

Estate No. 35-1232404

IN THE MATTER OF THE BANKRUPTCY OF

**Kidslink International Adoption Agency o/a Imagine Adoption Agency
Minutes of the First Meeting of Inspectors**

Date: July 30, 2009 Time: 1:00 pm
Place: Holiday Inn Hotel
Chairperson: BDO Dunwoody Limited Trustee in Bankruptcy

Attendance

All Five Inspectors
BDO Dunwoody - Susan Taves (acting as Chair of the meeting), Mike Braga
Donna Cotter – regrets – This is a sixth representative identified by the creditors to attend Inspector meetings non-voting.

Discussions

Agenda – attached, reviewed, no changes

Inspector duties

The Trustee confirmed that the Inspectors had received the handbook and reviewed their role.

Legal Counsel

The Chair reviewed general requirements for Trustees and estate legal counsel. At this time, there do not appear to be any issues requiring legal counsel. Harrison Pensa assisted with attending Court for the Trustee to obtain the Court approval of the Yamana Gold funds. This firm indicated that they would be prepared to act as estate counsel if required.

Leased Premises

The Trustee reviewed the three premises and lease terms. One location is subleased however the rent obligation exceeds the rent income. The option to retain all leases and attempt to sublet for net proceeds to the estate was discussed. It was agreed that there would be limited benefit to retaining these contracts. See motions below.

The Trustee would ensure that a few final records and photos of families would be recovered.

Visa Expenses, Demand for dollars from two individuals, police investigation

The Trustee has reviewed the two corporate credit card accounts used by Susan Hayhow and Rick Hayhow. This was further to an analysis by a Board member prior to the bankruptcy that was provided to the Trustee. There appear to be personal expenditure by the two individuals. The Inspectors agreed that a demand for repayment of these funds to the estate should be issued.

The Trustee confirmed that a police investigation is underway. The Trustee will be cooperating with the police. The demands for repayment should not hinder or impact the police investigations.

Yamana Gift

The Trustee reviewed the \$100,000 gift received from Yamana gold to fund the transition home in Ethiopia until the adoptions of the 40 children at that location have been completed. These funds are being held separate and apart from the estate funds as per Court order. Funds have already flowed through to the transition home.

Restructuring

The Trustee is working with a restructuring group that wants to develop a plan to complete the adoptions of the remaining families. The preliminary plan will be circulated to the Inspectors prior to be distributed generally. Logistics of voting on the plan and the approval process will be disseminated to the families once a viable plan has been assembled.

Other

- The Inspectors questioned the existence of Directors insurance. The Trustee is investigating this issue and will provide further comment.
- The Zambia transition home was closed in the Spring 2009. All the transition homes were on leased premises. Saleability of these homes is questionable.
- The Trustee reviewed that there have been costs for one consultant incurred to date. The Trustee will circulate a summary of invoices and additional information to the inspectors for approval prior to making payment.

Subsequent Inspectors meeting

The next inspector meeting will be August 13, 2009 at 1:00 pm via conference call.

Motions

The following motions were made during the meeting:

- Subsequent meetings may be held by telephone conference call.
- Disclaim the lease for Queen Street offices.
- Disclaim the lease for Hespeler Road offices.
- Once determined that the restructuring plan does not require the King Street offices, disclaim the lease.
- Continue engaging JoAnn Barber to assist with inquiries, file reporting and other matter as feasible in order to respond to family issues and assist the Trustee. Cost will be at an hourly rate similar to the prior salary level.

Adjournment

There being no further business, the meeting was adjourned at ^{2.}~~3~~:00 pm.

Susan Taves, Chair

Lianne Armstrong

Jo Ann Barber

Jason Humeniuk

Bernadette Quemerais

Julie Stewart

REGRETS

Donna Cotter – non voting