

**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 THE *COURTS OF JUSTICE ACT*,
R.S.O. 1990, c. C-43, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
MICROFORUM INC.

APPLICATION UNDER THE *COMPANIES' CREDITORS
ARRANGEMENT ACT*, R.S.C. 1985, c. C-36

**AFFIDAVIT OF STEVEN SCHOFIELD
(SWORN MAY 30, 2002)**

I, Steven Schofield, of the City of Toronto, in the Province of Ontario, MAKE OATH
AND SAY:

1. I am the President and Chief Executive Officer of Microforum Inc. and as such have knowledge of the facts to which I depose in this affidavit. Unless I indicate to the contrary, the facts herein are within my personal knowledge and are true. Where I have indicated that I have obtained information from other sources, I believe such information to be true.
2. On January 29, 2002, Microforum Inc. (the "Applicant") sought protection from its creditors pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985 c. C-36. Pursuant to the order of the Honourable Mr. Justice Spence dated January 29, 2002 (the "Initial Order") the Applicant obtained a general stay of proceedings until February 28, 2002 (the "Stay Period").

3. On April 12, 2002, this Honourable Court approved a claims procedure (the "Claims Procedure Order") and extended the Stay Period until July 31, 2002.

4. Since April 12, 2002, the Applicant has continued to work in good faith and with diligence in order to restructure its business. The Applicant completed the divestiture of its marketing services business, PPL, on May 8, 2002 in accordance with the terms of the Order of Mr. Justice Ground on May 8, 2002. The Applicant continues to manage its existing client engagements with its CALMS business, the Applicant's remaining business, in an effort to ensure recovery of monies owing as well as to maximize the value of this business upon divestiture. The Applicant continues to actively market the CALMS business for sale.

5. The Applicant, with the assistance of Ernst & Young Inc., the Court-appointed monitor (the "Monitor"), has been working to develop a plan of compromise or arrangement (the "Plan") that will be acceptable and fair to its creditors. A copy of the Plan and the accompanying Management Proxy Circular and Disclosure Statement ("Disclosure Statement") is attached to this affidavit as Schedule "A".

6. The Applicant intends to distribute the Plan and the Disclosure Statement to its creditors. In order to proceed with the restructuring, the Applicant needs to hold meetings in order for its creditors to consider and approve the Plan, if the Plan is deemed appropriate.

7. Pursuant to the order of the Honourable Mr. Justice Ground dated March 18, 2002, the Court directed the Applicant to set aside the sum of \$200,000 in a separate bank account (the "Fund") as a condition of court approval of the sale of the Asset Purchase Agreement dated March 1, 2002 between Cognicase Inc. and the Applicant. All claims against the assets sold to Cognicase Inc. vested out by the March 18, 2002 Order were to attach to the Fund and it was not to be dealt with until further order of the Court. The Fund will remain in the separate bank account unless and until the Plan

receives court sanction and thereafter will form part of the proceeds paid out to creditors pursuant to the Plan.

8. Once the Plan has been filed, mailed to creditors and approved by the Court, notice of the existence of the Fund will have been given to creditors of the Applicant and, as a result, the Fund will no longer be necessary and can be distributed to creditors pursuant to the Plan.

9. To date, the Applicant has not been contacted by any creditors claiming to have had an interest in the assets transferred to Cognicase Inc. pursuant to the March 18, 2002 Order, or the Fund. I am advised by Carol McGran, Vice-President of the court-appointed Monitor, that the Monitor similarly has not been contacted by any creditors claiming to have had an interest in the assets transferred to Cognicase Inc. pursuant to the March 18, 2002 Order, or the Fund.

10. This affidavit is sworn in support of the Applicant's motion for approval of the filing of the Plan and the Disclosure Statement, and for an order providing for the holding of meetings of creditors.

SWORN BEFORE ME at the City of
Toronto, on May 30, 2002.

Commissioner for Taking Affidavits

STEVEN SCHOFIELD

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

Court File No. 02-CL-4394

**AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF
MICROFORUM INC.**

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceeding commenced at **TORONTO**

**AFFIDAVIT OF STEVEN SCHOFIELD
SWORN MAY 30, 2002**

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