



Estate No. 35-1232404

BDO Dunwoody Limited
Financial Recovery Services

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IN THE MATTER OF THE PROPOSAL OF
KIDS LINK INTERNATIONAL ADOPTION AGENCY
o/a **IMAGINE ADOPTION**

OF THE CITY OF CAMBRIDGE, IN THE REGIONAL MUNICIPALITY OF WATERLOO, IN THE
PROVINCE OF ONTARIO.

REPORT TO CREDITORS

We, BDO Dunwoody Limited, Trustee of the proposal Kidslink International Adoption Agency o/a Imagine Adoption ("Imagine"), hereby report to his Creditors as follows:

That Imagine made a proposal on the 1st of September, 2009 and that we filed a copy of the proposal with the Official Receiver on the 1st day of September, 2009.

That we have investigated, or caused to be investigated, Imagine's property and financial affairs so as to be able to assess with reasonable accuracy the debtor's financial situation and the cause of Imagine's insolvency.

That a condensed statement of the debtor's assets, liabilities and a list of the creditors of the debtor whose claims exceed \$250 was issued at the date of bankruptcy and is therefore not attached (Section 51(1)).

That we are of the opinion that the cause or causes of the insolvency of the debtor are as follows:

Rapid growth of clientele, limited management oversight of operations and costs and possible misuse of funds.

Creditors Eligibility and Participation

To participate in this Proposal process a creditor must have filed with the Trustee a Proof of Claim in the prescribed form, along with a Schedule "A" laying out the details of the claim. Pursuant to the Act, the claim should be for the amount owing at the date of bankruptcy July 14, 2009. Enclosed herein is a Proof of Claim for completion for those who have not already done so.

Any creditor who does not file a Proof of Claim prior to the appointed time and date of the creditor's meeting is still eligible to receive dividends as prescribed under this Proposal.

To retain voting rights, a creditor **must** file their Proof of Claim in the prescribed manner with the Trustee **before the date and time set for the creditors' meeting**. A creditor may cast their vote either in favour or against the Proposal in one of the following manners:

1. By completing and submitting the enclosed "voting letter", indicating your vote either for or against;
2. By attending the creditors meeting in person to cast your vote. In the case another individual will be attending the meeting on your behalf, the attached proxy must be duly completed indicating the name of your representative intends to vote on your behalf.

At the creditor's meeting and after any discussion or questions with regard to the Proposal, the creditors shall vote on the Proposal. For the Proposal to be accepted, the resolution must have a majority of unsecured creditors in numbers voting in favour, and of that majority there must be represented 2/3 or

66.6% of the creditors in dollars. This calculation is based on only those creditors who are present either in person or by proxy or by voting letter. Any creditors who are present either in person or by general proxy who abstains from the vote would not be included in the calculation required to obtain the majority in numbers and 2/3 in dollars required to accept the Proposal.

Should the Proposal not be accepted, the bankruptcy of Imagine will be restored.

Analysis and Recommendation of the Trustee

The proposal of Imagine Adoption has been developed so that the adoption processes for the 300+ families affected by the bankruptcy of the company can continue. The payout in the proposal to the unsecured creditors and the landlord is slightly less than in a bankruptcy. However, these creditors will receive the proposal payout in early 2010. The bankruptcy payout could be many months considering the claim to trust funds and the investigations underway to possibly recover funds.

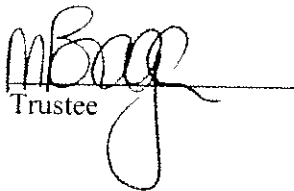
Families affected by the bankruptcy are electing to forego a dividend in hopes of generating a viable restructured company. The conclusion of these adoptions outweighs the economic recoveries from a bankruptcy from the family prospective.

	Anticipated Dividends	
	<i>Bankruptcy</i>	<i>Proposal</i>
Unsecured Creditors	7.3%	10% or \$20,000
Family Claims	7.3%	0%
Landlords	7.3%	10% or \$20,000

Dated at Kitchener, this 4th day of September, 2009.

BDO DUNWOODY LIMITED, Trustee

Per:


Trustee