

Schedule 1 - Defined Terms used in the Fourth Report

“**162**”, as defined in paragraph 1 of the Fourth Report, means 1624452 Ontario Limited;

“**162 HST Claim**”, as defined in paragraph 42(c)(ii) of the Fourth Report, means the CRA Claim against 162 of \$5,644.63 for arrears of HST;

“**Alternate**”, as defined in paragraph 101 of the Fourth Report, means Alternate Choice Inc., the purchaser of certain personal property of Peopledge;

“**BIA**”, as defined in paragraph 45 of the Fourth Report, means the *Bankruptcy and Insolvency Act* (Canada);

“**BMO**”, as defined in paragraph 4(a) of the Fourth Report, means Bank of Montreal;

“**BMO Loan**”, as defined in paragraph 23 of the Fourth Report, means the \$250,000 loan to Peopledge pursuant to a Loan Application and Agreement dated August 28, 2007 under the *Canada Small Business Financing Act*;

“**Canadian Consolidated Account**”, as defined in paragraph 15(c) of the Second Report, means the bank account held by Peopledge with BMO used to administer payrolls for Canadian Customers with Canadian employee payrolls;

“**Canadian Customers**”, as defined in paragraph 59 of the Fourth Report, means those former customers of Peopledge having Canadian employee payrolls;

“**Canadian Customer Account Funds**”, as defined in paragraph 55 of the Fourth Report, means Payroll Funds in the Canadian Consolidated Account;

“**Canam**”, as defined in paragraph 88 of the Fourth Report, means Canam-Appraiz Inc., retained by the Receiver in respect of its appraisal and auction services;

“**Cassels**”, as defined in paragraph 13(j) of the Fourth Report, means Cassels Brock & Blackwell LLP;

“**Celergo**”, as defined in paragraph 21 of the Fourth Report, means Celergo LLC, which is itself a payroll processing company and a former customer of Peopledge;

“**Ceridian**”, as defined in paragraph 18(k) of the Fourth Report, means Ceridian Canada Ltd.;

“**Ceridian Referral Fee**”, as defined in paragraph 18(k) of the Fourth Report, means the net referral fee to the Receiver of \$461,055.26 generated pursuant to the terms of the Referral Agreement made between the Receiver and Ceridian;

“**Claimants**”, as defined in paragraph 5 of the Fourth Report, means all persons that submitted Claims pursuant to the Claims Process;

“**Claims**”, as defined in paragraph 5 of the Fourth Report, means the claims received in accordance with the Claims Process Order (including any General Claim or Customer Deposit Claim filed);

“**Claims Bar Date**”, as defined in paragraph 5 of the Fourth Report, means January 18, 2013, 5:00 p.m. (Eastern Standard Time);

“**Claims Process Order**”, as defined in paragraph 5 of the Fourth Report, means the Order of the Honourable Mr. Justice Campbell dated December 10, 2012 relating to the Claims Process (as described in and as set out in the Claims Process Order);

“**CMC**”, as defined in paragraph 1 of the Fourth Report, means CMC Fraser Ltd.;

“**Comeback Motion**”, as defined in paragraph 3 of the Fourth Report, means the motion in respect of the Claims Process and other relief heard on December 10, 2012;

“**Consolidated Payroll Accounts**”, as defined in paragraph 59 of the Fourth Report, means each of the Canadian Consolidated Account and the US Consolidated Account;

“**CRA**”, as defined in paragraph 39 of the Fourth Report, means Canada Revenue Agency;

“**Cummings Estate**”, as defined in paragraph 16 of the Fourth Report, means the Estate of the Late John Cummings (referred to as “**Cummings**”);

“**Customer Deposit Claims**”, as defined in paragraph 35(a) of the Fourth Report, means (in Canadian dollars for Canadian Customers and in US dollars for US Customers) amounts paid to Peopledge prior to the date of the Receivership Order for the purpose of funding payroll services for which Peopledge did not complete the payroll or remittance processing and payment in whole or in part;

“**Data Drives**”, as defined in paragraph 18(q) of the Fourth Report, means the data servers and computer hard drives located at the Premises;

“**Debtors**”, as defined in paragraph 1 of the Fourth Report, means Peopledge and the Related Companies;

“**Directions Order**”, as defined in paragraph 4 of the Fourth Report, means the Order of the Honourable Mr. Justice Campbell dated December 10, 2012 relating to general relief sought on the Comeback Motion;

“**Durham Collage**”, as defined in paragraph 29 of the Fourth Report, means Durham College of Applied Arts & Technology, a former Peopledge customer;

“**E&O Policy**”, as defined in paragraph 90 of the Fourth Report, means the Berkley Professional Liability Insurance Policy;

“**Employee Priority Claims**”, as defined in paragraph 45 of the Fourth Report, means, collectively, any proven priority claims in favour of Peopledge’s former employees under the ESA, including any claims secured by Section 81.4 of the BIA;

“**ESA**”, as defined in paragraph 44 of the Fourth Report, means the *Employment Standards Act* (Ontario);

“**Estate Executrix**”, as defined in paragraph 16 of the Fourth Report, means Bonnie Cummings, in her capacity as Estate Executrix of the Estate of the Late John Cummings;

“**Extended Reporting Period**”, as defined in paragraph 92 of the Fourth Report, means the extended reporting period in which to report claims under the E&O Policy;

“**February Directions Hearing**”, as defined in paragraph 5 of the Fourth Report, means the hearing before the Honourable Mr. Justice Brown held February 22, 2013;

“**First Payroll**”, as defined in paragraph 29 of the Fourth Report, means Durham College’s pre-arranged deposit of Payroll Funds by electronic fund transfer on October 26, 2012 of \$845,164.34;

“**Fourth Report**”, as defined in paragraph 11 of the Fourth Report, means this Fourth Report dated April 5, 2013 filed in connection with the May Directions Motion;

“**General Claims**”, as defined in paragraph 35(a) of the Fourth Report, means all other Claims (other than Customer Deposit Claims) against any of Peopledge or the Related Companies, including any damage claims of Customers;

“**General Estate Funds**”, as defined in paragraph 67(b) of the Fourth Report, means, collectively, the Peopledge General Account Funds and the Related Companies’ Account Funds;

“**Horn IT**”, as defined in paragraph 18(q) of the Fourth Report, means Horn IT Solutions, retained by the Receiver to complete imaging of data;

“**Landlord**”, as defined in paragraph 18(o) of the Fourth Report, means Burloak No. 1 Investment Limited Partnership;

“**May Directions Motion**”, as defined in paragraph 9 of the Fourth Report, means the motion of the Receiver returnable on May 9, 2013 for directions from the Court with respect to the entitlement of creditors to the funds in the estates of the Debtors and other matters relating to the receivership estates;

“**Migus Affidavit**”, as defined in paragraph 112 of the Fourth Report, means the Affidavit of Eugene Migus sworn on April 5, 2013;

“**Mercier Affidavit**”, as defined in paragraph 113 of the Fourth Report, means the Affidavit of Marc Mercier sworn on April 4, 2013;

“**Payroll Funds**”, as defined in paragraph 55 of the Fourth Report, means funds delivered to Peopledge by its Customers designated for payroll and related governmental and other remittances;

“**Peopledge**”, as defined in paragraph 1 of the Fourth Report, means Peopledge HR Services Inc.;

“Peopledge General Accounts Funds”, as defined in paragraph 55 of the Fourth Report, means funds in Peopledge’s remaining accounts (other than the Canadian Customer Account Funds and the US Customer Account Funds) seemingly designated for general business operations;

“Peopledge HST Claim”, as defined in paragraph 42(c)(i) of the Fourth Report, means the CRA Claim against Peopledge in the amount of \$8,969.71 for arrears of source deductions;

“Peopledge Source Deduction Claim”, as defined in paragraph 42(c)(i) of the Fourth Report, means the CRA Claim against Peopledge in the amount of \$16,591.64 for arrears of HST;

“Phase 1 Forensic Investigation”, as defined in paragraph 106 of the Fourth Report, means the first stage of the forensic review wherein the Receiver proposes to trace certain withdrawals by wire and cheque from Peopledge’s accounts into either the WPFS or CMC accounts and to determine how and to what party the funds were dispersed from the WPFS and CMC accounts;

“Potential Priority Claims”, as defined in paragraph 46 of the Fourth Report, means the Peopledge Source Deduction Claim, the Peopledge HST Claim, the 162 HST Claim and the Employee Priority Claims;

“Premises”, as defined in paragraph 18(m) of the Fourth Report, means 5515 North Service Road, Suite 303, Burlington, Ontario, as formerly leased by Peopledge;

“Property”, as defined in paragraph 74 of the Fourth Report, means the assets, undertakings and properties of the Debtors acquired for, or used in relation to a business carried on by any of the Debtors, including all proceeds thereof, whether such assets or funds are subject to third party interests or are considered trust assets held by any of the Debtors for the benefit of third parties, as also defined in and set out in paragraph 1 of the Receivership Order;

“Proposed Interim Distributions”, as defined in paragraph 86 of the Fourth Report, means the interim distributions proposed by the Receiver to be made in an amount not to exceed: (i) 37% of Proven Canadian Customer Deposit Claims; and (ii) 62% of the Proven US Customer Deposit Claims;

“Proven Canadian Customer Deposit Claims”, as defined in paragraph 53 of the Fourth Report, means Customer Deposit Claims filed in Canadian dollars where proven in accordance with the claims process as set out in paragraph 54 of the Fourth Report;

“Proven US Customer Deposit Claims”, as defined in paragraph 47 of the Fourth Report, means Customer Deposit Claims filed in US dollars where proven in accordance with the claims process as set out in paragraph 54 of the Fourth Report;

“R&D Statement”, as defined in paragraph 13(h) of the Fourth Report, means the Receiver’s interim consolidated statement of receipts and disbursements for the period from October 29, 2012 to March 31, 2013;

“Receiver”, as defined in paragraph 1 of the Fourth Report, means BDO Canada Limited, in its capacity as the court-appointed receiver of the Debtors;

“**Receiver’s Charge**”, as defined in paragraph 16 of the Receivership Order, means the first priority charge over the Property granted by the Court to secured the Receivership Costs;

“**Receivership Costs**”, as defined in paragraph 74 of the Fourth Report, means the costs of the receivership, including the fees and disbursements of the Receiver and its legal counsel as secured by the Receiver’s Charge;

“**Receivership Order**”, as defined in paragraph 1 of the Fourth Report, means the Order of the Honourable Mr. Justice Newbould dated October 29, 2012;

“**Related Companies**”, as defined in paragraph 1 of the Fourth Report, means WPFS, CMC, and 162;

“**Related Companies’ General Account Funds**”, as defined in paragraph 60 of the Fourth Report, means all funds held by the Receiver in the estates of the Related Companies;

“**Second Payroll**”, as defined in paragraph 29 of the Fourth Report, means Durham College’s pre-arranged deposit of Payroll Funds by electronic fund transfer on October 29, 2012 of \$1,998,615.03;

“**Second Report**”, as defined in paragraph 2 of the Fourth Report, means the Second Report of the Receiver dated December 3, 2012;

“**Third Report**”, as defined in paragraph 7 of the Fourth Report, means the Third Report to the Court dated February 15, 2013;

“**US Consolidated Account**”, as defined in paragraph 15(c) of the Second Report, means the bank account held with BMO Harris used by Peopledge to administer payrolls for US Customers with US employee payrolls;

“**US Customers**”, as defined in paragraph 59 of the Fourth Report, means those former customers of Peopledge having US employee payrolls;

“**US Customer Account Funds**”, as defined in paragraph 55 of the Fourth Report, means Payroll Funds in the US Consolidated Account;

“**WEPPA**”, as defined in paragraph 18(i) of the Fourth Report, means the *Wage Earner Protection Program Act*;

“**WPFS**”, as defined in paragraph 1 of the Fourth Report, means Winston Park Financial Services Ltd.;