

COURT FILE NUMBER BK NO: 25-1642764

COURT COURT OF QUEEN'S BENCH OF ALBERTA
IN BANKRUPTCY AND INSOLVENCY

JUDICIAL CENTRE CALGARY

PROCEEDING IN THE MATTER OF THE BANKRUPTCY OF POYNT CORPORATION

DOCUMENT **AFFIDAVIT**

ADDRESS FOR SERVICE AND
CONTACT INFORMATION OF
PARTY FILING THIS DOCUMENT

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AFFIDAVIT OF ANDREW OSIS

Sworn on August 27, 2012.

I, ANDREW OSIS, of the City of Calgary, in the Province of Alberta, Businessman, MAKE OATH AND SAY AS FOLLOWS:

1. I am the Chief Executive Officer of Poynt Corporation (the "**Applicant**") and as such I have personal knowledge of the matters hereinafter deposed to except where stated to be based upon information and belief, in which case I believe the same to be true.
2. On July 30, 2012, the Court granted an Order in these proceedings (the "**July 30 Order**") which:
 - (a) extended the stay of proceedings to August 12, 2012;
 - (b) approved initial interim financing for the Applicant in the amount of \$300,000.00 (the "**Initial DIP Financing**"), which financing was advanced by BlueCrest Re-Insurance Company Ltd. (the "**Initial DIP Lender**"); and
 - (c) established a DIP Charge in favour of the Initial DIP Lender in the amount of \$300,000.00 (the "**Initial DIP Lender's Charge**") and an administration charge in favour

of the NOI Trustee and counsel for the Applicant in the amount of \$200,000.00 (the "**Administration Charge**").

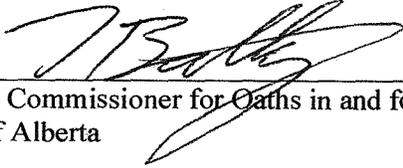
3. The July 30 Order also established the following order of priorities amongst the Applicant's secured creditors and beneficiaries of the Court-ordered charges:
 - (a) first, the Administration Charge;
 - (b) second, the security interests of Intertainment Media Inc. ("**Intertainment**" and the "**Intertainment Security**");
 - (c) third, the Initial DIP Lender's Charge; and
 - (d) fourth, the security interests held by other secured creditors over the Property, if any.
4. On August 13, 2012, the Court granted an Order in these proceedings further extending the stay of proceedings to August 15, 2012.
5. On August 15, 2012, the Court granted an Order in these proceedings (the "**August 15 Order**") which:
 - (a) extended the stay of proceedings to August 26, 2012;
 - (b) approved additional interim financing for the Applicant in the amount of \$80,000.00 (the "**Second DIP Financing**"), which financing was advanced by Gris Gris LLC, a Delaware LLC. (the "**Second DIP Lender**"); and
 - (c) established a Second DIP Charge in favour of the Second DIP Lender in the amount of \$80,000.00, plus all other amounts owing to the Second DIP Lender pursuant to the August 15, 2012 Commitment Letter (the "**Second DIP Lender's Charge**").
6. The August 15 Order also amended and restated the priorities amongst the Applicant's secured creditors and beneficiaries of the Court-ordered charges as follows:
 - (a) first, the Administration Charge;
 - (b) second, the Second DIP Lender's Charge;
 - (c) third, the security interests of Intertainment Media Inc. ("**Intertainment**" and the "**Intertainment Security**");
 - (d) fourth, the Initial DIP Lender's Charge; and
 - (e) fifth, the security interests held by other secured creditors over the Property, if any.

7. Since obtaining the July 30 Order, the Applicant has been diligently pursuing activities aimed at the presentation of a proposal (the "**Proposal**") to its creditors under the *Bankruptcy and Insolvency Act* ("**BIA**"). Such activities include:
 - (a) Preparing and analyzing the list of creditors to whom the Proposal will apply;
 - (b) Providing the Trustee, Hardie and Kelly Inc. (the "**NOI Trustee**"), with access to the Applicant's premises, property and books and records;
 - (c) Working with the NOI Trustee and counsel to prepare a cash flow projection and to identify issues with respect to the financial condition of the Applicant and the status of its creditors;
 - (d) Negotiating and obtaining interim financing from the Initial DIP Lender and the Second DIP Lender and pursuing other interim financing arrangements;
 - (e) Responding to inquiries from various creditors regarding the status of the proceedings; and
 - (f) Holding substantive discussions with the Applicant's counsel and the Trustee regarding potential frameworks for a Proposal.
8. The primary means by which the Applicant intends to fund its Proposal and exit creditor protection is by way of an equity offering. Over the past few weeks, the Applicant has made great strides in finding business partners who are willing to participate in such an offering. As a result, the Applicant expects to have the final form of the Proposal prepared and issued in the coming weeks, and will thereafter schedule a meeting of creditors to consider the Proposal within 21 days after issuing the Proposal.
9. The current stay of proceedings expired on August 26, 2012, which was a Sunday. I am advised by Poynt's counsel that because the stay of proceedings expired on a Sunday, the relevant case law and legislation dictates that the stay of proceedings extends to the next business day – being August 27, 2012.
10. I had expected that by August 26, 2012, Poynt would have secured additional interim financing and would be in a position to have that additional financing approved along with a stay extension that would allow Poynt to continue its restructuring.

11. Unfortunately, although Poynt is currently engaged in intensive discussions with the Second DIP Lender for further interim financing (the "**Third DIP Facility**"), a final agreement is not yet in place. I believe that an agreement between Poynt and the Second DIP Lender is imminent and therefore Poynt requires a brief three day extension of the stay of proceedings to allow time for the agreement to be finalized and executed.
12. Additionally, the Second DIP Lender has advised that any further interim financing it advances will have to be secured by increasing the amount of the Second DIP Lender's Charge ahead of the Entertainment Security and the Initial DIP Charge. I have discussed the increase to the Second DIP Lender's Charge with Entertainment, but Entertainment is not currently in a position to consent to the Third DIP Facility and the corresponding increase to the Second DIP Lender's Charge. Entertainment has advised that this requires approval of its Board of Directors and that such approval will take approximately 48 hours to obtain.
13. I swore an affidavit in support of the August 15 Order that contained a cash flow statement detailing Poynt's finances up to the week ending August 26, 2012. That cash flow statement estimated that Poynt would only have \$3,263.00 as of August 26, 2012, however, Poynt actually has approximately \$30,784.00 of available funds, which will allow Poynt to pay all current expenses of the company over the next three days. Attached as **Exhibit "A"** is a copy of Poynt's most recent cash flow showing its current cash position. Accordingly, to the best of my knowledge, information and belief, none of the Applicant's creditors will be materially prejudiced if the Court grants the extension the Applicant is seeking.
14. Although Poynt will be able pay all expenses due during the brief three day stay extension, it does not have sufficient funds to cover its payroll obligations on August 31, 2012, and will require interim financing to do so. For that reason, Poynt is not seeking an extension beyond August 30, 2012 at which time it hopes to obtain a further Order approving additional interim financing and a longer stay extension period.
15. I believe that if Poynt is able to obtain the additional interim financing and a further stay extension that it will be able to prepare and present a viable Proposal to its creditors.

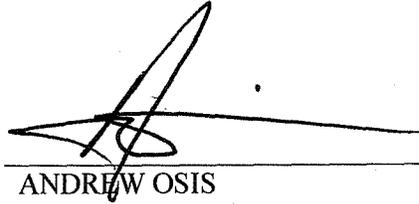
16. I make this affidavit in support of the application of the Applicant for an Order extending the stay of proceedings to August 30, 2012.

SWORN BEFORE ME at the City of Calgary, in)
the Province of Alberta this 27th day of August,)
2012.)



A Commissioner for Oaths in and for the Province)
of Alberta)

Trevor A. Batty
Barrister and Solicitor



ANDREW OSIS

This is Exhibit "A" referred to in the affidavit of Andrew Osis, sworn before me on August 27, 2012.



A Commissioner for Oaths for the Province of Alberta

Name: Trevor A. Batty
Barrister and Solicitor

Expiry: _____

Poynt Corporation
Cash Flow Forecast
for the period
August 19 - September 9, 2012
(unaudited)

	<u>Week ending</u> <u>Aug-19</u>	<u>Week ending</u> <u>Aug-26</u>	<u>Week ending</u> <u>Sep-02</u>	<u>Week ending</u> <u>Sep-09</u>	<u>Total</u>
<u>RECEIPTS</u>					
Receivable Collection	\$ 179	\$ 29,000	\$ 16,606	\$ 50,000	\$ 95,785
DIP Financing	-	80,000	220,000	-	\$ 300,000
	179	109,000	236,606	50,000	395,785
<u>DISBURSEMENTS</u>					
Data Costs	-	18,742	-	35,850	54,592
Finance Lease	-	-	23,717	-	23,717
Payroll	80,257	71,948	80,257	33,662	266,122
Benefits/parking/business tax	-	-	14,015	-	14,015
Consultants	33,996	-	33,996	-	67,991
Investor/Public relations	-	1,109	-	-	1,109
Rent	-	-	19,040	-	19,040
Internet	-	-	15,519	-	15,519
Miscellaneous	3,763	754	2,500	-	7,017
Selling Expenses	-	-	2,000	-	2,000
Insurance	-	-	2,000	-	2,000
Restructuring Fees	-	-	15,000	-	15,000
Professional Fees	-	5,644	25,000	-	30,644
Total disbursements	118,015	98,197	233,043	69,512	518,767
Net cash flow	(117,836)	10,803	3,563	(19,512)	(122,982)
Opening cash	137,817	19,982	30,784	34,347	137,817
Closing cash	\$19,982	\$30,784	\$34,347	\$14,835	\$14,835