ONTARIO SUPERIOR COURT OF JUSTICE (COMMERCIAL LIST)

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF NEXIENT LEARNING INC. AND NEXIENT LEARNING CANADA INC.

MOTION RECORD

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ONTARIO SUPERIOR COURT OF JUSTICE (COMMERCIAL LIST)

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF NEXIENT LEARNING INC. AND NEXIENT LEARNING CANADA INC.

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ONTARIO SUPERIOR COURT OF JUSTICE (COMMERCIAL LIST)

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF NEXIENT LEARNING INC. AND NEXIENT LEARNING CANADA INC.

Applicants

NOTICE OF MOTION

NEXIENT LEARNING INC. AND NEXIENT LEARNING CANADA INC. (the "Applicants"), will make a motion before a Judge of the Commercial List on Friday, May 7, 2010 at 10:00 a.m. or as soon after that time as the motion can be heard, at 330 University Avenue, Toronto, Ontario.

PROPOSED METHOD OF HEARING: The motion is to be heard orally.

THE MOTION IS FOR AN ORDER:

- 1. if necessary, abridging the time for service of the Notice of Motion and Motion Record in respect of this motion and dispensing with further service thereof;
- 2. substantially in the form attached hereto as **Schedule "A"** (the "**Draft Order"**),
 - a) approving the activities of RSM Richter Inc., in its capacity as court appointed Monitor (the "Monitor") as described in the Monitor's sixth report dated November 16, 2009 (the "Sixth Report") and the Monitor's seventh report dated May 3, 2010 (the "Seventh Report");
 - b) approving the fees and disbursements of the Monitor including those of its counsel, Ogilvy Renault LLP ("Ogilvy"), for the periods set out in the Fee Affidavits (as defined in the Draft Order);

- authorizing the Monitor to pay its fees and disbursements, the Applicants' counsel's fees and disbursements and Ogilvy's fees and disbursements incurred, or to be incurred, to completion of these proceedings without further Order of the Court, provided that such amounts do not exceed an aggregate of \$35,000;
- d) authorizing a further holdback, in addition to the Remaining Fees (as defined in the Draft Order), in the amount of \$25,000 for future expenses of the Applicants, including the costs of the Applicants' pending bankruptcy proceedings;
- e) authorizing the Monitor to distribute monies remaining in its hands to the parties and in the amounts set out in the Seventh Report in accordance with an Order of this Court made on September 21, 2009;
- f) discharging the Monitor and releasing it from any and all liability, as set out in the Draft Order;
- g) terminating these proceedings and any charges granted pursuant to any order of this Honourable Court in these proceedings, including the Directors' Charge (as defined in the Initial Order of the Honourable Justice Pepall granted June 29, 2009, as amended), in accordance with the terms of the Draft Order; and
- 3. such further and other relief as counsel may advise and to this Honourable Court may seem just.

THE GROUNDS FOR THE MOTION ARE:

- 1. Pursuant to an Order of this Court made on June 29, 2009, the Applicants obtained protection pursuant to the Companies' Creditors Arrangement Act ("CCAA"). On July 8, 2009, the Initial Order was amended by Order of Mr. Justice Cumming (the "Amended and Restated Initial Order").
- 2. RSM Richter Inc. was appointed as monitor in the CCAA proceedings.

- 3. The stay of proceedings under the Amended and Restated Initial Order was extended by subsequent orders of this Court (the "Stay Period").
- 4. On August 19, 2009, this Court approved the sale of substantially all of the Applicants' assets, property and undertakings to Global Knowledge Network (Canada) Inc. (the "Purchaser") pursuant to an asset purchase agreement dated August 5, 2009 (the "Transaction"). The Transaction was completed on August 21, 2009.
- 5. The Transaction provided for, inter alia, a transition period pursuant to the Transition and Occupation Services Agreement ("TOA") between the Purchaser and the Applicants. The transition period under the TOA expired on December 30, 2009, the date on which the Stay Period also expired.
- 6. The Applicants have determined that it is appropriate for the CCAA proceedings to be terminated at this time. The Monitor is of the view that this is appropriate on the terms described in the Seventh Report.
- 7. The provisions of the CCAA.
- 8. Such further and other grounds as counsel may advise and this Honourable Court may permit.

THE FOLLOWING DOCUMENTARY EVIDENCE will be used at the hearing of the motion:

- 1. the Sixth Report;
- 2. the Seventh Report;
- 3. the affidavit of Robert Kofman sworn May 3, 2010;
- 4. the affidavit of Mario Forte sworn April 28, 2010; and

5. such further and other material as counsel may advise and this Honourable Court may permit.

DATED: May 3, 2010

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TO: The Service List

SCHEDULE "A"

Court File No. CV-09-8257-00CL

ONTARIO SUPERIOR COURT OF JUSTICE (COMMERCIAL LIST)

THE HONOURABLE)	DAY, THE
)	
JUSTICE)	DAY OF MAY, 2010

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF NEXIENT LEARNING INC. AND NEXIENT LEARNING CANADA INC.

Applicants

DISCHARGE ORDER

THIS MOTION, made by Nexient Learning Inc. and Nexient Learning Canada Inc. (the "Applicants") for an Order:

- 1. approving the activities of RSM Richter Inc., in its capacity as court appointed Monitor (the "Monitor") as described in the Monitor's sixth report dated November 16, 2009 (the "Sixth Report") and the Monitor's seventh report dated May 3, 2010 (the "Seventh Report");
- 2. approving the fees and disbursements of the Monitor including those of its counsel, Ogilvy Renault LLP ("Ogilvy"), for the periods set out in the Fee Affidavits (defined below);
- 3. authorizing the Monitor to pay its fees and disbursements, the Applicants' counsel's fees and disbursements and Ogilvy's fees and disbursements incurred, or to be incurred, to completion of these proceedings without further Order of the Court, provided that such amounts do not exceed an aggregate of \$35,000;

4. authorizing a further holdback, in addition to the Remaining Fees (as defined below), in the amount of \$25,000 for future expenses of the Applicants, including the costs of the Applicants' pending bankruptcy proceedings;

5. authorizing the Monitor to distribute monies remaining in its hands to the parties and in the amounts set out in the Seventh Report in accordance with an Order of this Court made on September 21, 2009 (the "Distribution Order");

6. discharging the Monitor and releasing it from any and all liability, as set out in paragraph 8 of this Order;

7. terminating these proceedings and any charges granted pursuant to any order of this Honourable Court in these proceedings, including the Directors' Charge (as defined in the Initial Order of the Honourable Justice Pepall in these proceedings granted June 29, 2009, as amended), in accordance with the terms of this Order; and

8. such further and other relief as counsel may advise and to this Honourable Court may seem just.

was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Sixth Report, the Seventh Report, the affidavit of Robert Kofman sworn May 3, 2010 (the "Kofman Affidavit") and the affidavit of Mario Forte sworn April 28, 2010 (the "Forte Affidavit") as to fees of the Monitor and Ogilvy (collectively, the "Fee Affidavits"), respectively, and on hearing the submissions of counsel for the Applicant, the Monitor and those other parties present, no one appearing for any other person on the service list, although properly served as appears from the affidavit of ● sworn ●, 2010, filed;

1. THIS COURT ORDERS that the Sixth Report and the Seventh Report and the activities of the Monitor, as set out in the Sixth Report and the Seventh Report, are hereby approved.

2. THIS COURT ORDERS that the fees and disbursements of the Monitor and of Ogilvy for the periods set out in the Fee Affidavits and the Seventh Report be and are hereby approved and the Monitor shall pay such fees and disbursements from the funds of the Applicants under the Monitor's control.

- 3. THIS COURT ORDERS that in addition to the fees set out in the Fee Affidavits and the Seventh Report, the Monitor is authorized to pay its fees and disbursements, Ogilvy's fees and disbursements, and the Applicants' counsel's fees and disbursements incurred, or to be incurred, to the completion of these proceedings without further Order of the Court, from the funds of the Applicants under the Monitor's control, provided that such amounts do not exceed an aggregate of \$35,000 (the "Remaining Fees").
- 4. THIS COURT ORDERS that the Monitor shall pay the monies remaining in its hands to the parties and in the amounts set out in the Seventh Report in accordance with the Distribution Order, subject to an amount of \$60,000 that shall be held back to satisfy amounts that may be payable for future expenses of the Applicants, including the costs of a bankruptcy proceeding pursuant to the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 (the "BIA"), and the Remaining Fees.
- 5. THIS COURT ORDERS that upon making the payments contemplated in paragraphs 3 and 4 above, the Monitor shall file a certificate substantially in the form of Schedule "A" hereto (the "Monitor's Certificate") and upon filing the Monitor's Certificate, the Monitor shall be discharged, provided however that notwithstanding its discharge herein (a) the Monitor shall remain Monitor for the performance of such incidental duties as may be required, including matters relating to the assignment into bankruptcy of the Applicants under the BIA, and (b) the Monitor shall continue to have the benefit of the provisions of all Orders made in this proceeding, including all approvals, protections and stays of proceedings in favour of the Monitor.
- 6. THIS COURT ORDERS that the Directors' Charge be and is hereby fully and finally terminated, discharged and released.
- 7. THIS COURT ORDERS that upon the filing of the Monitor's Certificate, any other charges established by any order of this Honourable Court in these proceedings shall be fully and finally terminated, discharged and released and these CCAA Proceedings shall be terminated.
- 8. THIS COURT ORDERS that upon the filing of the Monitor's Certificate, the Monitor shall be released and discharged from any and all liability that the Monitor now has or may hereafter have by reason of, or in any way arising out of, the acts or omissions of the Monitor

while acting in its capacity as Monitor herein, save and except for liability arising from its gross negligence or wilful misconduct. Without limiting the generality of the foregoing, the Monitor shall be forever released and discharged from any and all liability relating to matters that were raised, or which could have been raised, within these CCAA proceedings.

9. THIS COURT ORDERS that no action or other proceeding shall be commenced against the Monitor in any way arising from or related to its capacity or conduct as Monitor except with prior leave of this Court and on prior written notice to the Monitor and such further order securing, as security for costs, the solicitor and his own client costs of the Monitor in connection with any proposed action or proceeding as the Court hearing the motion for leave to proceed may deem just and appropriate.

SCHEDULE "A"

Court File No. CV-09-8257-00CL

ONTARIO SUPERIOR COURT OF JUSTICE (COMMERCIAL LIST)

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF NEXIENT LEARNING INC. AND NEXIENT LEARNING CANADA INC.

Applicants

MONITOR'S CERTIFICATE

- A. WHEREAS on May •, 2010, the Honourable Justice made an order authorizing the discharge of RSM Richter Inc. in its capacity as monitor (the "Monitor") in the *Companies' Creditors Arrangement Act* proceedings (the "CCAA Proceedings") of Nexient Learning Inc. and Nexient Learning Canada Inc. (collectively, the "Company"), effective upon the filing with this Court of a certificate in which the Monitor certifies that it has completed all outstanding matters, which in its discretion are necessary for the completion of the Company's CCAA Proceedings (the "Outstanding Items").
- B. **AND WHEREAS** the Monitor has now completed all Outstanding Items and wishes that its above-referenced discharge be and become effective.

NOW THEREFORE THE MONITOR CERTIFIES the following:

1. The Monitor hereby certifies the	hat it has completed all Outstanding Items.
DATED this day of	, 2010.
	RSM RICHTER INC. in its capacity as monitor in the <i>Companies' Creditors Arrangement Act</i> proceedings of Nexient Learning Inc. and Nexient Learning Canada Inc., and not in its personal capacity
	Per:
	Name: David Sieradzki
	Title: Vice-President

RSM Richter

Seventh Report of RSM Richter Inc. as CCAA Monitor of Nexient Learning Inc. and Nexient Learning Canada Inc.

RSM Richter Inc. Toronto, May 3, 2010

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Court File No.: CV-09-8257-00CL

ONTARIO SUPERIOR COURT OF JUSTICE - COMMERCIAL LIST -

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, C.C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF NEXIENT LEARNING INC. AND NEXIENT LEARNING CANADA INC.

SEVENTH REPORT OF RSM RICHTER INC.
AS CCAA MONITOR OF
NEXIENT LEARNING INC. AND
NEXIENT LEARNING CANADA INC.

May 3, 2010

1. INTRODUCTION

On June 29, 2009, the Ontario Superior Court of Justice (the "Court") issued an order (the "Initial Order") granting Nexient Learning Inc. ("Nexient") and Nexient Learning Canada Inc. ("Nexient Canada") (jointly, the "Company") protection pursuant to the *Companies' Creditors Arrangement Act* ("CCAA") and appointing RSM Richter Inc. ("Richter") as the monitor ("Monitor"). A copy of the Second Amended and Restated Initial Order is attached as Appendix "A".

The primary purpose of these restructuring proceedings was to allow the Monitor the opportunity to conduct a stalking horse sale process ("Sale Process") for the Company's business and assets. The Sale Process resulted in a transaction with Global Knowledge Network (Canada) Inc. (the "Purchaser") for the acquisition by the Purchaser of substantially all of the Company's business and assets pursuant to an asset purchase agreement dated August 5, 2009 (the "APA") (the "Transaction").

1.1 Purposes of this Report

The purposes of this report ("Report") are to:

- a) Provide background information concerning the Company and its restructuring proceedings;
- b) Set out the proposed distribution of \$490,000 to the Third Debenture Holders (as defined below), net of a holdback in the amount of \$60,000 (the "Holdback");
- c) Set out the basis on which the Monitor is recommending that these proceedings be terminated and that it be discharged of its duties and obligations in these proceedings;
- d) Provide an overview of the Monitor's activities since September 21, 2009, the date on which its activities were previously approved;
- e) Provide information on an outstanding costs issue raised by ESI International, Inc. ("ESI"), a former customer of the Company; and
- f) Recommend that this Honourable Court issue an order:
 - i. Approving the Holdback;
 - ii. Releasing and discharging the Directors' Charge (as defined in the Initial Order);
 - iii. Approving the fees and disbursements of the Monitor from September 1, 2009 to March 31, 2010, including the fees and disbursements of its legal counsel, Ogilvy Renault LLP ("Ogilvy"), for the same period, and an accrual of \$60,000 for fees and costs incurred or to be incurred to the completion of these proceedings and the costs of the Company's pending bankruptcy proceedings (the "Fee Accrual");
 - iv. Approving this Report and the Monitor's activities described herein and approving the Monitor's sixth report to Court dated November 16, 2009 (the "Sixth Report") and its activities described therein;
 - v. Terminating these proceedings and the charges created pursuant to any Order of this Honourable Court over the course of these proceedings; and
 - vi. Discharging and releasing the Monitor of its duties and obligations in these proceedings.

2. BACKGROUND

The Company carried on business across Canada - it was the largest provider of corporate training and consulting in Canada, specializing in the areas of information technology, leadership, business solutions and business process improvement.

Nexient was a public company, the common shares of which were listed on the NEX, a separate board of the TSX Venture Exchange. Nexient Canada is a wholly-owned subsidiary of Nexient. The Company's head office was located in Toronto, Ontario. The Company operated from 13 leased facilities across Canada from which it served over 3,000 corporate and public sector clients as well as individual learners. The Company employed approximately 200 individuals. The Company's workforce was not unionized. The majority of the Company's instructors were independent contractors.

2.1 Sale of Assets

The Monitor carried out the Sale Process in accordance with a Court order made on July 8, 2009. The Sale Process resulted in the Transaction, which was approved pursuant to a Court order made on August 19, 2009. The Transaction was completed on August 21, 2009.

The Transaction provided for, *inter alia*, a transition period pursuant to the Transition and Occupation Services Agreement ("TOA") between the Purchaser and the Company. The transition period under the TOA expired on December 30, 2009, the date on which the stay of proceedings also expired.

2.2 Distributions in these Proceedings

Pursuant to a Court order made on September 21, 2009 (the "Distribution Order"), the Monitor was authorized and directed to make distributions: (i) in respect of claims covered by Court-ordered charges in these proceedings; and (ii) to certain of the Company's secured

RSM! Richter

creditors. The following table reflects the distributions facilitated by the Monitor to-date in accordance with the Distribution Order, and the projected recoveries to the Company's secured creditors from the proceeds generated in these proceedings:

Secured Obligation	Secured Creditor	Distribution (\$000s)	Expected Recovery
GST	Canada Revenue Agency	135	Paid in full
DIP Facility	The Vengrowth Traditional Industries Fund Inc. and/or other funds under affiliated management ("Vengrowth")	542	Paid in full
Operating Loan	Comerica Bank ("Comerica")	4,757	Paid in full
2 nd Debentures	Vengrowth and Fund 321 Limited Partnership, c.b.a. Wellington ("Wellington")	6,133	Paid in full
3 rd Debentures	Vengrowth, Wellington and other debenture holders (collectively, the "Third Debenture Holders")	1,050	Shortfall
Total		12,617	

Pursuant to the Distribution Order, a copy of which is attached as Appendix "B", the Monitor was authorized and directed to make further distributions to the Third Debenture Holders without further order of this Honourable Court, up to the Company's indebtedness to the Third Debenture Holders, which presently totals approximately \$4.9 million (net of the distributions made to-date). The Third Debenture Holders will incur a shortfall on their advances to the Company.

3. PROPOSED FINAL DISTRIBUTION

As at the date of this Report, there is approximately \$550,000 in the Monitor's trust account. The cash on deposit is currently subject to a holdback for the charges established by the Initial order, principally for the Directors' Charge (\$500,000). Subject to the release of the Directors' Charge, which is discussed in Section 3.1 below, the Monitor intends on distributing \$490,000 to the Third Debenture Holders in accordance with the Distribution Order.

A schedule reflecting the allocation of the proposed distributions to each of the Third Debenture Holders is attached as Appendix "C". The allocation is based on each Third Debenture Holder's *pro rata* share of the Company's obligations owing to the Third Debenture Holders.

3.1 Directors' Charge

Pursuant to the Distribution Order, the quantum of the Directors' Charge was reduced from \$1 million to \$500,000. As at the date of this Report, the Monitor is not aware of any amounts outstanding that may be secured by the Directors' Charge. Potential claims under the Directors' Charge were discussed in the Monitor's fifth report to Court dated September 16, 2009 (the "Fifth Report") filed in connection with the Distribution Order. A copy of the Fifth Report (without appendices) is attached as Appendix "D". There have not been any claims under the Directors' Charge since the date of the Distribution Order. Accordingly, the Company is proposing to release and discharge the Directors' Charge.

The Monitor understands that Vengrowth, the principal Third Debenture Holder, has provided the directors with a \$200,000 indemnity for potential claims that would otherwise have been secured by the Directors' Charge. The indemnity represents the approximate amount of Vengrowth's share of the final distribution.

3.2 Holdback

The proposed distribution would leave approximately \$60,000 in the Monitor's trust account. The Holdback is comprised of the fees of the Monitor, Ogilvy and the Company's counsel incurred, or to be incurred, to the completion of these proceedings (approximately \$35,000) and the cost of the Company's pending bankruptcy proceedings (approximately \$25,000). The Monitor understands that the Third Debenture Holders have consented to a holdback to fund the bankruptcy proceedings. The Monitor believes that the Holdback is sufficient to fund these fees and expenses.

4. TERMINATION OF CCAA PROCEEDINGS AND DISCHARGE OF MONITOR

Following the payment of the proposed distribution to the Third Debenture Holders, the Monitor will have completed substantially all of its duties and responsibilities in these proceedings.

The Company has determined that it is appropriate for the CCAA proceedings to be terminated at this time. The Monitor is of the view that this is appropriate for the following reasons:

- The Company's operations have been discontinued;
- The stay of proceedings expired on December 30, 2009;

- Pursuant to the Transaction, all of the Company's assets have been monetized; and
- Following the final distribution to the Company's Third Debenture Holders, the Company will be void of any assets, other than the funds subject to the Holdback.

Based on the foregoing, the Monitor respectfully recommends that this Honourable Court issue an order terminating the CCAA proceedings and the remaining charges therein and discharging and releasing the Monitor upon payment of the distribution to the Third Debenture Holders and the fees and expenses of the Monitor and counsel. As at the date of this Report, the Monitor is not aware of any claims that may be outstanding against the Monitor in connection with these proceedings. To the extent that there are any sundry issues to be addressed by the Monitor, the Monitor is seeking to have the protections afforded to it under any Orders granted in these proceedings continue in order for it to complete such matters, if any.

5. ESI

The Monitor has been informed that ESI has raised an issue of outstanding costs pertaining to certain litigation among ESI, the Purchaser and the Company. The Monitor is of the view that the Order requested by the Company in this motion will not affect the rights of ESI or the Purchaser with respect to that issue.

6. BANKRUPTCY PROCEEDINGS

The Monitor understands that the Company intends to file an assignment in bankruptcy shortly after the completion of these CCAA proceedings.

7. PROFESSIONAL FEES

The Monitor's fees and disbursements and those of Ogilvy up to August 31, 2009 were approved pursuant to an Order made on September 21, 2009. The Monitor's fees and disbursements from September 1, 2009 to March 31, 2010 total \$131,486, and the fees and disbursements of Ogilvy for the same period total \$81,890.

The detailed invoices in respect of the fees and disbursements of the Monitor and Ogilvy are provided in appendices to the affidavits filed by representatives of Richter and Ogilvy in the accompanying motion materials. A summary of the invoices is as follows:

RSM Richter Inc.

Period	Fees Disbursements		 GST	Total		
September 1 to September 30, 2009 ¹	\$ 44,532.50	\$	93.24	\$ 2,231,29	\$	46,857.03
October 1 to October 31, 2009 ²	20,643.75		146.74	1,039.52	,	21,830.01
November 1, 2009 to January 31, 2010 ³	52,606.25		144.12	2,637.51		55,387.88
February 1 to February 28, 2010	4,056.25		13.73	203.50		4,273.48
March 1 to March 31, 2010	2,981.25		7.31	149.43		3,137.99
Total	\$ 124,820.00	\$	405.14	\$ 6,261.25	\$	131,486.39

Richter's average hourly rate during the period was \$422.33.

Ogilvy Renault LLP

Period	Fees	Disb	ursements	 GST		Total
September 1 to September 30, 2009	\$ 42,982.50	\$	1,259.91	\$ 2,203.37	\$	46,445,78
October 1 to November 30, 2009 ⁴	19,370.00		4,050.65	1,171.03	,	24,591.68
December 1 to December 31, 2009	9,345.00		28.25	468.66		9.841.91
January 1 to January 31, 2010	962.50		-	48.13		1,010.63
Total	\$ 72,660.00	\$	5,338.81	\$ 3,891.19	\$	81,890.00

Ogilvy's average hourly rate during the period was \$642.44.

¹ Includes \$16,251.38 funded by the Purchaser for fees incurred in connection with the TOA.

² Includes\$9,922.50 funded by the Purchaser for fees incurred in connection with the TOA.

³ Includes \$48,041.61 funded by the Purchaser for fees incurred in connection with the TOA.

⁴ This invoice was funded by the Purchaser for fees incurred in connection with the TOA.

The Monitor is of the view that the hourly rates charged by Ogilvy are consistent with the rates charged by law firms practicing in the area of insolvency in the Toronto marketplace and that the fees charged are reasonable and appropriate in the circumstances.

The Monitor believes that the Fee Accrual should be sufficient to cover its fees, Ogilvy's fees and the fees of the Company's counsel to complete the administration of the estate, including preparing this Report and accompanying motion materials, facilitating the payment of the final distribution and dealing with sundry issues, if any.

8. OVERVIEW OF THE MONITOR'S ACTIVITIES

The Monitor's activities have been approved from time to time over the course of these proceedings. A Court Order made on September 21, 2009 approved the Monitor's activities up to that date. The Monitor's activities up to the date of the Sixth Report were described therein. A copy of the Sixth Report (without appendices) is attached as Appendix "E". The Monitor is seeking approval of those activities and its activities since that date, including:

- Corresponding with legal counsel to the Company and the Monitor in connection with these proceedings;
- Reviewing Court materials filed in connection with litigation among the Company, the Purchaser and ESI;
- Meeting with counsel in connection with the ESI litigation;
- Corresponding with the Company's counsel and certain Third Debenture Holders in connection with the release of the Directors' Charge and payment of the final distribution;
- Dealing with the issuance and filing of the Second Monitor's Certificate, which was filed following the expiry of the TOA;
- Dealing with the Purchaser concerning the TOA until its expiry;

- Corresponding with Vengrowth and its counsel concerning distribution issues;
- Posting on its website materials filed in these proceedings, including materials filed with this Honourable Court;
- Drafting this Report; and
- Other matters pertaining to the administration of this mandate.

9. CONCLUSION AND RECOMMENDATION

Based on the foregoing, the Monitor respectfully recommends that this Honourable Court make an order granting the relief detailed in Section 1.1(f) of this Report.

* * *

All of which is respectfully submitted,

Sof Roller LC.

RSM RICHTER INC.

IN ITS CAPACITY AS CCAA MONITOR OF

NEXIENT LEARNING INC. AND

NEXIENT LEARNING CANADA INC.

AND NOT IN ITS PERSONAL CAPACITY



Court File No. CV-09-8257-00CL

ONTARIO SUPERIOR COURT OF JUSTICE COMMERCIAL LIST

THE HONOURABLE MR.)	WEDNESDAY, THE 8TH
)	
JUSTICE CUMMING)	DAY OF JULY, 2009

IN THE MATTER OF THE *COMPANIES' CREDITORS* ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF NEXIENT LEARNING INC. AND NEXIENT LEARNING CANADA INC. (the "Applicants")

AMENDED AND RESTATED INITIAL ORDER

THIS APPLICATION, made by the Applicants, pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "CCAA") was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Affidavit of Donna de Winter sworn June 26, 2009 and the Exhibits thereto, the Affidavit of Donna de Winter sworn July 2, 2009 and the Exhibits thereto and the First Report and the Supplement to the First Report of RSM Richter Inc. in its capacity as court-appointed monitor of the Applicants (the "Monitor"), and on hearing the submissions of counsel for the Applicants, Comerica Bank, The Vengrowth Traditional Industries Fund Inc. and/or other funds under affiliated management, Fund 321 Limited Partnership, c.o.b. as Wellington Financial Fund II ("Wellington") and Clairvest Group Inc. ("Clairvest"), and on reading the consent of RSM Richter Inc. to act as the Monitor,

SERVICE

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

APPLICATION

2. THIS COURT ORDERS AND DECLARES that each of the Applicants is a company to which the CCAA applies.

PLAN OF ARRANGEMENT

3. THIS COURT ORDERS that the Applicants shall have the authority to file and may, subject to further order of this Court, file with this Court a plan of compromise or arrangement (hereinafter referred to as the "Plan") between, *inter alia*, the Applicants and one or more classes of their secured and/or unsecured creditors, as the Applicants deem appropriate.

POSSESSION OF PROPERTY AND OPERATIONS

- 4. THIS COURT ORDERS that the Applicants shall remain in possession and control of their current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the "Property"). Subject to further Order of this Court, the Applicants shall continue to carry on business in a manner consistent with the preservation of their business (the "Business") and Property. The Applicants shall be authorized and empowered to continue to retain and employ the employees, consultants, agents, experts, accountants, counsel and such other persons (collectively "Assistants") currently retained or employed by them, with liberty to retain such further Assistants as they deem reasonably necessary or desirable in the ordinary course of business or for the carrying out of the terms of this Order.
- 5. THIS COURT ORDERS that the Applicants shall be entitled but not required to pay the following expenses whether incurred prior to or after this Order:
 - (a) all outstanding and future wages, salaries, employee and pension benefits, vacation pay, bonuses and expenses payable on or after the date of this Order, in

- each case incurred in the ordinary course of business and consistent with existing compensation policies and arrangements; and
- (b) the fees and disbursements of any Assistants retained or employed by the Applicants in respect of these proceedings, at their standard rates and charges.
- 6. THIS COURT ORDERS that, except as otherwise provided to the contrary herein, the Applicants shall be entitled but not required to pay all reasonable expenses incurred by the Applicants in carrying on the Business in the ordinary course after this Order, and in carrying out the provisions of this Order, which expenses shall include, without limitation:
 - (a) all expenses and capital expenditures reasonably necessary for the preservation of the Property or the Business including, without limitation, payments on account of insurance (including directors and officers insurance), maintenance and security services; and
 - (b) payment for goods or services actually supplied to the Applicants following the date of this Order.
- 7. THIS COURT ORDERS that the Applicants shall remit, in accordance with legal requirements, or pay:
 - (a) any statutory deemed trust amounts in favour of the Crown in right of Canada or of any Province thereof or any other taxation authority which are required to be deducted from employees' wages, including, without limitation, amounts in respect of (i) employment insurance, (ii) Canada Pension Plan, (iii) Quebec Pension Plan, and (iv) income taxes;
 - (b) all goods and services or other applicable sales taxes (collectively, "Sales

 Taxes") required to be remitted by the Applicants in connection with the sale of
 goods and services by the Applicants, but only where such Sales Taxes are
 accrued or collected after the date of this Order, or where such Sales Taxes were
 accrued or collected prior to the date of this Order but not required to be remitted
 until on or after the date of this Order, and
 - (c) any amount payable to the Crown in right of Canada or of any Province thereof or any political subdivision thereof or any other taxation authority in respect of municipal realty, municipal business or other taxes, assessments or levies of any

nature or kind which are entitled at law to be paid in priority to claims of secured creditors and which are attributable to or in respect of the carrying on of the Business by the Applicants.

- 8. THIS COURT ORDERS that, until such time as the Applicants deliver a notice in writing to repudiate a real property lease in accordance with paragraph 10(c) of this Order (a "Notice of Repudiation"), the Applicants shall pay all amounts constituting rent or payable as rent under real property leases (including, for greater certainty, common area maintenance charges, utilities and realty taxes and any other amounts payable to the landlord under the lease) or as otherwise may be negotiated between the Applicants and the landlord from time to time ("Rent"), for the period commencing from and including the date of this Order, twice-monthly in equal payments on the first and fifteenth day of each month, in advance (but not in arrears). On the date of the first of such payments, any arrears relating to the period commencing from and including the date of this Order shall also be paid. Upon delivery of a Notice of Repudiation, the Applicants shall pay all Rent due for the notice period stipulated in paragraph 10(c) of this Order, to the extent that Rent for such period has not already been paid.
- 9. THIS COURT ORDERS that, except as specifically permitted herein, the Applicants are hereby directed, until further Order of this Court: (a) to make no payments of principal, interest thereon or otherwise on account of amounts owing by the Applicants to any of their creditors as of this date; (b) to grant no security interests, trust, liens, charges or encumbrances upon or in respect of any of its Property; and (c) to not grant credit or incur liabilities except in the ordinary course of the Business.

RESTRUCTURING

- 10. THIS COURT ORDERS that the Applicants shall, subject to any covenants contained in the Definitive Documents (as defined below), have the right to:
 - (a) permanently or temporarily cease, downsize or shut down any of their business or operations and to dispose of redundant or non-material assets not exceeding \$250,000 in any one transaction or \$500,000 in the aggregate, subject to paragraph (c), if applicable;

- (b) terminate the employment of such of their employees or temporarily lay off such of their employees as they deem appropriate on such terms as may be agreed upon between the Applicants and such employee, or failing such agreement, to deal with the consequences thereof in the Plan;
- (c) in accordance with paragraphs 11 and 12, vacate, abandon or quit the whole but not part of any leased premises and/or repudiate any real property lease and any ancillary agreements relating to any leased premises, on not less than seven (7) days notice in writing to the relevant landlord on such terms as may be agreed upon between the Applicants and such landlord, or failing such agreement, to deal with the consequences thereof in the Plan; and
- (d) repudiate such of their arrangements or agreements of any nature whatsoever, whether oral or written, as the Applicants deem appropriate on such terms as may be agreed upon between the Applicants and such counter-parties, or failing such agreement, to deal with the consequences thereof in the Plan.

all of the foregoing to permit the Applicants to proceed with an orderly restructuring of the Business (the "Restructuring").

- 11. THIS COURT ORDERS that the Applicants shall provide each of the relevant landlords with notice of the Applicants' intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes the Applicants' entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the Applicants, or by further Order of this Court upon application by the Applicants on at least two (2) days notice to such landlord and any such secured creditors. If the Applicants repudiate the lease governing such leased premises in accordance with paragraph 10(c) of this Order and vacates such leased premises, they shall not be required to pay Rent under such lease pending resolution of any such dispute (other than Rent payable for the notice period provided for in paragraph 10(c) of this Order), and the repudiation of the lease shall be without prejudice to the Applicants' claim to the fixtures in dispute.
- 12. THIS COURT ORDERS that if a Notice of Repudiation is delivered, then (a) during the notice period prior to the effective time of the repudiation, the landlord may show the affected

leased premises to prospective tenants during normal business hours, on giving the Applicants and the Monitor 24 hours' prior written notice, and (b) at the effective time of the repudiation, the relevant landlord shall be entitled to take possession of any such leased premises without waiver of or prejudice to any claims or rights such landlord may have against the Applicants in respect of such lease or leased premises and such landlord shall be entitled to notify the Applicants of the basis on which it is taking possession and to gain possession of and re-lease such leased premises to any third party or parties on such terms as such landlord considers advisable, provided that nothing herein shall relieve such landlord of its obligation to mitigate any damages claimed in connection therewith.

13. THIS COURT ORDERS that, subject to the rights of a trustee in bankruptcy, (i) subject to paragraphs 8, 10, 11 and 12 of this Order, or except as expressly permitted by the terms of all of the real property leases (collectively, the "Leases"), none of the Leases shall be amended or varied, or deemed to be amended or varied, in any way without obtaining the prior written consent of the applicable landlords (collectively, the "Landlords"); and (ii) where any Leases are not, in accordance with their terms, transferable or assignable to a purchaser without first obtaining the consent of the applicable Landlord, none of the Leases shall, absent further Order of the Court, be transferred, conveyed, assigned or vested in a purchaser by operation of this Order, save and except to the extent that respective consents have been, or are in the future, obtained from the respective Landlords.

NO PROCEEDINGS AGAINST THE APPLICANTS OR THE PROPERTY

14. THIS COURT ORDERS that until and including July 29, 2009, or such later date as this Court may order (the "Stay Period"), no proceeding or enforcement process in any court or tribunal (each, a "Proceeding") shall be commenced or continued against or in respect of the Applicants or the Monitor, or affecting the Business or the Property, except with the written consent of the Applicants and the Monitor, or with leave of this Court, and any and all Proceedings currently under way against or in respect of the Applicants or affecting the Business or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

15. THIS COURT ORDERS that during the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being "Persons" and each being a "Person") against or in respect of the Applicants or the Monitor, or affecting the Business or the Property, are hereby stayed and suspended except with the written consent of the Applicants and the Monitor, or leave of this Court, provided that nothing in this Order shall (i) empower the Applicants to carry on any business which the Applicants are not lawfully entitled to carry on, (ii) exempt the Applicants 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 RIGHTS

16. THIS COURT ORDERS that during the Stay Period, 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 Applicants, except with the written consent of the Applicants and the Monitor, or leave of this Court.

CONTINUATION OF SERVICES

17. THIS COURT ORDERS that during the Stay Period, all Persons having oral or written agreements with the Applicants 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 Business or the Applicants, 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 Applicants, and that the Applicants shall be entitled to the continued use of their current premises, 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 Applicants in accordance with normal payment practices of the Applicants or such other practices as may be

agreed upon by the supplier or service provider and each of the Applicants and the Monitor, or as may be ordered by this Court.

NON-DEROGATION OF RIGHTS

18. THIS COURT ORDERS that, notwithstanding anything else contained herein, no creditor of the Applicants shall be under any obligation after the making of this Order to advance or readvance any monies or otherwise extend any credit to the Applicants. Nothing in this Order shall derogate from the rights conferred and obligations imposed by the CCAA.

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

19. THIS COURT ORDERS that during the Stay Period, and except as permitted by subsection 11.5(2) of the CCAA, no Proceeding may be commenced or continued against any of the former, current or future directors or officers of the Applicants with respect to any claim against the directors or officers that arose before the date hereof and that relates to any obligations of the Applicants whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers for the payment or performance of such obligations, until a compromise or arrangement in respect of the Applicants, if one is filed, is sanctioned by this Court or is refused by the creditors of the Applicants or this Court.

DIRECTORS' AND OFFICERS' INDEMNIFICATION AND CHARGE

- 20. THIS COURT ORDERS that the Applicants shall indemnify its directors and officers from all claims, costs, charges and expenses relating to the failure of the Applicants, both before and after the date hereof, to make payments of the nature referred to in subparagraphs 5(a), 7(a), 7(b) and 7(c) of this Order which they sustain or incur by reason of or in relation to their respective capacities as directors and/or officers of the Applicants except to the extent that, with respect to any officer or director, such officer or director has actively participated in the breach of any related fiduciary duties or has been grossly negligent or guilty of wilful misconduct.
- 21. THIS COURT ORDERS that the directors and officers of the Applicants shall be entitled to the benefit of and are hereby granted a charge (the "Directors' Charge") on the Property, which charge shall not exceed an aggregate amount of \$1,000,000, as security for the indemnity

provided in paragraph 21 of this Order. The Directors' Charge shall have the priority set out in paragraphs 39 and 41 herein.

22. THIS COURT ORDERS that, notwithstanding any language in any applicable insurance policy to the contrary, (a) no insurer shall be entitled to be subrogated to or claim the benefit of the Directors' Charge, and (b) the Applicants' directors and officers shall only be entitled to the benefit of the Directors' Charge to the extent that they do not have coverage under any directors' and officers' insurance policy, or to the extent that such coverage is insufficient to pay amounts indemnified in accordance with paragraph 21 of this Order.

APPOINTMENT OF MONITOR

- 23. THIS COURT ORDERS that RSM Richter Inc. is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the Property and the Applicants' conduct of the Business with the powers and obligations set out in the CCAA or set forth herein and that the Applicants and their shareholders, officers, directors, and Assistants shall advise the Monitor of all material steps taken by the Applicants pursuant to this Order, and shall co-operate fully with the Monitor in the exercise of its powers and discharge of its obligations.
- 24. THIS COURT ORDERS that the Monitor, in addition to its prescribed rights and obligations under the CCAA, is hereby directed and empowered to:
 - (a) monitor the Applicants' receipts and disbursements;
 - (b) report to this Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, and such other matters as may be relevant to the proceedings herein;
 - (c) assist the Applicants, to the extent required by the Applicants, in the dissemination to the DIP Lender and its counsel on a periodic basis financial and other information as agreed to between the Applicants and the DIP Lender which may be used in these proceedings including reporting on a basis to be agreed with the DIP Lender;
 - (d) advise the Applicants in their preparation of the Applicants' cash flow statements and reporting required by the DIP Lender, which information shall be reviewed

- with the Monitor and delivered to the DIP Lender and its counsel on a periodic basis, as agreed to by the DIP Lender;
- (e) have full and complete access to the books, records and management, employees and advisors of the Applicants and to the Business and the Property to the extent required to perform its duties arising under this Order;
- (f) be at liberty to engage independent legal counsel or such other persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order; and
- (g) perform such other duties as are required by this Order or by this Court from time to time.
- 25. THIS COURT ORDERS that the Monitor shall not take possession of the Property and shall take no part whatsoever in the management or supervision of the management of the Business and shall not, by fulfilling its obligations hereunder, be deemed to have taken or maintained possession or control of the Business or Property, or any part thereof.
- 26. THIS COURT ORDERS that nothing herein contained shall require the Monitor 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 Monitor from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Monitor shall not, as a result of this Order or anything done in pursuance of the Monitor'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.

- 27. THIS COURT ORDERS that, in addition to the rights and protections afforded the Monitor under the CCAA or as an officer of this Court, the Monitor shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded the Monitor by the CCAA or any applicable legislation.
- 28. THIS COURT ORDERS that that the Monitor shall provide Wellington, Clairvest, Comerica Bank and the DIP Lender (as defined below) with information provided by the Applicants in response to reasonable requests for information made in writing by such creditor addressed to the Monitor. The Monitor shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Monitor has been advised by the Applicants is confidential, the Monitor shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Monitor and the Applicants may agree.
- 29. THIS COURT ORDERS that the Monitor, counsel to the Monitor and counsel to the Applicants shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, by the Applicants as part of the costs of these proceedings. The Applicants are hereby authorized and directed to pay the accounts of the Monitor, counsel for the Monitor and counsel for the Applicants on a bi-weekly basis and, in addition, the Applicants are hereby authorized to pay to the Monitor, counsel to the Monitor, and counsel to the Applicants, retainers to be held by them as security for payment of their respective fees and disbursements outstanding from time to time.
- 30. THIS COURT ORDERS that the Monitor and its legal counsel shall pass their accounts from time to time, and for this purpose the accounts of the Monitor and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.
- 31. THIS COURT ORDERS that the Monitor, counsel to the Monitor, if any, and the Applicants' counsel shall be entitled to the benefit of and are hereby granted a charge (the "Administration Charge") on the Property, which charge shall not exceed an aggregate amount of \$325,000, as security for their professional fees and disbursements incurred at the standard rates and charges of the Monitor and such counsel, both before and after the making of this Order

in respect of these proceedings. The Administration Charge shall have the priority set out in paragraphs 39 and 41 hereof.

DIP FINANCING

- 32. THIS COURT ORDERS that the Applicants are hereby authorized and empowered to obtain and borrow under a \$1,000,000 credit facility from The Vengrowth Traditional Industries Fund Inc. and/or other funds under affiliated management (the "DIP Lender") in order to finance the Applicants' working capital requirements provided that borrowings under such credit facility shall not exceed \$850,000 unless consented to by Comerica Bank or permitted by further Order of this Court.
- 33. THIS COURT ORDERS THAT such credit facility shall be on the terms and subject to the conditions set forth in the term sheet between the Applicants and the DIP Lender dated June 26, 2009 (the "Commitment Letter"), filed.
- 34. THIS COURT ORDERS that the Applicants are hereby authorized and empowered to execute and deliver such credit agreements, mortgages, charges, hypothecs and security documents, guarantees and other definitive documents, as are contemplated by the Commitment Letter or as may be reasonably required by the DIP Lender pursuant to the terms thereof (collectively, the "Definitive Documents"), and the Applicants are hereby authorized and directed to pay and perform all of its indebtedness, interest, fees, liabilities and obligations to the DIP Lender under and pursuant to the Commitment Letter and the Definitive Documents as and when the same become due and are to be performed, notwithstanding any other provision of this Order.
- 35. THIS COURT ORDERS that the DIP Lender shall be entitled to the benefit of and is hereby granted a charge (the "DIP Lender's Charge") on the Property, which charge shall not exceed the aggregate amount owed to the DIP Lender under the Definitive Documents. The DIP Lender's Charge shall have the priority set out in paragraphs 39 and 41 hereof.

- 36. THIS COURT ORDERS that, notwithstanding any other provision of this Order:
 - (a) the DIP Lender may take such steps from time to time as it may deem necessary or appropriate to file, register, record or perfect the DIP Lender's Charge or any of the Definitive Documents;
 - (b) upon the occurrence of an event of default under the Definitive Documents or the DIP Lender's Charge, the DIP Lender, upon 5 days notice to the Applicants and the Monitor, may exercise any and all of its rights and remedies against the Applicants or the Property (save that any such rights and remedies relating to Leases shall be subject to the terms of the applicable Leases and to applicable laws) under or pursuant to the Commitment Letter, Definitive Documents and the DIP Lender's Charge, including without limitation, to cease making advances to the Applicants, to make demand, accelerate payment and give other notices, or to apply to this Court for the appointment of a receiver, receiver and manager or interim receiver, or for a bankruptcy order against the Applicants and for the appointment of a trustee in bankruptcy of the Applicants, and upon the occurrence of an event of default under the terms of the Definitive Documents, the DIP Lender shall be entitled to seize and retain proceeds from the sale of the Property and the cash flow of the Applicants to repay amounts owing to the DIP Lender in accordance with the Definitive Documents and the DIP Lender's Charge, but subject to the priorities as set out in paragraphs 33 and 35 of this Order; and
 - (c) the foregoing rights and remedies of the DIP Lender shall be enforceable against any trustee in bankruptcy, interim receiver, receiver or receiver and manager of the Applicants or the Property.
- 37. THIS COURT ORDERS AND DECLARES that the DIP Lender and Comerica Bank shall be treated as unaffected in any plan of arrangement or compromise filed by the Applicants under the CCAA, or any proposal filed by the Applicants under the Bankruptcy and Insolvency Act of Canada (the "BIA"), with respect to any advances made under the Definitive Documents.

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

38. THIS COURT ORDERS that the priorities of the Directors' Charge, the Administration Charge and the DIP Lender's Charge, as among them, shall be as follows:

First – Administration Charge (to the maximum amount of \$325,000):

Second - Directors' Charge (to the maximum amount of \$1,000,000); and

Third - DIP Lender's Charge.

- 39. THIS COURT ORDERS that the filing, registration or perfection of the Directors' Charge, the Administration Charge or the DIP Lender's Charge (collectively, the "Charges") shall not be required, and that the Charges shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect.
- 40. THIS COURT ORDERS that each of the Directors' Charge, the Administration Charge and the DIP Lender's Charge (all as constituted and defined herein) shall constitute a charge on the Property and such Charges shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, statutory or otherwise (collectively, "Encumbrances") in favour of any Person.
- 41. THIS COURT ORDERS that except as otherwise expressly provided for herein, or as may be approved by this Court, the Applicants shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with, any of the Directors' Charge, the Administration Charge, the DIP Lender's Charge or the Comerica Bank indebtedness, unless the Applicants also obtain the prior written consent of the Monitor, the DIP Lender, Comerica Bank and the beneficiaries of the Directors' Charge and the Administration Charge, or further Order of this Court.
- 42. THIS COURT ORDERS that the Directors' Charge, the Administration Charge, the Commitment Letter, the Definitive Documents and the DIP Lender's Charge shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Charges (collectively, the "Chargees") and/or the DIP Lender thereunder shall not otherwise be limited or impaired in any way by (a) the pendency of these proceedings and the declarations of insolvency made herein; (b) any application(s) for bankruptcy order(s) issued pursuant to BIA, or any bankruptcy order made pursuant to such applications; (c) the filing of

any assignments for the general benefit of creditors made pursuant to the BIA; (d) the provisions of any federal or provincial statutes; or (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an "Agreement") which binds the Applicants, and notwithstanding any provision to the contrary in any Agreement:

- (a) neither the creation of the Charges nor the execution, delivery, perfection,
 registration or performance of the Commitment Letter or the Definitive
 Documents shall create or be deemed to constitute a breach by the Applicants of
 any Agreement to which they are a party;
- (b) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the Applicants entering into the Commitment Letter, the creation of the Charges, or the execution, delivery or performance of the Definitive Documents; and
- (c) the payments made by the Applicants pursuant to this Order, the Commitment Letter or the Definitive Documents, and the granting of the Charges, do not and will not constitute fraudulent preferences, fraudulent conveyances, oppressive conduct, settlements or other challengeable, voidable or reviewable transactions under any applicable law.
- 43. THIS COURT ORDERS than any Charge created by this Order over Leases shall only be a Charge in the Applicants' interest in such Leases.

SERVICE AND NOTICE

44. THIS COURT ORDERS that the Applicants shall, within ten (10) business days of the date of entry of this Order, send a copy of this Order to their known creditors, other than employees and creditors to which the Applicants owes less than \$1,000, at their addresses as they appear on the Applicants' records, and shall promptly send a copy of this Order (a) to all parties filing a Notice of Appearance in respect of this Application, and (b) to any other interested Person requesting a copy of this Order, and the Monitor is relieved of its obligation under Section 11(5) of the CCAA to provide similar notice, other than to supervise this process.

- 45. THIS COURT ORDERS that the Applicants and the Monitor be at liberty to serve this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or electronic transmission to the Applicants' creditors or other interested parties at their respective addresses as last shown on the records of the Applicants and that any such service or notice by courier, personal delivery or electronic transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.
- 46. THIS COURT ORDERS that the Applicants, the Monitor, and any party who has filed a Notice of Appearance may serve any court materials in these proceedings by e-mailing a PDF or other electronic copy of such materials to counsels' email addresses as recorded on the Service List from time to time, in accordance with the E-filing protocol of the Commercial List to the extent practicable, and the Monitor may post a copy of any or all such materials on its website.

GENERAL

- 47. THIS COURT ORDERS that the Applicants or the Monitor may from time to time apply to this Court for advice and directions in the discharge of their powers and duties hereunder.
- 48. THIS COURT ORDERS that nothing in this Order shall prevent the Monitor from acting as an interim receiver, a receiver and manager, or a trustee in bankruptcy of the Applicants, the Business or the Property.
- 49. 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 Applicants, the Monitor and their respective 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 Applicants and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor in any foreign proceeding, or to assist the Applicants and the Monitor and their respective agents in carrying out the terms of this Order.

- 50. THIS COURT ORDERS that each of the Applicants and the Monitor 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.
- 51. THIS COURT ORDERS that any interested party (including the Applicants and the Monitor) may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to any other party or parties likely to be affected by the order sought or upon such other notice, if any, as this Court may order.
- 52. THIS COURT ORDERS that this Order and all of its provisions are effective as of 12:01 a.m. Eastern Standard Time on the date of this Order.

53. THIS COURT ORDERS that this Order shall supersede the Order of Madam Justice Pepall dated June 29, 2009 made in this proceeding.

July 8, 2009 Vita (

ENTERED AT / INSCRIT À TORONTO ON / BOOK NO:

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IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF NEXIENT LEARNING INC. AND NEXIENT LEARNING CANADA INC.

Court File No. CV-09-8257-00CL

SUPERIOR COURT OF JUSTICE (COMMERCIAL LIST) ONTARIO

Proceedings commenced at Toronto

AMENDED AND RESTATED INITIAL CCAA ORDER

CHAITONS LLP

Barristers and Solicitors 185 Sheppard Avenue West Toronto, ON M2N 1M9

Harvey Chaiton

LSUC registration no. 21592F

Tel: (416) 218-1129 fax: (416) 218-1829

Lawyers for the Applicants

Court File No. CV-09-8257-00 CL

ONTARIO SUPERIOR COURT OF JUSTICE (COMMERCIAL LIST)

THE HONOURABLE) MONDAY, THE 21 ST DAY OF
)
MR. JUSTICE MORAWETZ) SEPTEMBER, 2009

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF NEXIENT LEARNING INC. AND NEXIENT LEARNING CANADA INC.

Applicants

DISTRIBUTION ORDER

THIS MOTION made by RSM Richter Inc., in its capacity as the Court-appointed monitor (the "Monitor") of Nexient Learning Inc. and Nexient Learning Canada Inc., for Orders:

- approving a distribution to Canada Revenue Agency in respect of a property claim
 in the amount of approximately \$135,000 for unremitted GST for the pre-filing
 period (the "CRA Distribution");
- (b) approving a distribution to The Vengrowth Traditional Industries Fund Inc. and/or other funds under affiliated management ("Vengrowth"), in its capacity as DIP lender to the Applicants in these proceedings, in the amount of \$500,000 plus interest and fees;

- (c) approving a distribution to Comerica Bank of approximately \$4.7 million plus interest, fees and recoverable costs (the "Bank Distribution") from the remaining funds of the Applicants, which are currently held by the Monitor;
- (d) approving an aggregate distribution to the holders of the secured debentures (second senior) (the "Second Senior Holders") as listed in Schedule "A" hereto of approximately \$6.1 million (the "Second Senior Distribution") from the remaining funds of the Applicants, such Second Senior Distribution to be divided among the Second Senior Holders as indicated in Schedule "A" hereto;
- (e) approving an aggregate distribution to the holders of the secured debentures (third senior) (the "Third Senior Holders") as listed in Schedule "A" hereto of approximately \$1.05 million (the "Third Senior Distribution") from the remaining funds of the Applicants, such Third Senior Distribution to be divided on a pro rata basis among the Third Senior Holders based upon the values of the claims of such Third Senior Holders, all as indicated in Schedule "A" hereto;
- authorizing the Monitor to retain a portion of the Applicants' remaining funds in an amount of approximately \$1.1 million or such lesser amount as the Monitor may determine in consultation with Comerica Bank (the "Holdback"), to satisfy amounts that may be payable under the Administration Charge, the Directors' Charge or any post-filing expenses, including potential claims under the Comerica Charge has such capitalized terms are defined in the Second Amended and Restated Initial Order of this Court dated August 19, 2009) (the "Holdback Expenses"; and any additional amounts that may be owing

(g) approving a distribution to the Third Senior Holders of any amount of the Holdback that remains after all Holdback Expenses have been paid or otherwise provided for by the Monitor, such distribution to be made on a *pro rata* basis based upon the remaining amount of each Third Senior Holder's claim, in its capacity as such after accounting for the Third Senior Distribution (the "Residual Distribution"),

was heard this day at 330 University Avenue, Toronto, Ontario.

under
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Monitor's

ON READING the Notice of Motion and the Fifth Report of the Monitor dated September 16, 2009 (the "Monitor's Fifth Report") and upon hearing the submissions of counsel for the Monitor, the Applicants, Comerica Bank, the Second Senior Holders, and the Third Senior Holders and other counsel appearing:

SERVICE

1. **THIS COURT ORDERS** that the time for service and filing of the Notice of Motion and Motion Record herein and of the Monitor's Fifth Report be and it is hereby abridged so that this motion is properly returnable today and that further service on any interested party is hereby dispensed with.

DISTRIBUTION AND PAYMENT

- 2. THIS COURT ORDERS that the Bank Distribution, the Second Senior Distribution, the Third Senior Distribution, and any Residual Distribution are hereby approved and the Monitor is hereby authorized and directed to effect the Bank Distribution, the Second Senior Distribution, the Third Senior Distribution and any Residual Distribution, and to take any steps that it deems necessary or desirable for that purpose.
- 3. THIS COURT ORDERS that each of the Bank Distribution, the Second Senior Distribution, the Third Senior Distribution and the Residual Distribution shall be distributed as payment on account of the indebtedness owing by the Vendors to Comerica Bank and to each of the Second Senior Holders and the Third Senior Holders, in their capacities as such, and each of such payments is hereby approved.
- 4. THIS COURT ORDERS that, notwithstanding:
 - (a) the pendency of these proceedings;
 - (b) any assignment in bankruptcy by or on behalf of the Vendors or any one or more of them;
 - (c) any application for a bankruptcy order hereafter issued pursuant the *Bankruptcy* and *Insolvency Act* (Canada), R.S.C. 1985, c. B-3 ("BIA"), and any bankruptcy

order issued pursuant to any such application in respect of the Vendors or any one or more of them;

- (d) the appointment of any receiver and/or interim receiver over, or any other administrator of, the Vendors or any one or more of them or the assets of the Vendors or any one or more of them;
- (e) any rights of subrogation that may be asserted by either, or both, of the Vendors; or
- (f) the provisions of any federal or provincial statute,

the Bank Distribution, the Second Senior Distribution, the Third Senior Distribution and the Residual Distribution (and the payments and deliveries with respect thereto) shall be binding on any trustee in bankruptcy that may be appointed in respect of any of the Vendors or any one or more of them, shall not be void or voidable by creditors or claimants of the Vendors or any one or more of them, shall not constitute or be deemed to be settlements, fraudulent preferences, assignments, fraudulent conveyances, or other reviewable transactions under the BIA or any other applicable federal or provincial legislation, shall not constitute conduct which is oppressive, unfairly prejudicial to or which unfairly disregards the interest of any person pursuant to any applicable federal or provincial legislation, and shall, upon receipt thereof by Comerica Bank, the Second Senior Holders and the Third Senior Holders, respectively, be free of all claims, liens, security interests, charges or other encumbrances granted by or relating to any of the Vendors or the assets transferred pursuant to the Purchase Agreement, or any one or more of them.

HOLDBACKS

5. **THIS COURT ORDERS** that, subject to further Order of this Court, the Holdback shall be held by the Monitor and the Monitor is hereby authorized and directed to pay out of such Holdback the amounts owing by the Vendors (or any of them) in respect of the Holdback Expenses.

- 6. THIS COURT ORDERS that, without affecting or varying its priority, the Director's Charge referred to at paragraph 21 of the Amended and Restated Initial Order has been reduced and shall not exceed an aggregate amount of \$500,000.
- 7. THIS COURT REQUESTS the aid and recognition of any Court or administrative, regulatory or governmental body in Canada and any other Court or administrative, regulatory or governmental body in any other province or territory of Canada, including the assistance of any Court in Canada pursuant to the Companies' Creditors Arrangement Act and/or the BIA and any Court or administrative, regulatory or governmental body in any jurisdiction, to act in aid or to be complementary in carrying out the terms of this Order.

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SCHEDULE "A"

Proposed Distribution Schedule

Nexient Learning Inc. and Nexient Learning Canada Inc.
Proposed Distribution Schedule
SC

September, 2009

135,178 542,616	135,178 542,616
•	542,616
A 756 055	1 1
4,730,333	4,756,955
50,000	50,000
2,829,229	2,829,229
3,304,170	3,304,170
6,133,399	6,133,399
2,223,788	394,955
2,194,136	389,689
562,261	99,860
366,264	65,050
290,857	51,658
91,566	16,263
91,566	16,263
91,566	16,263
5,912,004	1,050,000
17,480,153	12,668,149
	2,829,229 3,304,170 6,133,399 2,223,788 2,194,136 562,261 366,264 290,857 91,566 91,566 91,566 5,912,004

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

Court File No: CV-09-8257-00 CL

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF NEXIENT LEARNING INC. AND NEXIENT LEARNING CANADA INC.

ONTARIO SUPERIOR COURT OF JUSTICE COMMERCIAL LIST

Proceeding commenced at Toronto

DISTRIBUTION ORDER

OGILVY RENAULT LLP

Suite 3800

Royal Bank Plaza, South Tower 200 Bay Street, P.O. Box 84 Toronto, Ontario M5J 2Z4

Mario Forte LSUC#: 27293F Tel: (416) 216-4870 Lynne O'Brien LSUC#: 36026F Tel: (416) 216-3923 Fax: (416) 216-3930 Lawyers for the Monitor, RSM Richter Inc.

Nexient Learning Inc. and Nexient Learning Canada Inc. **Proposed Distribution Schedule**\$C

May, 2010

Debenture Holder	Secured Obligation	%	Proposed Distribution
3rd Debentures			
Vengrowth	2,278,033	38.2%	187,092
Wellington	2,194,136	36.8%	180,201
Clairvest	562,261	9.4%	46,178
CCWI	366,264	6.1%	30,081
Krediet	290,857	4.9%	23,888
Fallbrook	91,566	1.5%	7,520
QT	91,566	1.5%	7,520
Mitchell	91,566	1.5%	7,520
	5,966,249	100.0%	490,000

Note: The obligation reflected above is before the initial distributions to the Third Debenture Holders in the amount of approximately \$1.05 million.

RSM! Richter

Fifth Report of RSM Richter Inc. as CCAA Monitor of Nexient Learning Inc. and Nexient Learning Canada Inc.

RSM Richter Inc. Toronto, September 16, 2009

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Appendix "B"	Monitor's Fourth Report to Court dated August 13, 2009 (without appendices)
Appendix "C"	Property Claim of Canada Revenue Agency dated August 5, 2009
Appendix "D"	Security Opinion of Ogilvy Renault LLP
Appendix "E"	Schedule of Proposed Distributions

Court File No.: CV-09-8257-00CL

ONTARIO SUPERIOR COURT OF JUSTICE - COMMERCIAL LIST -

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, C.C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF NEXIENT LEARNING INC. AND NEXIENT LEARNING CANADA INC.

FIFTH REPORT OF RSM RICHTER INC.
AS CCAA MONITOR OF
NEXIENT LEARNING INC. AND
NEXIENT LEARNING CANADA INC.

September 16, 2009

1. INTRODUCTION

On June 29, 2009, the Ontario Superior Court of Justice (the "Court") issued an order (the "Initial Order") granting Nexient Learning Inc. ("Nexient") and Nexient Learning Canada Inc. ("Nexient Canada") (jointly, the "Company") protection pursuant to the *Companies' Creditors Arrangement Act* ("CCAA"). Pursuant to the Initial Order, RSM Richter Inc. ("Richter") was appointed the Company's monitor ("Monitor"). A copy of the Second Amended and Restated Initial Order is attached as Appendix "A".

The primary purpose of these restructuring proceedings was to allow the Monitor the opportunity to conduct a "stalking horse" sale process ("Sale Process") for the Company's business and assets.

RSM. Richter

On August 21, 2009, the Company completed a sale (the "Transaction") of substantially all of its business and assets to Global Knowledge Network (Canada) Inc. (the "Purchaser"), pursuant to a Court-approved Asset Purchase Agreement dated August 5, 2009 (the "APA").

1.1 Purposes of this Report

The purposes of this report ("Report") are to:

- a) Provide background information concerning the Company and these proceedings, including the Transaction;
- b) Recommend that the Monitor be authorized and directed to make the distributions detailed in this Report and to make further distributions to the parties so entitled (the "Distributions"), subject to resolution of various issues;
- c) Set out an amount which the Monitor estimates should be retained by it (the "Holdback");
- d) Provide an overview of the Monitor's activities since August 19, 2009, the date on which its activities were previously approved; and
- e) Recommend that this Honourable Court issue an order:
 - i. Authorizing and directing the Monitor to repay in full the amounts owing to: Canada Revenue Agency ("CRA") (to the extent that such amounts are priority claims); The Vengrowth Traditional Industries Fund Inc. and/or other funds under affiliated management ("Vengrowth"), in its capacity as debtor-in-possession ("DIP") lender; 2210961 Ontario Limited (the "Stalking Horse"); and Comerica;
 - ii. Approving the Holdback;
 - iii. Authorizing and directing, without further order of this Honourable Court, the Monitor to make Distributions to the 2nd Debenture Holders and the 3rd Debenture Holders (each as defined below) subject to the resolution of certain issues between them;
 - iv. Approving the Monitor's activities, as described in this Report; and
 - v. Approving the fees and disbursements of the Monitor from the commencement of these proceedings to August 31, 2009, including the fees and disbursements of its legal counsel, Ogilvy Renault LLP ("Ogilvy"), for the same period.

2. BACKGROUND

Nexient was a public company, the common shares of which were listed on the NEX, a separate board of the TSX Venture Exchange. Nexient Canada is a wholly-owned subsidiary of Nexient. The Company's head office was located in Toronto, Ontario. The Company operated from 13 leased facilities across Canada from which it served over 3,000 corporate and public sector clients as well as individual learners. The Company employed approximately 212 individuals. The Company's workforce was not unionized. The majority of the Company's instructors were independent contractors.

2.1 The Transaction

The Sale Process resulted in the Transaction, which was approved pursuant to a Court Order made on August 19, 2009 (the "Sale Approval Order"). The Transaction closed on August 21, 2009. The proceeds of the Transaction were deposited in a trust account maintained by the Monitor.

Further details concerning the Transaction were provided in the Monitor's fourth report to Court dated August 13, 2009 (the "Fourth Report"), a copy of which, without appendices, is provided as Appendix "B".

3. SECURED CREDITORS

Excluding the charges established by the Initial Order, the Company's secured creditors are as follows:

	(\$000s)
Description	Amount
GST obligation	135
Operating loan, interest and fees, before per diem interest of \$712.48 from September 14, 2009	4,752
2 nd , 3 rd Debentures and Mezzanine Debentures	9,373
2 nd , 3 rd Debentures and Mezzanine Debentures	9,747
3 rd Debentures and Mezzanine Debentures	1,654
3 rd Debentures and Mezzanine Debentures	1,092
3 rd Debentures and Mezzanine Debentures	273
3 rd Debentures and Mezzanine Debentures	273
Mark Mitchell ("Mitchell") 3 rd Debentures and Mezzanine Debentures	
3 rd Debentures and Mezzanine Debentures	867
Secured loan	450
Secured loan	250
	29,139
	Operating loan, interest and fees, before per diem interest of \$712.48 from September 14, 2009 2nd, 3rd Debentures and Mezzanine Debentures 2nd, 3rd Debentures and Mezzanine Debentures 3rd Debentures and Mezzanine Debentures

The Company also has capital lease obligations totalling approximately \$286,000. These leases were not assigned to the Purchaser under the Transaction. Pursuant to the Transition and Occupation Services Agreement ("TOA")¹ between the Company and the Purchaser, these leases will either be assigned to the Purchaser or otherwise addressed by the Company in accordance with the Initial Order. The Monitor has become aware of the possibility that

¹ Executed in connection with the Transaction.

certain leases or equipment financing arrangements may exist between MCAP Leasing, as lessor, and one or both of Nexient and Nexient Canada, as lessees. Information regarding the value and nature of these arrangements has only recently become available to the Monitor. There are sufficient funds in the Holdback to address secured deficiency claims, if any, in connection with these capital leases.

3.1 Canada Revenue Agency

On August 5, 2009, CRA filed a property claim in the amount of \$135,178. A copy of CRA's claim is attached as Appendix "C". CRA's claim relates to unremitted GST for the pre-filing period. There are sufficient funds available to repay CRA in full.

3.2 Comerica

Comerica was the Company's operating lender. On September 2, 2009, Comerica provided the Monitor with a "payout statement" reflecting a total obligation of \$4,751,967.89 as at September 14, 2009. Per diem interest totals \$712.48. There are sufficient funds available to repay Comerica in full.

3.3 The Debenture Holders

On June 30, 2008, the Company completed a recapitalization with certain of its lenders (the "Recapitalization"). The Recapitalization included the conversion of certain convertible debentures outstanding at that time into three series of secured debentures, referred to in the Company's publicly filed financial information as the "2nd Debentures", the "3rd Debentures" and the "Mezzanine Debentures".

3.3.1 The 2nd Debentures

The 2nd Debenture Holders were owed approximately \$6.1 million as at August 21, 2009, including fees and accrued interest at a rate of 9.5%. The 2nd Debenture Holders are comprised of the following secured lenders:

Secured Lender	(\$000s) Amount
Wellington	3,290
Vengrowth	2,829
Total	6,119

There are sufficient funds available to repay in full the 2nd Debenture Holders. The Monitor understands that Vengrowth and Wellington are working to finalize the amounts owed to one another. Upon resolution of the issues between Wellington and Vengrowth, the Monitor believes that it is appropriate to repay the 2nd Debenture Holders in full.

3.3.2 The 3rd Debentures

The 3rd Debenture Holders are owed approximately \$5.9 million as at August 21, 2009, including accrued interest at a rate of 12%. The 3rd Debenture Holders are comprised of the following secured lenders:

Secured Lender	(\$000s) Amount
Vengrowth	2,194
Wellington	2,224
Clairvest	562
CCWI	366
Krediet	291
Fallbrook	92
QT	92
Mitchell	92
Total	5,913

The 3rd Debenture Holders are projected to incur a substantial shortfall on the amounts owing to them. There will be insufficient monies to make any distribution to the Mezzanine Debentures (totalling approximately \$11.4 million) or any of the Company's other creditors ranking behind the Mezzanine Debentures.

3.4 Security Opinion

Attached as Appendix "D" is a copy of the Security Opinion ("Opinion") dated September 9, 2009 obtained by the Monitor from its legal counsel, Ogilvy. The Opinion provides that, subject to the qualifications contained therein, Comerica, the 2nd Debenture Holders and the 3rd Debenture Holders all hold validly perfected security interests in the Company's assets as set out in their respective security agreements.

3.5 Potential Priority Claims

The Initial Order created the following charges (collectively, the "Charges"):

- The Administration Charge (up to \$325.000). The Administration Charge provides a charge in favour of certain professionals involved in these proceedings in the event that their fees are unpaid at the time of distribution, or otherwise. The majority of the professional fees through to the end of August 31, 2009 have been paid.
 - The Monitor intends to withhold \$325,000, which should be sufficient to cover unpaid professional fees for August (which are nominal) and the balance of the professional fees and expenses to be incurred through to the completion of these proceedings.
- The Directors' Charge (up to \$1 million). The Directors' Charge is for claims, costs, charges and expenses relating to the failure of the Company to make payments of the nature referred to in paragraphs 5(a), 7(b) and 7(c) of the Initial Order. Based on the Company's books and records and/or discussions with the Company's management, the Monitor understands that:
 - > The GST obligation referred to in Section 3.1 of this Report will be satisfied in full from the Transaction proceeds;
 - > The Company does not have an outstanding PST obligation;

- > The Company is current on its payroll remittances (it used Ceridian as a payroll service); and
- Accrued vacation pay owing to employees retained by the Purchaser was assumed by the Purchaser. The Monitor understands that the Purchaser intends to retain the majority of the Company's employees, who, in accordance with the TOA, are presently employed by the Company as at the date of this Report.
- <u>DIP Lender's Charge (up to \$1 million, plus interest)</u>. The DIP Lender's Charge is in favour of Vengrowth, as DIP Lender, for advances up to \$1 million. There is currently \$500,000 (plus interest and fees of approximately \$40,000) outstanding under the DIP facility. The Monitor is proposing to repay the DIP facility in full, including fees.
- <u>"Break Fee" (up to \$50,000, excluding applicable taxes)</u>. The Sale Process approved by this Honourable Court included the approval of an agreement of purchase and sale dated July 3, 2009 between the Stalking Horse² and the Company (the "Stalking Horse APA"). Pursuant to the Stalking Horse APA:

"Upon closing of the transaction with the Winning Bidder, the overbid amount shall first be paid to the satisfaction of any and all professional fees and expenses incurred by the Purchaser in connection with the Stalking Horse Bid and the Transaction, which the parties agree shall be capped at \$50,000, exclusive of all applicable taxes."

4. PROPOSED DISTRIBUTIONS

The Monitor recommends that this Honourable Court authorize and direct the Monitor to make the following distributions:

- \$135,178 to CRA in full satisfaction of the Company's GST obligation;
- \$500,000 (plus actual interest and fees estimated to total approximately \$40,000) to Vengrowth in full satisfaction of the Company's DIP facility obligation;
- \$4,756,955³ to Comerica in full satisfaction of the Company's obligations to Comerica;

² An entity incorporated by Vengrowth for the purpose of the Sale Process.

³ Comerica's payout statement was as at September 7, 2009. Accordingly, the proposed distribution to Comerica includes fourteen days of per diem interest.

- The total professional fees incurred by the Stalking Horse in connection with the Stalking Horse APA to a maximum of \$50,000 plus applicable taxes, subject to the Stalking Horse providing to the Monitor the supporting invoices. (The Monitor has provided for the full \$50,000);
- Upon resolution of the issues between Vengrowth and Wellington, \$6,119,442
 (plus interest, costs and appropriate adjustments from August 21, 2009, if any) to the 2nd Debenture Holders in full satisfaction of the Company's obligations under the 2nd Debentures; and
- \$550,000 to the 3rd Debenture Holders in partial satisfaction of amounts owing by the Company under the 3rd Debentures, following the repayment in full of the Company's obligations owing under the 2nd Debentures.

The distributions to the individual 3rd Debenture Holders would be made on a *pro rata* basis based on the principal amount of their 3rd Debentures. The Distribution schedule is attached as Appendix "E".

4.1 Holdback

After funding the above payments, a Holdback of approximately \$1.6 million would remain in the estate account maintained by the Monitor. The Holdback is comprised of the following:

Description	(\$000s) Amount
Administration Charge	325
Directors' Charge	1,000
Post-filing expenses, including for potential claims under the Comerica Charge	275
Holdback	1,600

The Monitor is proposing to withhold the full amount of the Directors' Charge. The Monitor is discussing with the Company and its legal counsel the manner in which the Directors will agree to release the Directors' Charge. After making the Distributions, the Monitor believes that substantially all claims covered by the Directors' Charge will have been paid.

The remainder of the Holdback (\$275,000) is to cover any outstanding post-filing costs

RSM Richter

incurred up to the closing date of the Transaction, or to be incurred, in connection with the completion of these proceedings. Since the closing of the Transaction, the Monitor has collected certain accounts receivable that relate to the period prior to the closing of the Transaction and has issued certain post-filing payments on the Company's behalf. All such payments have been made at the request of the Company's Chief Financial Officer, following his and the Monitor's review of the supporting documentation.

The amount of the Holdback should also be sufficient to cover any amounts that could be subject to the "Comerica Charge", which was created pursuant to the Second Amended and Restated Initial Order. The purpose of the Comerica Charge was to provide Comerica with security for any costs or expenses that may be incurred resulting from it allowing the Purchaser to use the Company's bank accounts at Comerica until the end of the transition period under the TOA or until the Purchaser could set up new accounts.

The Monitor is also seeking the authority to make further distributions from the Holdback without further order of this Honourable Court to the 3rd Debenture Holders when the outstanding matters have been resolved.

5. OVERVIEW OF THE MONITOR'S ACTIVITIES

In addition to the activities described in this Report, the Monitor's activities have included:

- Corresponding extensively with legal counsel to the Company and the Monitor in connection with these proceedings;
- Finalizing and executing the Transaction documents;
- Dealing with issues in connection with the proposed Distributions, including corresponding with counsel regarding the security opinions and the quantum of the secured claims;
- Corresponding with the Purchaser regularly regarding the TOA;

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- Assisting the Company to deal with cash management issues on a daily basis prior to the completion of the Transaction;
- Posting on its website materials filed in these proceedings, including materials filed with this Honourable Court;
- Dealing with Comerica, Vengrowth and Wellington, including their legal counsel in respect of the Transaction, the TOA, the Distributions and the Holdback; and
- Other matters pertaining to the administration of this mandate.

6. PROFESSIONAL FEES

The Monitor's fees and disbursements for the period ended August 31, 2009 total \$304,125. Ogilvy's fees and disbursements for the same period total \$129,451. The Monitor's accounts include time incurred prior to the commencement of these proceedings, all of which related to the preparation of materials in connection with the Company's CCAA proceedings, including the Sale Process.

The detailed invoices in respect of the fees and disbursements of the Monitor and Ogilvy, respectively, are provided in appendices to the affidavits of representatives of Richter and Ogilvy filed in connection with this motion. A summary of the invoices is as follows:

RSM Richter Inc.

Period	Fees	Disbursements	GST	Total
April 24 to June 30, 2009	\$ 63,158.75	\$ -	\$ 3,157.94	\$ 66,316.69
July 1 to July 31, 2009	131,070.00	394.55	6,573.23	138,037.78
August 1 to August 31, 2009	93,931.25	1,088.14	4,750.97	99,770.36
Total	\$288,160.00	\$ 1,482.69	\$14,482.14	\$ 304,124.83

Richter's average hourly rate during the period was \$422.55.

Ogilvy Renault LLP

Period	Fees	Disburseme	ents GST	Γ Total	
June 25 to August 31, 2009	\$ 119,045.00	\$ 4,25	1.07 \$6,155.35	\$ 129,451.	.42
Total	\$ 119,045.00	\$ 4,25	1.07 \$6,155.35	\$ 129,451.	.42

Ogilvy's average hourly rate during the period was \$527.92.

The Monitor is of the view that the hourly rates charged by Ogilvy are consistent with the rates charged by law firms practicing in the area of insolvency in the Toronto market and that the fees charged are reasonable and appropriate in the circumstances.

7. CONCLUSION AND RECOMMENDATION

Based on the foregoing, the Monitor respectfully recommends that this Honourable Court make an order granting the relief detailed in Section 1.1 of this Report.

All of which is respectfully submitted,

Sy Pulder Lec.

RSM RICHTER INC.

IN ITS CAPACITY AS CCAA MONITOR OF

NEXIENT LEARNING INC. AND

NEXIENT LEARNING CANADA INC.

AND NOT IN ITS PERSONAL CAPACITY

RSM: Richter

Sixth Report of RSM Richter Inc. as CCAA Monitor of Nexient Learning Inc. and Nexient Learning Canada Inc.

RSM Richter Inc. Toronto, November 16, 2009

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Appendix "A"	Amended and Restated Initial Order of the <i>Ontario</i> Superior Court of Justice dated July 8, 2009
Appendix "B"	Monitor's Fourth Report to Court dated August 13, 2009 (without appendices)
Appendix "C"	Transition and Occupation Services Agreement dated August 17, 2009
Appendix "D"	Endorsement of the Honourable Justice Morawetz dated November 4, 2009

Court File No.: CV-09-8257-00CL

ONTARIO SUPERIOR COURT OF JUSTICE - COMMERCIAL LIST -

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, C.C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF NEXIENT LEARNING INC. AND NEXIENT LEARNING CANADA INC.

> SIXTH REPORT OF RSM RICHTER INC. AS CCAA MONITOR OF NEXIENT LEARNING INC. AND NEXIENT LEARNING CANADA INC.

> > November 16, 2009

1. INTRODUCTION

On June 29, 2009, the Ontario Superior Court of Justice (the "Court") issued an order (the "Initial Order") granting Nexient Learning Inc. ("Nexient") and Nexient Learning Canada Inc. ("Nexient Canada") (jointly, the "Company") protection pursuant to the *Companies' Creditors Arrangement Act* ("CCAA"). Pursuant to the Initial Order, RSM Richter Inc. ("Richter") was appointed the Company's monitor ("Monitor"). A copy of the Amended and Restated Initial Order is attached as Appendix "A".

The primary purpose of these restructuring proceedings was to allow the Monitor the opportunity to conduct a stalking horse sale process ("Sale Process") for the Company's business and assets. The Sale Process resulted in a transaction with Global Knowledge Network (Canada) Inc. (the "Purchaser") for the acquisition by the Purchaser of substantially all of the Company's business and assets pursuant to an asset purchase agreement dated August 5, 2009 (the "APA") (the "Transaction").

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1.1 Purposes of this Report

The purposes of this report ("Report") are to:

- a) Provide background information concerning the Company and its restructuring proceedings;
- b) Summarize the reasons for the proposed extension of certain provisions of the *Transition and Occupation Services Agreement* dated August 17, 2009 between the Company and the Purchaser (the "TOA");
- c) Summarize the reasons that the Company is seeking an extension of the stay of proceedings from November 19, 2009, the date the stay presently expires, to January 11, 2010;
- d) Summarize the status of a dispute between the Company and ESI International, Inc. ("ESI"), a customer with which the Company is a party to a Distribution and License Agreement dated February 4, 2006 covering business analysis programs (the "BA Agreement") and an agreement dated March 29, 2004, as amended, concerning program management contracts (the "PM Agreement");
- e) Provide an overview of the Monitor's activities since September 21, 2009, the date on which its activities were previously approved; and
- f) Recommend that this Honourable Court issue an order:
 - i. Extending the Transition Period (as defined in the TOA) from November 19, 2009 to January 11, 2010, solely as it relates to the landlord and contract provisions of the TOA;
 - ii. Granting the Company's request for an extension of its stay of proceedings from November 19, 2009 to January 11, 2010; and
 - iii. Approving the Monitor's activities, as described in this Report.

BACKGROUND

The Company carried on business across Canada - it was the largest provider of corporate training and consulting in Canada, specializing in the areas of information technology, leadership, business solutions and business process improvement.

Nexient was a public company, the common shares of which are listed on the NEX, a separate board of the TSX Venture Exchange. Nexient Canada is a wholly-owned subsidiary of Nexient. The Company's head office was located in Toronto, Ontario. The Company operated from 13 leased facilities across Canada from which it served over 3,000 corporate and public sector clients as well as individual learners. The Company employed approximately 200 individuals. The Company's workforce was not unionized. The majority of the Company's instructors were independent contractors.

2.1 Sale of Assets

The Monitor carried out the Sale Process in accordance with a Court order made on July 8, 2009. The Sale Process resulted in the Transaction, which was approved pursuant to a Court order made on August 19, 2009. The Transaction was completed on August 21, 2009.

Further details concerning the Transaction and these proceedings are detailed in the Monitor's fourth report to Court dated August 13, 2009 (the "Fourth Report"). A copy of the Fourth Report, without appendices, is attached as Appendix "B".

2.2 Distributions in these Proceedings

Pursuant to a Court order made on September 21, 2009 (the "Distribution Order"), the Monitor was authorized and directed to make distributions: (i) in respect of claims covered by Court ordered charges in these proceedings; and (ii) to certain of the Company's secured creditors. The following table reflects the distributions facilitated by the Monitor to-date in accordance with the Distribution Order, and the projected recoveries to the Company's secured creditors from the proceeds generated in these proceedings:

		Distribution	
Secured Obligation	Secured Creditor	(\$000s)	Expected Recovery
GST obligation	Canada Revenue Agency	135	Paid in full
DIP Facility	The Vengrowth Traditional Industries Fund Inc. and/or other funds under affiliated management ("Vengrowth")	542	Paid in full
Operating Loan	Comerica Bank ("Comerica")	4,757	Paid in full
2 nd Debentures	Vengrowth and Fund 321 Limited Partnership, c.b.a. Wellington ("Wellington")	6,133	Paid in full
3 rd Debentures	Vengrowth, Wellington and other debenture holders (collectively, the "Third Debenture Holders")	1,050	Projected to incur a shortfall
Total		12,617	***************************************

Pursuant to the Distribution Order, the Monitor was authorized and directed to make distributions to the Third Debenture Holders without further order of this Honourable Court, up to the Company's indebtedness to the Third Debenture Holders, which presently totals approximately \$4.9 million (net of the distributions made to-date). The Third Debenture Holders are projected to incur a substantial shortfall on their advances to the Company.

2.2.1 Further Distributions

As at the date of this Report, there is approximately \$930,000 in the Monitor's trust account. The cash on deposit is currently subject to a holdback for the Charges established by the Initial order, being the Administration Charge (\$325,000) and the Directors' Charge (\$500,000), as well as for unpaid post-filing expenses incurred by the Company up to the closing date of the Transaction.

The Monitor understands that the Directors are currently in discussions with Vengrowth and Wellington concerning the release of the Directors' Charge. Once the Directors' Charge is released or otherwise addressed by the relevant parties, the Monitor intends on distributing \$500,000 to the Third Debenture Holders in accordance with the Distribution Order.

3. TRANSITION AND OCCUPATION SERVICES AGREEMENT

In order to provide a seamless transition of the Company's business to the Purchaser, the APA contemplated that the Purchaser and the Company would enter into the TOA for up to a 90-day period following closing (the "Transition Period"). Pursuant to the TOA:

- The Company has continued to employ those employees who were not hired by the Purchaser at closing but were required on an interim basis after closing to assist with operational and wind-down issues. The Purchaser assumed all employee obligations for those employees who accepted employment with the Purchaser, including vacation pay;
- The Company has not terminated any of the Contracts (as defined in the APA) and has appointed the Purchaser as its agent in respect of such Contracts during the Transition Period, until such time as the Purchaser obtains consents to the Contracts, if required. No later than seven business days prior to the end of the Transition Period, the Purchaser is to provide the Company with a list of the Contracts of which it elects to take an assignment;
- The Purchaser has continued to use the Company's 13 leased premises. The right to use the premises expires on November 19, 2009. During the Transition Period, the Purchaser was to obtain the consents from the landlords to assignments of the leases or to find alternative premises;
- The Purchaser has reimbursed the Company for costs incurred by the Company in connection with the TOA, including employee costs, amounts payable under any Contracts and occupancy costs. Pursuant to the TOA, the Purchaser also paid a deposit equal to the Monitor's estimate of 15 days of such expenses, which amount remains on deposit in the Monitor's trust account. The Purchaser has indemnified the Monitor and the Company for all expenses and liabilities of the Monitor and/or the Company resulting from the Purchaser's actions and/or omissions (or the like) during the Transition Period; and

• The Purchaser continued to have access to the Company's former bank accounts with Comerica. This provision was an accommodation to the Purchaser to allow it time to arrange new bank accounts and to arrange to have customers redirect payments to the new accounts.

A copy of the TOA is attached as Appendix "C".

3.1 Proposed Extension of the Transition Period

The Purchaser has requested an extension of the Transition Period and of the stay of proceedings. The Purchaser has requested these extensions for the following reasons:

- Until the ESI litigation (discussed in Section 4 below) is resolved, the Purchaser is unable to determine whether or not it will take an assignment of the BA Agreement and is considering issues with respect to the PM Agreement which may be resolved by the return of this motion; and
- The Purchaser has dealt with 10 of the 13 leased premises. The Purchaser has been unable to finalize lease arrangements with the Company's Calgary, Edmonton and Kitchener landlords, though the Purchaser's counsel has advised that these discussions are well advanced and resolution of these matters is feasible in their view within the extended Transition Period. The Purchaser requires an extension of the Transition Period in order to finalize these negotiations or to relocate those facilities.

It should be noted that the Purchaser has arranged for new bank accounts. The Purchaser is not seeking to extend the period of time to continue to use the Comerica accounts.

3.2 Recommendation re: Transition Period

The Monitor supports the request for an extension of the Transition Period for the following reasons:

 Based on its discussions with the Purchaser's counsel, The Monitor understands that the three affected landlords (Calgary, Edmonton and Kitchener) are not opposed to the proposed extension of the Transition Period. However, should developments in that regard arise between the date of service of this Report and the return date of this motion, the Monitor will so advise this Honourable Court;

- An extension is required until the ESI litigation is resolved the matter is set down for hearing on November 30, 2009; and
- All Transition Period expenses, including professional fees in connection with the TOA, are to be funded by the Purchaser. 1

4. ESI LITIGATION

On November 4, 2009, legal counsel to the Company, ESI, the Purchaser and the Monitor attended a scheduling motion with the Honourable Justice Morawetz concerning the ESI litigation. A copy of the Endorsement of the Honourable Justice Morawetz dated November 4, 2009 is attached as Appendix "D".

The dispute between the parties resulted in the Company filing a motion returnable November 30, 2009 for an order, *inter alia*:

- Declaring that the BA Agreement and PM Agreements remain in full force and effect;
- Restraining ESI from interfering with the Company's rights under the BA Agreement and the PM Agreement;
- Declaring that the BA Agreement and the PM Agreement are assignable to the Purchaser; and
- Restraining ESI from carrying on business analysis, project management and contract management development programs in Canada.

The Purchaser requires a determination or resolution of the ESI litigation before it can determine whether or not to take an assignment of the BA Agreement and the PM Agreement, though in the latter respect, further discussions may resolve this issue prior to the return of this motion.

RSM Richter

¹ The Purchaser has also confirmed that it would fund the costs associated with this extension motion. In addition, the deposit for Transition Period expenses will remain in the Monitor's trust account for the proposed extension period.

The litigation is detailed in the materials filed with this Honourable Court by the Company, copies of which the Monitor has made available on its website. ESI filed responding materials on November 12, 2009.

5. EXTENSION OF THE STAY OF PROCEEDINGS

The Company is seeking an extension of the stay of proceedings to coincide with the proposed extension of the Transition Period. The Monitor supports the request for an extension of the stay of proceedings for the following reasons:

- The Company is acting in good faith and with due diligence to bring these proceedings to a conclusion;
- An extension of the stay of proceedings is required in order for the Company to advance its litigation with ESI;
- It will enable the Company to continue to perform its obligations under the TOA; and
- It will not prejudice any employee or creditor as there are sufficient funds on deposit from the proceeds of the Transaction to fund unpaid post-filing services and supplies provided to the Company up to the closing date of the Transaction, if any. Costs incurred subsequent to that date are to be funded by the Purchaser in accordance with the TOA, including on-going costs of the Monitor, its counsel, the Company and its counsel.

A cash flow projection has not been prepared for the stay extension period. The remaining costs in these proceedings (largely professional fees) are to be funded either by the Purchaser (to the extent they relate to the TOA) or from the proceeds of the Transaction.

OVERVIEW OF THE MONITOR'S ACTIVITIES

In addition to the activities described in this Report, the Monitor's activities have included:

- Corresponding extensively with legal counsel to the Company and the Monitor in connection with these proceedings;
- Facilitating distributions in accordance with the Distribution Order;

RSM! Richter

- Dealing extensively with the Purchaser concerning the TOA, including facilitating payments from the funds in the Monitor's trust account for the post-filing period prior to the Transaction;
- Assisting the Company to deal with numerous post-filing issues, including supplier, landlord, employee and customer issues;
- Reviewing Court materials and correspondence in connection with the ESI litigation;
- Posting on its website materials filed in these proceedings, including materials filed with this Honourable Court;
- Dealing with Comerica, Vengrowth and Wellington, including their legal counsel;
- Drafting this Report; and
- Other matters pertaining to the administration of this mandate.

CONCLUSION AND RECOMMENDATION

Based on the foregoing, the Monitor respectfully recommends that this Honourable Court make an order granting the relief detailed in Section 1.1 of this Report.

All of which is respectfully submitted,

RSM RICHTER INC.

IN ITS CAPACITY AS CCAA MONITOR OF

NEXIENT LEARNING INC. AND

NEXIENT LEARNING CANADA INC.

AND NOT IN ITS PERSONAL CAPACITY

ONTARIO SUPERIOR COURT OF JUSTICE (COMMERCIAL LIST)

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF NEXIENT LEARNING INC. AND NEXIENT LEARNING CANADA INC.

Applicants

AFFIDAVIT OF MARIO FORTE (Sworn April 28, 2010)

I, MARIO FORTE, of the City of Toronto, in the Province of Ontario, MAKE OATH AND SAY:

- 1. I am a partner at Ogilvy Renault LLP ("Ogilvy Renault"), solicitors to RSM Richter Inc., court-appointed monitor (the "Monitor") in the *Companies' Creditors Arrangement Act* proceedings of Nexient Learning Inc. and Nexient Learning Canada Inc., and have responsibility for this matter. As such, I have knowledge of the matters herein deposed to.
- 2. I hereby confirm that attached as Exhibit "A" hereto is a list of the accounts of Ogilvy Renault for the periods indicated and confirm that these accounts accurately reflect the services provided by Ogilvy Renault in this matter and the fees and disbursements claimed by it. An additional amount of \$5,000.00 has been added to the account summary as a reasonable estimate of fees and costs anticipated to be incurred to the completion of this matter.

DOCSTOR: 1927008\2

- 3. Attached hereto as Exhibit "B" to this my affidavit is a summary of additional information with respect to our accounts, indicating all members of Ogilvy Renault who worked on this matter for the period indicated, their year of call to the Bar (where applicable), their rates, and the aggregate blended rate. I confirm that the list represents an accurate summary of such information.
- 4. Attached as Exhibit "C" to this my affidavit are true copes of the accounts of Ogilvy Renault for the above-noted periods. I confirm that these accounts accurately reflect the services provided by Ogilvy Renault in this matter for these periods and the fees and disbursements claimed by it for these periods.

SWORN BEFORE ME at the City of Toronto on April 28, 2010.

commissioner for Taking Affidavits

Mario Forte

EXHIBIT "A"

Date of Account	<u>Fees</u>	Costs	GST	<u>Total</u>
October 26, 2009	\$42,982.50	\$1,259.91	\$2,203.37	\$46,445.78
December 11, 2009	19,370.00	4,050.65	1,171.03	24,591.68
January 13, 2010	9,345.00	28.25	468.66	9,841.91
February 11, 2010	962.50	-	48.13	1,010.63
Additional Fees and Disbursements				5,000.00
TOTAL:	\$72,660.00	\$5,338.81	\$3,891.19	\$86,890.00

This is Exhibit. A	referred to in the
affidavit of MARID	FORTO
sworn before me, this	Re th
day of Aprill, -	2010
and in a	i lold
A COMMISSIO	HI OH TAKING ALI IDAVIIS

EXHIBIT "B" Blended Rate Table for Ogilvy Renault

Name	Year of Call (if applicable)	Rilling L		Number of hours worked	Total Dollar Amount Billed	
		2009	2010		THE RESIDENCE OF THE PARTY OF T	
Hélène Labelle	n/a	\$205.00		1.50	\$367.50	
Tony Reyes	1988	\$790.00		1.25	\$987.50	
Ian Ness	1984	\$740.00	1	5.00	\$3,700.00	
Mario Forte	1987	\$790.00	\$830.00	55.00	\$43,460.00	
Penny Adams	n/a	\$180.00		5.50	\$990.00	
Evan Cobb	2008	\$280.00	\$295.00	38.75	\$10,865.00	
Angela Montecalvo	n/a	\$120.00		0.25	\$30.00	
Lynne O'Brien	1994	\$440.00	\$460.00	27.50	\$12,120.00	
Rahool Agarwal	2007	\$280.00		.50	\$140.00	
[Not Billed Yet]	M MV 0777 + 01777 110 2 2 2 2 1 1 1 1 1 1 1 1 1 1 1 1 1 1				\$5,000.00	
		Blended Rate: \$		135.25	\$77,660.00	

*	B	lend	led	Bi	llin	g	Rate
---	---	------	-----	----	------	---	------

This is Exhibit.	referred to in the
affidavit of MARIO	
sworn before me, this \mathcal{Z}^{c}	grh
day of April 1	2010
A COMMISSION OF	ALL STANDS ALL STANDS

Summary of Aggregate Fees and Disbursements (excluding unbilled additional fees and costs):

Fees:	\$77,660.00
Disbursements:	5,338.81
GST:	3,891.19
Total: (including GST)	\$86,890.00

Blended Rate: (excluding Disbursements and GST)	
\$86,890.00 ÷ 135.25 hours =	<u>\$642.44</u>

EXHIBIT "C"

Accounts (See Attached)

DOCSTOR: 1927008\2



sworn before me, this.

Client:

RSM RICHTER INC.

RE:

Nexient

Matter No.:

02004267-0051

October 26, 2009 INVOICE: 941296

GST: R111340006

RSM RICHTER INC. Suite 1100, P.O. Box 48 200 King Street West Toronto, Ontario M5H 3T4

Attention:

Robert Kofman

Senior Vice-President, Partner

For professional services rendered and disbursements incurred for the period ending September 30, 2009

FEES	\$42,982.50
DISBURSEMENTS (Taxable)	1,084.91
DISBURSEMENTS (Non Taxable)	175.00
GST	2,203.37
TOTAL FOR THIS INVOICE	\$46,445.78

Payable upon receipt

Please remit by Bank Transfer to
RBC Financial Group, Main Branch, Royal Bank Plaza, Toronto, Ontario, CANADA
Bank 003, Transit 00002, Acc. No. 106-030-0
ABA # 021000021
Swift Code # ROYCCAT2
IBAN # 003106030000002
including invoice number on transfer order.

CANADA

OGILVY RENAULT LLP / S.E.N.C.R.L., s.r.L.

Suite 3800 T: 416.216.4000 Royal Bank Plaza, South Tower 200 Bay Street, P.O. Box 84 Toronto, Ontario M5J 2Z4 F: 416.216.3930 toronto@ogilvyrenault.com

ogilvyrenault.com



02004267-0051

RE: Nexient

BILLING SUMMARY

		Hours
A. Montecalvo		0.25
H. Labelle		1.50
P. Adams		5.50
R. Agarwal		0.50
L. O'Brien		9.00
E. Cobb		29.00
M. Forte		31.25
I.A. Ness		5.00
T. Reyes		1.25
	Total	83.25

FEE DETAIL

Date	Timekeeper	Description
7/8/09	Ian A. Ness	Communication and correspondence with stakeholders, monitor and purchaser. Consider all court actions: extension, sale approval, disbursement motion. Review transition agreement.
9/8/09	Ian A. Ness	Review transition agreement. Communication with monitor.
1/9/09	Tony Reyes	Discussion with Evan Cobb regarding issues related to distribution of monies and other questions.
1/9/09	Evan Cobb	Reviewing opinion, reviewing PPSA searches to determine identity of equipment financers. Meeting with Tony Reyes on same. Correspondence with Nexient counsel on same.
1/9/09	Hélène B. Labelle	Reviewing the transcripts of the searches conducted against Nexient Learning Inc. et al. Drafting a report summarizing the results of the searches. Global verification of the summary.
1/9/09	Mario Forte	Advice and guidance on various issues.
1/9/09	Penny Adams	Receiving and reviewing Quebec, BC searches and summary. Receiving and reviewing Ontario search results. Drafting search summary. Correspondence with E Cobb re several matters.
2/9/09	Angela Montecalvo	Drafting an email to Nicole Dubois (Bank of Canada) to request searches pursuant to Article 427 of the Bank Act against Nexient Learning Inc. et al. Transmission to our Penny Adams.
2/9/09	Tony Reyes	Discussion with Evan Cobb regarding security and priority issues.



02004267-0051

RE: Nexient

Date Timekeeper	Description
2/9/09 Evan Cobb	Reviewing Bank Act Searches. Commenting on Comerica Bank payout Letter. Revising opinion. Reviewing search summaries for other jurisdictions. Drafting distribution motion materials. Correspondence with lender's counsel.
2/9/09 Penny Adams	Ordering and reviewing Bank Act searches in all jurisdictions. Reviewing, revising and finalizing the search summary. Reporting to E Cobb re same.
2/9/09 Mario Forte	Advice and guidance on various issues affecting opinion and other matters.
3/9/09 Evan Cobb	Reviewing Nova Scotia and Newfoundland search summaries. Drafting materials regarding distribution motion. Correspondence with other counsel regarding court time and Comercia letter. Meeting with Lynne O'Brien.
3/9/09 Penny Adams	Receiving and reviewing final summaries and reporting to E Cobb re same.
3/9/09 Mario Forte	Advice and guidance on manner of dealing with outstanding opinion matters and other potential issues for distribution motion.
3/9/09 Lynne O'Brien	Meeting Evan Cobb to discuss draft motion material.
4/9/09 Lynne O'Brien	Discussion with Evan Cobb and reviewing draft material.
4/9/09 Evan Cobb	Email correspondence with C. Cook of Goodmans, Richter, Nexient counsel and Comerica counsel. Reviewing financial statements and updating security opinion.
4/9/09 Evan Cobb	Reviewing Monitor's report. Responding to questions from Monitor. Revising draft order and motion record.
8/9/09 Lynne O'Brien	Review and revising draft material; meeting with Mario Forte and Evan Cobb to discuss strategy and material.
8/9/09 Mario Forte	Advising on various issues concerning process and distribution matters etc.
8/9/09 Evan Cobb	Drafting and revising motion materials. Reviewing security documetns. Reviewing and commenting on Monitor's report. Attending to distribution motion maters. Various correspondence with the Monitor and lender's counsel.
9/9/09 Tony Reyes	Discussion with Evan Cobb regarding distribution motion issues.



02004267-0051

RE: Nexient

Date	Timekeeper	Description
9/9/09	Evan Cobb	Attending to distribution motion matters. Draft various motion materials. Revising orders. Various correspondence with the Monitor and counsel to the lenders. Reviewing security documents of equipment lessors.
9/9/09	Mario Forte	Engaged in discussions and advice regarding dealing with outstanding distribution matters. Reviewing and commenting on various materials and opinion issues. Dealing with opinion issues affecting priority determination etc.
10/9/09	Evan Cobb	Attending to distribution motion matters.
10/9/09	Lynne O'Brien	Telephone call with Evan Cobb; reviewing emails and material.
10/9/09	Mario Forte	Engaged in resolution of various issues and developing alternate strategies to resolve pending order for distribution. Discussion with counsels to stakeholders with respect to realization of issues.
11/9/09	Mario Forte	Dealing with and advising on various outstanding matters in connection with distribution etc.
14/9/09	Lynne O'Brien	Attending in court to speak to adjournment of motion.
14/9/09	Mario Forte	Engaged in various discussions regarding settlement of outstanding issues and position regarding bondholders etc. Dealing with opinion issues and other matters. Discussions regarding court materials and presentation of issues.
15/9/09	Mario Forte	Dealing with various issues and opinion matters preparatory to completion of motion materials. Discussions among parties to identify, review or eliminate issues. Discussions with Company counsel concerning various matters relating to changes and bondholders etc. Reviewing various materials.
15/9/09	Lynne O'Brien	Telephone call with Mario Forte; reviewing motion material; emails with Mario Forte and Evan Cobb regarding update.
16/9/09	Mario Forte	Discussions and negotiations affecting various aspects of distribution motion. Review of materials etc. and advising on filing, etc.
16/9/09	Rahool Agarwal	Revising motion materials to conform with Fifth Report of the Monitor as per Lynne O'Brien's instructions.
16/9/09	Lynne O'Brien	Receiving and reviewing Monitor's Fifth Report; finalizing and serving Motion Record for distribution order and order approving Monitor's activities; reviewing emails on holdback.



02004267-0051

RE: Nexient

Date	Timekeeper	Description
17/9/09	Mario Forte	Engaged in discussions and negotiations of various issues dealing with resolution of holdback amounts and interests of stakeholders.
18/9/09	Mario Forte	Dealing with various issues arising from stakeholder enquiries and priority issues.
19/9/09	Mario Forte	Dealing with material on distribution issues.
20/9/09	Mario Forte	Advice and guidance on distribution matters affecting stakeholder issues.
21/9/09	Mario Forte	Negotiations among stakeholders to deal with distribution issues and related matters. Discussions regarding form of order and other issues. Attend Court regarding distribution order etc.
21/9/09	Lynne O'Brien	Preparing for and attending motion for distribution order; receiving and reviewing various emails on the holdback; drafting orders.
22/9/09	Mario Forte	Following up on various matters regarding distribution.
23/9/09	Mario Forte	Dealing with follow-up to distribution etc.
24/9/09	Mario Forte	Advising on clean-up issues.
28/9/09	Mario Forte	Advice regarding distribution issues.
29/9/09	Mario Forte	Advice regarding post-closing matters.
29/9/09	Evan Cobb	Reviewing closing documents prepared by Nexient's counsel to ensure completeness. Follow-up on outstanding tax issues.
30/9/09	Mario Forte	Discussions regarding dealing with surrender of premises.
30/9/09	Evan Cobb	Correspondence with counsel regarding lease assignment issue and outstanding tax issue. Reviewing Transition Services Agreement and Approval and Vesting Order to deterime whether the Monitor has capacity to disclaim a lease. Drafting lease termination document.
30/9/09	Lynne O'Brien	Telephone call with Mr. Litowitz regarding lease issue at 30 Eglinton Avenue West; email to Mario Forte and Evan Cobb regarding lease issue.

TOTAL FEES

\$42,982.50



02004267-0051

RE: Nexient

Copies	400.00
Facsimile	159.00
Long distance calls	0.78
Facsimile - long distance	17.64
Overtime - Secretarial	406.25
Courier service	33.60
Internal meals	(260.00)
Process server fee	40.00
Corporate name search	6.06
Bank of Canada Certificate	79.92
Searches	201.66
	\$1,084.91
DISBURSEMENTS - NON TAXABLE	
Filing notice of motion	127.00
Certified Statements and RDPRM consulta	48.00
	\$175.00

OGILVY RENAULT Proforma # 1436072

REPORT DATE: 02/10/2009 PRODUCED BY 10949 PRINTED BY 10949

Client#/Name: Matter#/Name: Matter Name:

RSM RICHTER INC. Nexient 02004267 02004267-0051 02004267-0051

RECAP

TIMBKEEPER'S

LOCATION	TKPR NAME		FI	FILE'S	NAT	NATIONAL	BILL THESE	LAST TIMECADD
		HOURS	RATE	AMOUNT	RATE	AMOUNT	FIXED AMOUNTS	DATE
Montréal/Montreal	A. Montecalvo	.25	120.00	30.00	140.00	35.00		80/60/08
Montréal/Montreal	H. Labelle	1.50	245.00	367.50	245.00	367.50		30/00/08
Total Montréal/Montreal	ontreal	1.75		397.50		402.50		
Toronto	E. Cobb	29.00	280.00	8,120.00	280.00	8,120.00		80/60/08
Toronto	I.A. Ness	5.00	740.00	3,700.00	740.00	3,700.00		60/60/08
Toronto	L. O'Brien	9.00	440.00	3,960.00	440.00	3,960.00		60/60/08
Toronto	M. Forte	31.25	790.00	24,687.50	790.00	24,687.50		60/60/08
Toronto	P. Adams	5.50	180.00	990.00	180.00	990.00		01/22/22
Toronto	R. Agarwal	.50	280.00	140.00	280.00	140.00		60/60/08
Toronto	T. Reyes	1.25	790.00	987.50	790.00	987.50		60/60/08
Total Toronto		81.50		42,585.00		42,585.00		
Total		83.25	516.31	42,982.50	516.37	42,987.50		

BCAP o; Ø H 03 0 บ

BILL THESE FIXED AMOUNTS					WORKSHIP OF THE PROPERTY OF TH								BILL THESE FIXED AMOUNTS
AMOUNT	400.00	159.00	.78	17.64	406.25	33.60	-260.00	40.00	6.06	79.92	201.66	1084.91	AMOUNT
DESCRIPTION	Copies	Télécopies/Facsimile	Appels interurbains/Long distance calls	Télécopie - appels interurbains/Facs-long	Temps sup Secrétariat /Overtime - Secre	Service de courrier/Courier service	Repas internes/Internal meals	Frais de huissier/Process server fee	Recherche de denomination sociale/Corp nam	Certificat Banque du Canada / Bk of Canada	Recherches / Searches	rocal raxable	DESCRIPTION
TAXABLE DISBURSEMENT CODE	1000	1001	1002	1003	1006	1007	1009	3027	3074	3144	3169		NON-TAXABLE DISBURSEMENT CODE



Client:

RSM RICHTER INC.

RE:

Nexient

Matter No.:

02004267-0051

December 11, 2009 INVOICE: 953674

GST: R111340006

RSM RICHTER INC. Suite 1100, P.O. Box 48 200 King Street West Toronto, Ontario M5H 3T4

Attention:

Robert Kofman

Senior Vice-President, Partner

For professional services rendered and disbursements incurred for the period ending November 30, 2009

FEES	\$19,370.00
DISBURSEMENTS (Taxable)	4,050.65
DISBURSEMENTS (Non Taxable)	0.00
GST	1,171.03
TOTAL FOR THIS INVOICE	\$24,591.68



Payable upon receipt

Please remit by Bank Transfer to RBC Financial Group, Main Branch, Royal Bank Plaza, Toronto, Ontario, CANADA Bank 003, Transit 00002, Acc. No. 106-030-0

ABA # 021000021 Swift Code # ROYCCAT2 IBAN # 003106030000002 including invoice number on transfer order.

Suite 3800



 $02004267 \hbox{-} 0051$

RE: Nexient

BILLING SUMMARY

		Hours
M. Forte		20.00
E. Cobb		1.75
L. O'Brien		7.00
	Total	28.75

FEE DETAIL

Date	Timekeeper	Description
1/10/09	Evan Cobb	Revising lease termination document. Meeting with Mario Forte on same.
2/10/09	Evan Cobb	Reviewing distribution letters to ensure all third debenture holders received delivery.
25/10/09	Evan Cobb	Reviewing TOA and answering Monitor's inquiry regarding vacation pay.
26/10/09	Mario Forte	Discussions regarding ESI issues.
27/10/09	Mario Forte	Advice and guidance on ESI issues.
2/11/09	Mario Forte	Discussions regarding process of extension.
3/11/09	Mario Forte	Dealing with ESI/Global Knowledge issues and advising thereon.
4/11/09	Mario Forte	Engaged in discussions regarding extension and terms thereof for CCAA stay and transition arrangements and advice thereon.
5/11/09	Mario Forte	Dealing with parties to extension arrangements.
6/11/09	Mario Forte	Discussions regarding terms of extension of transition arrangements and other matters.
9/11/09	Mario Forte	Discussions regarding organizing litigation process for extension of transition and CCAA shares and terms of deal.
10/11/09	Mario Forte	Dealing with organizing terms of extension of Transition arrangements and CCAA stay etc.
11/11/09	Mario Forte	Dealing with confirming cost and expense responsibility.
12/11/09	Mario Forte	Dealing with scheduling of ESI matters. Discussions regarding lender issues etc.
13/11/09	Mario Forte	Dealing with process and related matters.



02004267-0051

RE: Nexient

Date	Timekeeper	Description			
17/11/09	Mario Forte	Discussions regarding various aspects of opposition to exten coordination of appropriate responses. Discussions among stregarding coordinating views on extensions and terms of coordinating views on extensions and terms of coordinating views on extensions.	takeholders		
18/11/09	Mario Forte	Various discussions concerning process and materials. Revie extension motion materials etc. Advice and guidance on vari	w of latest ious issues.		
19/11/09	Evan Cobb	Correspondence with counsel to Global Knowledge regarding required for Monitor's certificate under transaction services	g notice agreement.		
19/11/09	Mario Forte	Prepare and attend hearing regarding extension. Various di- regarding possible alternate extension dates and other issue from process.	scussions s arising		
20/11/09	Mario Forte	Discussions regarding issues arising from process etc.			
24/11/09	Mario Forte	Meeting with ESI to discuss various process issues. Discussions with monitor dealing with winding up of file etc.			
25/11/09	Mario Forte	Responding to correspondence on contract assignment.			
26/11/09	Evan Cobb	Correspondence with David Sieradzki.			
27/11/09	Mario Forte	Responding to process inquiries.			
27/11/09	Lynne O'Brien	Reviewing court material to prepare for court hearing.			
30/11/09	Lynne O'Brien	Attending hearing dealing with claims of ESI International a Knowledge relating to various agreements.	and Global		
		TOTAL FEES	\$19,370.00		

DISBURSEMENTS - TAXABLE

Copies	3.75
Overtime - Secretarial	260.00
Courier service	9.00
Overtime- meals	6.67
Associate / Agent fees	3,771.23
	\$4,050,65

OGILVY RENAULT Proforma # 1465510

03/12/2009 10949 10949

REPORT DATE: PRODUCED BY PRINTED BY

RSM RICHTER INC. Nexient 02004267 02004267-0051 02004267-0051 Client#/Name: Matter#/Name: Matter Name:

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LOCATION	TKPR NAME		FI.	FILE'S	LAN	NATIONAL	BILL THESE	LAST TIMECARD
		HOURS	RATE	AMOUNT	RATE	AMOUNT	FIXED AMOUNTS	DATE
Toronto	ы	1.75	280.00	490.00	280.00	490.00		30/11/09
Toronto	L. O'Brien	7.00	440.00	3,080.00	440.00	3,080.00		30/11/09
Toronto	Ξ.	20.00	790.00	15,800.00	790.00	15,800.00		30/11/09
Total Toronto		28.75		19,370.00		19,370.00		
Total		28.75	673.74	19,370.00	673.74	19,370.00		

RECAP COSTS

BILL THESE FIXED AMOUNTS					BILL THESE FIXED AMOUNTS			N M
AMOUNT		9.00 6.67		4050.65	AMOUNT	00.	4050.65	ADMINISTRATIVE FEE
DESCRIPTION	Copies Temps sup Secrétariat /Overtime - Secre	Service de courrier/Courier service Surtemps - repas/Overtime - meals	Honoraires d'associés/Associate / Agent fe	Total Taxable	DESCRIPTION	Total Non-taxable	Grand Total	A D
TAXABLE DISBURSEMENT CODE	1000 1006	1007 3093	3124		NON-TAXABLE DISBURSEMENT CODE	Τ		

RECAP TAX



Client:

RSM RICHTER INC.

RE:

Nexient

Matter No.:

02004267-0051

January 13, 2010 **INVOICE: 960277**

GST: R111340006

RSM RICHTER INC. Suite 1100, P.O. Box 48 200 King Street West Toronto, Ontario M5H 3T4

Attention:

Robert Kofman

Senior Vice-President, Partner

For professional services rendered and disbursements incurred for the period ending December 31, 2009

FEES	\$9,345.00
DISBURSEMENTS (Taxable)	28.25
DISBURSEMENTS (Non Taxable)	0.00
GST	468.66
TOTAL FOR THIS INVOICE	\$9,841.91



Payable upon receipt

Please remit by Bank Transfer to
RBC Financial Group, Main Branch, Royal Bank Plaza, Toronto, Ontario, CANADA
Bank 003, Transit 00002, Acc. No. 106-030-0
ABA # 021000021
Swift Code # ROYCCAT2
IBAN # 003106030000002
including invoice number on transfer order.

CANADA



02004267-0051

RE: Nexient

BILLING SUMMARY

		Hours
M. Forte		3.50
E. Cobb		7.00
L. O'Brien		10.50
	Total	21.00

FEE DETAIL

Date	Timekeeper	Description
1/12/09	Evan Cobb	Correspondence with Monitor and with Nexient counsel.
1/12/09	Mario Forte	Discussion and advice on dealing with form of possible order.
1/12/09	Lynne O'Brien	Discussions regarding process for concluding the CCAA and extension of stay; telephone call with David Sziedarski; email from counsel for Global Knowledge regarding landlord issues.
2/12/09	Evan Cobb	Various correspondence on Monitor's certificate and extension of transition period.
2/12/09	Mario Forte	Advice on proceeding with transition arrangements and court disposition of issues.
2/12/09	Lynne O'Brien	Attending all-day hearing to deal with dispute between ESI and Global Knowledge regarding the assignment of agreements; email to David Sziedarski and Mario Forte with respect to result of hearing; email to counsel regarding extension of transition period and stay.
3/12/09	Mario Forte	Advice regarding order etc.
4/12/09	Mario Forte	Advice on process matters.
4/12/09	Lynne O'Brien	Receiving and reviewing draft order; emails to and from Richter and Mario Forte regarding form of draft order; email to counsel accepting form of order; receiving and reviewing various emails among counsel regarding form of order.
6/12/09	Mario Forte	Review correspondence and dealing with Assignment issues.
6/12/09		Reviewing Assignment and Assumption Agreement circulated by counsel to Global Knowledge.
7/12/09	Evan Cobb	Circulating comments on Assignment and Assumption Agreement.



02004267-0051

RE: Nexient

Date	Timekeeper	Description
8/12/09	Lynne O'Brien	Email to and from counsel for Global Knowledge regarding order and possible extension of stay.
9/12/09	Lynne O'Brien	Telephone call with counsel for Global Knowledge regarding Edmonton landlord issue; email to Monitor with respect to request for stay extension; discussion with Mario Forte; further telephone communication with counsel for Global Knowledge.
10/12/09	Mario Forte	Advice regarding process issues.
11/12/09	Mario Forte	Advice regarding process issues.
15/12/09	Mario Forte	Advice and guidance on process.
16/12/09	Evan Cobb	Call with Global Knowledge counsel. Correspondence with Monitor.
16/12/09	Mario Forte	Advice regarding process and dealing with possible outcomes.
17/12/09	Mario Forte	Advising on process.
18/12/09	Mario Forte	Advising on process.
20/12/09	Evan Cobb	Reviewing factum of Global Knowledge regarding injunction motion.
21/12/09	Mario Forte	Advice regarding process.
21/12/09	Lynne O'Brien	Email communications to and from counsel for ESI and Global Knowledge regarding injunction motion before Justice Wilton-Siegel and terms of transition agreement and stay; attending in court before Justice Wilton-Siegel to deal with stay pending release of the reasons; email to Mario Forte and Evan Cobb with respect to result of attendance.
22/12/09	Evan Cobb	Drafting discharge motion materials; correspondence with Global Knowledge counsel and Monitor regarding second monitor's certificate and assigned contracts.
22/12/09	Mario Forte	Review and advise on process.
22/12/09	Lynne O'Brien	Telephone call with Arthi Sambasivan of Miller Thomson and Evan Cobb regarding Monitor's certificate and extension of stay.
29/12/09	Evan Cobb	Commenting on revised Assignment and Assumption Agreement, circulating comments, coordinating execution of documents.
30/12/09	Mario Forte	Advice regarding process.



02004267-0051

RE: Nexient

Date	Timekeeper	Description
30/12/09	Evan Cobb	Reviewing revisions made to Assignment and Assumption Agreement, forwarding for execution, correspondence with D. Sieradzki, B. Kofman and A. Sambasivan.
31/12/09	Evan Cobb	Attending to filing of Second Monitor's Certificate at Commercial List Office.
		MODIA TODA

TOTAL FEES

\$9,345.00

DISBUR	SEMENTS	- TAXABLE
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Copies	19.25
Courier service	9.00
	\$28.25

Page 2 (2)

OGILVY RENAULT Proforma # 1480887

13/01/2010 16426 16426

REPORT DATE: PRODUCED BY PRINTED BY

RSM RICHTER INC.

02004267 02004267-0051 02004267-0051 Client#/Name: Matter#/Name: Matter Name:

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COCATION	TKPR NAME		FI.	FILE 'S	NAT	NATIONAL	BILL THESE	LAST TIMECARD
		HOURS	RATE	AMOUNT	RATE	AMOUNT	FIXED AMOUNTS	DATE
0.	E. Cobb	7.00	280.00	1,960.00	280.00	1,960.00		11/01/10
0.	L. O'Brien	10.50	440.00	4,620.00	440.00	4,620.00		08/01/10
0.	M. Forte	3.50	790.00	2,765.00	790.00	2,765.00		31/10/00
Total Toronto		21.00		9,345.00		9,345.00		60 171 176
Total		21.00	445.00	9,345.00	445.00	9,345.00		

RECAP COSTS

BILL THESE FIXED AMOUNTS		BILL THESE FIXED AMOUNTS		
AMOUNT 19.25		AMOUNT	00.	28.25
TAXABLE DISBURSEMENT DESCRIPTION CODE 1000 COpies	1007 Service de courrier/Courier service Total Taxable	NON-TAXABLE DISBURSEMENT DESCRIPTION CODE	Total Non-taxable	Grand Total

E E S ADMINISTRATIVE

CAP **以** TAX TAX ON FEES/ TAXABLE

TAX



Client:

RSM RICHTER INC.

RE:

Nexient

Matter No.:

02004267-0051

February 11, 2010 INVOICE: 967934

GST: R111340006

RSM RICHTER INC. Suite 1100, P.O. Box 48 200 King Street West Toronto, Ontario M5H 3T4

Attention:

Robert Kofman

Senior Vice-President, Partner

For professional services rendered and disbursements incurred for the period ending January 31, 2010

FEES	\$962.50
DISBURSEMENTS (Taxable)	0.00
DISBURSEMENTS (Non Taxable)	0.00
GST	48.13
MODAL HOD WYYG YYYGAN	
TOTAL FOR THIS INVOICE	\$1.010.63



Payable upon receipt

Please remit by Bank Transfer to
RBC Financial Group, Main Branch, Royal Bank Plaza, Toronto, Ontario, CANADA
Bank 003, Transit 00002, Acc. No. 106-030-0
ABA # 021000021
Swift Code # ROYCCAT2
IBAN # 003106030000002

including invoice number on transfer order.

CANADA

OGILVY RENAULT LLP / S.E.N.C.R.L., s.r.l.

T: 416.216.4000 F: 416.216.3930 Suite 3800 Royal Bank Plaza, South Tower 200 Bay Street, P.O. Box 84 Toronto, Ontario M5J 2Z4 toronto@ogilvyrenault.com

ogilvyrenault.com



RSM RICHTER INC.

02004267-0051

RE: Nexient

BILLING SUMMARY

		Hours
M. Forte		0.25
E. Cobb		1.00
L. O'Brien		1.00
	Total	2.25

FEE DETAIL

Date	Timekeeper	Description
5/1/10	Lynne O'Brien	Emails to and from various parties regarding the Monitor's certificate, the assignment of agreements, the decision of Justice Wilton-Siegel and other issues; telephone call with Margaret Sims with respect to response to ESI.
11/1/10	Evan Cobb	Circulating First Monitor's Certificate.
14/1/10	Mario Forte	Discussions regarding transition of process to completion.
25/1/10	Evan Cobb	Responding to questions from CIT as lessor of equipment. Reviewing CIT documents. Correspondence with Nexient counsel on CIT lease issue.

TOTAL FEES

\$962.50

INVOICE: 967934

OGILVY RENAULT Proforma # 1497872

REPORT DATE: 03/02/2010 OG:
PRODUCED BY 10949
PRINTED BY 10949

Client#/Name: Matter#/Name: Matter Name:	02004267 02004267-0051 02004267-0051	RSM RICHTER INC.	TER INC.						
			TIMEK	REPER 'S	RECAP				
LOCATION	TKPR NAME			FILE'S	NATIONAL	MAL	BILL THESE	LAST TIMECARD	
Toronto	E. Cobb	HOURS	RATE 295.00	AMOUNT 295 00	RATE	AMOUNT	FIXED AMOUNTS	DATE	
Toronto		1.00		460.00	460 00	460.00		31/01/10	
Toronto	æ	.25		207.50	830.00	207.50		01/02/10	
Total Toronto	onto	2.25		962.50		962.50		01/10/10	
Total		2.25	427.78	962.50	427.78	962.50			
			0 0	E &	GAP				
TAXABLE DISBURSEMENT CODE	DESCRIPTION			AMOUNT			BILL THESE FIXED AMOUNTS		
	Total Taxable			00.					
NON-TAXABLE DISBURSEMENT CODE	DESCRIPTION			AMOUNT		щщ	BILL THESE FIXED AMOUNTS		
OH	Total Non-taxable			00.					
	Grand Total			00.					
			ADMIN	ISTRATIV	VEFEES				
			5	TAX REC	A P				
DESCRIPTION	RATE TOTA	TOTAL TAX	TAXABLE FEES	FEES	TAXABLE ADMIN FEES	TAX ON FEES/ ADMIN FEES	is/ TAXABLE COST	O NO	TAX

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IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF NEXIENT LEARNING CANADA INC.

Court File No: CV-09-8257-00 CL

ONTARIO SUPERIOR COURT OF JUSTICE COMMERCIAL LIST

Proceeding commenced at Toronto

AFFIDAVIT OF MARIO FORTE (Sworn April 28, 2010)

Ogilvy Renault LLP

Suite 3800

Royal Bank Plaza, South Tower 200 Bay Street, P.O. Box 84 Toronto, Ontario M5J 2Z4

Mario Forte LSUC#: 27293F

Tel: (416) 216-4870

Lynne O'Brien LSUC#: 36026F

Tel: (416) 216-3923 Fax: (416) 216-3930

tk. (410) 210-3930

Lawyers for the Monitor, RSM Richter Inc.

DOCSTOR: 1927008\2

ONTARIO SUPERIOR COURT OF JUSTICE COMMERCIAL LIST

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF NEXIENT LEARNING INC. AND NEXIENT LEARNING CANADA INC.

Applicants

AFFIDAVIT OF ROBERT KOFMAN

(Sworn May 3, 2010)

- I, Robert Kofman, of the City of Toronto, in the Province of Ontario, MAKE OATH AND SAY:
- 1. I am co-president of RSM Richter Inc. ("Richter"), court-appointed monitor (the "Monitor") in the *Companies' Creditors Arrangement Act* proceedings of Nexient Learning Inc. and Nexient Learning Canada Inc. pursuant to an Order of the Ontario Superior Court of Justice Commercial List (the "Court") dated June 29, 2009. As such, I have knowledge of the matters to which I hereinafter depose.
- 2. On May 3, 2010, Richter executed its Seventh Report to the Court which, among other things, provided information with respect to the fees and disbursements claimed by the Monitor from September 1, 2009 to March 31, 2010. I hereby confirm that attached as Exhibit "A" hereto

are true copies of our accounts for the periods indicated and confirm that these accounts

accurately reflect the services provided by Richter in this matter and the fees and disbursements

claimed by it. An additional amount of \$35,000 has been added as a reasonable estimate of fees

and costs anticipated to be incurred to the completion of this matter, including the fees of the

Monitor's counsel and the Company's counsel.

3. Richter's average hourly rate for the period covered by the attached invoices was

\$422.33.

4. Additionally, attached hereto as Exhibit "B" is a summary of additional information with

respect to all members of Richter who have worked on this matter, their title and their rates, and

I hereby confirm that list represents an accurate account of such information.

SWORN BEFORE ME at the City of

Toronto, on May 3, 2010.

mmissioner, etc. Robert Kolman

Rajinder Kashyap, a Commissioner, etc., Province of Ontario, for RSM Richter Inc., Trustee in Bankruptcy and RSM Richter LLP, Chartered Accountants.

Expires December 6, 2011.

Exhibit "A"

This is Exhibit. ((A')	reierred to in the
affidavit of Rober	+ Kofman
sworn before me, this	3 × 0(
day of May	20. <i>[Q</i>
- Va	: Lashe
A COMMISSION	NER FOR TAKING AFFIDAVITS

Rajinder Kashyap, a Commissioner, etc., Province of Ontario, for RSM Richter Inc., Trustee in Bankruptcy and RSM Richter LLP, Chartered Accountants. Expires December 6, 2011.

October 6, 2009

RSM Richter Inc.

200 King St. W., Suite 1100, P.O. Box 48 Toronto, ON M5H 3T4 Tel: 416.932.8000 Fax: 416.932.6200 www.rsmrichter.com

Nexient Learning Inc. and Nexient Learning Canada Inc. 2 Bloor Street West, Suites 800 & 1200 Toronto, Ontario M4W 3E2

GST#:

893773846RT

Invoice #: Client ID: **6729** 09-0601

DS:rk

INVOICE

Re: Nexient Learning Inc. and Nexient Learning Canada Inc. (jointly, the "Company")

For professional services rendered for September 2009 in our capacity as monitor ("Monitor") of the Company pursuant to an order ("Initial Order") issued by the *Ontario* Superior Court of Justice ("Court') dated June 29, 2009, including:

- Corresponding with representatives of the Company and its legal counsel, Chaitons LLP ("Chaitons"), The Vengrowth Traditional Industries Fund Inc. ("Vengrowth"), Aird & Berlis LLP ("Aird") and Ogilvy Renault LLP ("Ogilvy") regarding the status of these proceedings;
- Corresponding with McMillan LLP ("McMillan"), legal counsel to Comerica Bank ("Comerica"), in connection with the continued use of the Company's bank accounts;
- Corresponding with Fund 321 Limited Partnership c.o.b. as Wellington Financial Fund II ("Wellington") and its legal counsel, Goodmans LLP ("Goodmans");
- Dealing extensively with Global Knowledge Network (Canada) Inc. (the "Purchaser") and its legal counsel, Miller Thompson LLP, concerning all matters in connection with the transaction for the sale of substantially all of the Company's assets to the Purchaser (the "Transaction");
- Drafting the Monitor's fifth report to Court dated September 16, 2009 filed in connection with the Monitor's distribution motion returnable September 21, 2009 (the "Distribution Motion");
- Reviewing and commenting on all Court materials filed in connection with the Distribution Motion, including the Affidavit of Robert Kofman sworn September 8, 2009 in support of the Monitor's fees and disbursements;
- Preparing multiple versions of the proposed distribution schedule which was appended to the proposed distribution order;



- Corresponding with the Company and Chaitons regarding the reduction of the Directors' Charge from \$1 million to \$500,000;
- Attending at Court on September 21, 2009 re: the Sale Approval Motion;
- Corresponding with legal counsel to Comerica, Vengrowth and other secured creditors regarding distribution issues, including the quantum of the holdback;
- Facilitating the distributions in accordance with the distribution order dated September 21, 2009, including distributions to the DIP lender, Canada Revenue Agency, Comerica and the "second" and "third" debenture holders;
- Placing on the Monitor's website copies of materials filed in these proceedings;
- Responding to numerous creditor inquiries regarding these proceedings, including those made by the Company's landlords and instructors; and
- To all other meetings, correspondence, etc. pertaining to this matter.

Total fees and disbursements per attached time summary	\$	29,148.24
GST		1,457.41
Subtotal		30,605.65
Retainer to be applied		(25,000.00)
Amount to be paid from funds in trust account	_	(5,605.65)
Total Due, once settled	\$ _	_



Nexient Learning Inc. and Nexient Learning Canada Inc.

Time Summary

For the Period September 1, 2009 to September 30, 2009

Personnel		Hours	Rate	Amount (\$
Bobby Kofman	Overall responsibility	15.25	595.00	9,073.75
David Sieradzki	All aspects of mandate	33.00	475.00	15,675.00
Other staff and administra	ative			4,306.25
Subtotal				29,055.00
Out of pocket disbursemen	ts			93.24
Total				29,148.24



October 6, 2009

RSM Richter Inc.

200 King St. W., Suite 1100, P.O. Box 48 Toronto, ON M5H 3T4
Tel: 416.932.8000 Fax: 416.932.6200 www.rsmrichter.com

Global Knowledge Network (Canada) Inc. 2 Bloor Street West, Suites 800 & 1200 Toronto, Ontario M4W 3E2

GST#:

893773846RT

Invoice #: Client ID: **6728** 09-0601

DS:rk

INVOICE

Re: Nexient Learning Inc. and Nexient Learning Canada Inc. (jointly, the "Company")

For professional services rendered for the period August 21 to September 30, 2009 in connection with the Transition and Occupation Services Agreement, including:

- Corresponding with representatives of the Company and its legal counsel, Chaitons LLP ("Chaitons"), and Ogilvy Renault LLP ("Ogilvy"), the Monitor's legal counsel, regarding the Transition and Occupation Services Agreement dated August 17, 2009 ("TSA") between the Company and Global Knowledge Network (Canada) Inc. ("GK");
- Corresponding routinely with Doug Lawson, the Company's former CFO, and Evan Perry, the Company's controller, regarding payment of certain invoices that relate to the period June 29, 2009 (the date of the Company's CCAA filing) to August 21, 2009 (the closing date of the transaction between the Company and GK) (the "Period");
- Reviewing payment supporting documentation sent routinely by GK representatives and facilitating payments for invoices that relate to goods or services provided to the Company during the Period;
- Working with Mr. Perry to pro-rate certain invoices that cover the Period and beyond, including invoices issued by utility service providers;
- Assisting GK to deal with numerous post-closing issues, including those related to banking, suppliers, customers, employees, instructors and former employees;
- Reviewing correspondence between the Company, Chaitons, Ogilvy and Miller Thompson LLP, GK's legal counsel, in connection with the transition period covered by the TSA;



- Arranging logistical issues with GK in connection with the TSA;
- Corresponding with the Company's human resource representatives in connection with notices and letters to be issued in accordance with the TSA;
- Responding to numerous creditor inquiries regarding payment of invoices that relate to the Period and on the TSA generally, including those made by the Company's landlords and instructors; and
- To all other meetings, correspondence, etc. pertaining to this matter.

Total fees and disbursements per attached time summary GST	\$ 15,477.50 773.88
Total Due	\$ 16,251.38



Nexient Learning Inc. and Nexient Learning Canada Inc.

Time Summary re: Transition Services Agreement

For the Period August 21, 2009 to September 30, 2009

ersonnel	Hours	Rate	Amount (\$)
Bobby Kofman	2.00	595.00	1,190.00
Andrew Schaefer	10.00	525.00	5,250.00
David Sieradzki	5.00	475.00	2,375.00
Kazim Mehdi	20.50	325.00	6,662.50
Total			15,477.50



November 3, 2009

RSM Richter Inc.

200 King St. W., Suite 1100, P.O. Box 48 Toronto, ON M5H 3T4
Tel: 416.932.8000 Fax: 416.932.6200 www.rsmrichter.com

Nexient Learning Inc. and Nexient Learning Canada Inc. 2 Bloor Street West, Suites 800 & 1200 Toronto, Ontario M4W 3E2

GST#:

893773846RT

Invoice #: Client ID: **6760** 09-0601

DS:rk

INVOICE

Re: Nexient Learning Inc. and Nexient Learning Canada Inc. (jointly, the "Company")

For professional services rendered for October 2009 in our capacity as monitor ("Monitor") of the Company pursuant to an order ("Initial Order") issued by the *Ontario* Superior Court of Justice ("Court') dated June 29, 2009, including:

- Corresponding with representatives of the Company and its legal counsel, Chaitons LLP ("Chaitons"), The Vengrowth Traditional Industries Fund Inc. ("Vengrowth"), Aird & Berlis LLP ("Aird") and Ogilvy Renault LLP ("Ogilvy") regarding the status of distributions in these proceedings;
- Corresponding with Goodmans LLP ("Goodmans"), legal counsel to Fund 321 Limited Partnership c.o.b. as Wellington Financial Fund II ("Wellington") concerning distributions in these proceedings;
- Dealing with representatives of Global Knowledge Network (Canada) Inc. (the "Purchaser") and its legal counsel concerning all matters in connection with the transaction for the sale of substantially all of the Company's assets to the Purchaser (the "Transaction");
- Facilitating the remainder of the distributions in accordance with the distribution order dated September 21, 2009;
- Dealing with Vengrowth, Wellington and legal counsel in connection with a consulting fee payable to Doug Lawson, the Company's former CFO;
- Placing on the Monitor's website copies of materials filed in these proceedings;



- Responding to numerous creditor inquiries regarding these proceedings, including those made by the Company's landlords and instructors; and
- To all other meetings, correspondence, etc. pertaining to this matter.

Total fees and disbursements per attached time summary	\$ 11,340.49
GST	567.02
Subtotal	11,907.51
Amount to be paid from funds in trust account	 (11,907.51)
Total Due, once settled	\$ -



RSM Richter Inc.

Nexient Learning Inc. and Nexient Learning Canada Inc.

Time Summary

For the Period October 1, 2009 to October 31, 2009

Personnel		Hours	Rate	Amount (\$)
Bobby Kofman	Overall responsibility	7.75	625.00	4,843.75
David Sieradzki	All aspects of mandate	12.00	500.00	6,000.00
Other staff and administra	ative			350.00
Subtotal				11,193.75
Out of pocket disbursement	ts			146.74
Total				11,340.49



November 3, 2009

RSM Richter Inc.

200 King St. W., Suite 1100, P.O. Box 48 Toronto, ON M5H 3T4
Tel: 416.932.8000 Fax: 416.932.6200 www.rsmrichter.com

Global Knowledge Network (Canada) Inc. 2 Bloor Street West, Suites 800 & 1200 Toronto, Ontario M4W 3E2

GST#:

893773846RT

Invoice #: Client ID: **6762** 09-0601

DS:rk

INVOICE

Re: Nexient Learning Inc. and Nexient Learning Canada Inc. (jointly, the "Company")

For professional services rendered for the period October 1 to October 31, 2009 in connection with the Transition and Occupation Services Agreement, including:

- Corresponding with representatives of the Company and legal counsel regarding the Transition and Occupation Services Agreement dated August 17, 2009 ("TSA") between the Company and Global Knowledge Network (Canada) Inc. ("GK");
- Corresponding routinely with Evan Perry, the Company's controller, regarding payment of certain invoices that relate to the period June 29, 2009 (the date of the Company's CCAA filing) to August 21, 2009 (the closing date of the transaction between the Company and GK) (the "Period"):
- Reviewing payment supporting documentation sent routinely by GK representatives and facilitating payments for invoices that relate to goods or services provided to the Company during the Period;
- Assisting GK to deal with numerous post-closing issues, including those related to banking, suppliers, customers, employees, instructors and former employees;
- Corresponding with the Company's human resource representatives in connection with employee issues to be dealt with under the TSA;
- Responding to numerous creditor inquiries regarding payment of invoices that relate to the Period and on the TSA generally, including those made by the Company's landlords and instructors; and
- To all other meetings, correspondence, etc. pertaining to this matter.

Total fees and disbursements per attached time summary
GST

Total Due

\$ 9,450.00
472.50
\$ 9.922.50



Nexient Learning Inc. and Nexient Learning Canada Inc.

Time Summary re: Transition Services Agreement

For the Period October 1, 2009 to October 31, 2009

Personnel	Hours	Rate	Amount (\$)
David Sieradzki	8.00	500.00	4,000.00
Kazim Mehdi	13.50	325.00	4,387.50
Other staff and administrative			1,062.50
Total		· -	9,450.00



December 4, 2009

RSM Richter Inc.

200 King St. W., Suite 1100, P.O. Box 48 Toronto, ON M5H 3T4 Tel: 416.932.8000 Fax: 416.932.6200 www.rsmrichter.com

Global Knowledge Network (Canada) Inc. 2 Bloor Street West, Suites 800 & 1200 Toronto, Ontario M4W 3E2

GST#:

893773846RT

Invoice #: Client ID: **6794** 09-0601

DS:rk

INVOICE

Re: Nexient Learning Inc. and Nexient Learning Canada Inc. (jointly, the "Company")

For professional services rendered for the period November 1 to November 30, 2009 in connection with the Transition and Occupation Services Agreement, including:

- Corresponding with representatives of the Company and legal counsel regarding the Transition and Occupation Services Agreement dated August 17, 2009 ("TSA") between the Company and Global Knowledge Network (Canada) Inc. ("GK");
- Reviewing motion materials filed in the litigation proceedings involving the Company, GK and ESI International ("ESI") (the "ESI Litigation");
- Drafting the Monitor's sixth report to Court dated November 16, 2009, the purpose of which was to recommend the Court approve an extension of the stay of proceedings and the TSA:
- Reviewing extensive correspondence among Chaitons LLP ("Chaitons"), the Company's legal counsel, Ogilvy Renault LLP ("Ogilvy"), the Monitor's legal counsel, Miller Thompson LLP, GK's legal counsel, and Minden Gross LLP ("Minden"), ESI's legal counsel;
- Reviewing and commenting on materials filed in connection with the stay extension motion returnable November 19, 2009;
- Attending at Court on November 19, 2009;
- Reviewing the endorsement of the Honourable Justice Morawetz dated November 23, 2009;
- Attending at a meeting on November 24, 2009 at the Monitor's offices with Minden and Ogilvy;
- Corresponding routinely with Evan Perry, the Company's controller, regarding payment of certain invoices that relate to the period June 29, 2009 (the date of the Company's CCAA filing) to August 21, 2009 (the closing date of the transaction between the Company and GK) (the "Period");



- Reviewing payment supporting documentation sent routinely by GK representatives and facilitating payments for invoices that relate to goods or services provided to the Company during the Period;
- Assisting GK to deal with numerous post-closing issues, including those related to banking, suppliers, customers, employees, instructors and former employees;
- Corresponding with the Company's human resource representatives in connection with employee issues to be dealt with under the TSA;
- Responding to numerous creditor inquiries regarding payment of invoices that relate to the Period and on the TSA generally, including those made by the Company's landlords and instructors; and
- To all other meetings, correspondence, etc. pertaining to this matter.

Total fees and disbursements per attached time summary GST	\$ 30,723. 1,536.	
Total Due	\$32,259.	63



Nexient Learning Inc. and Nexient Learning Canada Inc.

Time Summary re: Transition Services Agreement

For the Period November 1, 2009 to November 30, 2009

Personnel	Hours	Rate	Amount (\$)
Robert Kofman	9.75	625.00	6,093.75
David Sieradzki	31.75	500.00	15,875.00
Kazim Mehdi	18.00	325.00	5,850.00
Other staff and administrative			2,818.75
Subtotal			30,637.50
Out of pocket disbursements			85.96
Total			30,723.46



January 4, 2010

RSM Richter Inc.

200 King St. W., Suite 1100, P.O. Box 48 Toronto, ON M5H 3T4
Tel: 416.932.8000 Fax: 416.932.6200 www.rsmrichter.com

Global Knowledge Network (Canada) Inc. 2 Bloor Street West, Suites 800 & 1200 Toronto, Ontario M4W 3E2

GST#:

893773846RT

Invoice #: Client ID: **6813** 09-0601

DS:rk

DS

INVOICE

Re: Nexient Learning Inc. and Nexient Learning Canada Inc. (jointly, the "Company")

For professional services rendered for the period December 1 to December 31, 2009 in connection with the Transition and Occupation Services Agreement, including:

- Corresponding with representatives of the Company and legal counsel regarding the Transition and Occupation Services Agreement dated August 17, 2009 ("TSA") between the Company and Global Knowledge Network (Canada) Inc. ("GK");
- Reviewing extensive correspondence among Chaitons LLP ("Chaitons"), the Company's legal counsel, Ogilvy Renault LLP ("Ogilvy"), the Monitor's legal counsel, Miller Thompson LLP, GK's legal counsel, and Minden Gross LLP ("Minden"), ESI's legal counsel;
- Reviewing the endorsement of the Honourable Justice Wilton-Siegel dated December 2, 2009;
- Reviewing correspondence among the Company, GK and the landlord of the Company's Edmonton, Alberta premises;
- Corresponding extensively with legal counsel concerning the potential extension of the transition period and the stay of proceedings;
- Executing documents in connection with the TSA, including an Assignment and Assumption Agreement dated December 30, 2009 and the Second Monitor's Certificate dated December 30, 2009;
- Corresponding routinely with Evan Perry, the Company's controller, regarding payment of certain invoices that relate to the period June 29, 2009 (the date of the Company's CCAA filing) to August 21, 2009 (the closing date of the transaction between the Company and GK) (the "Period");



- Facilitating payments from the Company's trust account to GK during the month of December for reimbursements of sales commissions and other expenses incurred during the Period and paid previously by GK on behalf of the Company;
- Reviewing payment supporting documentation sent routinely by GK representatives and facilitating payments for invoices that relate to goods or services provided to the Company during the Period;
- Assisting GK to deal with numerous post-closing issues, including those related to banking, suppliers, customers, employees, instructors and former employees;
- Corresponding with the Company's human resource representatives in connection with employee issues to be dealt with under the TSA;
- Responding to numerous creditor inquiries regarding payment of invoices that relate to the Period and on the TSA generally, including those made by the Company's landlords and instructors; and
- To all other meetings, correspondence, etc. pertaining to this matter.

Total fees and disbursements per attached time summary GST	\$ 15,030.46 751.52
Total Due	\$ 15,781.98



Nexient Learning Inc. and Nexient Learning Canada Inc.

Time Summary re: Transition Services Agreement

For the Period December 1, 2009 to December 31, 2009

Personnel	Hours	Rate	Amount (\$
Robert Kofman	1.50	625.00	937.50
David Sieradzki	10.75	500.00	5,375.00
Kazim Mehdi	23.00	325.00	7,475.00
Other staff and administrative			1,187.50
Subtotal			14,975.00
Out of pocket disbursements			55.46
Total			15,030.46



February 1, 2010

RSM Richter Inc.

200 King St. W., Suite 1100, P.O. Box 48 Toronto, ON M5H 3T4 Tel: 416.932.8000 Fax: 416.932.6200 www.rsmrichter.com

Nexient Learning Inc. and Nexient Learning Canada Inc. 2 Bloor Street West, Suites 800 & 1200 Toronto, Ontario M4W 3E2

GST#:

893773846RT

Invoice #: Client ID: **6845** 09-0601

DS:cb

INVOICE

Re: Nexient Learning Inc. and Nexient Learning Canada Inc. (jointly, the "Company")

For professional services rendered for the period November 1, 2009 to January 31, 2010 in our capacity as monitor ("Monitor") of the Company pursuant to an order ("Initial Order") issued by the *Ontario* Superior Court of Justice ("Court') dated June 29, 2009, including:

- Corresponding with representatives of the Company and its legal counsel, Chaitons LLP ("Chaitons") and Ogilvy Renault LLP ("Ogilvy") regarding the status of outstanding matters in these proceedings;
- Dealing with representatives of Global Knowledge Network (Canada) Inc. (the "Purchaser") and its legal counsel concerning the transaction for the sale of substantially all of the Company's assets to the Purchaser (the "Transaction");
- Executing the second Monitor's certificate for filing with the Court in connection with the Transaction;
- Corresponding with legal counsel concerning bringing these proceedings to completion, including, potentially, a bankruptcy assignment;
- Placing on the Monitor's website copies of materials filed in these proceedings;
- Corresponding with the Purchaser's treasurer in respect of certain outstanding issues, including dealing with the Company's books and records;
- Responding to numerous creditor inquiries regarding these proceedings, including those made by the Company's landlords and instructors; and



• To all other meetings, correspondence, etc. pertaining to this matter.

Total fees and disbursements per attached time summary	\$	6,996,45
GST	,	349.82
Subtotal		7,346.27
Amount to be paid from funds in trust account		(7,346.27)
Total Due, once settled	\$	-



RSM Richter Inc. Nexient Learning Inc. and Nexient Learning Canada Inc.

Time Summary

For the Period November 1, 2009 to January 31, 2010

Personnel		Hours	Rate	Amount (\$)
Bobby Kofman	Overall responsibility	0.75	625.00	468.75
David Sieradzki	All aspects of mandate	12.00	500.00	6,000.00
Other staff and administra	ative			525.00
Subtotal				6,993.75
Out-of-pocket disbursemen	ts			2.70
Total				6,996.45



March 2, 2010

RSM Richter Inc.

200 King St. W., Suite 1100, P.O. Box 48 Toronto, ON M5H 3T4 Tel: 416.932.8000 Fax: 416.932.6200 www.rsmrichter.com

Nexient Learning Inc. and Nexient Learning Canada Inc. 2 Bloor Street West, Suites 800 & 1200 Toronto, Ontario M4W 3E2

GST#:

893773846RT

Invoice #: Client ID: **6870** 09-0601

DS:rk

INVOICE

Re: Nexient Learning Inc. and Nexient Learning Canada Inc. (jointly, the "Company")

For professional services rendered for February, 2010 in our capacity as monitor ("Monitor") of the Company pursuant to an order ("Initial Order") issued by the *Ontario* Superior Court of Justice ("Court') dated June 29, 2009, including:

- Corresponding with representatives of the Company and its legal counsel, Chaitons LLP ("Chaitons") and Ogilvy Renault LLP ("Ogilvy") regarding the completion of these proceedings;
- Corresponding with Ms. de Winter and legal counsel concerning bringing these proceedings to completion;
- Providing a listing of information required to file a bankruptcy assignment and corresponding with Ms. de Winter in respect of the Company's progress in assembling the documentation;
- Corresponding with Chaitons regarding the release of the \$500,000 Directors' Charge (as defined in the Initial Order);
- Corresponding with representatives of Vengrowth Partners, one of the Company's principal secured creditors, concerning the timing and quantum of a final distribution in these proceedings;
- Placing on the Monitor's website copies of materials filed in these proceedings;
- Corresponding with the Purchaser's treasurer in respect of certain outstanding issues related to disbursements over the transition period;
- Responding to numerous creditor inquiries regarding these proceedings, including those made by the Company's landlords and instructors; and



March 2, 2010

RSM Richter Inc.

200 King St. W., Suite 1100, P.O. Box 48 Toronto, ON M5H 3T4
Tel: 416.932.8000 Fax: 416.932.6200 www.rsmrichter.com

Nexient Learning Inc. and Nexient Learning Canada Inc. 2 Bloor Street West, Suites 800 & 1200 Toronto, Ontario M4W 3E2

GST#:

893773846RT

Invoice #:

6870

Client ID:

09-0601

DS:rk

INVOICE

Re: Nexient Learning Inc. and Nexient Learning Canada Inc. (jointly, the "Company")

For professional services rendered for February, 2010 in our capacity as monitor ("Monitor") of the Company pursuant to an order ("Initial Order") issued by the *Ontario* Superior Court of Justice ("Court') dated June 29, 2009, including:

- Corresponding with representatives of the Company and its legal counsel, Chaitons LLP ("Chaitons") and Ogilvy Renault LLP ("Ogilvy") regarding the completion of these proceedings;
- Corresponding with Ms. de Winter and legal counsel concerning bringing these proceedings to completion;
- Providing a listing of information required to file a bankruptcy assignment and corresponding with Ms. de Winter in respect of the Company's progress in assembling the documentation;
- Corresponding with Chaitons regarding the release of the \$500,000 Directors' Charge (as defined in the Initial Order);
- Corresponding with representatives of Vengrowth Partners, one of the Company's principal secured creditors, concerning the timing and quantum of a final distribution in these proceedings;
- Placing on the Monitor's website copies of materials filed in these proceedings;
- Corresponding with the Purchaser's treasurer in respect of certain outstanding issues related to disbursements over the transition period;
- Responding to numerous creditor inquiries regarding these proceedings, including those made by the Company's landlords and instructors; and



Nexient Learning Inc. and Nexient Learning Canada Inc.

Time Summary

For the Period February 1, 2010 to February 28, 2010

Personnel		Hours	Rate	Amount (\$)
Bobby Kofman	Overall responsibility	0.25	625.00	156.25
David Sieradzki	All aspects of mandate	5.75	500.00	2,875.00
Other staff and administra	ative			1,025.00
Subtotal				4,056.25
Out of pocket disbursemen	ts			13.73
Total				4,069.98



April 7, 2010

RSM Richter Inc.

200 King St. W., Suite 1100, P.O. Box 48 Toronto, ON M5H 3T4 Tel: 416.932.8000 Fax: 416.932.6200 www.rsmrichter.com

Nexient Learning Inc. and Nexient Learning Canada Inc. 2 Bloor Street West, Suites 800 & 1200 Toronto, Ontario M4W 3E2

GST#:

893773846RT

Invoice #: Client ID: **6894** 09-0601

DS:rk

INVOICE

Re: Nexient Learning Inc. and Nexient Learning Canada Inc. (jointly, the "Company")

For professional services rendered during March, 2010 in our capacity as monitor ("Monitor") of the Company pursuant to an order ("Initial Order") issued by the *Ontario* Superior Court of Justice ("Court') dated June 29, 2009, including:

- Corresponding with representatives of the Company and its legal counsel, Chaitons LLP ("Chaitons") and Ogilvy Renault LLP ("Ogilvy") regarding bringing these proceedings to completion;
- Corresponding with Ms. De Winter regarding the commencement of bankruptcy proceedings and reviewing preliminary information provided in respect thereof;
- Corresponding with Vengrowth Partners regarding the statement of receipts and disbursements and the timing and quantum of a final distribution in these proceedings;
- Reviewing correspondence between Ogilvy, Chaitons and Aird & Berlis LLP regarding the release of the \$500,000 Directors' Charge (as defined in the Initial Order);
- Placing on the Monitor's website copies of materials filed in these proceedings;
- Responding to numerous creditor inquiries regarding these proceedings, including those made by the Company's landlords and instructors; and
- To all other meetings, correspondence, etc. pertaining to this matter.

Total fees and disbursements per attached time summary	\$ 2,988.56
GST	149.43
Subtotal	 3,137,99
Amount to be paid from funds in trust account	 (3,137.99)
Total Due, once settled	\$ -



Nexient Learning Inc. and Nexient Learning Canada Inc.

Time Summary

For the Period March 1, 2010 to March 31, 2010

Personnel		Hours	Rate	Amount (\$
David Sieradzki	All aspects of mandate	5.25	525.00	2,756.25
Other staff and administra	ative			225.00
Subtotal			B	2,981.25
Out of pocket disbursemen	ts			7.31
Total				2,988.56



Exhibit "B"

This is Exhibit.	referred to in the
affidavit of Robert	Kofman
sworn before me, this3.	
day of May	20.10
Raj Ka	ely)
A COMMISSIONER FO	OR TAKING AFFIDAVITS

Rajinder Kashyap, a Commissioner, etc., Province of Ontario, for RSM Richter Inc., Trustee in Bankruptcy and RSM Richter LLP, Chartered Accountants. Expires December 6, 2011.

Nexient Learning Inc. and Nexient Learning Canada Inc. Schedule of Professionals' Time and Rates Exhibit to the Affidavit of Robert Kofman

Personnel	Title	Duties	Hours	Billing Rate (per hour)	Amount \$	Amount \$
Robert Kofman	Executive Vice-President	Overall responsibility	17.25	595.00	10,263.75	
Kobert Kofman Subtotal - Robert Kofman			20.00	625.00	12,500.00	22.763.75
David Sieradzki David Sieradzki	Vice-President	All aspects of mandate	38.00 85.50	475.00	18,050.00	
Subtotal - David Sieradzki						00.008.09
Kazim Mehdi	Associate	Creditor issues	75.00	325.00		24,375.00
Simon Thean	Associate	Daily banking issues	32.75	225.00		7,368.75
Other staff and administrative	Je		17.05	100 - 300		4,262.50
Corporate Finance Department						
Andrew Schaefer	Vice-President	Sale process	10.00	525.00		5,250.00
Total fees						124,820.00
Total hours						295.55
Average hourly rate					€	422.33

Effective October 1, 2009, the hourly rates of Messrs. Kofman and Sieradzki were increased to \$625 and \$500, respectively.

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF NEXIENT LEARNING INC. AND NEXIENT LEARNING CANADA INC.

ONTARIO SUPERIOR COURT OF JUSTICE

(Commercial List)
Proceeding commenced at Toronto

AFFIDAVIT OF ROBERT KOFMAN SWORN MAY 3, 2010

Ogilvy Renault LLP

Suite 3800

Royal Bank Plaza, South Tower 200 Bay Street, P.O. Box 84 Toronto, Ontario M5J 2Z4 Mario Forte LSUC#: 27293F

Tel: (416) 216-4870

Evan Cobb LSUC#: 55787N

Tel: (416) 216-1929 Fax: (416) 216-3930 Lawyers for the Monitor, RSM Richter Inc.

Court File No. CV-09-8257-00CL

ONTARIO SUPERIOR COURT OF JUSTICE (COMMERCIAL LIST)

Proceedings Commenced at Toronto

Motion Record

CHAITONS LLP Barristers And Solicitors 5000 Yonge Street, 10th Floor Toronto, ON M2N 7E9

George Benchetrit LSUC Registration No. 34163H

TEL: (416) 218-1141 FAX: (416) 218-1841 Lawyers for Nexient Learning Inc. and Nexient Learning Canada Inc.