

**ONTARIO**

**SUPERIOR COURT OF JUSTICE**

**(COMMERCIAL LIST)**

**B E T W E E N:**

**INGALLS & SNYDER LLC**

Applicant

- and -

**THE MEDIPATTERN CORPORATION**

Respondent

**IN THE MATTER OF AN APPLICATION PURSUANT TO SECTION 47 OF THE  
*BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c. B-3, AS AMENDED; AND  
SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O. 1990, c. C.43, AS  
AMENDED**

**FIRST REPORT OF BDO CANADA LIMITED AS INTERIM RECEIVER**

**May 2, 2013**

## INTRODUCTION

1. Pursuant to an application by Ingalls & Snyder LLC (“Ingalls”), an order was made by Mr. Justice Wilton-Siegel of the Ontario Superior Court of Justice (Commercial List) dated April 25, 2013 (the “Interim Receiver Order”) appointing BDO Canada Limited as interim receiver (the “Interim Receiver”), without security, of all of the assets, undertakings and properties (the “Property”) of The Medipattern Corporation (“Medipattern”, or the “Company”). A copy of the Interim Receiver Order is attached hereto as Exhibit “A”.
2. The Interim Receiver Order empowered the Interim Receiver to, *inter alia* take possession and control of the Property, and to manage, operate and carry on the business of Medipattern.
3. The Interim Receiver Order also empowered the Interim Receiver to market any or all of the Property, including advertising and soliciting offers in respect of the Property, or any material portion or portions thereof substantially in accordance with the marketing process outlined in Schedule “B” to the Interim Receiver Order (the “Marketing Process”). The Marketing Process is not to commence until May 6, 2013, or until such further date as ordered by this Honourable Court.
4. The endorsement issued by Mr. Justice Wilton-Siegel of April 25, 2013 with the Interim Receiver Order (the “Endorsement”), provided as follows:
  - (a) Quantus Investment Corp. (“Quantus”) was to file an affidavit with the Court by April 29, 2013 setting out its shareholding position, including percentage ownership of the total outstanding shares in the Company.
  - (b) Ingalls and Quantus (together the “Parties”) to return to court for a 9:30 conference before Mr. Justice Wilton-Siegel on May 3, 2013 at which time Quantus is to report on the status of the satisfaction of the conditions contemplated by the Term Sheet issued by Quantus to the Company dated April 23, 2013 (the “Term Sheet”), the execution of the definitive agreement and the financial capacity of the proposed purchaser to close the proposed transaction, with appropriate evidence in respect of each of these matters.
  - (c) A hearing was scheduled for May 7, 2013 in respect of any motion that either of the Parties may wish to bring after hearing of the status of the matter on

May 3, 2013, including, if the applicant so chooses, an application under section 243(1) of the *Bankruptcy and Insolvency Act*.

5. A copy of the Endorsement is attached hereto as Exhibit "B".
6. The purpose of this First Report of the Interim Receiver is to advise this Honourable Court of:
  - (a) the Interim Receiver's activities and its initial findings regarding the Company since its appointment;
  - (b) the status of the Company's public shares listed on the TSX Venture Exchange; and
  - (c) discussions and meetings between the Interim Receiver and representatives of Quantus.

#### **INTERIM RECEIVER'S INITIAL ACTIVITIES**

7. Following the granting of the Interim Receiver Order on April 25, 2013, the Interim Receiver attended at the premises of the Company located at 3080 Yonge Street, Suite 4070, Toronto, Ontario (the "Premises"). The Interim Receiver's observations were as follows:
  - (a) there was little activity and the only person present was an individual who advised that she worked for an employment agency, which had been retained by contract with the Company, and her role was to assist with administrative, accounting and customer service duties on a full time basis for the Company since January 2013;
  - (b) there were a number of empty desks and offices with filing cabinets, which contained little in the way of paper files;
  - (c) there were a number of M2 units relating to the MyTrac business of the Company, which had been returned for warranty service by customers; and
  - (d) the telephone lines and internet system were operating, however only a few computers were seen.
8. The Interim Receiver contacted Jeffrey Collins, the president and chief executive officer of the Company (the "CEO") and John Hughes, the Chief Financial Officer of the

Company (the “CFO”), and Janet Sterritt, the Company’s Vice President of Business Operations, who is located in the state of New Hampshire (the “VP of Operations”) and discussed the role of the Interim Receiver, the Marketing Process, information relating to the status of the Company’s operations, unpaid bills, priority payments to be made, the Company’s bank accounts, employees and service consultants in Canada and the United States.

9. Each of the CEO and CFO confirmed that they had resigned as officers and directors effective with the granting of the Interim Receiver Order, but cooperated and agreed to meet for further discussions with the Interim Receiver at the Premises on April 26, 2013.
10. The Interim Receiver was aware that the rent for the Premises had not been paid for April and therefore contacted representatives of the landlord of the Premises and provided assurances that, subject to receipt of funding, the Interim Receiver would be paying occupation rent from the date of the Interim Receiver Order. Arrangements were made with the Landlord to cancel existing pass cards and to issue new pass cards for access to the Premises.
11. During the day on April 25, 2013, the Interim Receiver received an email from Weir Foulds LLP, legal counsel to the Company (the “April 25 Email”), which referred to a press release issued by the Company (the “Press Release”), which announced the granting of the Interim Receiver Order. The Press Release advised that Medipattern had failed to reach a negotiated settlement with its secured creditors and that the secured creditors had filed an application for the appointment of an interim receiver, which application was expected to be approved that same day. The email also advised that all directors, and the CEO and the CFO of the Company had resigned effective with the issuing of the Interim Receiver Order. Copies of the April 25 Email and the Press Release are attached hereto as Exhibit “C”.
12. On April 26, 2013, the Interim Receiver met with the CEO of the Company and was provided with a signed copy of his resignation as an officer and director of the Company, which was dated April 24, 2013. The CFO attended this meeting by way of conference call. The CEO and CFO advised the Interim Receiver that they had not been full time employees for some time, had not been paid and did not report to the Company’s Premises.

13. The Interim Receiver requested that each of the CEO and CFO turn over any Property in their possession. On April 29, 2013, the CEO provided copies of Company information that was stored on his personal laptop computer.
14. To date, the Interim Receiver has had numerous discussions with the VP of Operations regarding priority issues and bills to be paid. The Interim Receiver has received funding from Ingalls in the amount of \$75,000 (the “Funding”) and has issued a Receiver’s Certificate to Ingalls in respect of the Funding. The Interim Receiver used the Funding to pay the rent to May 31, 2013, and certain outstanding bills to the Company’s consultants.
15. The Interim Receiver is reviewing the Company’s records in order to assemble information needed to carry out the Marketing Process. With the limited management resources, this task will be more difficult.

#### **TSX Venture Exchange**

16. Shortly following the granting of the Interim Receiver Order, the Interim Receiver was advised that the TSX Venture Exchange (the “TSXV”) issued a bulletin advising that trading in the shares of Medipattern had been halted. On April 26, 2013, counsel to the Interim Receiver received a telephone call from a representative of the compliance and disclosure department of the TSXV, who explained that the trade halt was in response to the Press Release issued by the Company. Counsel to the Interim Receiver advised the TSXV representative that the Interim Receiver Order had been made and also that Medipattern’s former counsel had advised that Medipattern’s board and most of its officer’s had resigned. On Monday April 29, 2013, the TSXV issued a further bulletin advising that trading in the shares of Medipattern had been suspended.

#### **Quantus**

17. Late in the day on April 25, 2013, the Interim Receiver contacted Mr. Jamie Spreng, the representative of Quantus to inquire as to the status of the Term Sheet, to request a signed copy of Term Sheet, and to offer to assist Quantus with any remaining due diligence or information requirements. A copy of the signed Term Sheet received from Mr. Spreng is attached hereto as Exhibit “D”.

18. On April 26, 2013, the Interim Receiver and Mr. Spreng had a further call to discuss the status of the interim receivership, and arranged to meet on April 29, 2013.
19. Late in the day of April 26, 2013, Sam Babe of Aird & Berlis LLP (“Aird & Berlis”), counsel to the Interim Receiver sent an email to Peter Carey of Fogler Rubinoff LLP (“Fogler Rubinoff”), counsel for Quantus, which confirmed that the Interim Receiver was in contact with Quantus and had offered to assist Quantus with its information gathering and due diligence process. On the morning of April 29, 2013, Mr. Carey sent a response email advising that his firm no longer represented Quantus. Copies of the email sent by Aird & Berlis on April 26, 2013 and the response from Fogler Rubinoff on April 29, 2013 are attached hereto as Exhibit “E”.
20. In the morning of April 29, 2013, the Interim Receiver was copied on a letter (the “April 29 Letter”) sent to Mr. Justice Wilton- Siegel from Peter Carey of Fogler Rubinoff advising that Mr. Carey and his firm no longer represented Quantus, and as a result, would not be filing the affidavit on behalf of Quantus. A copy of the April 29 Letter is attached hereto as Exhibit “F”.
21. On April 29, 2013, Mr. Spreng and three of members of his team representing Quantus met with the Interim Receiver. The Interim Receiver advised Mr. Spreng that it had been copied on the April 29 Letter, regarding the resignation of its counsel, and the resignation of the board and the CEO and the CFO of the Company, and inquired whether Quantus would still be able to proceed with the Term Sheet. Mr. Spreng advised that Quantus had retained new counsel and the resignations of the board and management should not be an issue. The Interim Receiver asked Mr. Spreng:
  - (a) how the Interim Receiver could assist Quantus with any information or due diligence requirements relating to the Term Sheet or the proposal of Quantus;
  - (b) whether the affidavit required to be filed by April 29, 2013 would be filed;
  - (c) the name of new counsel who would be representing Quantus in this matter; and
  - (d) to provide an update as soon as possible to the Interim Receiver as to whether Quantus would be proceeding with the Term Sheet and/or a similar proposal so that the Marketing Process would not be unduly delayed.
22. Mr. Spreng expressed interest in the ownership of the patents of the Company, the existence of any litigation against the Company, and location of the minute books of

the Company. The Interim Receiver advised that it understood that Quantus had been completing its due diligence for some time and was surprised that it did not have this information, however it would be pleased to make specific information requests if needed. Mr. Spreng did not ask the Interim Receiver to request any information and the meeting concluded.

23. Later in the day, the Interim Receiver sent an email to Mr. Spreng which again asked for this information (the “April 29 Email”). A copy of the April 29 Email is appended hereto as Exhibit “G”.
24. On May 1, 2013, the Interim Receiver received an email from Mr. Spreng which advised that he was now represented by Leo Klug of Klug Law LLP (“Klug Law”). On that same day Mr. Spreng called the Interim Receiver to advise that he had left messages to speak with representatives of Ingalls, which had not been returned. The Interim Receiver agreed to make Ingalls aware of this and sent an email to counsel to Ingalls on that same day.
25. The Interim Receiver has been advised by counsel to Ingalls that Ingalls did respond to Mr. Spreng’s inquiry of May 1, 2013 and to date Ingalls has not received a response from Mr. Spreng with respect to same. A copy of the email dated May 1, 2013 to Mr. Spreng is attached hereto as Exhibit “H”.
26. Late in the day on May 2, 2013, the Interim Receiver was provided with a copy of a letter from Klug Law addressed to counsel to Ingalls, which advised that Mr. Klug would be attending at the 9:30 court attendance on May 3, 2013 and that Quantus would be contacting the Interim Receiver on May 2, 2013 in accordance with the Endorsement. A copy of the May 2, 2013 letter from Klug Law is attached hereto as Exhibit “I”. The Interim Receiver was not contacted by Quantus.

## SUMMARY

27. The Company has limited operations and negligible cash flows. Payment of all necessary expenses will require outside funding.
28. The Company’s board of directors and its CEO and CFO have resigned. Human resources are extremely limited.
29. The trading of the Company’s public shares has been suspended by the TSXV.

30. The Interim Receiver has not received any commitment from Quantus that it is willing or able to proceed with its Term Sheet.
31. It is the view of the Interim Receiver that any further delay to commencement of the Marketing Process will be detrimental, and the Marketing Process should begin on May 6, 2013 pursuant with the terms of the Interim Receiver Order.

All of the foregoing is respectfully submitted to this Honourable Court as of this 2nd day of May, 2013.

**BDO CANADA LIMITED**  
In its capacity as  
Interim Receiver of  
The Medipattern Corporation  
and not in its personal or corporate capacity

Per:



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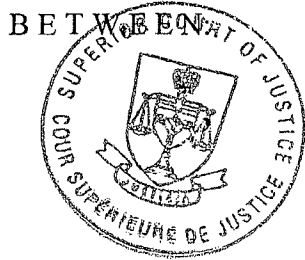
Ken Pearl  
Vice President



**EXHIBIT "A"**

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)**

THE HONOURABLE ) THURSDAY THE 25<sup>th</sup>  
MR. JUSTICE WILTON-SIEGEL )  
DAY OF APRIL, 2013



**INGALLS & SNYDER LLC**

Applicant

- and -

**THE MEDIPATTERN CORPORATION**

Respondent

**IN THE MATTER OF AN APPLICATION PURSUANT TO SECTION 47  
OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c. B-3, AS  
AMENDED; AND SECTION 101 OF THE *COURTS OF JUSTICE ACT*,  
R.S.O. 1990, c. C.43, AS AMENDED**

**ORDER  
(Appointment of Interim Receiver)**

THIS APPLICATION made by Ingalls & Snyder LLC for an Order pursuant to section 47 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "BIA") and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the "CJA") appointing BDO Canada Limited as interim receiver (in such capacities, the "Interim Receiver") without security, of all of the assets, undertakings and properties of The Medipattern Corporation

(the "Debtor") acquired for, or used in relation to a business carried on by the Debtor, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of Thomas O. Boucher, sworn April 19, 2013, (the "Boucher Affidavit") and the Exhibits thereto and on hearing the submissions of counsel for the Applicant, counsel for Quantus Investment Corp. and no one appearing for the Debtor, although duly served as appears from the affidavit of service of Natalie Sirota sworn April 22, 2013 and the affidavit of service of Lena Camara sworn April 22, 2013, and on reading the consent of BDO Canada Limited to act as the Interim Receiver.

### **SERVICE**

1. THIS COURT ORDERS that the time for service of the Notice of Application and the Application Record is hereby abridged and validated so that this Application is properly returnable today and hereby dispenses with further service thereof.

### **APPOINTMENT**

2. THIS COURT ORDERS that pursuant to section 47 of the BIA and section 101 of the CJA, BDO Canada Limited is hereby appointed Interim Receiver, without security, of all of the assets, undertakings and properties of the Debtor acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (the "Property"), until June 28, 2013.

### **INTERIM RECEIVER'S POWERS**

3. THIS COURT ORDERS that the Interim Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Interim Receiver is hereby expressly empowered and authorized to do any of the following where the Interim Receiver considers it necessary or desirable:

- (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;

- (b) to receive, preserve, and protect of the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;
- (c) to manage, operate, and carry on the business of the Debtor, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the Debtor;
- (d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Interim Receiver's powers and duties, including without limitation those conferred by this Order;
- (e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtor or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtor and to exercise all remedies of the Debtor in collecting such monies, including, without limitation, to enforce any security held by the Debtor;
- (g) to settle, extend or compromise any indebtedness owing to the Debtor;
- (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Interim Receiver's name or in the name and on behalf of the Debtor, for any purpose pursuant to this Order;

- (i) to undertake environmental or workers' health and safety assessments of the Property and operations of the Debtor;
- (j) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Debtor, the Property or the Interim Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;
- (k) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Interim Receiver in its discretion may deem appropriate;
- (l) to report to, meet with and discuss with such affected Persons (as defined below) as the Interim Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Interim Receiver deems advisable;
- (m) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (n) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Interim Receiver, in the name of the Debtor;
- (o) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtor, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtor;

- (p) to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have; and
- (q) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations.

and in each case where the Interim Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined below), including the Debtor, and without interference from any other Person.

#### **DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE INTERIM RECEIVER**

4. THIS COURT ORDERS that (i) the Debtor, (ii) all of its current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being "Persons" and each being a "Person") shall forthwith advise the Interim Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Interim Receiver, and shall deliver all such Property to the Interim Receiver upon the Interim Receiver's request.

5. THIS COURT ORDERS that WeirFoulds LLP shall provide the Interim Receiver with access to the Source Code (as defined in the Technology Security Agreement dated March 11, 2011) attached as Exhibit "D" to the Boucher Affidavit.

6. THIS COURT ORDERS that all Persons shall forthwith advise the Interim Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtor, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "Records") in that Person's possession or control, and shall provide to the Interim Receiver or permit the Interim Receiver to make, retain and take away copies thereof and grant to the Interim Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 6 or in paragraph 7 of this Order shall

require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Interim Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

7. THIS COURT ORDERS that if any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Interim Receiver for the purpose of allowing the Interim Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Interim Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Interim Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Interim Receiver with all such assistance in gaining immediate access to the information in the Records as the Interim Receiver may in its discretion require including providing the Interim Receiver with instructions on the use of any computer or other system and providing the Interim Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

#### **NO PROCEEDINGS AGAINST THE INTERIM RECEIVER**

8. THIS COURT ORDERS that no proceeding or enforcement process in any court or tribunal (each, a "Proceeding"), shall be commenced or continued against the Interim Receiver except with the written consent of the Interim Receiver or with leave of this Court.

#### **NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY**

9. THIS COURT ORDERS that no Proceeding against or in respect of the Debtor or the Property shall be commenced or continued except with the written consent of the Interim Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of the Debtor or the Property are hereby stayed and suspended pending further Order of this Court.

### **NO EXERCISE OF RIGHTS OR REMEDIES**

10. THIS COURT ORDERS that all rights and remedies against the Debtor, the Interim Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Interim Receiver or leave of this Court, provided however that this stay and suspension does not apply in respect of any "eligible financial contract" as defined in the BIA, and further provided that nothing in this paragraph shall (i) empower the Interim Receiver or the Debtor to carry on any business which the Debtor is not lawfully entitled to carry on, (ii) exempt the Interim Receiver or the Debtor from compliance with statutory or regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

### **NO INTERFERENCE WITH THE INTERIM RECEIVER**

11. THIS COURT ORDERS that no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Debtor, without written consent of the Interim Receiver or leave of this Court.

### **CONTINUATION OF SERVICES**

12. THIS COURT ORDERS that all Persons having oral or written agreements with the Debtor or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Debtor are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Interim Receiver, and that the Interim Receiver shall be entitled to the continued use of the Debtor's current telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Interim Receiver in accordance with normal payment practices of the Debtor or such other practices as may be agreed upon by the supplier or service provider and the Interim Receiver, or as may be ordered by this Court.



### **INTERIM RECEIVER TO HOLD FUNDS**

13. THIS COURT ORDERS that all funds, monies, cheques, instruments, and other forms of payments received or collected by the Interim Receiver from and after the making of this Order from any source whatsoever, including without limitation the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Interim Receiver (the "Post Interim Receivership Accounts") and the monies standing to the credit of such Post Interim Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Interim Receiver to be paid in accordance with the terms of this Order or any further Order of this Court.

### **EMPLOYEES**

14. THIS COURT ORDERS that all employees of the Debtor shall remain the employees of the Debtor until such time as the Interim Receiver, on the Debtor's behalf, may terminate the employment of such employees. The Interim Receiver shall not be liable for any employee-related liabilities, including any successor employer liabilities as provided for in section 14.06(1.2) of the BIA, other than such amounts as the Interim Receiver may specifically agree in writing to pay, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*.

### **PIPEDA**

15. THIS COURT ORDERS that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, the Interim Receiver shall disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a "Sale"). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Interim Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased,

in a manner which is in all material respects identical to the prior use of such information by the Debtor, and shall return all other personal information to the Interim Receiver, or ensure that all other personal information is destroyed.

#### **LIMITATION ON ENVIRONMENTAL LIABILITIES**

16. THIS COURT ORDERS that nothing herein contained shall require the Interim Receiver to occupy or to take control, care, charge, possession or management (separately and/or collectively, "Possession") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, or the *Ontario Occupational Health and Safety Act* and regulations thereunder (the "Environmental Legislation"), provided however that nothing herein shall exempt the Interim Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Interim Receiver shall not, as a result of this Order or anything done in pursuance of the Interim Receiver's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

#### **LIMITATION ON THE INTERIM RECEIVER'S LIABILITY**

17. THIS COURT ORDERS that the Interim Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act*. Nothing in this Order shall derogate from the protections afforded the Interim Receiver by section 14.06 of the BIA or by any other applicable legislation.

#### **INTERIM RECEIVER'S ACCOUNTS**

18. THIS COURT ORDERS that the Interim Receiver and counsel to the Interim Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and

charges, and that the Interim Receiver and counsel to the Interim Receiver shall be entitled to and are hereby granted a charge (the "Interim Receiver's Charge") on the Property, as security for such fees and disbursements, both before and after the making of this Order in respect of these proceedings, and that the Interim Receiver's Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

19. THIS COURT ORDERS that the Interim Receiver and its legal counsel shall pass its accounts from time to time, and for this purpose the accounts of the Interim Receiver and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

20. THIS COURT ORDERS that prior to the passing of its accounts, the Interim Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including legal fees and disbursements, incurred at the normal rates and charges of the Interim Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

#### **FUNDING OF THE INTERIM RECEIVERSHIP**

21. THIS COURT ORDERS that the Interim Receiver be at liberty and it is hereby empowered to borrow by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed \$500,000 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Interim Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "Interim Receiver's Borrowings Charge") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Interim Receiver's Charge and the charges as set out in sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

22. THIS COURT ORDERS that neither the Interim Receiver's Borrowings Charge nor any other security granted by the Interim Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.

23. THIS COURT ORDERS that the Interim Receiver is at liberty and authorized to issue certificates substantially in the form annexed as Schedule "A" hereto (the "Interim Receiver's Certificates") for any amount borrowed by it pursuant to this Order.

24. THIS COURT ORDERS that the monies from time to time borrowed by the Interim Receiver pursuant to this Order or any further order of this Court and any and all Interim Receiver's Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Interim Receiver's Certificates.

#### MARKETING PROCESS

25. THIS COURT ORDERS that the Interim Receiver is hereby authorized and directed to carry out and conduct a marketing process in respect of the Property or any material portion or portions thereof, substantially in accordance with the marketing process outlined in Schedule "B" to this Order (the "Marketing Process"), and such Marketing Process is hereby approved, which Marketing Process shall not commence until May 6, 2013, or until such further date as ordered by this Court.

#### ~~QUANTUS INVESTMENT CORP.~~

~~26. THIS COURT ORDERS that Quantus Investment Corp. ("Quantus") is required to deliver to Ingalls & Snyder LLC by 5:00PM Eastern on May 1, 2013, information pertaining to transaction contemplated by the Term Sheet dated April 23, 2013 (the "Term Sheet"), which shall include: 1) the name of the purchaser of the Promissory Notes; 2) information on the financial ability to complete the transaction; and 3) such other information as Quantus may have regarding the status of the transaction.~~ XHS

#### GENERAL

27. THIS COURT ORDERS that the Interim Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

28. THIS COURT ORDERS that nothing in this Order shall prevent the Interim Receiver from acting as a trustee in bankruptcy of the Debtor.

29. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Interim Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Interim Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Interim Receiver and its agents in carrying out the terms of this Order.

30. THIS COURT ORDERS that the Interim Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Interim Receiver is authorized and empowered to act as a representative in respect of the within proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

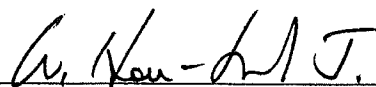
31. THIS COURT ORDERS that the Applicant shall have its costs of this Application, up to and including entry and service of this Order, provided for by the terms of the Applicant's security or, if not so provided by the Applicant's security, then on a substantial indemnity basis to be paid by the Interim Receiver from the Debtor's estate with such priority and at such time as this Court may determine.

32. THIS COURT ORDERS that any interested party may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to the Interim Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

ENTERED AT / INSCRIT À TORONTO  
ON / BOOK NO:  
LE / DANS LE REGISTRE NO.:



APR 25 2013



## SCHEDULE "A"

### INTERIM RECEIVER CERTIFICATE

CERTIFICATE NO. \_\_\_\_\_

AMOUNT \$ \_\_\_\_\_

1. THIS IS TO CERTIFY that BDO Canada Limited, the Interim Receiver (the "Interim Receiver") of the assets, undertakings and properties The Medipattern Corporation acquired for, or used in relation to a business carried on by the Debtor, including all proceeds thereof (collectively, the "Property") appointed by Order of the Ontario Superior Court of Justice (Commercial List) (the "Court") dated the \_\_\_\_\_ of \_\_\_\_\_ 20\_\_ (the "Order") made in an action having Court file number \_\_\_\_\_-CL-\_\_\_\_\_, has received as such Interim Receiver from the holder of this certificate (the "Lender") the principal sum of \$\_\_\_\_\_, being part of the total principal sum of \$\_\_\_\_\_ which the Interim Receiver is authorized to borrow under and pursuant to the Order.

2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded [daily][monthly not in advance on the \_\_\_\_\_ day of each month] after the date hereof at a notional rate per annum equal to the rate of \_\_\_\_\_ per cent above the prime commercial lending rate of \_\_\_\_\_ from time to time.

3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Interim Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property, in priority to the security interests of any other person, but subject to the priority of the charges set out in the Order and in the *Bankruptcy and Insolvency Act*, and the right of the Interim Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.

4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at Toronto, Ontario.

5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Interim

Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

6. The charge securing this certificate shall operate so as to permit the Interim Receiver to deal with the Property as authorized by the Order and as authorized by any further or other order of the Court.

7. The Interim Receiver does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

DATED the \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_\_.

BDO CANADA LIMITED, solely in its capacity  
as Interim Receiver of The Medipattern  
Corporation, and not in its personal capacity

Per: \_\_\_\_\_

Name:

Title:

## SCHEDULE "B"

### MARKETING PROCESS FOR THE MEDIPATTERN CORPORATION

- | <u>Event</u>   | <u>Timing</u>                       |
|--|-------------------------------------|
| 1. The Interim Receiver shall contact potential purchasers (as known to the Interim Receiver or as identified to the Interim Receiver by former management of The Medipattern Corporation).  | Commencing the week of May 6, 2013  |
| 2. Advertise the sale of the Property, en bloc or piecemeal, in <i>The Globe &amp; Mail</i> (National Edition) as well as other publications as considered appropriate by the Interim Receiver.  | Commencing the week of May 13, 2013 |
| 3. Provide a confidential information package to and arrange for access to additional data once a confidentiality agreement has been executed. The confidential information package shall solicit offers on an en bloc or piecemeal basis. | Commencing the week of May 13, 2013 |
| 4. Deadline for submissions of offers.   | June 14, 2013 at 5:00 p.m. (EST)    |
| 5. Negotiate an agreement of purchase and sale with preferred purchaser(s), conditional upon Court approval.   | By June 28, 2013                    |
| 6. Seek Court approval of agreement of purchase and sale.  | Week of July 8, 2013                |
| 7. Close sale to successful purchaser(s).  | Week of July 8, 2013                |



**IN THE MATTER OF AN APPLICATION PURSUANT TO SECTION 47 OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c. B-3, AS AMENDED; AND SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O. 1990, c. C.43, AS AMENDED**

**INGALLS & SNYDER LLC**  
Applicant

- and -

**THE MEDIPATTERN CORPORATION**  
Respondent

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)**

PROCEEDINGS COMMENCED AT TORONTO

**ORDER  
(Appointment of Interim Receiver)**

**BORDEN LADNER GERVAIS LLP**  
40 King Street West  
Toronto, Ontario  
M5H 3Y4

**ROGER JAIPARGAS**  
Tel: (416) 367-6266  
Fax: (416) 361-7067  
Email: rjaipargas@blg.com  
LSUC# 43275C

Lawyers for the Applicant

TOR01: 5163999: v8

**EXHIBIT "B"**

Court File Number: CV-13-10078-0001

Superior Court of Justice  
Commercial List

FILE/DIRECTION/ORDER

Regals & Snyder LLC  
Plaintiff(s)

AND

The Medipattern Inc.  
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):

Order to go on the form attached.

Quantis Investment Corp. is to file an affidavit with the Court by April 29/13 setting out its share holding position, including percentage of the total outstanding shares, in the company.

The parties are to return for a 9:30am. conference before me on May 3/13 at which time Quantis is to report on the status of ~~the~~ satisfaction of the conditions contemplated by the Term Sheet dated April 23/13.

April 25/13  
Date

W. Hon - L.J.  
Judge's Signature

Additional Pages 1

Superior Court of Justice  
Commercial List

## FILE/DIRECTION/ORDER

## Judges Endorsement Continued

the execution of the definitive agreement and the financial capacity <sup>of the proposed purchaser</sup> to close the proposed transaction, with appropriate evidence in respect of each of these matters.

A hearing is scheduled for ~~May~~ <sup>May</sup> 7/13 (1 hr.) in respect of any motion that either party may wish to bring after hearing of the status of the matter on May 3/13, including if the applicant so chooses, an application under section 243(1) of the Bankruptcy & Insolvency Act.

**EXHIBIT "C"**

## Secured Creditors Apply for Interim Receiver

TORONTO, April 25, 2013 /CNW/ - The Medipattern Corporation ("Medipattern" or the "Company") (TSX-V: MKI.V), announced today that it has failed to reach a negotiated settlement with its secured creditors as earlier disclosed in a press release of the Company on March 13, 2013. The secured creditors have filed an application for appointment of an interim receiver pursuant to Section 47 of the *Bankruptcy and Insolvency Act* (Canada). The Company expects that this application will be approved today.

### About the Medipattern Corporation:

Medipattern® is an award-winning leader in the development and commercialization of healthcare solutions that positively impact people's lives through the prevention of disease and analysis of medical images and data. Medipattern's Knowledge-based Informatics (MKI) platform enables delivery of these streamlined solutions. Medipattern mHealth uses patented prevention technologies to engage, coach and monitor people in achieving their personalized goals. Medipattern iaHealth uses patented pattern recognition technology to analyze medical data to aid medical practitioners in the assessment of disease and critical anatomy. For more information, please visit the Company's website: [www.medipattern.com](http://www.medipattern.com).

Medipattern® is registered trademarks of The Medipattern Corporation. *Visualize:Vascular*™ is a registered trademark of Medipattern.

*Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.*

SOURCE: The Medipattern Corporation

%SEDAR: 00022077E

#### For further information:

Jeff Collins, CEO  
The Medipattern Corporation  
(416) 744-0009 ext. 224  
[jcollins@medipattern.com](mailto:jcollins@medipattern.com)

CO: The Medipattern Corporation

CNW 09:15e 25-APR-13

---

**From:** Wayne Egan <wegan@weirfoulds.com>  
**Sent:** April-25-13 11:52 AM  
**To:** 'Jaipargas, Roger'  
**Cc:** Arzoumanidis, Mary; Sam Babe; 'Pearl, Ken (KPearl@bdo.ca)'; Carey, Peter W.G. (pcarey@foglers.com); Tailor, Dru (dtailor@bdo.ca); Michael Dolphin; Krieger, Jonathan; Sobel, Daniel (Daniel.Sobel@ca.gt.com)  
**Subject:** RE: Medipattern

Roger, thanks for the confirmation that the application by the secured Note holders for appointment of an interim receiver has been approved by the courts.

We advise that we have received resignations from each of the 4 directors (Jeff Collins, Mark Greenspan, Lorne Greenspan and Reed Hanoun), and Jeff Collins (President and CEO) and John Hughes (CFO) as officers, effective upon the appointment of the interim receiver. These resignations have been provided at this time on the basis that the secured creditors don't want management or the directors involved in the business going forward, pursuant to our discussions Tuesday afternoon in seeing if there might be a viable way to avoid the interim receiver appointment.

Finally, we advise that Medipattern issued a press release this morning updating this process and the pending appointment of the interim receiver, and that the regulators have halted the stock.

We also advise WeirFoulds LLP no longer acts as counsel on behalf of Medipattern.

Wayne

WAYNE EGAN\* | Partner | T. 416-947-5086 | [wegan@weirfoulds.com](mailto:wegan@weirfoulds.com)

---

**WeirFoulds** LLP

66 Wellington Street West, Suite 4100, P.O. Box 35, Toronto-Dominion Centre, Toronto, Ontario, Canada. M5K 1B7 | T. 416.365.1110 | F. 416.365.1876 | [www.weirfoulds.com](http://www.weirfoulds.com)

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\*Partner through a professional corporation

---

**From:** Jaipargas, Roger [<mailto:RJaipargas@blg.com>]  
**Sent:** April-25-13 11:26 AM  
**To:** Wayne Egan; Michael Dolphin; [sbabe@airdberlis.com](mailto:sbabe@airdberlis.com); 'Pearl, Ken (KPearl@bdo.ca)'; Carey, Peter W.G. ([pcarey@foglers.com](mailto:pcarey@foglers.com)); Tailor, Dru ([dtailor@bdo.ca](mailto:dtailor@bdo.ca))  
**Cc:** Arzoumanidis, Mary  
**Subject:** Medipattern  
**Importance:** High

Hello All,

Further to our attendance at Court this morning, attached is a copy of the issued and entered order and the endorsement of Justice Wilton-Siegel. Thank you.

Regards,

Roger



**Roger Jaipargas**  
T 416-367-6266 | F 416-361-7067 | [rjaipargas@blg.com](mailto:rjaipargas@blg.com)  
Scotia Plaza, 40 King St W, Toronto, ON, Canada M5H 3Y4

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**EXHIBIT "D"**

**The Medipattern Corporation**  
**\$7,000,000 Promissory Notes**  
**Term Sheet**

April 23, 2013

Enclosed are the proposed terms for the issuance of one (1) or more promissory notes in the aggregate value of CDN \$7 million (the "Notes") to be issued by The Medipattern Corporation ("Medipattern") to Quantus Investment Corp. (the "Lender").

<b>Issuer:</b>	The Medipattern Corporation
<b>Amount:</b>	Up to CDN \$7 million (the "Principal Amount") of which up to CDN \$6 million shall be in the form of a term loan and up to CDN \$1 million shall be in the form of a revolving line of credit.  The revolving line of credit shall only be made available to Medipattern after the appointment of the Lender's nominees to Medipattern's board of directors as provided for herein.
<b>Use of Proceeds:</b>	Payment of existing certain current liabilities of Medipattern referenced in a demand letter to Medipattern dated February 21, 2013. The Lender, in its sole discretion, may pay such current liabilities directly.
<b>Issue Date:</b>	The Note will be issued on or before May 6, 2013 (the "Issue Date").
<b>Term:</b>	Three (3) years.
<b>Interest Rate:</b>	Annual interest rate shall be 8% per annum.
<b>Interest Payments:</b>	Annual interest on the Principal Amount will be payable on an semi-annual basis from the Issue Date.
<b>Payment at Maturity:</b>	The amount payable under the Note on the Maturity Date will be equal to the sum of the Principal Amount plus any interest owing at such date.
<b>Security:</b>	The Notes shall be secured by a general security agreement over all of the current and future acquired assets of Medipattern including, but not limited to, Medipattern's proprietary technology and intellectual property rights related thereto and associated therewith.
<b>Warrants:</b>	In connection with the issuance of the Notes, Medipattern shall issue to the Lender an aggregate of 35 million common share purchase warrants (the "Warrants") in the capital of Medipattern. The issuance of the Warrants are subject to the approval of the TSX Venture Exchange ("TSXV").
<b>Terms of the Warrants:</b>	Each Warrant shall entitle the Lender to acquire one (1) common share in the capital of Medipattern for a period of three (3) years from the issuance date at the lowest exercise price allowable under the policies and regulations of the TSXV.
<b>Board of Directors:</b>	The Lender, so long as the Notes are outstanding, shall have the right to immediately nominate four (4) nominees to the board of directors of Medipattern and shall have the right to attend all meetings of the shareholders of Medipattern. Upon on the repayment of the Notes, the

	Lender's nominees shall resign from Medipattern's board of directors.
<b>Due Diligence:</b>	<p>For a period of ten (10) business days from the signing of this term sheet (the "Due Diligence Period"), the Lender shall be permitted, through its representatives and advisors, to conduct customary due diligence investigations of all aspects of the business, property and affairs of Medipattern. At any time during the due diligence period the lender may, in its sole and absolute discretion terminate this term sheet.</p> <p>Medipattern shall make available to the Lender, in a timely manner, all of its corporate records, including minute books, share ledgers, financial statements, tax returns, material contracts and the like, and all records maintained in connection with its business.</p>
<b>Releases:</b>	As a condition of the issuance of the notes, Medipattern shall obtain from its current creditors releases, in the form satisfactory to the Lender, in favour of Medipattern with respect to any current or future claim that such creditor may have against Medipattern. If any debt holders are also shareholders then they shall sign as shareholders as well.
<b>Definitive Agreement:</b>	Assuming that the Lender is satisfied with the results of its due diligence investigations, on or before the end of the Due Diligence Period, the Lender and Medipattern shall have negotiated and settled the terms of a definitive term loan agreement and revolving loan agreement (collectively, the "Agreements"). The Agreements will contain definitive terms of the Notes, customary representations, warranties, covenants, conditions and termination rights, and other customary information of Medipattern in accordance with the <i>Securities Act</i> (Ontario) all other applicable corporate and securities legislation.
<b>Confidentiality:</b>	<p>The Lender and Medipattern shall each keep confidential any trade secrets or confidential financial or business documents concerning the business of the other (collectively the "Information") received by it from each other and shall not disclose such Information to any third party, provided that any of such Information may be disclosed to the receiving party's directors, officers, employees, representatives and professional advisors who need to know such Information in connection with the transactions contemplated hereby (provided the receiving party shall use all reasonable efforts to ensure that such directors, officers, employees, representatives and professional advisors keep confidential such Information) and provided further that the receiving party will not be liable for disclosure of the Information upon the occurrence of one or more of the following events:</p> <ul style="list-style-type: none"> <li>(i) the Information is, or becoming, generally known to the public other than through a breach of this paragraph;</li> <li>(ii) the Information being lawfully obtained by the receiving party from a third party or parties who is/are not part to this letter of intent and is/are not known by the receiving party to be bound by the terms of any confidentiality obligation or is/are otherwise prohibited by law, contract, fiduciary duty or otherwise from transmitting such information to the receiving party, and without breach of this Agreement by the receiving party, as shown by</li> </ul>

	<p>documentation sufficient to establish the third party as a source of the Information;</p> <p>(iii) the Information being known to the receiving party prior to disclosure by the disclosing party, as shown by documentation sufficient to establish such knowledge; or</p> <p>(iv) the disclosing party having provided its prior written approval for such disclosure by the receiving party.</p>
<b>Representations and Warranties:</b>	Usual and customary for the type of transaction.
<b>Events of Default:</b>	Usual and customary for the type of transaction proposed.
<b>Assignment:</b>	Usual and customary for the type of transaction proposed.
<b>Financial Advisor:</b>	Quantus Investment Corp.
<b>Term:</b>	This term sheet shall remain in force for a period of ten (10) days from the date first written above unless extended by Medipattern.
<b>Fees:</b>	Any fees associated with the issuance of the Notes shall be paid from the Principal Amount.

It is understood that the contents of this Term Sheet may not be revealed or discussed with any other party other than the financial or legal advisors of the Lender.

Yours truly,

**THE MEDIPATTERN CORPORATION**

Per: 

Name: Jeff Collins  
Title: Chief Executive Officer  
*(I have the authority to bind the company)*

Agreed and accepted this 24<sup>th</sup> day of APRIL, 2013

**QUANTUS INVESTMENT CORP.**

Per: 

Name: Jamie Spreng  
Title: Chief Executive Officer  
*(I have the authority to bind the company)*

**EXHIBIT "E"**

---

**From:** Carey, Peter W.G. <pcarey@foglers.com>  
**Sent:** April-29-13 9:55 AM  
**To:** Sam Babe  
**Cc:** 'Jaipargas, Roger'  
**Subject:** RE: Medipattern

Dear Mr. Babe,

Our firm no longer represents Quantus. As a result I am not in a position to respond to your email.

Yours truly



**Peter W.G. Carey**  
Partner  
Fogler, Rubinoff LLP  
Lawyers  
77 King Street West  
Suite 3000, P.O. Box 95  
TD Centre  
Toronto, ON M5K 1G8  
Direct: 416.365.3705  
Main: 416.864.9700  
Toll Free: 1.866.861.9700  
Fax: 416.941.8852  
Email: [pcarey@foglers.com](mailto:pcarey@foglers.com)  
[foglers.com](http://foglers.com)

---

**From:** Sam Babe [<mailto:sbabe@airdberlis.com>]  
**Sent:** Friday, April 26, 2013 6:41 PM  
**To:** Carey, Peter W.G.  
**Cc:** 'KPearl@bdo.ca'  
**Subject:** Re: Medipattern

Peter,

The Interim Receiver is doing its best to access, gather and assemble information about the company that might be of use in your client's due diligence process, as well as for eventual use in a data room for a marketing process (if it comes to that). Your client should convey any specific information requests it has to Ken Pearl and BDO will do their best to respond to the same.

As I mentioned on our call this morning, we are concerned that, apart from facilitating your client's due diligence, the Interim Receiver presently has no authority to move the transaction forward. It is not empowered execute a definitive credit agreement on the part of the debtor, nor even to handle the further negotiations necessary to get from the term sheet to a definitive agreement. With the board and officers now resigned, this presents a real problem which we would still like to discuss - hopefully we can do so on Monday.

I mentioned also a concern that actions taken by securities regulators might restrict the ability of the debtor to issue warrants as contemplated as contemplated by the Term Sheet. My present understanding (limited both by information and my lack of securities expertise) is that there is only a halt on trading by which would not limit treasury issuances. That, however, may change.

I am available to speak over the weekend; otherwise we'll talk Monday.

Thanks,

Sam

-----  
Sent using BlackBerry

**From:** Sam Babe  
**Sent:** Thursday, April 25, 2013 05:18 PM Eastern Standard Time  
**To:** 'pcarey@foglers.com' <pcarey@foglers.com>  
**Cc:** KPearl@bdo.ca <KPearl@bdo.ca>  
**Subject:** Medipattern

Peter,

Would you and your client be available for a call tomorrow at 11:00 or after? With the resignation of the board and officers we should discuss how your client will proceed, if it is still willing.

Thanks,

Sam

---

**Sam Babe, J.D., M.B.A.**

T 416.865.7718  
F 416.863.1515  
E [sbabe@airdberlis.com](mailto:sbabe@airdberlis.com)

Brookfield Place • 181 Bay Street  
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[www.airdberlis.com](http://www.airdberlis.com)

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Barristers and Solicitors

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**EXHIBIT "F"**



fogler  
rubinoff

Fogler, Rubinoff LLP  
Lawyers

77 King Street West  
Suite 3000, PO Box 95  
TD Centre  
Toronto, ON M5K 1G8  
t: 416.864.9700 | f: 416.941.8852  
foglers.com

April 29, 2013

Reply To: Peter W.G. Carey  
Direct Dial: 416.365.3705  
E-mail: pcarey@foglers.com  
Our File No. 13/3134

**HAND DELIVERED**

Honorable Justice Wilton-Siegel  
Ontario Superior Court Commercial List  
330 University Ave  
7th Floor  
Toronto, Ontario  
M5G 1R7

Dear Justice Wilton-Siegel:

**Re: MediPattern Corporation; Court File No. CV 13-10078-00CL**

We appeared on behalf of Quantus Investment Corp. ("Quantus"), in the above captioned matter, at a 9:30 appointment in your chambers on April 25, 2013.

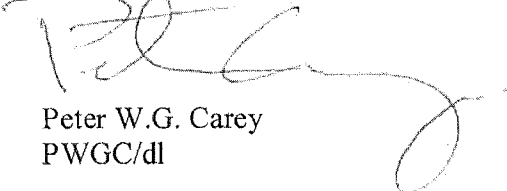
At that appointment you ordered Quantus to file an Affidavit confirming its status as a shareholder of the Medipattern Corporation.

We advised Quantus on April 25, 2013 of its obligation to file such an Affidavit.

Our firm is not in a position to file the ordered affidavit as we no longer act for Quantus.

Yours respectfully,

**FOGLER, RUBINOFF LLP**



Peter W.G. Carey  
PWGC/dl

**EXHIBIT "G"**

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**From:** Pearl, Ken <KPearl@bdo.ca>  
**Sent:** April-29-13 3:31 PM  
**To:** 'Jamie Spreng'  
**Cc:** Sam Babe  
**Subject:** Medipattern  
**Attachments:** Letter to Justice Wilton-Seigel.pdf

Jamie,

You indicated that Fogler Rubinoff still acts for your firm, however while we were in our meeting, I received the a copy of the attached letter from Peter Carey to Justice Wilton-Seigel confirming that Fogler Rubinoff no longer acts for Quantus and will not be filing the affidavit on your behalf, which was promised to be sent to Justice Wilton-Seigel today.

In addition, you should know that there is a further appointment scheduled with your counsel, and counsel for the applicant on Friday May 1 at 9:30 am with Justice Wilton-Seigel. Please indicate if you plan on keeping this appointment and if so, please provide the name of the firm and the lawyer who will be representing you. If not, I will instruct my counsel to let the judge know.

Also for my records, I would appreciate you providing the names and titles of the three members of your team who attended the meeting at my office earlier this afternoon. Finally, this is to confirm that you did not ask me to provide any specific information and you promised to let me know your intentions about whether you will be proceeding with the term sheet as soon as possible.

Thanks,  
Ken

Ken Pearl, CPA, CA•CIRP, MBA  
Vice President  
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**EXHIBIT "H"**

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**From:** Boone, Shep  
**Sent:** Wednesday, May 01, 2013 1:53 PM  
**To:** 'Jamie Spreng'  
**Cc:** Boucher, Tom  
**Subject:** RE: conference call request

Jamie,

I have now picked up your voicemail and your email below. As you know an interim receiver was appointed by the Ontario Court on April 25<sup>th</sup>, so I am guessing that you should be speaking to Ken Pearl at BDO, who is the interim receiver. Nevertheless, if there is something that you would like Ingalls & Snyder to consider, please put it in writing ASAP and send it to me so that same can be considered with our counsel. Alternatively, if you deem it appropriate, please have your counsel contact our lawyer Roger Jaipargas at 416-367-6266. I look forward to hearing from you.

Regards,

Shep

---

**From:** Jamie Spreng [<mailto:jspreng@quantuscorp.com>]  
**Sent:** Wednesday, May 01, 2013 10:13 AM  
**To:** Boone, Shep  
**Subject:** conference call request

Shep,

I left you a voice mail a moment ago but wanted to email as well because I do not know which will reach you first. The group I have been dealing with to raise the funds for MKI would like to speak to you directly and hopefully put all this to bed quickly. Can you please give me a couple of times you are free to speak today and I will arrange to get them on the phone.

Thanks  
jamie

**Jamie Spreng**  
*CEO, Portfolio Manager*



**EXHIBIT "I"**



Leo Klug, B. Comm., J.D.  
Certified by the Law Society of Upper Canada  
as a Specialist in Civil Litigation  
leoklug@kluglaw.ca

Betsy E. Klug, B.A., J.D.  
betsyklug@kluglaw.ca

File No. 2303

May 2, 2013

VIA EMAIL: [rjaipargas@blg.com](mailto:rjaipargas@blg.com)

Mr. Roger Jaipargas  
Borden Ladner Gervais LLP  
Barristers and Solicitors  
40 King Street West  
Toronto ON M5H 3Y4

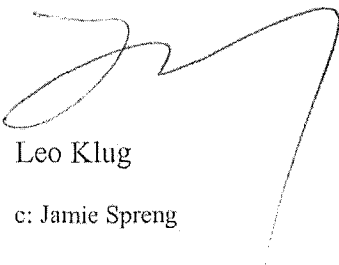
Dear Mr. Jaipargas:

**Re: Ingalls & Snyder LLC v. The Medipattern Corporation**

I am now retained to act on behalf of Quantus Investment Corporation. I will be attending in court tomorrow at the 9:30 a.m. appointment.

I have had discussions with Jamie Spreng, the CEO of Quantus Investment Corporation. Mr. Spreng will be corresponding with your client and with the Receiver today in accordance with the endorsement of Justice Wilton-Siegel of April 25, 2013.

Yours truly,

A handwritten signature in black ink, appearing to be "Leo Klug", written over a light blue horizontal line. The signature is stylized and extends to the right of the line.

Leo Klug

c: Jamie Spreng

**IN THE MATTER OF AN APPLICATION PURSUANT TO SECTION 47 OF THE *BANKRUPTCY AND INSOLVENCY ACT*, R.S.C. 1985, c. B-3, AS AMENDED; AND SECTION 101 OF THE *COURTS OF JUSTICE ACT*, R.S.O. 1990, c. C.43, AS AMENDED**

**INGALLS & SNYDER LLC**  
Applicant

- and -

**THE MEDIPATTERN CORPORATION**  
Respondent

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)**

PROCEEDINGS COMMENCED AT TORONTO

**REPORT**

**AIRD & BERLIS LLP**

Barristers and Solicitors  
Brookfield Place  
181 Bay Street, Suite 1800  
Toronto, ON M5J 2T9

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Email: [sbabe@airdberlis.com](mailto:sbabe@airdberlis.com)

*Lawyers for BDO Canada Limited*