

Court File No. 31-OR-207514-T

**ONTARIO
SUPERIOR COURT OF JUSTICE
IN BANKRUPTCY AND INSOLVENCY
(COMMERCIAL LIST)**

THE HONOURABLE *Mr*)
Justice Campbell)

TUESDAY, THE 8TH

DAY OF APRIL, 2008

**IN THE MATTER OF THE BANKRUPTCY OF NEXINNOVATIONS
INC., of the City of Mississauga, in the Province of Ontario**

ORDER

ON THE APPLICATION OF CISCO SYSTEMS CANADA CO.
("Applicant"), a creditor of Nexinnovations Inc. ("Nex"), of the City of Mississauga, in
the Province of Ontario, filed on February 8, 2008;

AND UPON READING the affidavit of Russell Sutter sworn January 31,
2008, the affidavit of verification of Russell Sutter sworn January 31, 2008, the
affidavit of Hubert Kelly sworn March 8, 2008, the affidavit of Stuart Mitchell sworn
April 3, 2008, the affidavit of Robert Holmes sworn April 4, 2008, and the Seventh
Report of the Monitor, and upon being advised of the consent of A. Farber & Partners
Inc., to act as trustee in bankruptcy of Nex;

AND UPON HEARING the submissions of counsel for the Applicant,
counsel for Nex, counsel for the Monitor, counsel for the Canada Revenue Agency,
and such other counsel as are appearing;

AND IT APPEARING to the court that the following acts of bankruptcy have been committed:

- (a) Nex has ceased to meet its liabilities generally as they become due. Nex has failed to pay its obligations to the Applicant and to other creditors; and
- (b) Nex has given notice to the applicant and/or its other creditors that it has suspended payments of its debts.

1. **THIS COURT ORDERS** that the manner and time for service of the within motion and application for bankruptcy order be and is hereby validated and/ or abridged and that proceedings are properly returnable today and that service on any interested parties other than those parties served is hereby dispensed with.

2. **THIS COURT ORDERS** that Nexinnovations Inc. ("Nex"), of the City of Mississauga, in the Province of Ontario, be adjudged bankrupt by virtue of a bankruptcy order hereby made on this date.

3. **THIS COURT DECLARES** that for the purposes of s. 2 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985 c. B-3, the "date of the initial bankruptcy event" is February 8, 2008.


4. **THIS COURT ORDERS** that A. Farber & Partners Inc., of the City of Toronto, in the Province of Ontario, is appointed as trustee of the estate of the Nex ("Trustee").

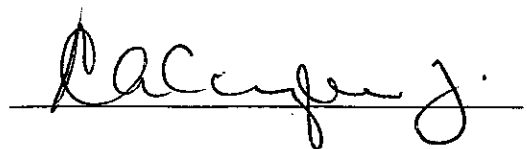
5. **THIS COURT ORDERS** that Trustee give security in cash or by bond in accordance with subsection 16(1) of the *Bankruptcy Insolvency Act*, R.S.C. 1985, c.B-3.

6. **THIS COURT ORDERS** that this Order shall be without prejudice to the constructive trust claim asserted by Canada Revenue Agency ("CRA") respecting certain funds held by the Minister of Revenue for Quebec (the "MRQ Funds"), which claim is set out in CRA's Amended Notice of Application dated April 3, 2008 (Court file no. 08-CL-7456) and Application Record. For greater clarity, notwithstanding this Order, CRA shall be at liberty to assert that the MRQ Funds are held in trust for the benefit of CRA and do not vest in the trustee in bankruptcy.

7. **THIS COURT ORDERS** that this Order shall be without prejudice to the ability to realize value to the estate of Nex from available tax losses.

8. **THIS COURT FURTHER ORDERS** that the costs of the Applicant and the Trustee of and incidental to the within application, and in relation to the transition of the Nex court proceedings from a *Companies' Creditors Arrangement Act* proceeding to a *Bankruptcy and Insolvency Act* proceeding, be paid out of the estate of the bankrupt.

DATED at Toronto, Ontario this  day of April, 2008.



IN THE MATTER OF THE BANKRUPTCY OF NEXXINNOVATIONS
INC., of the City of Mississauga, in the Province of Ontario

Court File No.: 31-OR-207514-T

**ONTARIO
SUPERIOR COURT OF JUSTICE**

Proceeding commenced at Toronto

ORDER

Cassels Brock & Blackwell LLP
2100 Scotia Plaza
40 King Street West
Toronto, Ontario M5H 3C2

E. Bruce Leonard LSUC#:12015D
Tel: 416-869-5757
Fax: 416-640-3027

David S. Ward LSUC#: 33541W
Tel: 416.869.5960
Fax: 416.640.3154

Solicitors for Cisco Systems Canada Co.