

General Update Friday September 18, 2009

BDO has provided this last memo to review the remaining question and information regarding the creditor meeting and proposal.

Procedures at Creditor Meeting

The creditor meeting is scheduled to begin at 10:00 am in the Ontario Salon conference room at the Holiday Inn. Registration to sign in will be set up by 9:00. Please arrive at least $\frac{1}{2}$ hour early. If you have decided how you will vote on the proposal, you can file your votes and any other outstanding paperwork prior to your arrival. This will ensure a smoother sign in process.

Family creditors whose (husband's) last name begin with the letters A to L will be signed in at the table to the left hand side of the hallway. Family creditors whose (husband's) last name begin with the letters M to Z will be checked in at the table to the right (along side of restaurant). All other creditors may sign in at either table.

At the sign in table you will be required to sign the attendance. You will receive a copy of the agenda and your voting ballots for the various votes that will take place (see below). One set of ballots only will be provided to each creditor.

We request that once you have completed your sign in process that you remain in the conference room. Thus, media interviews that you wish to be involved with should be completed prior to signing in.

The bankruptcy proxy cannot be relied upon. You must file/bring a new proxy if someone is attending on your behalf.

Votes to be held include:

- Media Presence
- Vote on proposal – for those that have not yet voted or reconfirming their vote
- BDO to continue as Trustee
- Appointment of Inspectors

You will receive a ballot for each motion. If some votes can be concluded by show of hands with a clear majority, ballots will not be required. Should there be ballot voting, there will be delays in the meeting as BDO counts ballots. You will be asked to stay seated during these times. Results must be concluded for all votes during the meeting.

Questions of the Proposal

We know we have not been able to reply to all emails/questions. We believe we have answered most questions in the FAQ summaries. We apologize if we missed your question. There will be a review and question period during the meeting.

Preparing the Proposal of September 4

The current proposal was prepared by the new Board of Directors. It is the plan they believe they can operate within.

BDO has reviewed their work, assumptions and plans in detail with them. Thus, BDO was able to prepare our report attached to the projections that we believe the plan is reasonable and feasible.

The 5 Inspectors representing all creditors reviewed the plan. There were several meetings with BDO and the Inspectors. They provided input resulting in changes to the plan.

Thus, the Plan is that of the Board with input from various stakeholders. Questions have arisen about changing the plan. The Board has been consulted and is not of the belief changes are necessary.

Orphanage Costs

There has been contact regarding these payments specifically for orphanages with 3 or 4 children. This funding is better handled by the new Board once the proposal is in place. Unfortunately, the Trustee in Bankruptcy/Proposal is not in a legal position to do ongoing funding of operations. We recognize that this is difficult to accept. Every effort has been taken to communicate regarding the proposal and go forward plan to the orphanages to protect the children.

Conclusion

We look forward to concluding this next step for Imagine Adoption on Monday.