

COURT FILE NO. 24-1440762
COURT COURT OF QUEEN'S BENCH OF ALBERTA
JUDICIAL CENTRE EDMONTON
IN THE MATTER OF THE BANKRUPTCY OF
PEERS FOSTER KRISTIANSEN INC.

- AND -

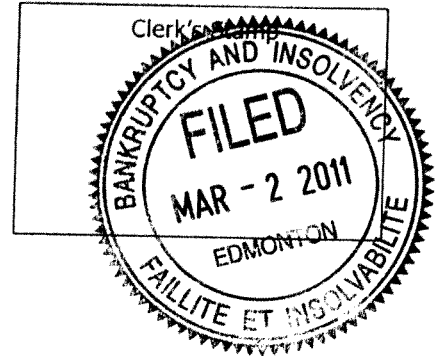
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FEDERAL MORTGAGE CORPORATION LTD.

DOCUMENT **SECOND REPORT OF THE TRUSTEE IN BANKRUPTCY OF PEERS FOSTER KRISTIANSEN INC. AND FEDERAL MORTGAGE CORPORATION LTD. WITH RESPECT TO SENTAI SOFTWARE INC.**

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SECOND REPORT OF THE TRUSTEE IN BANKRUPTCY OF PEERS FOSTER KRISTIANSEN INC. AND FEDERAL MORTGAGE CORPORATION LTD. WITH RESPECT TO SENTAI SOFTWARE INC.

1. Peers Foster Kristiansen Inc. ("PFK") and Federal Mortgage Corporation Ltd. ("FMC") made assignments into bankruptcy on December 9, 2010. PricewaterhouseCoopers Inc. ("PWC") was appointed as Trustee in Bankruptcy of each of PFK and FMC, which appointment was confirmed at the first meetings of creditors of PFK and FMC held January 12, 2011.
2. Sentai Software Inc. ("Sentai") is a corporation that provided computer support services to PFK and FMC in the period leading up to the bankruptcy of such entities. Those services included telephone exchange, file server storage and data backup, internet access, network administration

and support and e-mail postbox service and data storage, amongst others. Sentai maintains custody and control over the electronically stored information ("ESI") that is generated or received in providing such services.

3. A search at Corporate Registry for the Province of Alberta has revealed that Robert Peers is the sole director of Sentai. Robert Peers is Jay Peers' son, Jay Peers being the individual principally responsible for the administration of PFK and FMC prior to the bankruptcy of such entities.
4. On several occasions following the bankruptcies of PFK and FMC, PWC requested that Sentai deliver to PWC copies of e-mail mailboxes relating to (and owned by) PFK and FMC. Initially Sentai advised that it would require additional time to deliver such ESI to PWC because the format in which that ESI existed was not readily deliverable.
5. More recently, PWC was advised by Sentai that Sentai would require a Court Order directing it to turn over the ESI to PWC.
6. PWC has advised Sentai that it is required to preserve all ESI pending receipt of such a Court Order. Such request included not only the ESI relating to PFK and FMC, but also the ESI related to other companies or individuals whom PWC may seek to examine pursuant to section 163 of the *Bankruptcy and Insolvency Act*. A list of those individuals and corporations with respect to which PWC seeks preservation of ESI is as follows:
 - (a) Jay Peers
 - (b) Robert Peers
 - (c) Marc Peers
 - (d) Dawn Vader
 - (e) David Lord
 - (f) TitanWall Building Systems Inc.
 - (g) TitanWall Research and Development Corp.
 - (h) TitanWall Inc.
 - (i) Tower Farm Ltd.
 - (j) PFK Management Group Inc.
 - (k) HME Evans & Company Limited
 - (l) Metaform Venture Corp.
 - (m) Metaform Management Corp.

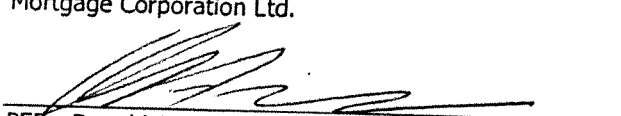
- (n) Metaform Research and Development Corp.
- (o) Metaform International Inc. (Panama)
- (p) Metaform Building Systems (Panama)
- (q) Grupo TCI

Such individuals and entities have been actively involved with PFK and FMC in the period leading up to the bankruptcy of those entities.

7. Although the ESI of the parties described in paragraph 6 above, is owned by each of those parties, at the First Meeting of Creditors of PFK and FMC, Jay Peers represented to the Creditors that each of the corporate entities into which PFK and FMC had made investments or to whom PFK and FMC had granted loans, would cooperate and make full disclosure to PWC in order to facilitate administration of the Bankruptcy Estates. Each of the entities described in paragraph 6 above fall within that category, and Robert Peers and Marc Peers, Jay Peers' sons, have overall control with Jay Peers of those corporate entities. Dawn Vader and David Lord were key employees of PFK and FMC.
8. PWC makes this Report in support of an application for an Order directing preservation and delivery to PWC of the ESI described above.

DATED at Edmonton, Alberta this 1st day of March, 2011.

PRICEWATERHOUSECOOPERS INC., Trustee in
Bankruptcy of Peers Foster Kristiansen Inc. and Federal
Mortgage Corporation Ltd.



PER: Donald A. MacLean