PCAS PATIENT CARE AUTOMATION SERVICES INC. AND 2163279 ONTARIO INC.

SIXTH REPORT OF THE MONITOR

May 28, 2012

Court File No. CV-12-9656-00CL

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 PCAS PATIENT CARE AUTOMATION SERVICES INC. AND 2163279 ONTARIO INC.

APPLICANTS

SIXTH REPORT OF PRICEWATERHOUSECOOPERS INC.

In its capacity as Monitor of the Applicants

May 28, 2012

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I. INTRODUCTION

1. On March 23, 2012 (the "**Filing Date**"), PCAS Patient Care Automation Services Inc. ("**PCAS**") and 2163279 Ontario Inc. ("**Touchpoint**") (collectively, the "**Company**" or the "**Applicants**") made an application under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended ("**CCAA**") and an initial order (the "**Initial Order**") was granted by the Honourable Mr. Justice Morawetz of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") granting, *inter alia*, a stay of proceedings against the Applicants to April 21, 2012 (the "**Stay Period**") and appointing PricewaterhouseCoopers Inc. ("**PwC**") as the monitor (the "**Monitor**"). The proceedings commenced by the Company under the CCAA are referred to herein as the "**CCAA Proceedings**".

2. PwC was previously retained by the Company to act as financial advisor to assist management and the Company's board of directors (the "**Board**") to review strategic alternatives available to the Company for the resolution of its liquidity concerns.

3. On April 16, 2012, this Court granted an Order (the "**April 16 Order**") which provided, *inter alia*, for approval of the Amended and Restated DIP Agreement, an increase in the limit of the DIP Facility from $2,800,000 to $3,800,000 and approval of the KERP and KERP Charge (all as defined therein).

4. On April 20, 2012, this Court granted an Order (the "**April 20 Order**") which provided, *inter alia*, for an increase in the DIP Facility from $3,800,000 to $4,370,000 and an extension of the stay of proceedings to May 4, 2012.

5. On May 3, 2012, this Court granted an Order (the "**May 3 Order**") which provided, *inter alia*, for an increase in the DIP Facility from $4,370,000 to $4,525,000 and an extension of the stay of proceedings to May 8, 2012.

6. On May 7, 2012, this Court granted an Order (the "**May 7 Order**") which provided, *inter alia*, for approval of the Second Amended and Restated DIP Loan Agreement, an increase in the DIP Facility from $4,525,000 to $5,350,000 and an extension of the stay of proceedings to May 28, 2012 (the "**Stay Period**").

7. On May 14, 2012, this Court granted an Order (the "**May 14 Order**") which provided, *inter alia*, for an increase in the DIP Facility from $5,350,000 to $6,000,000 and the approval of a SISP as set out in the Fifth Report.

II. PURPOSE OF REPORT

8. In conjunction with the Company's application for relief under the CCAA, on March 23, 2012, PwC in its capacity as proposed Monitor filed the Proposed Monitor's Report with this Court. Subsequently, on April 15, 2012, the Monitor filed the First Report with this Court. On April 19, 2012, the Monitor filed the Second Report with this Court. On May 3, 2012, the Monitor filed the Third Report with this Court. On May 7, 2012, the Monitor filed the Fourth Report with this Court. On May 11, 2012, the Monitor filed the Fifth Report, attached hereto as **Appendix "A"**.

9. The purpose of this report (the "**Sixth Report**") is to:

   a) Provide this Court with a summary of the following:

      (i) The Monitor's activities since the date of the Fifth Report;

      (ii) An update on the status of the SISP; and

      (iii) The Company's request for an extension of the stay of proceedings to June 6, 2012 to provide adequate time to close the transaction with the Successful Bidder subject to further Order of this Court;

   b) Recommend that this Court issue an order:

      (i) Approving the activities of the Monitor as set out in this Sixth Report; and

      (ii) Extending the Stay Period to June 6, 2012.

III. QUALIFICATIONS

10. In preparing this Sixth Report, the Monitor has relied upon unaudited financial information, the Company's books and records, financial information prepared by the Company and discussions with management and legal counsel to the Company. The Monitor has not audited, reviewed, or otherwise attempted to verify the accuracy or completeness of the information and, accordingly, the Monitor expresses no opinion or other form of assurance with respect to the information contained in this Sixth Report. Future-oriented financial information relied upon in this Sixth Report is based on management's assumptions regarding future events. Actual results achieved may vary from this information and these variations may be material. The Monitor expresses no opinion or other form of assurance with respect to the accuracy or completeness of any financial information contained herein. The Monitor reserves the right to refine or amend its comments and findings as further information is obtained or brought to its attention subsequent to the date of this Sixth Report.

11. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian Dollars. Capitalized terms not otherwise defined herein shall have the meaning ascribed thereto in the Initial Order, the Proposed Monitor's Report, the First Report, the Second Report, the Third Report, the Fourth Report, the Fifth Report or the Affidavit of Kym Anthony dated May 27, 2012 (the "**May 27 Affidavit**").

IV. ACTIVITIES

Monitor's activities since May 11, 2012

12. Since May 11, 2012, the Monitor has been working to assist the Company in implementing the SISP including, among other things:

    a) participating in numerous calls and meetings with the Company, the Board, the DIP Lender, interested parties and Potential Purchasers (as defined below) as discussed further below;

    b) assisting the Company in preparing documentation for its dataroom in support of the SISP;

    c) attending the Company's Oakville offices on a daily basis to assist with the SISP and monitor the Company's receipts and disbursements;

    d) discussions and correspondence with Osler, counsel to the Monitor, on various matters;

    e) discussions and correspondence with the Company and its counsel and the DIP Lender and its counsel on various matters, including in regards to the Company's implementation of the SISP;

    f) discussions with various interested parties, including current shareholders and former senior executives and Board members, who were seeking to obtain information and provide their views in respect of the SISP and the CCAA Proceedings;

    g) discussions with the Potential Customer, WalGreen Co. ("**WalGreens**") on various matters, including the SISP, as further discussed below; and

    h) discussions with various stakeholders on the status of the CCAA Proceedings.

Company's activities since May 11, 2012

13. Since the date of the Fifth Report, the Company has been working to implement the SISP as further described below.

14. In addition to implementing the SISP, the Monitor has been advised by the Company that in order to preserve and protect its proprietary technology, the Company has been working to recover its MedCentres wherever located and to return them to the Company's headquarters in Oakville Ontario. As of the date of this Sixth Report, all but three of the outstanding MedCentres have been returned to the Company's Oakville offices. One of the remaining MedCentres is at the Company's offices in Illinois. The second remaining MedCentre is in transit. The third remaining MedCentre is in the possession of WalGreens and is not in the process of being recovered as of the date of this Sixth Report.

15. As certain MedCentres contain drugs and narcotics which are owned by the respective hospitals where the MedCentres are located, the Company is returning the drugs contained in these MedCentres to their respective owners. For drugs which are owned by PCAS, the Company is working to return these to their respective suppliers. As the suppliers have credited their accounts for the value of the drugs returned, all outstanding credit has been offset and the suppliers are now providing cash in exchange for the returned drugs.

16. As part of its efforts to raise DIP Financing, the Company offered to pay to certain consultants, including members of the Board, a commission of 5% of the incremental amount of DIP funding raised by such consultants. The most recent $500,000 of DIP Financing was raised by a member of the Board, Mr. Donald Waugh. Accordingly, the Board approved the payment to Mr. Waugh of a commission in the amount of $25,000 on the funds he raised. The DIP Lender consented to the payment and the Company is forecast to pay this commission on May 30, 2012. The Monitor was advised by the Company that there was no formal document in place addressing the payment of commission to consultants for raising DIP financing.

V. STATUS OF THE SISP

Overview of SISP Activities prior to the Bid Deadline

17. In the May 14 Order, the Court approved the SISP that was developed by the Company and the DIP Lender with the assistance of the Monitor. The SISP sets out the manner in which prospective bidders (the "**Potential Purchasers**") were to be provided with an opportunity to make a Qualified Bid to purchase the Company's Property or make an investment in the Company's business. The SISP is described in the Fifth Report and a copy of the SISP Summary is attached hereto as **Appendix "B"**. Defined terms used in this section and not otherwise defined have the meaning ascribed to them in the SISP.

18. As previously described to the Court during the hearing on May 14, 2012 in these CCAA Proceedings, the Company, with the support of the DIP Lender, thought it was appropriate for the Company to implement and have the primary role in the SISP rather than the Monitor or PWCCF. Given the Company's, and in particular, the Board's, previous efforts at seeking investment or acquisition proposals for the Company, the Company and the DIP Lender proposed that the continuity and familiarity that the Company and the Board would provide with respect to the SISP would be more beneficial for the Company's stakeholders than a SISP implemented by a third party. Accordingly, at the Monitor's request, the Company sought to terminate the Monitor's powers that were granted to it in the May 7 Order regarding a sale process involving the Company. However, the Court, as noted in its reasons for decision dated May 14, 2012, did not terminate those powers but noted that it accepted the Monitor's reasons for its decision not to exercise the authority given to it in connection with the sale process in the May 7 Order based on the Company and the DIP Lender's desire to implement the SISP.

19. The Company implemented the SISP in accordance with the May 14 Order and the SISP Summary with the assistance of the Monitor. Certain members of the Board had the primary role in the discussions with Potential Purchasers. The Monitor was actively involved with the Company and the members of the Board during all stages of the SISP, as further described below.

20. The Monitor attended at PCAS head office in Oakville beginning on May 9, 2012 to prepare for and assist in the implementation of the SISP and was present at the Company's office to attend meetings, conference calls and assist the Company with implementing the SISP.

21. In order to ensure a fair and transparent process and to address issues in a timely and consistent manner, the Monitor and its counsel participated in update calls at 8:00 am every weekday morning from May 10, 2012 until May 23, 2012 with the certain members of the Board, the DIP Lender and its counsel and the Company's counsel. In addition, the Monitor participated in numerous ad hoc calls and meetings to discuss the progress of the SISP and any issues raised by Potential Purchasers or other interested stakeholders.

22. In advance of May 14, 2012, the Company, with the assistance of the Monitor, reviewed the contents of the Company's electronic dataroom and updated the materials posted in the dataroom, including materials related to the financial, operational, human resources, legal, customer and supplier information of the Company to assist Potential Purchasers in analyzing the Company to determine if they would submit an offer to purchase or invest in the Company that was capable of being a Qualified Bid. The dataroom also contained the SISP Summary,

which stipulated the requirements for Qualified Bids. The updated dataroom was available to Potential Purchasers on May 16, 2012.

23. Additional documents were added to the dataroom as they became available throughout the SISP. Certain documents prepared by third party independent consultants deemed by the Company to be technically sensitive were not included in the dataroom but were made available to Potential Purchasers under the supervision of the Company and the Monitor at the Company's premises.

24. Two Potential Purchasers requested meetings with the third party independent technology consultants. The Company, in consultation with the Monitor, facilitated meetings between these Potential Purchasers and the third party independent technology consultants. The Monitor was in attendance at such meetings.

25. All the Potential Purchasers who executed an NDA were informed that they could access the dataroom upon request to the Company and notice to the Monitor. Each Potential Purchaser who requested access to the dataroom was provided with such access. All Potential Purchasers who executed the NDA but did not request access to the dataroom received either a telephone call or email correspondence from the Monitor informing such Potential Purchasers that they could access the dataroom.

26. As described in further detail in the Fifth Report, prior to the commencement of the CCAA Proceedings, the Company had engaged reputable investment bankers to assist the Company in raising additional financing. These investment bankers actively contacted potential investors from December 2011 to March 2012. Following the commencement of the CCAA Proceedings, the Company continued to seek potential investors and contacted various parties in this regard.

27. On May 8, 2012, the Monitor met with senior management and the Board and requested a list of all Potential Purchasers contacted as part of the Company's previous investment and financing efforts discussed above. The Company presented the Monitor with a list of 86 Potential Purchasers that the Company had identified as part of its previous refinancing efforts during the December 2011 private placement process, as well as a list of subsequent Potential Purchasers contacted by the Company as part of its parallel informal sales and investment process. These solicitation processes are described in further detail in the Fifth Report.

28. On May 9, 2012, the Monitor prepared a supplemental list of Potential Purchasers, comprising 39 potential strategic buyers and 50 potential financial buyers, for an additional

89 Potential Purchasers for the Company. The supplemental list of potential strategic buyers included a range of Potential Purchasers from around the world and across a number of logical industry sub-sectors, including:

a) Pharmaceutical distribution companies;

b) Retail pharmacies, including grocery chains and superstores with pharmacy offerings;

c) General healthcare companies, including those with operations in elder care, hospital management and pharmaceutical production; and

d) Automated sales services companies, including ATM and vending machine manufacturers.

29. The Company's list and the Monitor's list were consolidated into a total of 175 Potential Purchasers. This list was presented to and approved by the Board and management team on May 10, 2012.

30. In order for the SISP to proceed in a fair and efficient manner, it was determined that the Monitor should contact 119 of the Potential Purchasers from the consolidated buyer list, and the Company would contact the remaining 56 Potential Purchasers. All individuals responsible for contacting Potential Purchasers were directed by the Company, in consultation with the Monitor, to provide only those documents prepared specifically for the SISP. This direction was intended to promote a fair and transparent process by ensuring that each Potential Purchaser contacted as part of the SISP approved by this Court received consistent information.

31. As described in the Fifth Report, the Monitor assisted the Company with preparation of the Teaser Letter which was sent to Potential Purchasers commencing May 11, 2012. A copy of the Teaser Letter was appended to the Fifth Report as Appendix C.

32. On May 11, 2012, the Monitor sent an email communication to all members of PwC's global corporate finance practice. The email communication included the Teaser Letter and an outline of the SISP and requested that interested recipients contact the Monitor with the names and contact details of any additional Potential Purchasers. The email correspondence was sent to approximately 1,200 PwC employees globally and resulted in 3 additional Potential Purchasers.

33. The sale process was publically advertized continuously on the Monitor's website and through an advertisement that ran in the Globe and Mail on May 18, 2012. These efforts resulted in 6 additional Potential Purchasers.

34. The Company prepared a Confidential Information Memorandum (**"CIM"**) with the assistance of the Monitor, which provided detailed information on the Company, its operations and financial results. The CIM placed particular focus on the revised business plan, which was largely based on a third party independent assessment of the technology. The CIM was completed on May 16, 2012 and was posted in the dataroom. Electronic notification was sent to all dataroom participants updating them that the CIM was available. Throughout the SISP, the CIM was sent electronically to all parties that signed NDAs and did not request access to the dataroom.

35. By May 23, 2012, the Company and the Monitor made contact with 164 of the 184 Potential Purchasers that were identified. These 164 Potential Purchasers contacted were comprised of 75 strategic purchasers and 89 financial purchasers. The Monitor contacted each Prospective Purchaser at least two times during the SISP by either telephone or email unless the Prospective Purchaser declined the opportunity on a previous contact. The Monitor and the Company were unable to make contact with the additional 20 Potential Purchasers within the timeframe that was available during the SISP.

36. Of the 164 Potential Purchasers that were contacted, the Monitor distributed 121 Teaser Letters and NDAs to 42 strategic purchasers and 79 financial purchasers. Of the Potential Purchasers that received the NDAs, 18 executed the NDA and were provided with the opportunity to access management and the dataroom. The Monitor sent the CIM to all Potential Purchasers who executed an NDA and did not access to the data room.

37. A total of 7 Potential Purchasers attended the Company's office for site tours and management meetings that were led by the Company and attended by the Monitor. Of these 7 Potential Purchasers, 6 of them were either in continuous discussions or had been in previous discussions with the Company as a result of the Company's ongoing efforts to find an investor or acquirer. The Company remained the primary contact for these Potential Purchasers throughout the SISP with discussions and correspondence with such Potential Purchasers coordinated by certain members of the Board. The relationship with the 7th Prospective Purchaser was managed by the Monitor.

38. All Potential Purchasers who requested a site tour and meeting with management were accommodated and the Monitor was present at such meetings. On May 22 and 23, 2012, the Monitor and the Company contacted all Potential Purchasers that had attended site visits other than those that had declined to submit a bid upon review of the CIM and dataroom. The Monitor reminded each of the remaining Potential Purchasers of the Bid Deadline of May

24, 2012 and enquired if they had any requests for additional information or questions pertaining to the Company or the SISP.

39. During the SISP, the Company, in consultation with the Monitor, withdrew access to the dataroom from 18 parties who were initially granted access that, in the Company's view, either no longer met the requirements contained in the SISP, including those in paragraph 6 thereof, or were not active in pursuing an investment or acquisition. The reasons for the Company's decision to withdraw access to the dataroom from these 18 parties were as follows: 5 parties were not active in the dataroom for a minimum of 6 weeks; 1 party advised that it was not interested in becoming a Qualified Bidder; 2 parties were independent advisors that advised the Company that they were not acting for any Potential Purchaser; 8 parties were individuals who did not have the financial ability to become Qualified Bidders; and 2 parties were former employees who also did not have the financial ability to become Qualified Bidders.

Overview of the involvement of WalGreens in the SISP

40. On May 15, 2012, the Company and the Monitor had a discussion with WalGreens regarding whether WalGreens would be willing to meet with Potential Purchasers during the SISP. WalGreens advised that it would be willing to discuss the SISP with Potential Purchasers after the Company, in consultation with the Monitor, had determined that such Potential Purchasers were willing and able to become Qualified Bidders.

41. Certain Potential Purchasers advised the Company and the Monitor that they were interested in partnering with WalGreens. The Company and the Monitor informed these Potential Purchasers that if a partnership with WalGreens materialized, they were required to disclose the fact that they were submitting a bid in partnership with WalGreens in advance of doing so. The Monitor understands that 1 Potential Purchaser, in addition to the Successful Bidder, had discussions with WalGreens regarding a potential partnership in making a bid. This Potential Purchaser ultimately withdrew from the SISP.

42. On May 23, 2012, a Potential Purchaser advised the Monitor that it would be submitting a bid in partnership with WalGreens and that the deposit would be funded in part by the Potential Purchaser and in part by WalGreens.

Overview of Developments since the Bid Deadline

43. The Company and the Monitor received a number of bids for the Company in connection with the SISP. The detail of the number of bids received and the details of such bids will be described in a subsequent report (and a confidential appendix attached thereto) in connection

with a motion by the Company to seek approval of the Successful Bid, as further discussed below.

44. Following receipt of the bids, certain members of the Board, the Company's counsel, the DIP Lender and the Monitor and their respective counsel met at 2:00 pm on May 24, 2012 at the Monitor's office to review the bids received under the SISP. Upon initial review of the bids received, the Company and the DIP Lender required additional time to review the offers and requested the meeting be adjourned until Friday May 25, 2012 at 2:00 pm.

45. During the course of the week ending May 25, 2012 and after the Bid Deadline, the Company and the DIP Lender, in consultation with the Monitor, communicated with the parties who made offers under the SISP to clarify and/or seek enhancements to their bids in accordance with the terms of the SISP. On the evening of May 27, 2012, the Company, with the support of the Monitor and with the consent of the DIP Lender, selected the Successful Bid and communicated its selection to the Successful Bidder.

46. The Successful Bidder is DashRx LLC, which is a Delaware company that counsel to the Successful Bidder advises has been and will be capitalized by pooled investment vehicles (i.e. investment funds) that are managed by an investment manager with approximately $500 million in assets under management (the "**Investment Manager**"). Furthermore, counsel to the Successful Bidder has advised that WalGreens, or an affiliate, will be participating in the Successful Bid as a substantial investor in the Successful Bidder. The Monitor has been advised that WalGreens is a leading national pharmacy chain operator in the United States.

47. The Monitor has requested that it be permitted to disclose the identity of the Investment Manager. The Investment Manager has expressed a strong preference that its identity not be disclosed at any time. On May 27, 2012, the Monitor requested independent evidence of the financial wherewithal of the investment funds managed by the Investment Manager. The Company has advised the Monitor that it is satisfied that the investment funds managed by the Investment Manager have sufficient capital to execute on this transaction and to fund the ongoing operations of the Company's business until closing and thereafter. As of the date of this Sixth Report, the Monitor has received certain financial information regarding the Investment Manager. Given the Memorial Day holiday in the United States, at this time the Monitor has been unable to independently verify such information. The Monitor has no reason to believe that the investment funds do not have sufficient capital and the Monitor notes that WalGreens participation provides another source of additional financial support to the Successful Bidder.

48. The Monitor plans to provide a detailed summary of the Successful Bid and the other bids received in connection with the SISP when the Company seeks approval of the Successful Bid. It is intended that certain of this information will be contained in a confidential appendix for which a sealing order will be sought. The Monitor understands that it is the Company's intention to seek approval of the Successful Bid and a vesting order with respect to the Successful Bid on a motion before the Court on or about June 4, 2012 and serve materials in respect of such motion in the next 24 to 48 hours.

Monitor's Observations and Comments on the SISP

49. As described in the Fifth Report, the timeline for the SISP was very short. Certain interested parties with previously signed NDAs received a head start on their due diligence of the Company. The Monitor recognizes that these parties have had a longer time period to conduct due diligence, understand the Company's property and business and may have had an opportunity to meet with management and WalGreens and to review the information contained the Company's dataroom.

50. As reported in the Fifth Report, notwithstanding the potential advantage that these parties may have with respect to the opportunity to participate in the SISP, given the Company's current dire liquidity situation, there did not appear to be another option for the Company to realize value for the benefit of its stakeholders and seek a going concern solution for the business absent the expedited SISP.

51. While the time-frame of the SISP was condensed, the Company and the Monitor still contacted 147 Potential Purchasers and had distributed 114 Teaser Letters and NDAs within 3 business days of receiving the May 14 Order. In total, the Company and the Monitor made contact with 164 Potential Purchasers. The Monitor and the Company were in communication with numerous Potential Purchasers during the SISP and responded to all enquiries from Potential Purchasers. While Potential Purchasers presented a range of commentary on their reasons for declining to submit a bid, the most common reason was that PCAS was still viewed as a development stage company that would require significant additional capital before commercialization of its product could be achieved.

52. Some Perspective Purchasers indicated that the SISP timeline was too short to perform adequate diligence in light of the significant capital investment still required to commercialize the MedCentres. However, as previously described in the Fifth Report and as noted above, an expedited SISP was likely the only viable process to maximize value of the Company for the benefit of its stakeholders given the Company's liquidity situation.

53. Prior to the commencement of the SISP, it was agreed that the Company would include a representative of the Monitor on all discussions with any Potential Purchaser and be copied on communications with any Potential Purchaser.

54. As previously discussed, certain members of the Board had the primary responsibility for implementing the SISP on behalf of the Company with assistance from the Monitor. These members of the Board advised the Monitor that the Monitor was copied on all communications with any Potential Purchaser, involved in the vast majority of discussions with any Potential Purchaser and received a report of any discussions that such members of the Board had with any Potential Purchaser that did not include the Monitor.

55. The Monitor believes, based on the multiple conversations it was included in between the Company and/or members of the Board and Potential Purchasers, the multiple communications it was copied on between the Company and/or members of the Board and Potential Purchasers and the reports it received from members of the Board regarding discussions with Potential Purchasers that did not include the Monitor (including on the daily 8:00 am update calls), that the Company, and in particular the members of the Board that had the primary role in implementing the SISP, implemented a fair, transparent and efficient SISP in the circumstances in accordance with the Orders of this Court dealing with the SISP and the Court's reasons for decision dated May 14, 2012.

VI. CASH FLOW VARIANCE ANALYSIS

56. A summary of the Applicants' cumulative cash flow from March 23 to May 25, 2012 as well as a comparison of actual versus forecast cash flow for the period May 7 to May 25, 2012 (the "**Comparative Period**") as compared against the cash flow forecast filed as part of the application for the May 7 Order (the "**May 7 Forecast**"), is shown below:

PCAS
Cash flow variance analysis
CAD$ (000's)

	For the period May 7 to 25, 2012		Variance Favourable / (Unfavourable)		Cumulative Actual from March 23 to May 25, 2012
	Forecast	**Actual**	**($)**	**(%)**	
RECEIPTS					
New AR Collections	15	2	(13)	(87%)	63
SRED Recovery	-	-	-	0%	-
HST Recovery	493	176	(318)	(64%)	659
Other Receipts	-	7	7	100%	50
TOTAL RECEIPTS	508	185	(323)	(64%)	771
DISBURSEMENTS					
Employee and contractor costs	633	628	5	1%	3,678
Operating costs	59	17	43	72%	76
Lease costs	26	-	26	100%	215
SG&A	171	97	74	43%	316
DIP Interest	-	-	-	0%	-
Principal payment	484	48	436	90%	344
Professional Fees	380	319	61	16%	942
HST Payments	64	51	13	20%	175
TOTAL DISBURSEMENTS	1,817	1,159	657	36%	5,746
NET CASH FLOW	(1,308)	(974)	334	26%	(4,975)
BEGINNING CASH	329	329	(0)	(0%)	155
DIP Draw / (Repayment)	1,175	1,185	10	1%	5,360
CLOSING CASH BALANCE	196	539	344	176%	539
Accrued Payroll		(95)			(95)
Net Cash Balance		445			445

57. The May 7 Forecast includes actual results to May 4, 2012, accordingly the comparison against forecast addresses the period from May 7 to May 25, 2012. During the Comparative Period, the Company experienced a net cash outflow of $974,000 resulting in a net favourable variance from forecast of $334,000. This variance is comprised of an unfavourable difference in receipts of $323,000 offset by a favourable variance in disbursements of $657,000. A further analysis of the variances from forecast is attached hereto as **Appendix "C"**.

58. The majority of variance results from the deferral of all but critical payments during the period. In addition to these cost deferrals, the primary variances from forecast include:

a) A forecast recovery of the 2011 Touchpoint HST return of $441,000, which was anticipated to be received on the week of May 11, 2012 and which was forecast to be paid to Castcan subject to the enforceability of its security, has not yet been received. This has resulted in offsetting $441,000 variances in both receipts and disbursements.

Offsetting the unfavourable variance in receipts was an HST recovery for the month of March which was $90,000 favourable to forecast.

b) The remaining variances are primarily favourable variances comprised of permanent differences arising from the Company's efforts to minimize its cash requirements during the SISP in addition to favourable timing differences on certain lease and utility payments which are anticipated to reverse at the end of May.

CURRENT ACCRUED COSTS

59. The Company's employees are paid on a weekly basis, one week in arrears. The payroll forecast to be funded on May 28, 2012 will bring employees current to May 25, 2012. The Monitor and the Company are closely monitoring the accrued payroll in comparison to the available cash on hand to ensure that sufficient funds exist to pay for compensation earned to date.

VII. REVISED FORECAST

60. The Company has prepared a revised cash flow forecast for the period from May 28 to June 15, 2012 (the "**May 28 Forecast**"). A schedule detailing the May 28 Forecast by week is attached as **Appendix "D"**.

61. The May 28 Forecast is based on the assumption that, during the completion of the SISP and the closing of a transaction with the Successful Bidder, if approved by the Court, the Company will be operating on a minimal cost structure with reduced regular operating costs in order to preserve cash.

62. The May 28 Forecast indicates that the current committed DIP funds to date of $5,360,000 will provide sufficient liquidity to last the Company to May 30, 2012. As noted in paragraph 31 of the Fifth Report, the Company only had approximately 4 days between the Bid Deadline and the exhaustion of available liquidity under the DIP Facility. As noted below, the Company is seeking an extension of the Stay Period until June 6, 2012 in order to provide the Company with an opportunity to seek approval of the Successful Bid and to close the transaction in connection therewith to the extent such approval is granted.

63. The Monitor has been advised by the DIP Lender that it is not prepared and does not have access to capital to continue to fund the Company's ongoing operations. The Monitor has been advised by counsel to the Successful Bidder that the Successful Bidder is prepared to advance funding in tranches on an as-needed basis in a combined amount not to exceed $250,000 to the extent necessary during the period between May 30, 2012 and the closing of

the Successful Bid (to the extent approved by this Court). This amount will not be credited against the purchase price and will not be secured by any Court order or other charge against the assets of the Company. Counsel to the Successful Bidder has advised the Monitor that the availability of these funds will be subject to the Company and the Monitor developing a budget for this period that is agreeable to the Successful Bidder.

64. The Company, with the assistance of the Monitor, is preparing a budget for approval by the Successful Bidder for funding of the Company's operating requirements until June 6, 2012 (subject to a $250,000 cap and settlement of the budget). The Monitor notes that it is expected that this budget will be substantially similar to the May 28 Forecast and that the $250,000 cap will be sufficient to fund the Company's cash flow requirements until June 6, 2012.

65. The Successful Bidder has advised that it is prepared to fund the Company's operations prior to this Court's approval of the Successful Bid, which approval is anticipated to be sought on or about June 4, 2012. To the extent that the necessary funds are not received by the Successful Bidder on or before May 30, 2012 in accordance with its commitment as detailed above, the Monitor will seek an appearance on notice to the service list with this Court to advise the Court of the Company's liquidity position and seek advice and direction from the Court.

66. As discussed above, the Monitor is working closely with the Company to monitor receipts and disbursements to ensure that sufficient funds remain to allow the Company to operate to June 6, 2012.

VIII. COMPANY'S REQUEST FOR AN EXTENSION

67. Pursuant to the May 14 Order, the stay of proceedings expires on May 28, 2012. The Company is now seeking an extension of the Stay Period to June 6, 2012.

68. Based on the May 28 Forecast and the financial support of the Successful Bidder, the Company should have sufficient liquidity to continue to fund its operations during the extension of the Stay Period, if such extension is granted.

69. An extension of the Stay Period is necessary to provide the Company with the time to finalize the terms of a purchase agreement with the Successful Bidder, seek approval from this Court of the Successful Bid and to the extent such approval is granted close the transactions contemplated thereby. The termination of the stay of proceedings against the Applicants would likely lead to the Company not being able to seek approval of the Successful Bid and if such approval is granted complete the transaction with the Successful Bidder.

70. The Company, the Monitor and the Successful Bidder are all of the view that it would not be sufficient notice to the Service List to seek approval of the Successful Bid and a purchase agreement in respect thereof on May 28, 2012. As described in the May 27 Affidavit, an extension of the Stay Period to June 6, 2012 is necessary to permit the Company to give sufficient notice to the Service List prior to a return of the motion for an approval and vesting order. It is the Company's intention to serve the Notice of Motion for an approval and vesting order by May 30, 2012.

71. The Monitor believes that, based on the information currently available and the remaining funds available to the Company and the commitment made by the Successful Bidder to fund the Company's ongoing operations on the basis set out herein, an extension of the Stay Period to June 6, 2012 is appropriate having regard to the circumstances. The extension of the Stay Period to June 6, 2012 will also eliminate the need for and costs associated with an additional Court appearance to seek a further extension once the budget to fund to June 6, 2012 is finalized among the Company, the Monitor and the Successful Bidder. The Monitor is aware of the Company's liquidity difficulties and is working closely on a daily basis with the Company to monitor its cash flows.

72. The Monitor is of the view that the Applicants have acted and are acting in good faith and with due diligence to pursue a transaction in accordance with the SISP and to seek a going concern outcome.

IX. RECOMMENDATION

73. The Monitor recommends that this Court issue an Order approving, *inter alia*;

a) the activities of the Monitor as set out in this Sixth Report; and

b) Approving the Company's request for an extension of the Stay Period to June 6, 2012.

Dated the 28th day of May, 2012.

RESPECTFULLY SUBMITTED,

Paul van Eyk, CA·CIRP, CA·IFA
Senior Vice-President

PricewaterhouseCoopers Inc.
In its capacity as Monitor of
PCAS Patient Care Automation
Services Inc. and 2163279 Ontario Inc.
and not in its personal capacity

APPENDIX A

Fifth Report of the Monitor, dated May 11, 2012

PCAS PATIENT CARE AUTOMATION SERVICES INC. AND 2163279 ONTARIO INC.

FIFTH REPORT OF THE MONITOR

May 11, 2012

Court File No. CV-12-9656-00CL

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 PCAS PATIENT CARE AUTOMATION SERVICES INC. AND 2163279 ONTARIO INC.

APPLICANTS

FIFTH REPORT OF PRICEWATERHOUSECOOPERS INC.

In its capacity as Monitor of the Applicants

May 11, 2012

pwc

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I. INTRODUCTION

1. On March 23, 2012 (the "**Filing Date**"), PCAS Patient Care Automation Services Inc. ("**PCAS**") and 2163279 Ontario Inc. ("**Touchpoint**") (collectively, the "**Company**" or the "**Applicants**") made an application under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended ("**CCAA**") and an initial order (the "**Initial Order**") was granted by the Honourable Mr. Justice Morawetz of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") granting, *inter alia*, a stay of proceedings against the Applicants to April 21, 2012 (the "**Stay Period**") and appointing PricewaterhouseCoopers Inc. ("**PwC**") as the monitor (the "**Monitor**"). The proceedings commenced by the Company under the CCAA are referred to herein as the "**CCAA Proceedings**".

2. PwC was previously retained by the Company to act as financial advisor to assist management and the board of directors to review strategic alternatives available to the Company for the resolution of its liquidity concerns.

3. On April 16, 2012, this Court granted an Order (the "**April 16 Order**") which provided, *intra alia*, for approval of the Amended and Restated DIP Agreement, an increase in the limit of the DIP Facility from $2,800,000 to $3,800,000 and approval of the KERP and KERP Charge (all as defined therein).

4. On April 20, 2012, this Court granted an Order (the "**April 20 Order**") which provided, *intra alia*, for an increase in the DIP Facility from $3,800,000 to $4,370,000 and an extension of the stay of proceedings to May 4, 2012.

5. On May 3, 2012, this Court granted an Order (the "**May 3 Order**") which provided, *intra alia*, for an increase in the DIP Facility from $4,370,000 to $4,525,000 and an extension of the stay of proceedings to May 8, 2012.

6. On May 7, 2012, this Court granted an Order (the "**May 7 Order**") which provided, *inter alia*, for approval of the Second Amended and Restated DIP Loan Agreement, an increase in the DIP Facility from $4,525,000 to $5,350,000 and an extension of the stay of proceedings to May 28, 2012.

II. PURPOSE OF REPORT

7. In conjunction with the Company's application for relief under the CCAA, on March 23, 2012, PwC in its capacity as proposed Monitor filed the Proposed Monitor's Report with this Court.

Subsequently, on April 15, 2012, the Monitor filed the First Report with this Court. On April 19, 2012, the Monitor filed the Second Report with this Court. On May 3, 2012, the Monitor filed the Third Report with this Court. On May 7, 2012, the Monitor filed the Fourth Report with this Court, attached hereto as **Appendix "A"**.

8. The purpose of this report (the "**Fifth Report**") is to:

   a) Provide this Court with a summary of the following:

      (i) The Monitor's activities since the date of the May 7 Order;
      (ii) The proposed expedited SISP;
      (iii) The Company's request to increase the limit of the DIP Facility from $5,350,000 to $6,000,000; and
      (iv) The Monitor's comments and observations regarding the SISP.

   b) Recommend that this Court issue an order:

      (i) Approving the activities of the Monitor as set out in this Fifth Report;
      (ii) Approving the Company's request for an amendment to the May 7 Order;
      (iii) Approving the expedited SISP; and
      (iv) Increasing the limit under the DIP Facility from $5,350,000 to $6,000,000.

III. QUALIFICATIONS

9. In preparing this Fifth Report, the Monitor has relied upon unaudited financial information, the Company's books and records, financial information prepared by the Company and discussions with management and legal counsel to the Company. The Monitor has not audited, reviewed, or otherwise attempted to verify the accuracy or completeness of the information and, accordingly, the Monitor expresses no opinion or other form of assurance with respect to the information contained in this Fifth Report. Future-oriented financial information relied upon in this Fifth Report is based on management's assumptions regarding future events. Actual results achieved may vary from this information and these variations may be material. The Monitor expresses no opinion or other form of assurance with respect to the accuracy or completeness of any financial information contained herein. The Monitor reserves the right to refine or amend its comments and findings as further information is obtained or brought to its attention subsequent to the date of this Fifth Report.

10. Unless otherwise stated, all monetary amounts contained herein are expressed in Canadian Dollars. Capitalized terms not otherwise defined herein shall have the meaning ascribed thereto in the Initial Order, the Proposed Monitor's Report, the First Report, the Second

Report, the Third Report, the Fourth Report or the Affidavit of Loreto Grimaldi dated May 11, 2012 (the "**May 11 Affidavit**").

IV. ACTIVITIES

Monitor's activities since May 7, 2012

11. Since May 7, 2012, the Monitor has been working to assist the Company in considering its various alternatives and to assist the DIP Lender to raise additional funds, including, among other things:

    a) attending the Company's Oakville offices to monitor the Company's receipts and disbursements;

    b) discussions and correspondence with Osler, counsel to the Monitor, on various matters;

    c) discussions and correspondence with the Company and its counsel and the DIP Lender and its counsel on various matters, including regarding the proposed expedited SISP;

    d) discussions with various interested parties seeking to obtain information in respect of the SISP;

    e) discussions with the Potential Customer on various matters, including the SISP; and

    f) discussions with various stakeholders on the status of the CCAA Proceedings.

Sales and investment activities of the Company to date

12. In connection with the Company's efforts to raise financing prior to the commencement of the CCAA Proceedings, the Company engaged reputable investment banks to assist the Company in these efforts. The Company has advised the Monitor that during the period from December 2011 to February 2012, these investment banks contacted approximately 136 financial and strategic potential investors and obtained 33 executed Non-Disclosure Agreements ("**NDAs**"). In addition, the PCAS management participated in 18 presentations to these above parties.

13. Subsequently in March 2012, but prior to the commencement of these CCAA Proceedings, the Company has advised the Monitor that these investment banks contacted an additional 40 strategic and financial parties, of which 3 executed NDAs.

14. During the 24 months prior to the commencement of these CCAA Proceedings, the Company has advised the Monitor that the Company also reached out to a number of parties independently, 3 of whom executed NDAs before March 23, 2012.

15. Following the commencement of the CCAA Proceedings, the Company continued to seek potential investors and contacted an additional 45 parties, of which 7 parties executed NDAs and are currently in various stages of due diligence. Accordingly, 46 parties have executed NDAs prior to the date of this Fifth Report.

16. The Company and Monitor have also identified another 110 parties to contact in connection with the commencement of the SISP.

V. PROPOSED EXPEDITED SISP

Developments since the May 7 Order

17. Following the issuance of the May 7 Order, the Company and the DIP Lender, with the assistance of the Monitor, began the negotiation and preparation of an expedited SISP. The SISP is discussed in more detail below.

18. Further to paragraph 36 of the Fourth Report, the Company, with the assistance of the Monitor, has prepared a solicitation letter summarizing the acquisition and/or investment opportunity (the "**Teaser**") for circulation to prospective bidders. The Monitor understands that the Teaser is in the process of being distributed to approximately 110 identified financial and/or strategic parties as of the date of this Fifth Report. A copy of the Teaser is attached hereto as **Appendix "C"**.

19. The Company has advised the Monitor that certain former employees have signed NDAs and were given access to the dataroom. The Company has since withdrawn access to the dataroom from these former employees. The Monitor understands that the Company is only intending to provide access to the dataroom to those prospective bidders that meet the qualifications contained in the proposed SISP. The Company has advised the Monitor that these former employees do not meet the qualifications contained in the SISP and therefore should not be granted access to the dataroom. The Company has also advised the Monitor that the parties who have signed NDAs prior to the date of this Fifth Report, excluding these former employees, would all meet the qualifications contained in the SISP.

20. The Company has continued to provide access to the existing dataroom to all interested parties who have executed NDAs and who have the potential to become Qualified Bidders for the purpose of allowing such interested parties to commence or continue due diligence.

21. The May 7 Order contains expanded powers for the Monitor with respect to the Monitor's involvement in the SISP. Since the date of the May 7 Order, the Company and the DIP Lender advised the Monitor that it is their view that the Company should take the primary role in implementing the SISP and that the Monitor should assist and monitor the Company's efforts in connection therewith. Accordingly, as the SISP has been drafted to reflect the views of the Company and the DIP Lender, the Company is requesting to amend paragraph 5 of the May 7 Order to provide that the powers of the Monitor with respect to the SISP be to monitor and assist the Company in implementing the SISP. The Company is also seeking to delete paragraph 6 of the May 7 Order.

Overview of the SISP

22. Defined terms used in this section and not otherwise defined have the meaning ascribed to them in the SISP.

23. The Company and the DIP Lender, with the assistance of the Monitor, have negotiated and prepared an expedited SISP which sets out the manner in which prospective bidders may make a bid to purchase the Company's Property or make an investment in the Company's business. A copy of the SISP Summary is attached hereto as **Appendix "B"** and a summary of the relevant terms of the SISP Summary is contained below.

24. The SISP describes:

    a) The manner in which prospective bidders may gain access to due diligence materials concerning the Company's Property and the Company's business;

    b) The manner in which bidders and bids are eligible to become Qualified Bidders and Qualified Bids (both as defined in the SISP), including the manner in which the deposit required of such Qualified Bidders is to be paid to the Monitor and, if necessary, returned to unsuccessful Qualified Bidders;

    c) The nature of the Stalking Horse Bid;

    d) The manner in which the Selected Bidders and the Successful Bidder (both as defined in the SISP) may be selected; and

    e) The process for obtaining such approvals (including the approval of the Court) as may be necessary and appropriate in respect of a Successful Bid.

25. As discussed above, the SISP provides that only prospective bidders who are capable of becoming Qualified Bidders will be able to execute NDAs. The Company, in consultation with

the Monitor, will execute an NDA with a prospective bidder if such prospective bidder provides the following:

a) information sufficient, in the Applicant's discretion and in consultation with the Monitor, to identify the prospective bidder and to prove that the prospective bidder has the financial ability to become a Qualified Bidder; and

b) representations and warranties that the prospective bidder is not acting as a broker, agent or other representative of any other person in connection with the transaction, and is considering the transaction only for its own account unless the Applicant, in consultation with the Monitor, expressly waives this requirement in writing.

26. Pursuant to the SISP, the DIP Lender will submit a stalking horse bid for the purchase of substantially all of the property, assets and undertaking of the Company on an "as is, where is" basis (the "**Stalking Horse Bid**"). The Stalking Horse Bid will allow the DIP Lender to credit bid its debt in exchange for the purchase of the Company's Property. The Stalking Horse Bid will provide for a purchase price equal to the amount of outstanding secured liabilities owing by the Company to the DIP Lender plus the assumption of all senior secured indebtedness of the Company, estimated to be approximately $7,900,000 (the "**Secured Indebtedness**"). The purchase price contained in the Stalking Horse Bid will be satisfied by the release of the liabilities owed to the DIP Lender by the Company plus the value of the assumed senior secured indebtedness. The SISP provides that the Stalking Horse Bid shall not be permitted to be in an amount in excess of the Secured Indebtedness. The DIP Lender has advised the Monitor that (a) it is not its desire or intention to acquire the property, assets and undertaking of the Company except in circumstances where there is no third party bid in excess of the Secured Indebtedness; and (b) it is submitting the Stalking Horse Bid on this basis in order to fulfill commitments that it made to raise funds for the DIP Facility. The Monitor has been advised by the DIP Lender that the Stalking Horse Bid will be submitted by the Bid Deadline (as defined below).

27. The timeline and key provisions of the SISP are be as follows:

a) As soon as possible, the Company will distribute the Teaser to prospective purchasers and investors.

b) All bids for purchase and/or investment must be received by the Monitor no later than noon (Toronto time) on May 24, 2012 (the "**Bid Deadline**") in the form of a binding offer capable of acceptance, irrevocable until one day after closing of the Successful Bid and must contemplate a purchase price or amount available to stakeholders of an amount greater than the Secured Indebtedness in cash or other other consideration acceptable to the DIP Lender and must be accompanied by a refundable cash deposit payable to the order of the Monitor in trust in an amount equal to the greater of 10% of the purchase or investment contemplated therein or $790,000.

c) If no Qualified Bids are received, the Stalking Horse Bid is deemed to be the Successful Bid.

d) If one or more Qualified Bids, other than the Stalking Horse Bid, are received in accordance with the Bidding Procedures, the Company, in consultation with the Monitor, may choose to:

   (i) accept one Qualified Bid as the Successful Bid and take such steps as are necessary to finalize and complete an agreement for the Successful Bid with the Successful Bidder; or

   (ii) continue negotiations with a selected number of Qualified Bidders with a view to finalizing an agreement with one of the Selected Bidders.

e) The Company is under no obligation to accept the highest or best offer and the selection of Selected Bidders and the Successful Bidder is entirely at the discretion of the Company, in consultation with the Monitor.

f) A Qualified Bid may, in lieu of providing for the repayment of the amount owing to the DIP Lender in cash, provide the DIP Lender with the option (which the DIP Lender would then be entitled to flow through to the persons who have lent money to the DIP Lender in order to participate in the provision of the DIP Loan to the Applicants) to accept the equity in the bidder or other consideration acceptable to the DIP Lender in full or partial satisfaction of the amount owing to the DIP Lender.

g) The Company will apply to the Court for an order approving the Successful Bid and authorizing the Company to enter into any and all necessary agreements with respect to the Successful Bid and to undertake such other actions as may be necessary or appropriate to give effect to the Successful Bid.

28. A bid will be considered a Qualified Bid only if it is the Stalking Horse Bid or it is submitted by the Bid Deadline and complies with, among other things, the following:

   a) it includes evidence of a firm, irrevocable commitment for financing, or other evidence of ability to consummate the proposed transaction, that will allow the Company, in consultation with the Monitor, to make a reasonable determination as to the Qualified

Bidder's financial and other capabilities to consummate the transaction contemplated by its bid;

b) in respect of a purchase of the Company's Property, it includes a reasonably detailed description of the property to be included in the sale and in the case of an investment in the Company's business, it includes a reasonably detailed description of any of the Company's Property to be divested or disclaimed prior to closing;

c) it includes the identity of each entity that will be sponsoring or participating in the bid, and the complete terms of such participation;

d) it includes any anticipated regulatory and other approvals required to close the transaction and the anticipated time frame and any anticipated impediments for obtaining such approvals;

e) it includes the details of the proposed number of employees of the Company who will become employees of the bidder (in the case of a purchase of the Company's Property) or shall remain as employees of the Applicants (in the case of an investment in the Company's business) and, in each case, provisions setting out the terms and conditions of employment for continuing employees;

f) it includes the details of any liabilities to be assumed by the Qualified Bidder;

g) it includes in the case of a proposed purchase of the Company's Property, an acknowledgement and representation that the bidder: (i) has relied solely upon its own independent review, investigation and/or inspection of any documents and/or the assets to be acquired and liabilities to be assumed in making its bid; and (ii) did not rely upon any written or oral statements, representations, promises, warranties or guaranties whatsoever, whether express or implied (by operation of law or otherwise), regarding the assets to be acquired or liabilities to be assumed or the completeness of any information provided in connection therewith, except as expressly stated in the purchase and sale agreement; and

h) it includes in the case of a proposed investment in the Company's business, it includes an acknowledgement and representation that the bidder: (i) has relied solely upon its own independent review, investigation and/or inspection of any documents in making its bid; and (ii) did not rely upon any written or oral statements, representations, promises, warranties or guaranties whatsoever, whether express or implied (by operation of law or otherwise), regarding the business of the Company's or the completeness of any information provided in connection therewith, except as expressly stated in the investment agreement.

29. The SISP is also described in the May 11 Affidavit.

Monitor's Comments and Observations Regarding the SISP

30. The Monitor recognizes that the implementation of the SISP will be on a very expedited basis with a very truncated timeline. The Monitor is of the view that, given the limited liquidity available to the Company, the expedited SISP appears to be the Company's only option in the circumstances. The Monitor understands that the DIP Lender fully supports this expedited SISP. The Monitor also notes that there was extensive marketing of the Company conducting prior to the commencement of these CCAA Proceedings as noted above. Accordingly, such marketing efforts should assist the Company in implementing the SISP on a very truncated timeline.

31. The Monitor recognizes that the Company may have only 4 days between the Bid Deadline and available liquidity under the DIP Facility to close the Successful Bid absent the receipt of additional DIP funding and an extension of the Stay Period. The Monitor notes that the Stay Period expires 4 days after the Bid Deadline. The implementation of the proposed expedited SISP will be subject to the Company having sufficient liquidity and, if required, an extension of the Stay Period to close the Successful Bid and consummate the transaction contemplated therein.

32. The SISP provides that the Stalking Horse Bid shall not be permitted to be in an amount in excess of the Secured Indebtedness. The Monitor is of the view that this provides an indication to interested bidders that the DIP Lender is prepared to divest its position if a Successful Bid is received which is in excess of the Secured Indebtedness.

33. The amount of the Secured Indebtedness, estimated at $7,900,000, consists of the following:

   a) principal amount of DIP Facility of $6,000,000, which includes accrued interest and the actual and estimated fees and expenses of the DIP Lender ($640,000);

   b) the Success Fee of 10%, estimated to be $600,000;

   c) the senior secured debt of the Company of approximately $1,000,000; and

   d) an estimate for statutory priority claim amounts of approximately $300,000.

34. The SISP provides the Company with the opportunity, in consultation with the Monitor, to engage in further negotiations with Selected Bidders with a view to obtaining the best possible Successful Bid that provides the greatest value to the Company's stakeholders.

35. The Monitor has been advised by the Company that the Potential Customer may be willing to meet with certain Qualified Bidders towards the end of the SISP, but that it will only entertain meetings with Qualified Bidders, Selected Bidders or the Successful Bidder if and when the Potential Customer determines that such meetings are appropriate.

36. As noted above, certain interested parties with signed NDAs have received a head start on their due diligence of the Company. The Monitor recognizes that these parties have had a longer time period to conduct due diligence, understand the Company's property and business and may have had an opportunity to meet with management and the Potential Customer and to review the information contained the Company's dataroom.

37. Notwithstanding the potential advantage that these parties may have with respect to the opportunity to participate in the proposed expedited SISP, given the Company's current liquidity situation, there does not appear to be another option for the Company to realize value for the benefit of its stakeholders absent this expedited SISP.

38. The proposed expedited SISP considers the urgent need of the Company to effect a transaction which will result in the sale of the Company's Property or an investment in the Company's business. The Company is in the midst of a liquidity crisis and will likely be unable to commercialize the MedCentres if the SISP is unsuccessful.

39. Under the circumstances, the expedited SISP is likely the most viable process to maximize the value of the Company for the benefit of its stakeholders. In light of this situation, the Monitor supports the Company's request for approval of the proposed expedited SISP to permit interested parties with an opportunity to invest in the Company or make an offer to acquire the Company's assets.

VI. INCREASE IN DIP FACILITY LIMIT

40. The May 7 Order increased the limit under the DIP Facility to a maximum principal amount of $5,350,000. At the date of this Fifth Report, the Company has drawn $4,525,000 of the DIP Facility and intends to draw the remaining $825,000 during the week of May 18, 2012.

41. The Company is seeking an increase in the limit of the DIP Facility to $6,000,000. $10,000 of this is new DIP funding. The additional $640,000 in the increase of the DIP Facility from $5,350,000 referred to above is to account for accrued interest and accrued and unpaid fees

of the counsel to the DIP Lender and an estimate for additional fees for those parties to closing. The Monitor has been advised that the DIP Lender's counsel is not seeking payment of their fees in cash but rather accruing their unpaid fees and adding them to the DIP Facility.

42. The Monitor has reviewed and approved the fees submitted by Thornton Grout Finnigan LLP and Grundy, Cass & Campbell Professional Corporation, counsel to the DIP Lender. Counsel to the DIP Lender have devoted significant time to this matter, including drafting the Amended and Restated DIP Agreement and the Second Amended and Restated DIP Agreement, supporting the DIP Lender and the Company in its communications with existing shareholders and interested parties in relation to DIP funding support and supporting the DIP Lender in its numerous discussions, meetings, presentations and negotiations with third parties regarding raising additional DIP funding. In the Monitor's view, all of the above activities were necessary to raise the required DIP financing in order to implement the expedited SISP.

43. Given the challenges of raising a DIP Facility for a pre-commercialization technology company and the need of the Company to continually increase its DIP Facility in the weeks since March 23, 2012, the amount of time and effort expended by counsel to the DIP Lenders does not seem unreasonable in the circumstances.

44. The Monitor will review the relevant invoices of the DIP Lender's counsel detailing the fees and expenses of the DIP Lender incurred after May 7, 2012 (which are included in the estimate of fees discussed above) prior to any such fees and expenses being added to the DIP Facility.

VII. RECOMMENDATION

45. The Monitor recommends that this Court issue an Order approving, *intra alia*;

a) the activities of the Monitor as set out in this Fifth Report;

b) Approving the Company's request for an amendment to the May 7 Order;

c) Approving the expedited SISP; and

d) Increasing the limit under the DIP Facility from $5,350,000 to $6,000,000.

Dated the 11th day of May, 2012.

RESPECTFULLY SUBMITTED,

Paul van Eyk, CA·CIRP, CA·IFA
Senior Vice-President

PricewaterhouseCoopers Inc.
In its capacity as Monitor of
PCAS Patient Care Automation
Services Inc. and 2163279 Ontario Inc.
and not in its personal capacity

APPENDIX B

PCAS Sales and Investor Search Process Summary

SCHEDULE "A"

PCAS Sales and Investor Search Process ("SISP") Summary

Defined Terms

1. All capitalized terms used but not otherwise defined herein have the meaning given to them in the Order granted by the Ontario Superior Court of Justice (the "**Court**") on March 23, 2012 (the "**Initial Order**") in respect of the Applicants proceedings commenced under the *Companies' Creditors Arrangement Act* (the "**CCAA**").

SISP Procedures

2. The SISP Procedures set forth herein describe, among other things, the Applicants' Property available for sale and the opportunity for an investment in the Applicants' business, the manner in which the prospective bidder may gain access to or continue to have access to due diligence materials, the manner in which bidders and bids become Qualified Bidders (as defined below) and Qualified Bids (as defined below), respectively, the receipt and negotiations of bids received, the ultimate selection of a Successful Bidder (as defined below) and the Court's approval thereof.

3. The Applicants, with the assistance of the Monitor (the "**SISP Team**"), will compile a listing of prospective purchasers and investors. The SISP Team will make best efforts to contact all parties identified in the list as well as any additional parties that the SISP Team believes could be a potential strategic or financial purchaser or investor.

4. The Applicants, with the assistance and support of the Monitor (who will also monitor the process), will conduct a sale and investor solicitation process whereby prospective purchasers and investors will have the opportunity to submit a bid for the Applicants' Property or make an investment in the Applicants.

5. As soon as possible, the SISP Team will distribute to prospective purchasers and investors a solicitation letter summarizing the acquisition and/or investment opportunity (the "**Teaser**"). The Teaser will include a form of confidentiality agreement ("**CA**") that

prospective purchasers and investors will be required to sign in order to gain access to confidential information and to perform due diligence. Those parties who have already executed a confidentiality agreement with the Applicants (also a "**CA**" for the purposes hereof) may not be required to execute a new confidentiality agreement.

6. In order for a prospective bidder to sign a CA and participate in the SISP, the Applicants and the Monitor must receive the following from such prospective bidder:

   (a) information sufficient, in the Applicant's discretion and in consultation with the Monitor, to identify the prospective bidder and to prove that the prospective bidder has the financial ability to become a Qualified Bidder;

   (b) representations and warranties that the prospective bidder is not acting as a broker, agent or other representative of any other person in connection with the transaction, and is considering the transaction only for its own account unless the Applicant, in consultation with the Monitor, expressly waives this requirement in writing.

7. The Applicants will update the existing confidential business plan (the "**Business Plan**") to be made available to prospective purchasers and investors that execute a CA. The Business Plan will provide an overview of the Applicants' business, assets and prospects.

8. Prospective purchasers and investors that have executed a CA will be provided with an opportunity to review financial and other information in the Applicants' online data room and will also be provided with an opportunity to meet with senior management and members of the board of directors of the Applicants and such other parties as the Applicants may arrange.

9. The sale of the Applicants' Property or the investment in the Applicants will be made on an "as is, where is" basis without surviving representations or warranties of any kind, nature, or description by the Monitor or the Applicants, except to the extent set forth in the definitive sale or investment agreement with a Successful Bidder.

Stalking Horse Bid

10. The Applicants have agreed with the DIP Lender that the DIP Lender shall submit a stalking horse bid for the purchase of substantially all of the property, assets and undertaking of the Applicants on an "as is, where is" basis (the "**Stalking Horse Bid**"). The Stalking Horse Bid will allow the DIP Lender to credit bid its debt in exchange for the purchase of the Applicants' Property. The Stalking Horse Bid will provide for a purchase price equal to the amount of outstanding secured liabilities owing by the Applicants to the DIP Lender (being the principal amount of the DIP Loan advances and all interest and all reasonable fees and expenses to the closing) plus the assumption of all senior secured indebtedness of the Applicants (the "**Secured Indebtedness**"), estimated to be approximately CDN$**[7.9]** million. The purchase price contained in the Stalking Horse Bid will be satisfied by the release of the liabilities owed to the DIP Lender by the Applicants plus the value of the assumed senior secured indebtedness. The Stalking Horse Bid shall not be permitted to be in an amount in excess of the Secured Indebtedness.

Bidding Procedures

11. The bidding procedures are as follows (the "**Bidding Procedures**"):

(a) all bids for purchase and/or investment must be submitted in writing to the Monitor and received no later than noon (Toronto time) on May 24, 2012 (the "**Bid Deadline**");

(b) each potential bidder must submit, before the Bid Deadline, a bid including the identification of the bidder, evidence of corporate authority and proof of its financial ability to perform to the satisfaction of the Applicants and the Monitor;

(c) a bid should, among other things, be in the form of a binding offer capable of acceptance, irrevocable until one day after closing of the Successful Bid (as defined below), and must contemplate a purchase price (in the case of a sale bid), or an amount available for stakeholders (in the case of an investment bid) of greater than the Secured Indebtedness (being the estimated purchase price of the Stalking Horse Bid including fees and all senior secured indebtedness of the Applicants and excluding the amount of any other assumed liabilities) in cash or other consideration acceptable to the DIP Lender and be accompanied by a refundable cash deposit in the form of a wire transfer (to a bank account specified by the Monitor) or such other form of deposit as is acceptable to the Monitor, payable to the order of the Monitor, in trust (the "**Deposit**"), in an amount equal to the greater of 10% of the purchase price or investment contemplated therein or CDN$790,000 (each bid submitted in accordance with these bidding procedures a "**Qualified Bid**" and each such bidder a "**Qualified Bidder**").

(d) if no Qualified Bids are received, the Stalking Horse Bid shall be deemed to be a Qualified Bid and the Successful Bid and the Applicants and the DIP Lender shall proceed to consummate the transaction contemplated thereby, subject to finalization of documentation and the Court's approval thereof.

Qualified Bids

12. A bid will be considered a Qualified Bid only if (i) it is submitted by a Qualified Bidder on or before the Bid Deadline or it is the Stalking Horse Bid, and (ii) the bid (for the avoidance of doubt, including a Stalking Horse Bid) complies with, among other things, the following requirements:

(a) it includes a letter stating that the bidder's offer is irrevocable until the business day after the closing of the Successful Bid;

(b) it includes (if not the Stalking Horse Bid) written evidence of a firm, irrevocable commitment for financing, or other evidence of ability to consummate the proposed transaction, that will allow the Applicants, in consultation with the Monitor, to make a reasonable determination as to the Qualified Bidder's financial and other capabilities to consummate the transaction contemplated by its bid;

(c) in respect of a purchase of the Applicants' Property, it includes a reasonably detailed listing and description of the property to be included in the sale and in the case of an investment in the Applicants' business, it includes a reasonably detailed listing and description of any of the Applicants' Property to be divested or disclaimed prior to closing;

(d) it includes details of the proposed number of employees of the Applicants who will become employees of the bidder (in the case of a purchase of the Applicants' Property) or shall remain as employees of the Applicants (in the case of an investment in the Applicants' business) and, in each case, provisions setting out the terms and conditions of employment for continuing employees;

(e) it includes details of any liabilities to be assumed by the Qualified Bidder;

(f) it is not conditional upon, among other things:

(i) the outcome of unperformed due diligence by the Qualified Bidder; or

(ii) obtaining financing;

(g) it fully discloses the identity of each person or entity that will be sponsoring or participating in the bid, and the complete terms of such participation;

(h) it outlines any anticipated regulatory and other approvals required to close the transaction and the anticipated time frame and any anticipated impediments for obtaining any such approvals;

(i) it identifies with particularity the contracts and leases the bidder wishes to assume and reject, contains full details of the bidder's proposal for the treatment of related cure costs (and provides adequate assurance of future performance thereunder); and it identifies with particularity any executory contract or unexpired lease the assumption and assignment of which is a condition to closing;

(j) it provides a timeline to closing with critical milestones;

(k) it contains other information reasonably requested by the Applicants, in consultation with the Monitor;

(l) in the case of a purchase of the Applicants' Property, it includes the following: an acknowledgement and representation that the bidder: (a) has relied solely upon its own independent review, investigation and/or inspection of any documents and/or the assets to be acquired and liabilities to be assumed in making its bid; and (b) did not rely upon any written or oral statements, representations, promises, warranties or guaranties whatsoever, whether express or implied (by operation of law or otherwise), regarding the assets to be acquired or liabilities to be assumed or the completeness of any information provided in connection therewith, except as expressly stated in the purchase and sale agreement; and

(m) in the case of an investment in the Applicants' business, it includes an acknowledgement and representation that the bidder: (a) has relied solely upon its own independent review, investigation and/or inspection of any documents in making its bid; and (b) did not rely upon any written or oral statements, representations, promises, warranties or guaranties whatsoever, whether express or implied (by operation of law or otherwise), regarding the business of the Applicants or the completeness of any information provided in connection therewith, except as expressly stated in the investment agreement.

13. The Applicants, with the consent of the Monitor, may waive compliance with any one or more of the requirements specified herein (except the requirement contained herein with respect to the purchase price, in the case of a purchase of the Applicants' Property, or an amount available for stakeholders, in the case of an investment in the Applicants' business, being in an amount greater than the Secured Indebtedness) and deem such non-compliant bids to be Qualified Bids.

14. A Qualified Bid may, in lieu of providing for the repayment of the amount owing to the DIP Lender in cash, provide the DIP Lender with the option (which the DIP Lender would then be entitled to flow through to the persons who have lent money to the DIP Lender in order to participate in the provision of the DIP Loan to the Applicants) to

accept equity in the bidder or other consideration acceptable to the DIP Lender in full or partial satisfaction of the amount owing to the DIP Lender.

Post-Bidding Procedures

15. If one or more Qualified Bids other than the Stalking Horse Bid are received in accordance with the Bidding Procedures, the Applicants, in consultation with the Monitor, may choose to:

    (a) accept one Qualified Bid (the "**Successful Bid**" and the Qualified Bidder making the Successful Bid being the "**Successful Bidder**") and take such steps as are necessary to finalize and complete an agreement for the Successful Bid with the selected bidder; or

    (b) continue negotiations with a selected number of Qualified Bidders (collectively, "**Selected Bidders**") with a view to finalizing an agreement with one of the Selected Bidders.

16. The Applicants shall be under no obligation to accept the highest or best offer and the selection of the Selected Bids and the Successful Bid shall be entirely in the discretion of the Applicants, after consultation with the Monitor.

Other Terms

17. All Deposits will be retained by the Monitor and invested in an interest bearing trust account. If there is a Successful Bid, the Deposit (plus accrued interest) paid by the Successful Bidder whose bid is approved by the Court will be applied to the purchase price to be paid or investment amount to be made by the Successful Bidder upon closing of the approved transaction and will be non-refundable. The Deposits (plus applicable interest) of Qualified Bidders not selected as the Successful Bidder will be returned to such bidders within 5 Business Days of the date upon which the Successful Bid is approved by the Court. If there is no Successful Bid, subject to the following paragraph, all Deposits (plus applicable interest) will be returned to the bidders within 5 Business Days of the date upon which the SISP is terminated in accordance with these procedures.

18. If a Successful Bidder breaches its obligations under the terms of the SISP, its Deposit shall be forfeited as liquidated damages and not as a penalty.

19. The Applicants will apply to the Court (the "**Approval Motion**") for an order approving the Successful Bid and authorizing the Applicants to enter into any and all necessary agreements with respect to the Successful Bid and to undertake such other actions as may be necessary or appropriate to give effect to the Successful Bid.

20. The Approval Motion will be held on a date to be scheduled by the Court upon application by the Applicants. The Approval Motion may be adjourned or rescheduled by the Applicants or the Monitor without further notice by an announcement of the adjourned date at the Approval Motion.

21. All Qualified Bids (other than the Successful Bid) will be deemed rejected on the date of approval of the Successful Bid by the Court.

22. For the avoidance of doubt, the approvals required pursuant to the terms hereof are in addition to, and not in substitution for, any other approvals required by the CCAA or any other statute or as otherwise required at law in order to implement a Successful Bid.

23. There will be no amendments to this SISP without the consent of the Applicants and the Monitor or, in the absence of such consent, the approval of the Court.

24. This SISP does not, and will not be interpreted to, create any contractual or other legal relationship between the Applicants and any bidder, other than as specifically set forth in a definitive agreement that any such bidder may enter into with the Applicants. At any time during the SISP, the Monitor may, upon reasonable prior notice to the Applicants and the DIP Lender, apply to the Court for advice and directions with respect to the discharge of its power and duties hereunder.

APPENDIX C

Cash flow variance analysis to May 25, 2012

DRAFT - FOR DISCUSSION PURPOSES ONLY

PCAS Patient Care Automation Systems Inc. and 2163279 Ontario Inc.
13 Week Cash Flow Forecast
Forecast to Actual Variance Report
For the period ended May 25, 2012
Compared to Forecast dated May 7, 2012 filed with the Court

CAD$	Receipts and Disbursements for the period of May 7 to May 25, 2012				Receipts and Disbursements cumulative from Mar 23 to May 25, 2012
			Variance		
	Forecast	Actual	($)	(%)	Actual
RECEIPTS					
New AR Collections	15,000	1,992	(13,008)	(87%)	63,054
SRED Recovery	-	-	-	0%	-
HST Recovery	493,496	175,883	(317,614)	(64%)	658,527
Other Receipts	-	7,212	7,212	100%	49,513
TOTAL RECEIPTS	508,496	185,087	(323,409)	(64%)	771,094
DISBURSEMENTS					
Employee and contractor costs	633,035	628,388	4,647	1%	3,678,026
Operating costs	59,191	16,636	42,555	72%	76,131
Lease costs	25,800	-	25,800	100%	214,810
SG&A	170,901	96,587	74,315	43%	315,931
DIP Interest	-	-	-	0%	-
Principal payment	483,680	47,721	435,959	90%	344,451
Professional Fees	379,750	318,611	61,139	16%	942,054
HST Payments	64,382	51,444	12,938	20%	174,923
TOTAL DISBURSEMENTS	1,816,740	1,159,386	657,354	36%	5,746,326
NET CASH FLOW	(1,308,243)	(974,299)	333,944	26%	(4,975,232)
BEGINNING CASH	328,862	328,684	178	0%	154,617
DIP Draw / (Repayment)	1,175,000	1,185,000	10,000	1%	5,360,000
CLOSING CASH BALANCE	195,618	539,385	343,766	176%	539,385
Accrued Payroll					(94,500)
Net Cash Balance					444,885
Employees	42	42	-	0%	

DRAFT – FOR DISCUSSION PURPOSES ONLY

PCAS Patient Care Automation Services Inc. and 2163279 Ontario Inc.
(the "Company")
Cash Flow Variance Analysis
Compared against May 7, 2012 Forecast filed with the materials for the May 7 Order
For the Period Ended May 25, 2012

General Comments:

The following analysis provides a comparison of actual results for the period from May 7, 2012 to May 25, 2012 (the "**Period**") versus anticipated results presented in the Companies' 13 Week Forecast for the period ended June 15, 2012 which was filed with the Court on May 7, 2012 (see attached).

- During the Period, the Company experienced a net cash outflow of $974k resulting in a net favourable variance from forecast of $334k. This variance is comprised of an unfavourable difference in receipts of $323k offset by a favourable variance in disbursements of $657k.
- The significant cash outflow to date primarily reflects the payment of salaries to maintain the intellectual product of the company and professional fees relating to the CCAA proceedings.

Receipts:

- Receipts in the Period of $185k are comprised of $2k received from the sale of prescription drugs and $176k from the recovery of HST from both Touchpoint and PCAS.
- Other Receipts include various minor deposit recoveries and minor gains and losses from foreign exchange with the Company's US and UK accounts. For conservatism, these Other Receipts were not included in the forecast.

Disbursements:

Disbursements were $657k lower than forecast for the Period. The favourable difference is a result of the following notable variances:

Operating Costs Favourable variance $43k
The favourable variance is a timing difference due to both lower costs than anticipated as well as a delay in payment of office and MedCentre infrastructure services.

Lease Costs Favourable variance $26k
This favourable variance is a timing difference resulting from a delay in payment of certain equipment leases. This difference is expected to reverse as payments are made in the near term to bring these leases current.

SG&A Favourable variance $74k
The favourable variance is due to a variety of factors including, among others:

- A favourable timing difference on the payment of a construction lien on 2440 Winston Park Drive (est. $37k) which was deferred until June;
- Approximately $17k of transportation expenses were forecasted for the Period due to the anticipated arrival of equipment removed from the UK office. These items have not yet arrived but are expected by the end of May; and
- A timing variance from delayed payment of utilities until the week ended May 25, 2012, on account of invoice timing (est. $27k).

Professional Fees Favourable variance $61k
The favourable variance is primarily due to lower professional fees charged by the Monitor, PwC Corporate Finance and their legal counsel and by PCAS legal counsel to date compared to forecast.

HST Payments Favourable variance $13k
The favourable variance is due to the previous deferrals of expenses that would incur HST which were not paid during the Period. The HST for PCAS and TouchPoint Pharmacy is filed each month and typically a recovery is received 6 weeks after the filing.

<u>Other items:</u>

DIP Facility
During the Period, the Company received the incremental $1,185k available from the DIP Lender. Since the commencement of the CCAA Proceedings, the Company has drawn the full $5,360k available from the DIP Lender.

PCAS Patient Care Automation Systems Inc.
13 Week CCAA Cash Flow Forecast
March 23 to June 15, 2012
(In Canadian dollars)

Week ended	Notes	Week 1 23-Mar-12	Week 2 30-Mar-12	Week 3 6-Apr-12	Week 4 13-Apr-12	Week 5 20-Apr-12	Week 6 27-Apr-12	Week 7 4-May-12	Week 8 11-May-12	Week 9 18-May-12	Week 10 25-May-12	Week 11 1-Jun-12	Week 12 8-Jun-12	Week 13 15-Jun-12	Total
		Actual	Actual	Actual	Actual	Actual	Actual	Actual	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	
Receipts															
New AR Collections	3	-	-	15,282	21,300	15,490	2,965	4,218	5,000	5,000	5,000	-	-	-	74,255
Other Receipts / (Refunds)	4	-	-	-	(285)	-	-	-	-	-	-	-	-	-	(285)
SRED Recovery	5	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HST Recovery	6	-	160,085	-	-	322,558	-	-	441,680	51,816	-	-	-	111,326	1,087,465
Total Receipts		-	160,085	15,282	21,015	338,048	2,965	4,218	446,680	56,816	5,000	-	-	111,326	1,161,435
Disbursements															
Employee and contractor costs	7	-	825,493	979,477	30,937	581,555	346,647	266,029	352,635	172,400	108,000	113,000	136,000	113,500	4,025,673
Operating costs	8	-	-	-	12,257	1,597	7,459	23,614	59,191	-	-	32,500	-	-	136,618
Lease costs	9	-	-	100,672	4,473	-	4,596	116,177	12,900	-	12,900	101,800	-	87,900	441,418
SG&A	10	-	-	114,959	62,257	35,226	11,415	8,406	129,070	20,631	21,200	42,000	49,400	183,070	677,635
DIP Interest	11	-	-	-	-	-	-	-	-	-	-	-	-	159,389	159,389
Principal payment	12	-	160,085	-	43,156	-	-	-	483,680	-	-	-	42,000	289,511	1,018,432
Professional Fees	13	-	200,000	116,476	92,712	30,097	24,896	159,200	100,000	132,375	147,375	132,375	132,375	115,000	1,382,882
HST Payments	14	-	-	15,251	17,234	7,081	12,250	37,194	33,546	14,235	16,601	35,022	19,045	34,589	242,048
Total Disbursements		-	1,185,578	1,326,835	263,026	655,557	407,263	610,621	1,171,023	339,641	306,076	456,697	378,820	982,959	8,084,096
Net cash flow		-	(1,025,493)	(1,311,553)	(242,011)	(317,509)	(404,298)	(606,403)	(724,343)	(282,825)	(301,078)	(456,697)	(378,820)	(671,633)	(6,922,661)
Beginning Cash		61,129	2,861,129	1,835,636	524,083	282,072	779,563	925,264	328,862	779,519	496,694	195,618	(261,079)	(639,899)	61,129
Change in Cash		-	(1,025,493)	(1,311,553)	(242,011)	(317,509)	(404,298)	(606,403)	(724,343)	(282,825)	(301,078)	(456,697)	(378,820)	(871,633)	(6,922,661)
DIP Draw / (Repayment)	15	2,800,000	-	-	-	815,000	550,000	10,000	1,175,000	-	-	-	-	-	5,350,000
Total Ending Cash		2,861,129	1,835,636	524,083	282,072	779,563	925,264	328,862	779,519	496,694	195,618	(261,079)	(639,899)	(1,511,532)	(1,511,532)
Cumulative Cash Invested		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Available Cash		2,861,129	1,835,636	524,083	282,072	779,563	925,264	328,862	779,519	496,694	195,618	(261,079)	(639,899)	(1,511,532)	(1,511,532)
Additional DIP Required		-	-	-	300,000	-	-	-	-	-	-	400,000	800,000	1,700,000	1,700,000
Accrued salaries		825,493	712,352	279,574	532,148	279,574	257,780	250,000	152,900	89,500	94,500	89,500	94,500	89,500	89,500
Net position		2,035,636	1,123,284	244,509	(250,076)	499,989	667,484	78,862	826,619	407,194	101,118	(350,579)	(734,399)	(1,601,032)	(1,601,032)
Headcount		209	209	154	154	154	154	140	42	42	42	42	42	42	42

Notes and assumptions

1 Cash Flow Statement is based on Assumptions regarding future events, actual results will vary from the information presented even if the Hypothetical Assumptions occur, and the variations may be material. This Cash-Flow Statement has been prepared solely for the purpose described in Note 2 and readers are cautioned that it may not be appropriate for other purposes.

2 The Cash Flow Statement is prepared assuming a going-concern sales process for the Company. The Cash-flow Statement is based on the assumptions detailed below. The Company is working diligently to identify and implement various contingency plans to further reduce costs during the forecast period. The Company is currently operating at a minimum level of activity until the week of June 15 when some business activity will commence to replenish supplies of drugs and replacement parts for MedCentres.

3 Sales are forecast to decline from the current $15k per week as a result of lower inventory of drugs resulting from pre-filing cash flow constraints, pharmacists are required to send customers to other pharmacies for their prescribed medication and accordingly, demand in the short term is expected to decline.

4 Other receipts represent the amounts received in respect of the Ontario co-op education tax credit and interest on the principal of the SRED balances of 2009 and 2010. Refunds relate to amounts incorrectly charged and are repaid to customers.

5 Scientific Research and Experimental Development ("SRED") tax credits for 2009 and 2010 were recovered on March 22. All SRED recoveries (including the not yet calcluated 2011 credit) have been pledged as security or factored for loans from RBC and Castcan Investments. Accordingly, the repayments of these loans are shown as disbursements in the Cash Flow Statement.

6 HST recovery is recoverable excise sales tax resulting from expenditures by PCAS and TouchPoint. The PCAS amounts are regular monthly recoveries assumed to come in six (6) weeks after filed. However, Touchpoint has filed an annual return for 2011 and anticipates a recovery of $441,680 during the forecast period which has been pledged as security on a loan from Castcan Investments Inc. and is forecast to be repaid upon receipt in the normal course.

7 Employee and contractor costs are forecast to be reduced post-filing limiting remaining staff to those required to maintain the technical knowhow and integrity of the network and installed MedCentres. Vacation pay remains accrued and is not assumed to be paid during the forecast period. Benefits, including healthcare insurance will be paid for remaining employees. There are no defined benefit or define contribution pension schemes in the Company. Additionally, certain key contractors will be retained to negotiate a contract with major customer, project manage the technology infrastructure build for that customer and assist with critical tax and accounting work for the Company. The Company is analyzing various options to further reduce costs during the forecast period. Assumed to transfer to a weekly payroll payment cycle from Week 6 to 13. KERP of $500k will be paid - $100k in May and $400k in June.

8 Operating costs include purchases of drug and packaging inventories in TouchPoint, start up costs for new MedCentres, data centre costs and communications links between head office and remote MedCentres. These MedCentres provide a proof of concept for potential new investors and customers. Purchases are assumed on cash on delivery terms.

9 Lease costs include the rent for the monthly cost of the buildings occupied by PCAS, the equipment leases for specialist IT equipment and office printers. $151k has been included to clear liens on 2440 WPD.

10 SG&A includes amounts expected to be incurred for utilities, insurance, telephones and communication, office supplies and services, travel and security.

11 DIP interest has been calculated as 15% of the drawn down balance and paid at the end of the 13 week period.

12 Principal repayments the RBC SRED loan is paid as the SRED recovery is made and the Castcan Investment loan is repaid as the SRED and HST is recovered.

13 Professional fees are assumed to be incurred for PCAS legal counsel at $30k per week (increasing to $40k / week if court appearance is needed) with a retainer of $75k. The Monitor is assumed incur fees of $20k per week (increasing to $40k / week if court appearance is needed) for monitoring costs with a retainer of $75k. The cost of running a sales process is estimated at $150k for a 4 week process. Monitor's counsel's fees are forecast at $20k per week (increasing to $30k / week if court appearance is needed) with a $50k retainer. Additionally, other professional fee costs include 2011 SRED consultancy fees ($50k), 2011 Audit fee ($175k) and $15k per month legal costs of patents.

14 HST disbursements are incurred based on the timing of cash disbursements.

15 The Company is working to obtain additional DIP financing in order to fund a sales process, however at this time the amount and timing of this funding is not confirmed.

APPENDIX D

May 28 Forecast

PCAS Patient Care Automation Systems Inc.
13 Week CCAA Cash Flow Forecast
March 23 to June 15, 2012
(in Canadian dollars)

Week ended	Notes	Week 1 23-Mar-12	Week 2 30-Mar-12	Week 3 6-Apr-12	Week 4 13-Apr-12	Week 5 20-Apr-12	Week 6 27-Apr-12	Week 7 4-May-12	Week 8 11-May-12	Week 9 18-May-12	Week 10 25-May-12	Week 11 1-Jun-12	Week 12 8-Jun-12	Week 13 15-Jun-12	Total	Actuals Cumulative 4-May-12	Court forecast Cumulative 4-May-12	Variance
		Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Forecast	Forecast	Forecast				
Receipts																		
New AR Collections	3	-	-	15,282	21,300	15,490	2,965	4,218	5,349	1,525	354	-	-	-	66,483	59,255	55,911	3,344
Other Receipts / (Refunds)	4	-	-	-	(285)	-	-	-	-	(77)	-	-	-	-	(362)	(285)	(285)	-
SRED Recovery	5	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HST Recovery	6	-	160,085	-	-	322,558	-	-	141,358	34,524	-	-	493,496	90,355	1,242,376	482,643	479,388	3,255
Total Receipts		-	160,085	15,282	21,015	338,048	2,965	4,218	146,707	35,972	354	-	493,496	90,355	1,308,497	541,613	535,014	6,599
Disbursements																		
Employee and contractor costs	7	-	825,493	979,477	30,937	581,555	346,647	266,029	297,016	205,496	124,024	185,123	136,000	368,800	4,346,597	3,030,138	3,068,948	(38,810)
Operating costs	8	-	-	-	12,257	1,597	7,459	23,614	12,509	98	325	35,030	-	32,500	125,389	44,927	72,982	(28,055)
Lease costs	9	-	-	100,672	4,473	-	4,596	116,177	-	-	-	16,293	23,753	175,453	441,418	225,918	234,245	(8,327)
SG&A	10	-	-	114,959	62,257	35,226	11,415	8,406	32,449	8,673	62,008	92,272	49,400	205,070	682,135	232,263	327,447	(95,184)
DIP Interest & fees	11	-	-	-	-	-	-	-	-	-	-	25,000	-	156,433	181,433	-	-	-
Principal payment	12	-	160,085	-	43,156	-	-	-	43,054	-	-	-	483,680	288,457	1,018,432	203,241	203,241	-
Professional Fees	13	-	200,000	116,476	92,712	30,097	24,896	159,200	85,687	120,614	122,018	147,375	132,375	115,000	1,346,451	623,382	674,188	(50,806)
HST Payments	14	-	-	15,251	17,234	7,081	12,250	37,194	17,899	11,165	14,347	26,315	21,999	54,352	235,087	89,010	100,652	(11,642)
Total Disbursements		-	1,185,578	1,326,835	263,026	655,557	407,263	610,621	488,614	346,047	322,722	527,408	847,207	1,396,065	8,376,943	4,448,880	4,681,704	(232,823)
Net cash flow		-	(1,025,493)	(1,311,553)	(242,011)	(317,509)	(404,298)	(606,403)	(341,907)	(310,075)	(322,368)	(527,408)	(353,711)	(1,305,710)	(7,068,446)	(3,907,267)	(4,146,690)	239,422
Beginning Cash		61,129	2,861,129	1,835,636	524,083	282,072	779,563	925,264	328,862	336,955	611,880	539,512	12,104	(341,607)	61,129	61,129	61,129	-
Change in Cash		-	(1,025,493)	(1,311,553)	(242,011)	(317,509)	(404,298)	(606,403)	(341,907)	(310,075)	(322,368)	(527,408)	(353,711)	(1,305,710)	(7,068,446)	(3,907,267)	(4,146,690)	239,422
DIP Draw / (Repayment)	15	2,800,000	-	-	-	815,000	550,000	10,000	350,000	585,000	250,000	-	-	-	5,360,000	4,175,000	4,370,000	(195,000)
Total Ending Cash		2,861,129	1,835,636	524,083	282,072	779,563	925,264	328,862	336,955	611,880	539,512	12,104	(341,607)	(1,647,317)	(1,647,317)	328,862	284,439	44,422
Cumulative Cash Invested		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Available Cash		2,861,129	1,835,636	524,083	282,072	779,563	925,264	328,862	336,955	611,880	539,512	12,104	(341,607)	(1,647,317)	(1,647,317)	328,862	284,439	44,422
Additional DIP Required		-	-	-	300,000	-	-	-	-	-	-	100,000	500,000	1,800,000	1,800,000	-	-	
Accrued salaries		825,493	712,352	279,574	532,148	279,574	257,780	254,151	153,673	91,084	94,500	89,500	94,500	89,500	89,500	254,151	266,700	(12,549)
Net position		2,035,636	1,123,284	244,509	(250,076)	499,989	667,484	74,711	183,282	520,796	445,012	(77,396)	(436,107)	(1,736,817)	(1,736,817)	74,711	17,739	56,971
Headcount		209	209	154	154	154	154	140	42	42	42	42	42	42	42			

Notes and assumptions

1 Cash Flow Statement is based on Assumptions regarding future events, actual results will vary from the information presented even if the Hypothetical Assumptions occur, and the variations may be material. This Cash-Flow Statement has been prepared solely for the purpose described in Note 2 and readers are cautioned that it may not be appropriate for other purposes.

2 The Cash Flow Statement is prepared assuming a going-concern sales process for the Company. The Cash-flow Statement is based on the assumptions detailed below. The Company is working diligently to identify and implement various contingency plans to further reduce costs during the forecast period. The Company is currently operating at a minimum level of activity until the week of May 11 when all business activity will cease and 42 employees retained for the sales process.

3 Sales are forecast to decline from the $15k per week in April as a result of lower inventory of drugs resulting from pre-filing cash flow constraints, pharmacists are required to send customers to other pharmacies for their prescribed medication and accordingly, demand in the short term is expected to decline. Pharmacy services from all of the MedCentres will cease during the week of May 11 and there will be no income from the sale of drugs after the end of May.

4 Other receipts represent the amounts received in respect of the Ontario co-op education tax credit and interest on the principal of the SRED balances of 2009 and 2010. Refunds relate to amounts incorrectly charged and are repaid to customers.

5 Scientific Research and Experimental Development ("SRED") tax credits for 2009 and 2010 were recovered on March 22. All SRED recoveries (including the not yet calcluated 2011 credit) have been pledged as security for loans or factored to RBC and Castcan Investments. Accordingly, the repayments of these loans are shown as disbursements in the Cash Flow Statement.

6 HST recovery is recoverable excise sales tax resulting from expenditures by PCAS and TouchPoint. The PCAS amounts are regular monthly recoveries assumed to come in six (6) weeks after filed. However, Touchpoint has filed an annual return for 2011 and anticipates a recovery of $441,680 during the forecast period which has been factored to Castcan Investments Inc. and is forecast to be repaid upon receipt in the normal course.

7 Employee and contractor costs are forecast to be reduced post-filing, limiting remaining staff to those required to maintain the technical knowhow and integrity of the network and installed MedCentres. After May 11 the number of employees was reduced to 42 who were required for the sales process, maintain technical knowhow and the relationship with the major potential customer of MedCentres. Vacation pay remains accrued and is not assumed to be paid during the forecast period. Benefits, including healthcare insurance will be paid for remaining employees. There are no defined benefit or define contribution pension schemes in the Company. Additionally, certain key contractors wil be retained to negotiate a contract with major customer, project manage the technology infrastructure build for that customer and assist with critical tax and accounting work for the Company. The Company is analyzing various options to further reduce costs during the forecast period. Assumed to transfer to a weekly payroll payment cycle from Week 6 to 13. KERP of $360k will be paid - $90k in May and $270k in June.

8 Operating costs include purchases of drug and packaging inventories in TouchPoint, start up costs for new MedCentres, data centre costs and communications links between head office and remote MedCentres. These MedCentres provide a proof of concept for potential new investors and customers. Purchases are assumed on cash on delivery terms.

9 Lease costs include the rent for the monthly cost of the buildings occupied by PCAS, the equipment leases for specialist IT equipment and office printers. $151k has been included to clear liens on 2440 WPD.

10 SG&A includes amounts expected to be incurred for utilities, insurance, telephones and communication, office supplies and services, travel and security.

11 DIP interest has been calculated as 15% of the drawn down balance and paid at the end of the 13 week period. A fee of $25k will be paid for commission on raising DIP funds in week ended May 25.

12 Principal repayments the RBC SRED loan is paid as the SRED recovery is made and the Castcan Investment loan is repaid as the SRED and HST is recovered.

13 Professional fees are assumed to be incurred for PCAS legal counsel at $30k per week (increasing to $40k / week if court appearance is needed) with a retainer of $75k. The Monitor is assumed incur fees of $30k per week for monitoring costs with a retainer of $75k. The cost of running a sales process is estimated at $150k for a 4 week process. Monitor's counsel's fees are forecast at $30k per week with a $50k retainer. Additionally, other professional fee costs include $15k per month legal costs of patents.

14 HST disbursements are incurred based on the timing of cash disbursements.

15 The Company is working to obtain additional DIP financing in order to fund a sales process, however at this time the amount and timing of this funding is not confirmed.

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

Court File No. CV-12-9656-00CL

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF PCAS PATIENT CARE AUTOMATION SERVICES INC. AND 2163279 ONTARIO INC.

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

Proceeding commenced at Toronto

SIXTH REPORT OF PRICEWATERHOUSECOOPERS INC. IN ITS CAPACITY AS COURT APPOINTED MONITOR OF PCAS PATIENT CARE AUTOMATION SERVICES INC. AND 2163279 ONTARIO INC. DATED MAY 28, 2012

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