thereafter for an order extinguishing the Bank's reimbursement obligations under both the August 12, 2009 and January 27, 2010 reimbursement agreements; and

2) at the time of the motion to extinguish the Bank's reimbursement obligation there will be a *V* final payout statement delivered to the Monitor in respect of any and all obligations outstanding *L* to the Bank at that time and the Monitor will seek a distribution to the Bank of such amounts without the requirement for a further reimbursement agreement.