

June 17, 2010

Court File No.

June 17, 2010
CV-10-8767-00CL

M. Valente for CIBC
D.S. Miller for Storeimage
Katie Waring in person
Ven Dore for KPMG Inc.

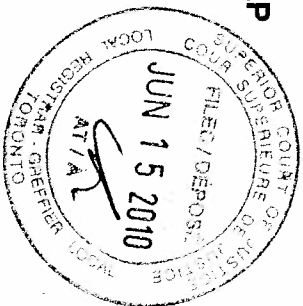
Given the fact that Storeimage Programs Inc. (SPI) has lost the support of CIBC and has had, seemingly, no alternative but to close its doors for now or least and lay off its employees, it is acknowledged by all that, sadly, a re-entrance and manager should be appointed and that KPMG Inc. is well suited to perform that role given its familiarity with the business and affairs of SPI.

The relationship between CIBC and SPI was of long-standing and appears, for many years, to have been productive and sound. Since 2007 the financial performance has been disappointing to all, a result of some improvement in 2009 is noted. The suggestion is, however, that SPI was, like so many others, a victim of general economic conditions when CIBC's concerns deepened in 2009, the loan between the parties widened. While I cannot advise on the dispute today, the fact SPI and its shareholders were rarely and was, likely, have agreed that the circumstances justify the appointment (next)

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APPLICATION RECORD

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Should not be construed as anything more than resignation.

There are serious issues between CIBC, SPI, Mr. Harvey and del. Hoyle, both prior to, at the time ~~of execution~~ of and following the execution of the Wind-Down Agreement dated June 11, 2010 found at tab m of the Auction Record. These issues are identified in Mr. Miller's letters of June 10 and 16, 2010 and, to the extent provided to date, in the response of CIBC's counsel.

Nothing in this endorsement or in the Order signed today is intended to forestall or prevent these issues from being pursued in the future although, of course, the ability of SPI to pursue same is impacted by the scope of the property vesting in and powers conferred on the Receiver.

I know that KING Inc. appreciates the delicate nature of the situation and will do its best to resolve something positive for the stakeholders of SPI.

There is one lingering concern. Section 243(51) of the BIA now requires that an application ^{be} under that section be filed in the judicial district of the locality of the debtor. Absent authority I would have thought that an application involving a company based in Brampton should be brought there. ^{and that a practice direction of their Court, could not alter} (particularly when it pre-dates the legislative amendment) In fairness to counsel, they were not asked to address the issue (next)

except in passing during argument and the concern was not acute because those who were in attendance seemed content that the matter be heard in Toronto.

Today's order does not prejudice anyone from raising s. 243(5) BIA on a future date if they choose to do so.

Order to go in the form of the draft provided to me which reflects the fruits of negotiation by counsel.

John C. Groat
Groat J.