

TAB 3

Court File CV12-9896-00CL

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

BETWEEN:

**BONNIE CUMMINGS IN HER CAPACITY AS ESTATE EXECUTRIX
OF THE ESTATE OF THE LATE JOHN CUMMINGS**

Applicant

- and -

**PEOPLEGE HR SERVICES INC., WINSTON PARK FINANCIAL SERVICES LTD.,
CMC FRASER LTD. AND 1624452 ONTARIO LIMITED**

Respondents

AFFIDAVIT

I, Eugene P. Migus, of the Town of Halton Hills, in the Province of Ontario, MAKE OATH AND SAY THAT:

1. I am a Senior Vice President and a licensed trustee in bankruptcy with BDO Canada Limited ("BDO"), Receiver of the assets and property of: (a) Peopledge HR Services Inc. (hereinafter referred to as "Peopledge"); and (b) Winston Park Financial Services Ltd., CMC Fraser Ltd., and 1624452 Ontario Limited (hereinafter collectively referred to as the "Related Parties"). In addition, BDO Canada Limited is also the Trustee administering the bankruptcy of Peopledge and the Related Parties. As such, I have knowledge of the matters hereinafter deposed to.
2. BDO Canada Limited was appointed as the Receiver of the property of Peopledge and the Related Parties pursuant to the order of the Honourable Justice Newbould made October 29, 2012 (the "Receivership Order") on an

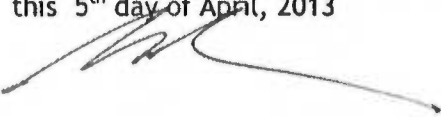
application by Bonnie Cummings in her capacity as the Estate Executrix of the estate of the late John Cummings (the "Estate Executrix").

3. Peopledge conducted business as a provider of payroll processing, human resources, and benefits services. It is a privately held Ontario corporation incorporated on December 11, 2006.
4. The Related Parties are corporations owned and/or previously controlled by the late John Cummings. The business purpose of the Related Parties is unclear. To date, the Receiver has identified an extremely limited amount of information relating to the Related Parties and their business activity.
5. As intended by the Application of the Estate Executrix, the Receiver was appointed to, among other things, oversee the orderly wind-down of the business of Peopledge.
6. Pursuant to the Receivership Order, the Receiver performed the services which are more particularly described in the detailed accounts attached hereto and marked as Exhibit "A".
7. The time shown in the detailed accounts attached as Exhibit "A" is a fair and accurate description of the services provided and the amounts charged by the Receiver, which reflect the Receiver's time as billed at its standard billing rates.
8. The time incurred with respect to the foregoing administration of this receivership to March 31, 2013 is as follows:

Name	Position	Rate	Hours	Fees
Hocking, Greg	Partner	\$ 520.00	2.50	\$ 1,300.00
Migus, Eugene	Trustee and Senior Vice President	509.88	157.60	80,356.50
Siciliano, Vince	Trustee and Senior Vice President	575.00	18.05	10,378.75
Naumis, Peter	Trustee and Vice President	350.00	334.60	117,110.00
Porter, Christopher	Trustee and Vice President	375.00	0.50	187.50
Krieger, Michael	Trustee and Assist. Vice President	325.00	52.00	16,900.00
Goldhar, Richard	Senior Administrator	180.00	6.50	1,170.00
Sagolili, Nicole	Senior Administrator	239.00	197.90	47,298.10
Morataya, Mario	Junior Administrator	60.03	52.60	3,157.50
Heels, Wilma	Office	154.00	2.60	400.40
Iannilli, Franca	Office	148.00	75.25	11,137.00
McCreath, Jan	Office	132.00	40.00	5,280.00
Dula, Lou	Accounting	135.00	26.00	3,510.00
Subtotal			<u>966.10</u>	298,185.75
Administrative fee				<u>11,927.43</u>
Subtotal				310,113.18
Harmonized Sales Tax				<u>40,314.71</u>
TOTAL				<u>\$ 350,427.89</u>

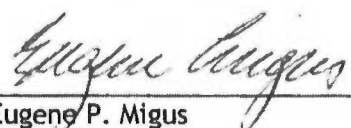
9. The Receiver requests Court approval of professional and administrative fees totalling \$310,113.18 plus applicable Harmonized Sales Tax for the services performed to March 31, 2013.

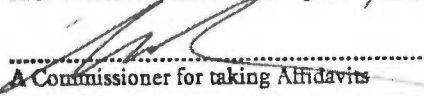
10. This affidavit is sworn in support of the Receiver's motion for, among other things, approval of its fees and those of its legal representatives and for no other or improper purpose.

SWORN BEFORE ME at the)
 City of Mississauga)
 this 5th day of April, 2013)
)

A Commissioner etc. in and
 For the Province of Ontario

Vince Franco Siciliano, a Commissioner, etc., Province of Ontario, for BDO Canada LLP, Chartered Accountants and BDO Canada Limited, Trustee in Bankruptcy and their subsidiaries, associates and affiliates. Expires January 5, 2016.


 Eugene P. Migus

This is Exhibit "A" referred to in the
Affidavit of Eugene P. Miquel
sworn before me this 5th day of April, 2013

A Commissioner for taking Affidavits

Vince Franco Siciliano, a Commissioner, etc., Province of
Ontario, for BDO Canada LLP, Chartered Accountants
and BDO Canada Limited, Trustee in Bankruptcy and their
subsidiaries, associates and affiliates. Expires January 5, 2016.

<u>Date</u>	<u>Name</u>	<u>Hours</u>	<u>Particulars</u>
20-Sep-12	Naumis, Peter	0.50	Correspondence to and from Jennifer Hughes regarding consolidated accounts, etc; review additional information on accounting and company.
21-Sep-12	Naumis, Peter	1.25	Strategy meeting with Eugene Migus; review and amend report in support of application; review completed August month ends, general ledgers and bank statements.
24-Sep-12	Naumis, Peter	2.50	PPSA search and review; conference call with Cassels Brock & Blackwell LLP and Stephen Walters; continue drafting the proposed receiver's report; correspondence and further reports/information from Jennifer Hughes.
25-Sep-12	Naumis, Peter	0.25	Strategy meeting.
26-Sep-12	Migus, Eugene	1.00	Conference call with Stephen Walters, Bonnie Cummings, Cassels Brock & Blackwell LLP (Deborah Grieve, Eleonore Morris); follow-up discussion with Peter Naumis.
26-Sep-12	Naumis, Peter	1.00	Conference call with Cassels Brock & Blackwell LLP, Stephen Walters; review discoveries, discuss receivership application, etc.
28-Sep-12	Migus, Eugene	0.30	Message from Cassels Brock & Blackwell LLP (Eleonore Morris); review comments received from Eleonore Morris on the draft report.
28-Sep-12	Naumis, Peter	1.00	Review report comments; update/amend report and circulate; draft claims bar notice, newspaper advertisement, etc.
1-Oct-12	Hocking, Greg	0.80	Review draft report and telephone conversation with Eugene Migus.
1-Oct-12	Migus, Eugene	1.40	Lengthy telephone discussions with Cassels Brock & Blackwell LLP (Eleonore Morris); update from Peter Naumis regarding inquiries with ADP and Ceridian.
1-Oct-12	Naumis, Peter	4.00	Continue working draft report/updates; circulate same for review and comments; contact Ceridian and ADP payroll processors to gauge interest in assisting transitioning of payrolls and potential payment of referral fee for client sign ups; internal inquiries for referrals to external payroll service providers; discussions with Ceridian and their interest to assist, experience with similar situations and willingness to pay referral fee; conference call with ADP management regarding opportunity (all calls on a confidential and no-name basis with limited specifics); begin drafting letters to banks, etc.
2-Oct-12	Migus, Eugene	2.00	Various communications with Cassels Brock & Blackwell LLP, Stephen Walters Professional Corporation; discussion with Greg Hocking regarding initial forensic investigation required; conference call with Cassels Brock & Blackwell LLP (Eleonore Morris, Deborah Grieve), Stephen Walters.

<u>Date</u>	<u>Name</u>	<u>Hours</u>	<u>Particulars</u>
2-Oct-12	Naumis, Peter	2.00	Numerous discussions with Ceridian and ADP regarding ongoing assessment of Company and potential assistance and referral fee paid to Receiver; provide certain redacted information to both Ceridian and ADP for initial due diligence; further conference call with ADP management and their counsel.
3-Oct-12	Migus, Eugene	1.40	Various communications with Cassels Brock & Blackwell LLP, Stephen Walters Professional Corporation; conference call with Cassels Brock & Blackwell LLP (Eleonore Morris) and Stephen Walters; review and comment on draft receivership order.
3-Oct-12	Naumis, Peter	1.00	Attend/participate on conference call with Cassels Brock & Blackwell LLP, Stephen Walters and Bonnie Cummings regarding potential interest and cooperation of Ceridian and ADP and discussion held with them; preparation of a non-disclosure agreement to allow further information to be provided for due diligence, further events leading up to findings of money transfer, etc; call with Ceridian.
4-Oct-12	Naumis, Peter	1.25	Reconcile contact information of clients received; call to and from Jennifer Hughes regarding additional information and queries; call to and from Stephen Walters regarding additional information and queries; correspondence to and from Ceridian; receive, review and circulate Ceridian executed copy of non-disclosure agreement; forward fully executed copy to Scott Kitchen (Ceridian's counsel).
5-Oct-12	Naumis, Peter	3.00	Prepare contracts and requested information for Ceridian's due diligence (ensure customers and company remain confidential and blacked out certain information); discussions with Jennifer Hughes regarding Labatt contract and use of High Line software, Master Service Agreements from differing levels of service; review Ceridian's form of Referral Agreement.
9-Oct-12	Naumis, Peter	1.00	Review amendments drafted into report by Cassels Brock & Blackwell LLP and mark comments; call to and from Ceridian regarding status update.
10-Oct-12	Naumis, Peter	1.00	Discussions with Stephen Walters (lawyer) and Ray Freckleton (accountant).
10-Oct-12	Naumis, Peter	0.25	Correspondence with Ceridian regarding status of review and missing information. Call to Jennifer to request missing information.
10-Oct-12	Porter, Christopher	0.50	Exploratory discussions regarding considerations and risks relating to a sale process for the business.
11-Oct-12	Naumis, Peter	1.25	Ceridian correspondence, further information to and from Ceridian; correspondence with Jennifer Hughes, etc.; conference call with Ceridian; receive and

<u>Date</u>	<u>Name</u>	<u>Hours</u>	<u>Particulars</u>
			review referral fee arrangement. Circulate.
12-Oct-12	Migus, Eugene	0.15	Update from Peter Naumis on discussions with Ceridian.
12-Oct-12	Naumis, Peter	1.00	Further discussions and dealings with Ceridian regarding referral fee, uploading employee information, etc.; report update.
15-Oct-12	Migus, Eugene	0.20	Follow-up with Cassels Brock & Blackwell LLP (Eleonore Morris, Deborah Grieve).
15-Oct-12	Naumis, Peter	2.00	Update and amendments to report regarding third party payroll transition dealings; correspondence to and from Ceridian; draft notice to customers.
16-Oct-12	Naumis, Peter	0.50	Review draft Cummings Affidavit; correspondence with Stephen Walters; correspondence with Cassels Brock & Blackwell LLP.
17-Oct-12	Naumis, Peter	1.00	Conference call Cassels Brock & Blackwell LLP and Stephen Walters to discuss Ceridian draft referral agreement, draft report, status of company, etc.
18-Oct-12	Migus, Eugene	1.25	Update from Peter Naumis; edit draft letter to customers; discussion with Cassels Brock & Blackwell LLP (Deborah Grieve); review and comment on updated draft report.
18-Oct-12	Naumis, Peter	4.50	Conference call with Cassels Brock & Blackwell LLP and Stephen Walters (counsel to Bonnie Cummings); update report; review referral proposal by Ceridian and discuss logistics and acceptance of shareholders; discussions with Jennifer Hughes regarding populating sample spreadsheets with test data; conference call with Peopledge - Jennifer Hughes and Oscar (IT) to discuss exporting information; call to and correspondence with Ceridian regarding referral agreement, etc.; receive and review populated sample templates from Peopledge; circulate to Ceridian for review and comments.
19-Oct-12	Migus, Eugene	1.75	Further review of draft report; review of appraisal report previously prepared by bluepoint Valuations Inc.; conference call with Cassels Brock & Blackwell LLP (Eleonore Morris), Stephen Walters; instructions to Peter Naumis; review various updated draft documents; follow-up communication with Stephen Walters regarding a potential other corporation.
19-Oct-12	Naumis, Peter	5.00	Receive and review draft referral agreement and notice to customers; conference call with Cassels Brock & Blackwell LLP and Stephen Walters to discuss referral agreement and previously circulated updated report of proposed receiver; review draft notice to Customers; forward referral agreement to Ceridian; conference call with Ceridian's counsel to discuss referral agreement, deposit held in escrow and remaining terms of agreement; receive and

<u>Date</u>	<u>Name</u>	<u>Hours</u>	<u>Particulars</u>
			review Ceridian's comments on agreement; forward to Cassels Brock & Blackwell LLP for discussion; receive comments from Ceridian regarding sample templates; forward comments to Jennifer Hughes at Peopledge and follow-up telephone discussion with her on same; telephone discussion with Ceridian's Chief Financial Officer.
22-Oct-12	Migus, Eugene	0.25	Communication from Stephen Walters; update from Peter Naumis.
22-Oct-12	Naumis, Peter	1.75	Call to and from Ceridian regarding referral agreement, status of application, etc.; call to Cassels Brock & Blackwell LLP regarding referral agreement; correspondence with Ceridian regarding amendments to agreement; circulate revised agreement to Ceridian; set up address list for mailings to customers; review notice to customers; review service list and comments; review consent to transfer; reconcile email addresses.
23-Oct-12	Migus, Eugene	1.50	Review and comment on draft affidavit of Bonnie Cummings; communications from Cassels Brock & Blackwell LLP (Eleonore Morris); execute consent; review updated court report.
23-Oct-12	Naumis, Peter	2.50	Draft various correspondence to banks; discussions with Ceridian regarding logistics post appointment; draft employment termination letter; review Bonnie Cumming's affidavit and comment on same; other preparations for receivership appointment.
24-Oct-12	Naumis, Peter	1.25	Correspondence to and from Ceridian regarding deposit and final form of referral agreement; finalize motion materials; arrange for appendices to report.
25-Oct-12	Migus, Eugene	1.00	Final review and execution of court report; communication with Cassels Brock & Blackwell LLP (Eleonore Morris).
25-Oct-12	Naumis, Peter	0.25	Discussions with Eugene Migus and Stephen Walters regarding Monday's radio contest.
26-Oct-12	McCreath, Jan	1.50	Compilation of court documents.
26-Oct-12	Migus, Eugene	0.40	Finalize correspondence; arrangements for website.
26-Oct-12	Naumis, Peter	1.25	Create customer mailing list; finalize and prepare for court motion; further correspondence with Ceridian regarding motion date, logistics, final preparation, etc.; strategy meeting with Cassels Brock & Blackwell LLP.
26-Oct-12	Sagolili, Nicole	3.00	Instructions from Peter Naumis; read court documents; update and print letters to banks; update employee termination letter; meeting with Eugene Migus and Peter Naumis.
29-Oct-12	Iannilli, Franca	3.50	Finalize various letters and issue same to banks by email and facsimile.

<u>Date</u>	<u>Name</u>	<u>Hours</u>	<u>Particulars</u>
29-Oct-12	Migus, Eugene	5.75	Preparation for court hearing; attend court hearing; execute correspondence; instructions to staff.
29-Oct-12	Naumis, Peter	6.25	Travel to premises; take possession, communications with employees and explain appointment; retain certain employees; discussions with certain customers; review books and records; change locks and alarm code; address numerous creditor/customer enquiries.
29-Oct-12	Sagolili, Nicole	6.50	Draft/revise correspondence to banks; prepare deposit slip; revise correspondence to employees; look up bank contact information and call individual branches; compile list of customer e-mails and send out customer notice; correspond with IT department regarding website and posting of documents; various instructions from Peter Naumis; phone calls to Rocco Tuzzi (AGC Inc.) regarding taking possession; respond to numerous e-mails and phone calls from customers.
30-Oct-12	Goldhar, Richard	4.00	Return numerous telephone calls.
30-Oct-12	Iannilli, Franca	1.00	Finalize and issue letters.
30-Oct-12	McCreath, Jan	1.00	Redirection of mail.
30-Oct-12	Migus, Eugene	1.75	Telephone inquiry from customer, Intelliware (Karen); contact Bank of Montreal (Junior Del Brocco); instructions to staff; telephone discussion with Chaitons LLP (Mark Klar), legal counsel for Bank of Montreal; follow-up discussions with Mark Klar; telephone discussion with Bank of Montreal Harris Bank (Shaun Currie); forward receivership order to Bank of Montreal Harris Bank; telephone discussion with Celergo (Betsy Babcock); approve correspondence; various updates from Peter Naumis; approve letters to various former employees being retained.
30-Oct-12	Naumis, Peter	8.50	Attend premises; review files; correspondence with Labatt regarding transitioning payroll, etc.; conference call with Ceridian to discuss progress and status of bridgepathing ePersonality with Ceridian's software; numerous customer correspondence regarding status, consent, etc.; review consents received; retrieve and forward available information to customers for own use; review paper records on site; call to Van Houtte Coffee and Pitney Bowes regarding equipment on site; review electronic records; review ePersonality and Peopledge data.
30-Oct-12	Sagolili, Nicole	8.00	Respond to large volume of customer phone calls and e-mails; compile and review customer consent forms; draft and scan term and task letters for J. Hughes, O. Ayala, T. Ponari, and T. Almeida; phone calls to Toronto-Dominion Bank, ING Direct, and Bank of Montreal regarding bank account letters; various correspondence with Sia Mizrahi (Canam-Appraiz)

<u>Date</u>	<u>Name</u>	<u>Hours</u>	<u>Particulars</u>
			regarding vehicle and appraisal of assets; various instructions from Peter Naumis; various instructions from Eugene Migus; review of insurance documents and draft correspondence to insurance company; instructions to Richard Goldhar.
31-Oct-12	Goldhar, Richard	1.50	Creditor calls.
31-Oct-12	Iannilli, Franca	1.50	Respond to emails from Peter Naumis and Nicole Sagolili; call up Current Express for pick up boxes; confirm mailing address regarding redirection of mail; search for lease documents on the directory.
31-Oct-12	Migus, Eugene	2.40	Update from Peter Naumis on various issues; issue communication regarding processing payments to employees for interim services rendered; follow-up discussion with Chaitons LLP (Mark Klar); forward bank account information to Mark Klar; instructions to Cassels Brock & Blackwell LLP (Eleonore Morris); various communications from customers; conference call with Cassels Brock & Blackwell LLP (Deborah Grieve, Eleonore Morris); conference call with Chaitons LLP (George Benchetrit); follow-up discussion with Peter Naumis.
31-Oct-12	Naumis, Peter	7.50	Attend premises; review files; correspondence with Labatt regarding transitioning payroll, etc.; conference call with Ceridian to discuss progress and status of bridge pathing ePersonality with Ceridian's software; numerous customer correspondence regarding status, consent, etc.; discussions with Bank of Montreal regarding accounts, access to online information, etc.; conference call with Cassels Brock & Blackwell LLP and Chaitons LLP regarding bank accounts held at Bank of Montreal; call to and from landlord regarding occupation, etc.
31-Oct-12	Sagolili, Nicole	6.50	Respond to large volume of customer phone calls and e-mails; compile and review customer consent forms; draft consent form for data transfer to customers; contact Toronto-Dominion Bank; various instructions from Peter Naumis; look into mail redirection issues; arrangements for courier to Stephen Walters; prepare information for Steve Kitching (Ceridian).
31-Oct-12	Siciliano, Vince	0.50	Strategic planning discussion with Eugene Migus.
1-Nov-12	Goldhar, Richard	1.00	Return creditor calls.
1-Nov-12	McCreath, Jan	0.50	Finalize letter; telephone discussion with Lou Dula regarding setting up Ascend account for receivership; telephone call to Charlotte in accounting department.
1-Nov-12	Migus, Eugene	2.35	Instructions to Cassels Brock & Blackwell LLP; review draft access and indemnity agreement for Labatt Breweries of Canada LP; telephone inquiry from ADP (Jeff Kogut); various communications with Cassels Brock & Blackwell LLP; provide response for inquiries

<u>Date</u>	<u>Name</u>	<u>Hours</u>	<u>Particulars</u>
			raised by Chaitons LLP; follow-up discussions and instructions to Peter Naumis; conference call with Bank of Montreal, Chaitons LLP, and Cassels Brock & Blackwell LLP; follow-up conference call with Cassels Brock & Blackwell LLP (Deborah Grieve) and Peter Naumis; arrange bank accounts; review changes to access agreement requested by Labatt Breweries of Canada LP.
1-Nov-12	Naumis, Peter	7.50	Continued workings with IT and Ceridian implementation team to finalize "bridge" between Peopledge and Ceridian; numerous former customer enquiries; export customer information from ePersonality and forward at request of customer; various discussions with Ceridian implementation team; correspondence to and from Labatt in house counsel (Clare Smith) regarding access agreement for servers located at PEER 1; review and comment on access and indemnity agreement; work with Clare Smith to finalize mutually acceptable agreement; correspondence with Activpayroll regarding non-disclosure agreement form and release of historical data; communications with Bank of Montreal regarding freeze and funds in account; receive and review T4 slips and Records of Employment produced by former Peopledge employee.
1-Nov-12	Sagolili, Nicole	6.00	Respond to numerous customer phone calls and e-mails; review consent forms received; update consent form tracking spreadsheets; deal with various customer requests; various instructions from/updates to Peter Naumis.
2-Nov-12	Dula, Lou	0.60	Opened new bank acct; phone discussion with Royal Bank of Canada regarding incoming wire transfer, received fax confirmation.
2-Nov-12	Hocking, Greg	0.60	Review BDO Canada Limited report dated October 24, 2012.
2-Nov-12	Migus, Eugene	3.00	Various communications with Thornton Grout Finnigan LP (DJ Miller) regarding payroll processing services for their client, Activpayroll Ltd.; related discussions with Peter Naumis, Cassels Brock & Blackwell LLP (Deborah Grieve); discussion with Peopledge personnel; conference call with Blakes Cassels (Clare Smith) regarding the access and indemnity agreement with Labatt Breweries of Canada LP.
2-Nov-12	Naumis, Peter	8.50	Continued working with Ceridian and IT team regarding implementation and bridge; continued response and calls with numerous customers regarding status, enquiries, etc.; dealings with Labatt counsel regarding access and indemnity agreement; numerous discussions and correspondence with Labatt; comments and