

**IN THE MATTER OF THE RECEIVERSHIP OF
STREETLIGHT INTELLIGENCE INC. &
STREETLIGHT INTELLIGENCE INTERNATIONAL LTD.**

INTERIM REPORT NUMBER ONE OF THE RECEIVER AND MANAGER

Under subsection 246(2) of the Bankruptcy and Insolvency Act

The Receiver and Manager of Streetlight Intelligence Inc. and Streetlight Intelligence International Ltd. hereby delivers its Interim Report Number One:

1. On May 13, 2011, Streetlight Intelligence Inc. and Streetlight Intelligence International Ltd. (collectively, the “**Companies**”) petitioned itself into receivership.
2. Pursuant to an Order (the “**Receivership Order**”) pronounced by Madam Justice Russell on May 16, 2011 in the Supreme Court of British Columbia under Section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended, Section 39 of the *Law and Equity Act*, R.S.B.C. 1996 c. 253, as amended, and Rule 10-2 of the *Rules of Court*, G. Powroznik Group Inc. of G-Force Group was appointed as Receiver and Manager (the “**Receiver**”), without security, of all of the assets, undertakings and properties (the “**Assets**”) of the Companies. Hydro Ottawa Holding Inc. (“**Hydro Ottawa**”) has a first ranking security interest. Valiant Trust Company (“**Valiant**”), as indenture trustee for a number of debenture-holders under a trust indenture, has a second ranking security interest in the Companies’ Assets.
3. The Companies have developed an advanced, award-winning, intelligent streetlight management system (Adaptive Lighting Technology System – Lumen IQ) which has been proven to save municipalities upwards of 50% of their electricity costs. The public company (Streetlight Intelligence Inc.; ticker “SLQ”) is currently suspended from trading while the Companies are in receivership.
4. The Receiver’s main activities, between May 16, 2011 and November 9, 2011 include, but are not limited to, the following:
 - a. Secured the two primary office locations in Victoria:
 - Changed the locks
 - Changed the security codes with the security provider
 - Re-established critical services to the locations (e.g., electricity, natural gas)
 - Ensured adequate insurance was in place.
 - b. Undertook financial, reporting and custodial activities:
 - Reviewed the Companies’ available books and records
 - Handled inquiries from former employees on payroll issues and processing of Wage Earner Protection Program (“**WEPP**”) claims

- Contacted the Canada Revenue Agency for all HST, payroll, and income tax related matters
 - Took an initial inventory of the furniture and equipment, supplies inventory, and product inventory
 - Held regular conference calls and meetings with representatives of Hydro Ottawa to keep them advised of our findings and proposed courses of action to realize the Assets, report our progress and obtain approvals required under the Receivership Order.
- c. Scaled back the daily operational, financial, and reporting activities to the Companies critical core components:
- Negotiated occupational rent with two landlords
 - Re-negotiated a number of contractual arrangements with critical suppliers
 - Hired a number of Streetlight International's key technical employees back as contractors on the basis that they could only be paid if the Receiver obtained funds, either through new sales of inventory or on the sale of the Companies' Assets
 - Paid expenses relating to the Receivership, including utilities, insurance, storage, security, business license, and other ongoing costs.
- d. Pursued a variety of activities to sell the Companies' products and position them for an ultimate going-concern sale including:
- Received sales inquiries from various B.C. municipalities and international customers
 - Continued to service existing customers with product or service problems
 - Pursued strategic initiatives to maximize potential recovery from the Assets.
- e. Pursued avenues to cover receivership costs:
- Pursued sales initiatives for the Companies' existing finished goods inventory and completing outstanding customer orders
 - Obtained services from former employees and the Receiver's legal counsel for payment arrangements contingent on asset realizations
 - Underwrote most of the costs over and above the contingent payment arrangements described above through borrowings from the Receiver.
- f. Initiated a full-scale marketing and sales plan for the sale of the Assets:
- Conducted a multi-faceted marketing campaign
 - Developed lists of prospective buyers of local and international lighting companies.
 - Contacted potential buyers
 - Prepared extensive materials for prospective buyers' due-diligence including details from the production line operations
 - Received, reviewed, and negotiated several offers for the Assets arising from the Receiver's marketing campaign.
- g. Retained Borden Ladner Gervais as its independent legal counsel.
- h. Accepted an offer from LED Roadway Lighting (the "Purchaser") to purchase substantially all of the Assets for \$700,000 (the "Accepted Offer"). The sale is subject to Court approval on November 15, 2011.
5. The Receiver attempted to complete major sales to two northern municipalities, revenues from which would have totaled approximately \$350,000, however the municipalities decided to wait

until the Receiver found a buyer for the Assets that could provide assurance of long-term business continuance. Information related to these potential sales will be passed onto the ultimate purchaser of the Assets.

6. Assets subject to the Accepted Offer are:

	<u>Value (note 1)</u>	<u>Source</u>
Inventory	\$859,120	Book value
Furniture, fixtures & equipment	\$31,630	Book value
Computer equipment & software	\$4,460	Book value
Patents and trademarks	\$unknown	(note 2)

Notes:

1 – Values are largely based upon the Receiver’s preliminary review of the Debtor’s financial books and records as at May 16, 2011. The Receiver has not yet been able to estimate realizable values for the individual asset classes due to the intangible nature of the technology and limited operating history.

2 – The Receiver has not pursued an external valuation of the Company’s patents or trademarks, however several key players in the lighting industry considered the opportunity to purchase the Assets and a range of offers was received that reflected the market’s overall view of the value of the Assets including the patents and trademarks.

7. The actions still to be taken by the Receiver are as follows:

- a) Continue to facilitate the Sales Process until November 15, 2011, the set date the Court will review all offers received, for prospects who continue to perform their due diligence;
- b) Provide a Report to Court on the Receiver’s actions to date, offers received, and to obtain approval for a sale of the Assets to the Purchaser;
- c) Finalize all administrative matters and distribute the net proceeds from the sale of the Assets;
- d) Report to the OSB from time to time as required; and
- e) Apply to the Court for our discharge.

8. We attach the Receiver’s interim statement of receipts and disbursements for the period May 16, 2011 to November 9, 2011, as Appendix A to this report.

DATED at Vancouver, British Columbia, this 9th day of November, 2011.

G. Powroznik Group Inc. of G-Force Group

solely in its capacity as Court-appointed **Receiver and Manager**

of **Streetlight Intelligence Inc. and Streetlight Intelligence International Ltd.**

and not in its personal capacity

Per: Gary D. Powroznik
Managing Director

Appendix A
In the matter of the Receivership of Streetlight Intelligence Inc. & Streetlight Intelligence International Ltd.
Statement of Receiver's Receipts and Disbursements (unaudited - see note 1)
For the period May 16, 2011 to November 9, 2011

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Receipts	
Cash assumed upon Receiver's taking possession of assets	29,190
Receiver's borrowings - G. Powroznik Group Inc.	25,000
Revenues from sale of product or services	17,062
Collection of accounts receivable	5,488
Total receipts	76,740
Disbursements	
Landlords - rent of premises	35,200
Third party contractors	9,438
Patents and patent application fees	17,103
Communication services	3,434
Storage	2,088
Utilities	1,505
Office and administrative	987
Miscellaneous	470
Banking fees	584
Security	425
Cost of sales	239
Sales & marketing	164
Total disbursements	71,637
Available cash as at November 9, 2011	5,103

Notes:

1- We have compiled this Statement of Receipts and Disbursements for the period May 16, 2011 to November 9, 2011 from the receivership records we have maintained in our capacity as Receiver-Manager of Streetlight Intelligence Inc. and Streetlight Intelligence International Ltd. We have not engaged external accountants to audit, review or otherwise attempt to verify the accuracy or completeness of the Statement of Receipts and Disbursements.