

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)**

**QUALITY MEAT PACKERS HOLDINGS LIMITED**

Applicant

- and -

**QUALITY MEAT PACKERS LIMITED AND  
TORONTO ABATTOIRS LIMITED**

Respondents

APPLICATION UNDER SUBSECTION 243(1) OF THE *BANKRUPTCY AND  
INSOLVENCY ACT*, R.S.C. 1985, c.B-3, AS AMENDED AND SECTION 101 OF THE  
*COURTS OF JUSTICE ACT*, R.S.O. 1990, c.C-43, AS AMENDED

**MOTION RECORD  
(Motion Returnable June 18, 2014)**

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M5J 2T9

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*Lawyers for the Receiver, A. Farber &  
Partners Inc.*

**TO: ATTACHED SERVICE LIST**

IN THE MATTER OF THE *BANKRUPTCY AND INSOLVENCY ACT*,  
R.S.C. 1985, c. B-3, AS AMENDED

AND IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A  
PROPOSAL OF QUALITY MEAT PACKERS LIMITED

EMAIL SERVICE LIST  
(JUNE 12, 2014)

<b>TO:</b>	<p><b>CASSELS BROCK &amp; BLACKWELL LLP</b> 2100 Scotia Plaza 40 King Street West Toronto, ON M5H 2C1</p> <p><b>Joseph Bellissimo</b> Tel: (416) 860-6572 Fax: (416) 642-7150 Email: <a href="mailto:jbellissimo@casselsbrock.com">jbellissimo@casselsbrock.com</a></p> <p><b>Jane Dietrich</b> Tel: (416) 860-5223 Fax: (416) 640-3144 Email: <a href="mailto:jdietrich@casselsbrock.com">jdietrich@casselsbrock.com</a></p> <p><b>Eleonore Morris</b> Tel: (416) 869-5352 Fax: (416) 640-3166 Email: <a href="mailto:emorris@casselsbrock.com">emorris@casselsbrock.com</a></p> <p><i>Lawyers for Quality Meat Packers Limited and Toronto Abattoirs Limited</i></p>
<b>AND TO:</b>	<p><b>THORNTON GROUT FINNIGAN LLP</b> Toronto-Dominion Centre 100 Wellington Street West Suite 3200, P.O. Box 329 Toronto, ON M5K 1K7</p> <p><b>Kyla E.M. Mahar</b> Tel: (416) 304-0594 Fax: (416) 304-1313 Email: <a href="mailto:kmahar@tgf.ca">kmahar@tgf.ca</a></p> <p><i>Lawyers for Quality Meat Packers Holdings Limited</i></p>

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<b>AND TO:</b>	<p><b>ROCKTENN COMPANY OF CANADA INC.</b>  15400 rue Sherbrooke Est, bureau A  Pte-aux-Trembles, QC H1A 3S2</p> <p><b>Dean Jones</b>  Tel: (514) 642-9251 ext. 305  Fax: (514) 642-6113  Email: <a href="mailto:DRJONES@rocktenn.com">DRJONES@rocktenn.com</a></p>

<p><b>AND TO:</b></p>	<p><b>GOWLING LAFLEUR HENDERSON LLP</b>  100 King St W  Toronto, ON M5X 1G5</p> <p><b>Christopher Stanek</b>  Tel: (416) 862-4369  Fax: (416) 862-7661  Email: <a href="mailto:chris.stanek@gowlings.com">chris.stanek@gowlings.com</a></p> <p><i>Lawyers for Industrial Refrigerated Systems Inc.</i></p>
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**COURIER SERVICE LIST  
(MAY 2, 2014)**

<b>TO:</b>	<b>DE LAGE LANDEN FINANCIAL SERVICE CANADA INC.</b> 3450 Superior Court, Unit 1 Oakville, ON L6L 0C4
<b>AND TO:</b>	<b>REISER (CANADA) CO.</b> 1549 Yorkton Court, Unit #4 Burlington, ON L7P 5B7
<b>AND TO:</b>	<b>TOYOTA CREDIT CANADA INC.</b> 80 Micro Court, Suite 200 Markham, ON L3R 9Z5
<b>AND TO:</b>	<b>FINANCIALINX CORPORATION</b> 2001 Sheppard Avenue East, 6 <sup>th</sup> Floor Toronto, ON M2J 4Z8
<b>AND TO:</b>	<b>TRANSPORTACTION LEASE SYSTEMS INC.</b> 4 Robert Speck Parkway Suite 900 Mississauga, ON L42 1S1

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# Index

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)**

**QUALITY MEAT PACKERS HOLDINGS LIMITED**

Applicant

- and -

**QUALITY MEAT PACKERS LIMITED AND  
TORONTO ABATTOIRS LIMITED**

Respondents

APPLICATION UNDER SUBSECTION 243(1) OF THE *BANKRUPTCY AND  
INSOLVENCY ACT*, R.S.C. 1985, c.B-3, AS AMENDED AND SECTION 101 OF THE  
*COURTS OF JUSTICE ACT*, R.S.O. 1990, c.C-43, AS AMENDED

**TABLE OF CONTENTS**

**TAB NO.**

1. Notice of Motion
2. Draft Order
3. First Report of the Receiver dated June 12, 2014  
Appendices to First Report
  - A. Appointment Order dated May 6, 2014 of the Honourable Mr, Justice Brown.
  - B. Schedule of Auction and Liquidation Proposals received (REDACTED)
  - C. Hilco Liquidation Proposal (REDACTED)
  - D. Proposed Form of Liquidation Services Agreement
4. Second Report of Proposal Trustee dated May 2, 2014

TAB 1

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)**

**QUALITY MEAT PACKERS HOLDINGS LIMITED**

Applicant

- and -

**QUALITY MEAT PACKERS LIMITED AND  
TORONTO ABATTOIRS LIMITED**

Respondents

APPLICATION UNDER SUBSECTION 243(1) OF THE *BANKRUPTCY AND  
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*COURTS OF JUSTICE ACT*, R.S.O. 1990, c.C-43, AS AMENDED

**NOTICE OF MOTION**

A. Farber & Partners Inc., in its capacity as court-appointed receiver (the “Receiver”) of the undertaking, property and assets of Quality Meat Packers Limited (“**QMP**”) and Toronto Abattoirs Limited (“**TAL**”) (collectively the “**Debtors**”), pursuant to an Order of the Honourable Justice D.M. Brown dated May 6, 2014 (the “Appointment Order”), will make a motion to a Judge presiding of the Commercial List on June 18, 2014 at 10:00 a.m. or as soon after that time as the motion can be heard at 330 University Avenue, Toronto, Ontario, M5G 1R7.

**PROPOSED METHOD OF HEARING:** The motion is to be heard orally.

**THE MOTION IS FOR:**

1. An Order substantially in the form of the draft order attached hereto as Schedule "A", *inter alia*:
  - (a) declaring that the time for service of the Notice of Motion and Motion Record is hereby abridged so that this motion is properly returnable;
  - (b) approving the First Report of the Receiver dated June 12, 2013 (the "First Report") and the activities of the Receiver set out therein;
  - (c) sealing and treating as Confidential Appendices B and C to the First Report (the "Confidential Appendices") until further order of the Court;
  - (d) approving the completion of the sale transaction of equipment contemplated by an Agreement between the Receiver as Vendor and the Purchaser referred to in the First Report (the "Liquidation Agreement") ;
  - (e) Vesting in the purchasers of the assets pursuant to the aforesaid Liquidation Agreement free and clear of encumbrances, other than Permitted Encumbrances;
  - (f) Sealing and treating as confidential the Confidential Appendices until completion of the transaction or further order of the Court; and
  - (g) Providing the relief set out in the order be subject to provisional execution.

**THE GROUNDS FOR THE MOTION ARE:**

1. On May 6, 2014, pursuant to the Appointment Order of the Ontario Superior Court of Justice, A. Farber & Partners Inc. was appointed as the Receiver over all of the undertakings, property and assets of the Debtors;
2. Pursuant to the Appointment Order, the Receiver was authorized to market and sell the property of the Debtors and apply to the Court for a vesting order in order to convey title to the property to the proposed purchasers;
3. The Receiver has marketed the Debtors' equipment as set out in the Receiver's Report and Confidential Appendices;
4. The Receiver is of the view that the Liquidation Agreement should be approved by the Court as (i) the Receiver of the view that the market was canvassed and a competitive process undertaken; (ii) the purchase price is the best offer received and is of terms most acceptable to the Receiver; (iii) the Purchaser has provided a substantial deposit; (iv) Quality Meat Packers Holdings Limited as the largest remaining secured creditor has consented to the Receiver entering into the said Transaction;
5. Royal Bank of Canada as a major equipment lessor has also approved of the Transaction and agreed to participate in that Transaction to the benefit of all stakeholders.

6. The Debtors' secured creditors affected by the orders sought are being given notice of this motion;
7. The facts as further set out in the First Report and Confidential Appendices;
8. The Appointment Order;
9. The provisions of the *Bankruptcy and Insolvency Act*, the *Courts of Justice Act* (Ontario) and the *Rules of Civil Procedure* (Ontario); and
10. Such further and other grounds as counsel may advise and this Honourable Court may permit.

**THE FOLLOWING DOCUMENTARY EVIDENCE** will be used at the hearing of the motion:

1. The First Report of the Receiver dated June 12, 2014 and Exhibits attached thereto.
2. The Confidential Supplement to the First Report of the Receiver dated June 12, 2014 and the Exhibits attached thereto; and
3. Such further and other material as counsel may advise and this Honourable Court permits.

June 10, 2014

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*Lawyers for A. Farber & Partners Inc.*

**TO: SERVICE LIST**

18365279.1

**SCHEDULE "A"**

Court File No. CV-14-10537-00CL

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)**

THE HONOURABLE \_\_\_\_ ) WEDNESDAY, THE 18<sup>TH</sup> DAY  
  )  
JUSTICE \_\_\_\_\_ ) OF JUNE, 2014

**QUALITY MEAT PACKERS HOLDINGS LIMITED**

Applicant

- and -

**QUALITY MEAT PACKERS LIMITED AND  
TORONTO ABATTOIRS LIMITED**

Respondents

*APPLICATION UNDER SUBSECTION 243(1) OF THE BANKRUPTCY AND  
INSOLVENCY ACT, R.S.C. 1985, c.B-3, AS AMENDED AND SECTION 101 OF THE  
COURTS OF JUSTICE ACT, R.S.O. 1990, c.C-43, AS AMENDED*

**ORDER**

**THIS MOTION** made by A. Farber & Partners Inc. in its capacity as the Court-appointed receiver (the "Receiver") of the undertaking, property and assets of Quality Meat Packers Limited ("QMP") and Toronto Abattoirs Limited ("TAL") (collectively the "**Debtors**"), for an order approving the sale transaction (the "Transaction") contemplated by the Liquidation Services Agreement (the "Liquidation Agreement") negotiated between the Receiver and Hilco Asset Sales Canada Corp. (the "Liquidation Party"), and the vesting in the purchaser (the "Purchaser") of the assets described in the Liquidation Agreement (the "Purchased Assets"), all

of the Debtors' right, title and interest in such Purchased Assets; was heard this day at 330 University Avenue, Toronto, Ontario.

**ON READING** the First Report of the Receiver (the "First Report") dated June 12, 2014, and on hearing the submissions of counsel for the Receiver and counsel for \_\_\_\_\_, no one appearing for any other person on the service list, although properly served as appears from the Affidavit of <\*> sworn June <\*>, 2014.

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Motion is hereby abridged and validated so that this motion is properly returnable today and hereby dispenses with further service thereof.

2. **THIS COURT ORDERS** that the First Report, including the Confidential Appendices thereto, and the activities of the Receiver set out therein be and the same are hereby approved.

3. **THIS COURT ORDERS** Confidential Appendices B and C of the First Report be and are hereby sealed until the completion of the Transaction or until further order of this Honourable Court.

4. **THIS COURT ORDERS AND DECLARES** that the Transaction is hereby approved and that the Liquidation Services Agreement is commercially reasonable and in the best interest of the Debtors and their stakeholders. The execution of the Liquidation Services Agreement by the Receiver is hereby authorized and approved, with such minor amendments as the Receiver may deem necessary. The Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of any of the Purchased Assets of the Debtors sold to



the Purchaser in accordance with the Liquidation Services Agreement (each on “Auctioned Asset”) and collectively the “Auctioned Assets”).

5. **THIS COURT ORDERS** that upon the Liquidation Party completing the sale of any of the Auctioned Assets to a Purchaser, in accordance with the terms of the Liquidation Services Agreement, and delivering a bill of sale of such Purchaser (a “Bill of Sale”), all of the Debtors’ right, title and interest in and to the Auctioned Assets described in such Bill of Sale shall vest absolutely in such Purchaser, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the “Claims”) including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of the Honourable Mr. Justice D.M. Brown dated May 6, 2014; and (ii) all charges, security interests and claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system.

6. **THIS COURT ORDERS** that the purposes of determining the nature and priority of Claims, the net proceeds from the sale of any Auctioned Asset shall stand in the place and stead of that Auctioned Asset, and that from and after the delivery to the relevant Purchaser of the Bill of Sale conveying such Auctioned Asset, all Claims shall attach to the net proceeds from the sale of the Auctioned Asset with the same priority as they had with respect to the Auctioned Asset immediately prior to the sale, as if such Auctioned Asset had not been sold and remained in the possession or control of the person having that possession nor control immediately prior to the sale.

7. **THIS COURT ORDERS** that, notwithstanding:

- (a) the pendency of these proceedings; and
- (b) any bankruptcy pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of the Debtors and any bankruptcy order issued pursuant to any such bankruptcies;

the vesting of the Purchased Assets in any Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Debtors and shall not be void or voidable by creditors of the Debtors, nor shall it constitute nor be deemed to be a settlement, fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

8. **THIS COURT ORDERS AND DECLARES** that the Transaction is exempt from the application of the *Bulk Sales Act* (Ontario).

9. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United State to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

10. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist with the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

11. **THIS COURT ORDERS AND DECLARES** that the relief granted by order is subject to provisional execution.

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QUALITY MEAT PACKERS HOLDINGS LIMITED

and

QUALITY MEAT PACKERS LIMITED

Applicant

Respondent

Court File No.: CV-14-10537-00CL

*ONTARIO*  
**SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)**

Proceedings commenced at **Toronto**

**ORDER**

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Barristers and Solicitors

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QUALITY MEAT PACKERS HOLDINGS LIMITED and

APPLICANT

QUALITY MEAT PACKERS LIMITED  
AND TORONTO ABATTOIRS LIMITED

RESPONDENTS

Court File No.: CV-14-10537-00CL

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

PROCEEDINGS COMMENCED AT TORONTO

**NOTICE OF MOTION**

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*Lawyers for the Receiver, A. Farber & Partners Inc.*

**TAB 2**

*ONTARIO*  
**SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)**

THE HONOURABLE \_\_\_\_\_ ) WEDNESDAY, THE 18<sup>TH</sup> DAY  
 )  
JUSTICE \_\_\_\_\_ ) OF JUNE, 2014

**QUALITY MEAT PACKERS HOLDINGS LIMITED**

Applicant

- and -

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**ORDER**

**THIS MOTION** made by A. Farber & Partners Inc. in its capacity as the Court-appointed receiver (the “Receiver”) of the undertaking, property and assets of Quality Meat Packers Limited (“QMP”) and Toronto Abattoirs Limited (“TAL”) (collectively the “Debtors”), for an order approving the sale transaction (the “Transaction”) contemplated by the Liquidation Services Agreement (the “Liquidation Agreement”) negotiated between the Receiver and Hilco Asset Sales Canada Corp. (the “Liquidation Party”), and the vesting in the purchaser (the “Purchaser”) of the assets described in the Liquidation Agreement (the “Purchased Assets”), all

of the Debtors' right, title and interest in such Purchased Assets; was heard this day at 330 University Avenue, Toronto, Ontario.

**ON READING** the First Report of the Receiver (the "First Report") dated June 12, 2014, and on hearing the submissions of counsel for the Receiver and counsel for \_\_\_\_\_, no one appearing for any other person on the service list, although properly served as appears from the Affidavit of <\*> sworn June <\*>, 2014.

1. **THIS COURT ORDERS** that the time for service of the Notice of Motion and the Motion is hereby abridged and validated so that this motion is properly returnable today and hereby dispenses with further service thereof.
2. **THIS COURT ORDERS** that the First Report, including the Confidential Appendices thereto, and the activities of the Receiver set out therein be and the same are hereby approved.
3. **THIS COURT ORDERS** Confidential Appendices B and C of the First Report be and are hereby sealed until the completion of the Transaction or until further order of this Honourable Court.
4. **THIS COURT ORDERS AND DECLARES** that the Transaction is hereby approved and that the Liquidation Services Agreement is commercially reasonable and in the best interest of the Debtors and their stakeholders. The execution of the Liquidation Services Agreement by the Receiver is hereby authorized and approved, with such minor amendments as the Receiver may deem necessary. The Receiver is hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for the completion of the Transaction and for the conveyance of any of the Purchased Assets of the Debtors sold to



the Purchaser in accordance with the Liquidation Services Agreement (each on “Auctioned Asset”) and collectively the “Auctioned Assets”).

5. **THIS COURT ORDERS** that upon the Liquidation Party completing the sale of any of the Auctioned Assets to a Purchaser, in accordance with the terms of the Liquidation Services Agreement, and delivering a bill of sale of such Purchaser (a “Bill of Sale”), all of the Debtors’ right, title and interest in and to the Auctioned Assets described in such Bill of Sale shall vest absolutely in such Purchaser, free and clear of and from any and all security interests (whether contractual, statutory, or otherwise), hypothecs, mortgages, trusts or deemed trusts (whether contractual, statutory, or otherwise), liens, executions, levies, charges, or other financial or monetary claims, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, the “Claims”) including, without limiting the generality of the foregoing: (i) any encumbrances or charges created by the Order of the Honourable Mr. Justice D.M. Brown dated May 6, 2014; and (ii) all charges, security interests and claims evidenced by registrations pursuant to the *Personal Property Security Act* (Ontario) or any other personal property registry system.

6. **THIS COURT ORDERS** that the purposes of determining the nature and priority of Claims, the net proceeds from the sale of any Auctioned Asset shall stand in the place and stead of that Auctioned Asset, and that from and after the delivery to the relevant Purchaser of the Bill of Sale conveying such Auctioned Asset, all Claims shall attach to the net proceeds from the sale of the Auctioned Asset with the same priority as they had with respect to the Auctioned Asset immediately prior to the sale, as if such Auctioned Asset had not been sold and remained in the possession or control of the person having that possession nor control immediately prior to the sale.

7. **THIS COURT ORDERS** that, notwithstanding:

- (a) the pendency of these proceedings; and
- (b) any bankruptcy pursuant to the *Bankruptcy and Insolvency Act* (Canada) in respect of the Debtors and any bankruptcy order issued pursuant to any such bankruptcies;

the vesting of the Purchased Assets in any Purchaser pursuant to this Order shall be binding on any trustee in bankruptcy that may be appointed in respect of the Debtors and shall not be void or voidable by creditors of the Debtors, nor shall it constitute nor be deemed to be a settlement, fraudulent preference, assignment, fraudulent conveyance, transfer at undervalue, or other reviewable transaction under the *Bankruptcy and Insolvency Act* (Canada) or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

8. **THIS COURT ORDERS AND DECLARES** that the Transaction is exempt from the application of the *Bulk Sales Act* (Ontario).

9. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United State to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

10. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist with the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

11. **THIS COURT ORDERS AND DECLARES** that the relief granted by order is subject to provisional execution.

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QUALITY MEAT PACKERS HOLDINGS LIMITED

and

QUALITY MEAT PACKERS LIMITED

Applicant

Respondent

Court File No.: CV-14-10537-00CL

*ONTARIO*  
**SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)**

Proceedings commenced at **Toronto**

**ORDER**

**AIRD & BERLIS LLP**

Barristers and Solicitors

Brookfield Place

181 Bay Street, Suite 1800

Toronto, ON M5J 2T9

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*Lawyers for A. Farber & Partners Inc.*

**TAB 3**

Court File #CV-14-10537-00CL

Estate # 31-457693

Estate # 31-457694

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)**

**QUALITY MEAT PACKERS HOLDINGS LIMITED**

Applicant

- and -

**QUALITY MEAT PACKERS LIMITED AND  
TORONTO ABATTOIRS LIMITED**

Respondents

APPLICATION UNDER SUBSECTION 243(1) OF THE *BANKRUPTCY AND  
INSOLVENCY ACT*, R.S.C. 1985, c.B-3, AS AMENDED AND SECTION 101 OF THE  
*COURTS OF JUSTICE ACT*, R.S.O. 1990, c.C-43, AS AMENDED

**FIRST REPORT OF THE RECEIVER**

**JUNE 12, 2014**

## TABLE OF CONTENTS

INTRODUCTION .....	1
PURPOSE OF THIS REPORT.....	2
LIMITATION OF REVIEW .....	3
SALE OF ASSETS PROCESS.....	3
RECOMMENDATION .....	5
ORDER SOUGHT .....	5

## LIST OF APPENDICES

- "A" Appointment Order dated May 6, 2014 of the Honourable Mr, Justice Brown.
- "B" Schedule of Auction and Liquidation Proposals received
- "C" Hilco Liquidation Proposal
- "D" Proposed Form of Liquidation Services Agreement



Court File #CV-14-10537-00CL  
Estate # 31-457693  
Estate # 31-457694

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)**

**QUALITY MEAT PACKERS HOLDINGS LIMITED**

Applicant

- and -

**QUALITY MEAT PACKERS LIMITED AND  
TORONTO ABATTOIRS LIMITED**

Respondents

APPLICATION UNDER SUBSECTION 243(1) OF THE *BANKRUPTCY AND  
INSOLVENCY ACT*, R.S.C. 1985, c.B-3, AS AMENDED AND SECTION 101 OF THE  
*COURTS OF JUSTICE ACT*, R.S.O. 1990, c.C-43, AS AMENDED

**FIRST REPORT OF THE RECEIVER**

**June 12, 2014**

**A. Farber & Partners Inc.** (“Farber”), in its capacity as the Court-Appointed Receiver of Quality Meat Packers Limited (“QMP”) and Toronto Abattoirs Limited (“TAL”) (collectively the “Companies”), hereby reports to the Court as follows:

**INTRODUCTION**

1. On April 3, 2014, the Companies each filed a Notice of Intention to Make a Proposal (the “NOI’s”) pursuant to the *Bankruptcy and Insolvency Act* (Canada) (the “BIA”), and named Farber as proposal trustee (“**Proposal Trustee**”).
2. QMP operated a pork processing business located 2 Tecumseth Street, Toronto, Ontario which is leased from a related party. Prior to the NOI’s, the Companies received approximately

24,000 live hogs a week (normally shipped Monday to Thursday), which were generally slaughtered within a day of receipt, then cut, packaged and shipped.

3. TAL is a separate legal entity that provided the slaughter services to QMP and is integrated into the QMP production facilities. QMP purchased the hogs from the hog farmers, transferred the hogs to TAL for slaughter and then transferred the products back to QMP. TAL does not have a direct relationship with the hog farmers or the customers. Collectively, the Companies employed approximately 750 people.

4. There were two main secured creditors with general security agreements: TD Asset Finance (“TD”) and Quality Meat Packers Holdings Limited (“Holdings”) which were owed approximately \$8,082,000 and \$19,300,000. During the NOI period, the TD secured debt was paid in full.

5. The Companies did not file proposals or seek a Court-approved extension of the stay period; accordingly, the Companies were deemed bankrupt effective May 6, 2014 and the Proposal Trustee became the bankruptcy trustee (the “Trustee”).

6. Also on May 6, 2014, Holdings sought the appointment of Farber as receiver of the Companies. Farber became the Court-appointed receiver (the “Receiver”) of QMP and TAL pursuant to the May 6, 2014 Order of the Honourable Mr. Justice Brown (the “Appointment Order”), a copy of which is attached as **Appendix “A”**.

#### **PURPOSE OF THIS REPORT**

7. The Receiver has marketed and solicited offers, including auction proposals, for the Companies’ property (excluding frozen inventory and accounts receivable) pursuant to the authority granted in paragraph 4(k) of the Appointment Order. This First Report of the Proposal Trustee (“**First Report**”) has been prepared to provide an overview on the marketing process, a summary of the offers received and to seek this Honourable Court’s approval of one of the auction proposals.

8. The Receiver will report on its activities since its appointment and the realizations of the other assets at a later date.

## LIMITATION OF REVIEW

9. Farber has relied upon the financial records and information provided by the Companies, as well as other information supplied by management, appraisers, accountants, auditors and advisors, and Farber has not independently reviewed or verified such information. The Receiver has prepared this First Report for the sole use of the Ontario Superior Court of Justice (Commercial List) (the “Court”) and of the other stakeholders in these proceedings.

## SALE OF ASSETS PROCESS

### Marketing Process:

10. The Receiver published an ad in the Globe & Mail on May 16, 2014 seeking offers for the Companies’ equipment, systems, parts inventory and office furniture and equipment (the “Equipment”). The deadline to submit offers was June 3, 2014.

11. The Receiver also reached out to various auctioneers and other parties that expressed an interest in purchasing some or all of the Equipment during the NOI period.

12. The Receiver also prepared a listing of the key Equipment to assist interested parties in reviewing the assets. Photos of the key pieces of Equipment were also made available to interested parties.

13. The Receiver also prepared draft terms and conditions for the sale of the Equipment as well as for the intellectual property and distributed this to interested parties.

14. As a result of the Receiver’s marketing efforts, a total of 17 parties expressed interest and received the various documents referred to above.

15. 13 of the interested parties scheduled visits to view the Equipment, although only 7 actually attended.

### Royal Bank Leases

16. The key Equipment listing referred to in paragraph 12 above included a notation on certain of the equipment that such was leased from Royal Bank of Canada (“Royal”). The leased assets

included many of the forklifts and pallet trucks, casing equipment and the butina which is a large piece of equipment used in the hog slaughtering process (collectively, the “**Royal Assets**”).

17. The Receiver received an independent legal opinion that the Royal security for the leases was valid and enforceable against the Trustee. Counsel to Holdings has confirmed that it is not disputing the priority of the Royal security ahead of the general security of Holdings.

18. The Receiver has satisfied itself that there is no equity in the leases to justify the Receiver paying out the Royal leases and trying to sell the assets for the benefit of the receivership. This was based on discussions with management and various of the auctioneers/liquidators that were reviewing the assets. As well, the various auction/buy-out proposals received did not attribute a sufficient portion of the net minimum guarantees to the Royal Assets to contemplate paying Royal in full. As a result, the Receiver proposed to release the Royal Assets to Royal.

19. Royal thereafter agreed to include the Royal Assets in the Receiver’s sale of the Companies’ assets with an agreed upon split of the auction proceeds, split of the net minimum guarantee and methodology to contribute towards the costs of the auction. By grouping all assets in one sale it was believed that there would be a better sale price achieved and a cost reduction and sharing which would benefit both Royal and the Receiver.

*Summary of Offers Received:*

20. The Receiver received 2 offers for small lots of equipment, no offers for the equipment on a going concern basis and 6 liquidation proposals for the Equipment and Royal Assets. A summary of the offers is attached as Appendix “B”. The Receiver is requesting that Appendices B and C be kept sealed pending the completion of the proposed auction process. The top 3 bidders were asked to confirm their bids both on the basis of the inclusion of Royal Assets and on the basis of the exclusion of those assets.

21. None of the offers received will generate sufficient proceeds for the Companies to be able to repay Holdings in full, even after consideration of the realizations from the Companies’ other assets. As noted above, a full report on the Receiver’s activities and realizations will be submitted to this Honourable Court on a future date.

22. None of the offers anticipate generating sufficient proceeds to repay Royal in full.
23. The Receiver has reviewed the liquidation proposals with Holdings and Royal.
24. Both Holdings and Royal have stated their preference for the Receiver to accept the auction proposal received from Hilco Asset Sales Canada Corp. ("**Hilco**") (the "**Liquidation Proposal**"), a redacted copy of which is attached as Appendix "C". It provides for the highest net minimum guarantee as well as a competitive gross realization for the receivership estate compared to the other offers. The split of the net minimum guarantee with Royal is reflected on Appendix B, and the split of gross proceeds is proportionate to the receipts for each pool of assets.
25. The Receiver has tabled a Liquidation Services Agreement to Hilco which it would propose to enter into, subject to the Court's approval of this transaction, and the proposed form of that is shown as Appendix D, omitting the information that would be in Confidential Appendix C

#### **RECOMMENDATION**

26. The Receiver agrees with the assessment of Holdings and Royal and is recommending that this Honourable Court authorize the Receiver to accept the Liquidation Proposal.
27. The Receiver is of the view that the Liquidation Proposal and the Liquidation Services Agreement should be approved by the Court as (i) the Receiver of the view that the market was canvassed and a competitive process undertaken; (ii) the purchase price is the best offer received and is of terms most acceptable to the Receiver; (iii) the Purchaser is providing a substantial deposit; (iv) Quality Meat Packers Holdings Limited as the largest remaining secured creditor has consented to the Receiver entering into the said transaction and (iv) by proceeding with this proposal, Royal will agree to include the Royal Assets which should benefit both the Receiver and Royal.

#### **ORDER SOUGHT**

28. The Receiver will be seeking an order for the following:
- (a) approving the Receiver's actions with respect to the sale of equipment;
  - (b) approving the Liquidation Proposal of Hilco;

- (c) vesting title in assets to purchasers at the auction;
- (d) sealing Appendices B and C hereof pending completion of the transaction described in the Liquidation Proposal

All of which is respectfully submitted this 12<sup>th</sup> day of June, 2014.

**A. FARBER & PARTNERS INC.**  
**Court-appointed Receiver of**  
**Quality Meat Packers Limited and**  
**Toronto Abattoirs Limited**

*per J. Farber*  
\_\_\_\_\_

**APPENDIX "A"**

**APPOINTMENT ORDER DATED MAY 6, 2014 OF THE HONOURABLE  
MR. JUSTICE BROWN**

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)**

THE HONOURABLE MR. ) TUESDAY, THE 6<sup>TH</sup> DAY  
)  
JUSTICE D. M. BROWN ) OF MAY, 2014

**QUALITY MEAT PACKERS HOLDINGS LIMITED**

Applicant

- and -

**QUALITY MEAT PACKERS LIMITED AND  
TORONTO ABATTOIRS LIMITED**

Respondents

**ORDER**

**THIS MOTION** made by the Applicant, Quality Meat Packers Holdings Limited (“**QMP Holdings**”), for an Order pursuant to section 243(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the “**BIA**”) and section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43, as amended (the “**CJA**”) appointing A. Farber & Partners Inc. (“**Farber**”) as receiver (in such capacities, the “**Receiver**”) without security, of all of the assets, undertakings and properties of Quality Meat Packers Limited and Toronto Abattoirs Limited (the “**Debtors**”) acquired for, or used in relation to a business carried on by the Debtors, was heard this day at 330 University Avenue, Toronto, Ontario.



**ON READING** the affidavit of David Schwartz sworn on May 2, 2014 and the Exhibits thereto and the Second Report of Farber in its capacity as Proposal Trustee and proposed Receiver dated May 2, 2014 and on hearing the submissions of counsel for QMP Holdings, Farber and those other parties as appearing on the Counsel Slip, no one appearing for any other party on the service list although duly served as appears from the affidavit of service of Bobbie Jo Brinkman sworn on May 2, 2014 and on reading the consent of Farber to act as the Receiver,

**LIFT OF STAY OF PROCEEDINGS**

1. **THIS COURT ORDERS** that, to the extent necessary, the stay of proceedings pursuant to section 69(1) of the BIA shall be lifted to allow this Application to be brought.

**SERVICE**

2. **THIS COURT ORDERS** that the time for service of the Notice of Application and the Application is hereby abridged and validated so that this application is properly returnable today and hereby dispenses with further service thereof.

**APPOINTMENT**

3. **THIS COURT ORDERS** that pursuant to section 243(1) of the BIA and section 101 of the CJA, Farber is hereby appointed Receiver, without security, of all of the assets, undertakings and properties of the Debtors acquired for, or used in relation to a business carried on by the Debtors, including all proceeds thereof (the "Property").

**RECEIVER'S POWERS**

4. **THIS COURT ORDERS** that the Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:

- (a) to take possession of and exercise control over the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;
- (b) to receive, preserve, and protect of the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;
- (c) to manage, operate, and carry on the business of the Debtors, including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, or cease to perform any contracts of the Debtors;
- (d) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the Receiver's powers and duties, including without limitation those conferred by this Order;
- (e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtors or any part or parts thereof;
- (f) to receive and collect all monies and accounts now owed or hereafter owing to the Debtors and to exercise all remedies of the Debtors in collecting such monies, including, without limitation, to enforce any security held by the Debtors;
- (g) to settle, extend or compromise any indebtedness owing to the Debtors;

- (h) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtors, for any purpose pursuant to this Order;
- (i) to undertake environmental or workers' health and safety assessments of the Property and operations of the Debtors;
- (j) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Debtors, the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;
- (k) to market any or all of the Property, including advertising and soliciting offers and/or auction proposals in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale and/or auction as the Receiver in its discretion may deem appropriate;
- (l) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business,
  - (i) without the approval of this Court in respect of any transaction not exceeding \$50,000, provided that the aggregate consideration for all such transactions does not exceed \$500,000; and

(ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause;

and in each such case notice under subsection 63(4) of the Ontario *Personal Property Security Act*, shall not be required, and in each case the Ontario *Bulk Sales Act* shall not apply;

- (m) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;
- (n) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;
- (o) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (p) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtors;
- (q) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtors, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtors;

- (r) to exercise any shareholder, partnership, joint venture or other rights which the Debtors may have; and
- (s) to take any steps reasonably incidental to the exercise of these powers or the performance of any statutory obligations.

and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined below), including the Debtors, and without interference from any other Person.

#### **DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER**

5. **THIS COURT ORDERS** that (i) the Debtors, (ii) all of its current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons acting on its instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being "**Persons**" and each being a "**Person**") shall forthwith advise the Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property to the Receiver upon the Receiver's request.

6. **THIS COURT ORDERS** that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtors, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "**Records**") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use

of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 5 or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

7. **THIS COURT ORDERS** that if any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

**NO PROCEEDINGS AGAINST THE RECEIVER**

8. **THIS COURT ORDERS** that no proceeding or enforcement process in any court or tribunal (each, a "Proceeding"), shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Court.

**NO PROCEEDINGS AGAINST THE DEBTORS OR THE PROPERTY**

9. **THIS COURT ORDERS** that no Proceeding against or in respect of the Debtors or the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of the Debtors or the Property are hereby stayed and suspended pending further Order of this Court.

**NO EXERCISE OF RIGHTS OR REMEDIES**

10. **THIS COURT ORDERS** that all rights and remedies against the Debtors, the Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that this stay and suspension does not apply in respect of any "eligible financial contract" as defined in the BIA, and further provided that nothing in this paragraph shall (i) empower the Receiver or the Debtors to carry on any business which the Debtors are not lawfully entitled to carry on, (ii) exempt the Receiver or the Debtors from compliance with statutory or regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

**NO INTERFERENCE WITH THE RECEIVER**

11. **THIS COURT ORDERS** that no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Debtors, without written consent of the Receiver or leave of this Court.

**CONTINUATION OF SERVICES**

12. **THIS COURT ORDERS** that all Persons having oral or written agreements with the Debtors or statutory or regulatory mandates for the supply of goods and/or services, including

without limitation, all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Debtors are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Receiver, and that the Receiver shall be entitled to the continued use of the Debtors' current telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Receiver in accordance with normal payment practices of the Debtors or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

#### **RECEIVER TO HOLD FUNDS**

13. **THIS COURT ORDERS** that all funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including without limitation the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "**Post Receivership Accounts**") and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further Order of this Court.

#### **EMPLOYEES**

14. **THIS COURT ORDERS** that all employees of the Debtors shall remain the employees of the Debtors until such time as the Receiver, on the Debtors' behalf, may terminate the



employment of such employees. The Receiver shall not be liable for any employee-related liabilities, including any successor employer liabilities as provided for in section 14.06(1.2) of the BIA, other than such amounts as the Receiver may specifically agree in writing to pay, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the *Wage Earner Protection Program Act* ("WEPPA").

#### **PIPEDA**

15. **THIS COURT ORDERS** that, pursuant to clause 7(3)(c) of the *Canada Personal Information Protection and Electronic Documents Act*, the Receiver shall disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a "Sale"). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Debtors, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

#### **LIMITATION ON ENVIRONMENTAL LIABILITIES**

16. **THIS COURT ORDERS** that nothing herein contained shall require the Receiver to occupy or to take control, care, charge, possession or management (separately and/or collectively, "Possession") of any of the Property that might be environmentally contaminated,

might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, or the *Ontario Occupational Health and Safety Act* and regulations thereunder (the “**Environmental Legislation**”), provided however that nothing herein shall exempt the Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Receiver shall not, as a result of this Order or anything done in pursuance of the Receiver’s duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

#### **LIMITATION ON THE RECEIVER’S LIABILITY**

17. **THIS COURT ORDERS** that the Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part, or in respect of its obligations under sections 81.4(5) or 81.6(3) of the BIA or under the WEPPA. Nothing in this Order shall derogate from the protections afforded the Receiver by section 14.06 of the BIA or by any other applicable legislation.

#### **RECEIVER’S ACCOUNTS**

18. **THIS COURT ORDERS** that the Receiver and counsel to the Receiver shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, and that the Receiver and counsel to the Receiver shall be entitled to and are hereby granted a charge (the

“Receiver’s Charge”) on the Property, as security for such fees and disbursements, both before and after the making of this Order in respect of these proceedings, and that the Receiver’s Charge shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subject to sections 14.06(7), 81.4(4), and 81.6(2) of the BIA.

19. **THIS COURT ORDERS** that the Receiver and its legal counsel shall pass its accounts from time to time, and for this purpose the accounts of the Receiver and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

20. **THIS COURT ORDERS** that prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including legal fees and disbursements, incurred at the normal rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

#### **SERVICE AND NOTICE**

21. **THIS COURT ORDERS** that the E-Service Protocol of the Commercial List (the “Protocol”) is approved and adopted by reference herein and, in this proceeding, the service of documents made in accordance with the Protocol (found on the Commercial List website at [http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/#Commercial\\_List](http://www.ontariocourts.ca/scj/practice/practice-directions/toronto/#Commercial_List)) shall be valid and effective service. Subject to Rule 17.05 this Order shall constitute an order for substituted service pursuant Rule 16.04 of the *Rules of Civil Procedure*. Subject to Rule 3.01(d) of the *Rules of Civil Procedure* and paragraph 21 of the Protocol, service of documents in accordance with the Protocol will be effective on transmission. This Court further orders that a

Case Website shall be established in accordance with the Protocol with the following URL:  
<http://www.farberfinancial.com/insolvency-engagements/bid/381801/Quality-Meat-Packers-Limited-and-Toronto-Abattoirs-Limited>.

22. **THIS COURT ORDERS** that the E-Service List Keeper (as defined in the Protocol) for the purpose of this proceeding shall be the Receiver.

**GENERAL**

23. **THIS COURT ORDERS** that the Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

24. **THIS COURT ORDERS** that nothing in this Order shall prevent the Receiver from continuing to act as trustee in bankruptcy of the Debtors.

25. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

26. **THIS COURT ORDERS** that the Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order, and that the Receiver is authorized and empowered to act as a representative in respect of the within

proceedings for the purpose of having these proceedings recognized in a jurisdiction outside Canada.

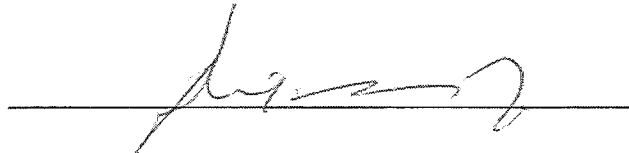
27. **THIS COURT ORDERS** that the Applicant shall have its costs of this motion, up to and including entry and service of this Order, provided for by the terms of the Applicant's security or, if not so provided by the Applicant's security, then on a substantial indemnity basis to be paid by the Receiver from the Debtors' estate with such priority and at such time as this Court may determine.

28. **THIS COURT ORDERS** that any interested party may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to the Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

ENTERED AT THE COURT AT TORONTO  
ON 06 MAY 2014  
LE / DAUGLE RECD THE HON.



MAY 06 2014



QUALITY MEAT PACKERS HOLDINGS LIMITED

and

QUALITY MEAT PACKERS LIMITED  
AND TORONTO ABATTOIRS LIMITED

Applicant

Respondents

Court File No.: ~~CV~~14-10537-00CL

ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)

Proceedings commenced at Toronto

RECEIVERSHIP ORDER  
(MAY 6, 2014)

**Thornton Grout Finnigan LLP**

Barristers and Solicitors

Toronto-Dominion Centre

100 Wellington Street West

Suite 3200, P.O. Box 329

Toronto, ON M5K 1K7

**Kyla E.M. Mahar** (LSUC# 44182G)

Tel: 416-304-0594 / Email: kmahar@tgf.ca

Fax: 416-304-1313

Lawyers for the Applicant

**APPENDIX "B"**

**SCHEDULE OF AUCTION AND LIQUIDATION PROPOSALS  
RECEIVED**

Party	Option A		Option B		Costs/comments	Proceeds, net of auction costs but before other/occupation costs if sale for: (US\$ @ 1.1)
	Commission only		Net Minimum Guarantee			
	%	Costs	NMG	Tranche for auction costs	Sharing thereafter Receiver portion	\$3,000,000 \$2,300,000
1 TCL Asset Group		CAD			No net minimum guarantee	
1A TCL Asset Group		CAD				
2 Asset Services/Century Services		CAD				
3 Crescent Commercial Corporation		USD			Out-right purchase. No upside.	
4 Industrial Refrigerated Systems Inc.		CAD			Certain compressors only	
5 Corporate Assets Inc.		USD			Out-right purchase. No upside.	
5A Corporate Assets Inc.		USD				
6 Platinum Asset Services Inc.		CAD			They maintain right of abandonment	
6A Platinum Asset Services Inc.					No net minimum guarantee	
7 Hilco Asset Sales Canada		CAD			Net minimum guarantee allocated per agreement between RBC and Receiver of \$____ and \$____, respectively	
7A Hilco Asset Sales Canada						
7B Hilco Asset Sales Canada		CAD			No upside	
8 Mohammed Shabani					certain lab equipment and supplies	



# **APPENDIX "C"**

## **HILCO LIQUIDATION PROPOSAL**

# ***SALE STRATEGY PROPOSAL***

---

PRESENTED BY:



**Hilco**<sup>TM</sup>  
Asset Sales  
Canada

DEVELOPED EXCLUSIVELY FOR:

**Farber Financial Group**

For the Sale of Assets From

**Quality Meat Packers Limited  
&  
Toronto Abattoirs Limited**



Presented by

**Hilco Asset Sales Canada**

June 3, 2014

# Hilco Asset Sales Canada

June 3, 2014

Mr. John Hendriks  
Farber Financial Group  
150 York Street  
Suite 1600  
Toronto, Ontario  
M5H 3S5

VIA e-mail: [jhendriks@farberfinancial.com](mailto:jhendriks@farberfinancial.com)

Dear Mr. Hendriks

Quality Meat Packers Ltd. & Toronto Abattoirs Limited "Request for Proposal"

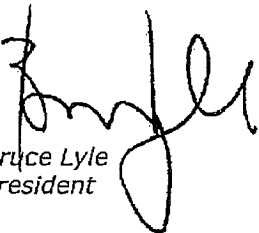
Thank you for the opportunity to submit our proposal to assist in the marketing and sale of the assets including the Machinery & Meat Processing Equipment from Quality Meat Packers Limited ("QMP") and Toronto Abattoirs Limited ("TAL") located at 2 Tecumseh Street, Toronto, Ontario.

We understand the importance of this project. We also recognize there are many details to be managed. Our commitment to serve you in a professional manner is unwavering. Hilco Asset Sales Canada offers you substantial the financial strength, broad experience, a high-caliber professional staff and unique service capabilities. We Hilco Canada and our US division, Hilco Industrial LLC will assume full and complete responsibility for all aspects of the liquidation to ensure a successful sale with maximum asset value return. We have over 60 years of experience executing more than 5,000 sale scenarios.

This proposal includes a comprehensive description of our abilities and strategy designed specifically for this project which will be run by Hilco Asset Sales Canada as the "Agent" for Farber Financial Group.

Respectfully submitted,

**Hilco Asset Sales Canada**



Bruce Lyle  
President

**Hilco Asset Sales Canada Corp.**

24 The East Mall, #14 • Etobicoke, Ontario, Canada M8W 4W5 • Ph: 416-252-1955 • [www.hilcocanada.com](http://www.hilcocanada.com)

# Hilco Asset Sales Canada

## Section 1 Sales Forecast

As per our on-site viewing and asset information listings supplied Exhibit "A", subject to execution of the procedures outlined herein, the assets of "QMT & TMP" should realize in the range of:

Fixed Assets Estimated Liquidation Value: [REDACTED]

## Section 2 Sales Methodology and Marketing

### Auction Sale

It is our recommendation that a managed theatre style **One Day Global Web-Cast Auction Sale** be utilized based upon our experience and understanding of the industry along with our knowledge of the equipment and market place that will render the maximization of gross realization potential.

Hilco Asset Sales Canada will act on behalf of Farber Financial Group as a turn-key service provider handling all aspects of site preparation, asset listing, marketing, conduct of sale, coordination of site clearance, and collection of proceeds, remittance of proceeds and taxes as well as accounting. Hilco Asset Sales Canada the responsible entity will provide consistency of service and information management to Farber Financial Group.



### Targeted Markets

Hilco Industrial will combine its extensive marketing database with acquired databases to notify qualified buyers and prospects of the sale both domestically and internationally. Today the databases contain qualified names of active buyers and *prospective* buyers of capital equipment worldwide. Information for the database comes from a wide range of sources, including buyers at past sales, Hilco Industrial website registrations, and acquired email lists. **To increase the likelihood of success, we must simultaneously market to strategic operational and financial buyers on a global basis.**

### Direct Mail

One of the most critical components of the advertising campaign is the distribution of a direct mail brochure to established industry buyers. The brochure will include photographs and detailed descriptions & specifications of the real property, major machinery and equipment presented in a format that will peak buyer interest. Hilco will produce in excess of 5,000 direct mail announcement notices to be distributed on a global basis for this project alone. Additionally, electronic or Virtual Brochures will be created for easy download from our respective websites.

# Hilco Asset Sales Canada

## Section 3 Schedule of Events and Timing

Outlined below are the sales methodologies and tasks to be performed by Hilco based on the time frame we have allotted for the disposition of the assets.

**Global Web-Cast Live Auction**

- > **INVENTORYING, GATHERING DESCRIPTIONS, CREATING DATABASE OF ALL ITEMS FOR MARKETING MATERIALS**
- > **PREPARATION FOR PUBLIC ONE DAY AUCTION SALE EVENT**
- > **CREATION OF THE "QMP & TAL" MICRO WEBSITE AND DISSEMINATION OF MARKETING MATERIALS, PROVIDE GLOBAL EXPOSURE THROUGH THE HILCO ASSET SALES CANADA, WORLD WIDE WEB NETWORK ALONG WITH NEWSPAPER, TRADE JOURNALS, DIRECT MAIL BROCHURES, EMAIL CAMPAIGNS ETC.**
- > **CONDUCT OF A THEATRE STYLE LIVE ON-LINE WEB-CAST AUCTION SALE**
- > **INVOICING, COLLECTION OF FUNDS AND REMITTANCE OF SALES PROCEEDS**
- > **ACCOUNTING AND REPORTING**

### ESTIMATED TIMELINE \*

Activity:	Duration:
Pre Marketing Preparation	[REDACTED]
Set-up of M&E	[REDACTED]
Sale Site Preparation	[REDACTED]
Live Web-Cast Auction Sale	[REDACTED]
Site Clearance	[REDACTED]
Post Sale Accounting	[REDACTED]

\* A firm timeline and calendar of events will be provided once the project has been initiated and an auction date established.

# Hilco Asset Sales Canada

## Section 4 Compensation Structure and Expenses

### Net Minimum Guarantee (NMG OPTION)

Hilco will guarantee (en-bloc) for the M&E as per our viewing and as per your asset listings supplied a net minimum guarantee amount of [REDACTED] on sale proceeds. From any gross sale proceeds generated in excess of the net minimum guaranteed amount, Hilco will retain the next [REDACTED] cover costs, such as advertising, sale set up and marketing and sales commissions. Any amount over the sum of [REDACTED] will be split [REDACTED] in favor of Farber Financial Group and [REDACTED] in favor of Hilco with a deposit of [REDACTED] upon the signing of an auction agreement, and the balance of the NMG amount payable following the final auction sale. The balance of proceeds, if any, will be payable within (30) banking days following the final sale of assets.

### BP Commission (FEE OPTION)

[REDACTED] of the proceeds generated from the sale process will be payable to Farber Financial Group. The commission payable to Hilco in respect of the sale on assets sold shall be a [REDACTED] commission fee and our BP (buyer premium) fee which is paid by the prospective purchasers of the assets. No other costs or fees will be charged to Farber Financial Group.

## Section 5 Outright Cash Buy

### BUY (CASH OPTION)

Hilco will purchase outright (en-bloc) the M&E as per our viewing and as per your asset listings supplied for the amount of [REDACTED]



# Hilco Asset Sales Canada

## Section 6 *Terms and Conditions*

### Terms and Conditions:

Our offer includes all assets as per our on-site viewing and is based on your asset listing supplied, which will be subject to a final viewing prior to closing to confirm counts and;

1) Our offer includes all asset groups including all leased assets;

2) Parties agree, and expressly acknowledge, that Hilco shall not purchase or be responsible for the removal or disposition of any environmentally hazardous chemicals, solvents, oils, or substances in and around the equipment and shall only be the agent for Farber Financial Group. Hilco will assist in the clean-up and disposal of any waste leaving the premises in a broom swept condition. All costs related to clean-up will be charged back and deducted directly from the sale proceeds and are to the account of Farber Financial Group;

3) Hilco will require the free use of and the unrestricted access to the serviced Premises, for a period of time not to exceed [REDACTED] days from the date of its occupancy for the purpose of conducting an on-site Private Sales and Public Auction Sale process;

4) Hilco will be responsible for charging, collecting and submitting the HST Sales Tax from the sale of Assets directly to the respective Governmental Departments;

5) Hilco will be entitled to retain our industry standard buyer's premium on all sales conducted by either private treaty sale or public auction;

6) The execution and delivery of a definitive liquidation services agreement between the Receiver and the Liquidator and the approval by Order of the Court, which Order shall provide that title to the Auction Assets sold by the Liquidator will be vested in the purchasers thereof;

7) This offer will remain open for further discussion or acceptance until Friday June 6<sup>th</sup> 2014 at 3 pm EST.

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**APPENDIX "D"**

**PROPOSED FORM OF LIQUIDATION SERVICES AGREEMENT**



## LIQUIDATION SERVICES AGREEMENT

THIS AGREEMENT is made as of this    day of June, 2014.

**B E T W E E N :**

**A. Farber & Partners Inc.**

in its capacity as court-appointed receiver of Quality Meat Packers Limited and  
Toronto Abattoirs Limited.,  
and not in its personal or corporate capacity

(the “**Receiver**”)

- and -

**HILCO ASSET SALES CANADA CORP.**

corporations incorporated under the laws of the Province of Ontario

(collectively the “**Liquidator**”)

**RECITALS:**

- A. Pursuant to an Order of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) dated May 6, 2014 (the “**Receivership Order**”), the Receiver was appointed as receiver, without security, of all of the assets, undertakings and properties of Quality Meat Packers Limited and Toronto Abattoirs Limited (the “**Debtors**”);
- B. Pursuant to the Receivership Order, the Receiver was empowered and authorized to market any or all of the Debtors’ property, including advertising and soliciting offers in respect of the property and negotiating such terms and conditions of sale as the Receiver, in its discretion, deemed appropriate; and
- C. The Liquidator and the Receiver have agreed to enter into this Agreement respecting the sale of the Assets by the Liquidator as agent for and on behalf of the Receiver, upon the terms and conditions hereinafter set forth.

**NOW THEREFORE IN CONSIDERATION** of the mutual covenants and agreements contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree to the terms and conditions set forth below.

## ARTICLE 1 - INTERPRETATION

### 1.01 Definitions

In this Agreement, unless something in the subject matter or context is inconsistent therewith:

- (a) “**Accounts Receivable**” means all accounts, debts, dues, demands and choses in action howsoever arising that are now due, owing or accruing due to the Debtors, including, without limitation, all accounts receivable pertaining to the Business, including HST and other tax refunds receivable.
- (b) “**Additional Excluded Assets**” has the meaning ascribed thereto in Section 2.01(b).
- (c) “**Agreement**” means this agreement, including its recitals and schedules, as amended from time to time.
- (d) “**Applicable Law**” means, at any time, with respect to any Person, property, transaction or event, all applicable laws, statutes, regulations, treaties, judgments and decrees and (whether or not having the force of law) all applicable official directives, rules, consents, approvals, by-laws, permits, authorizations, guidelines, order and policies of any Governmental Authority having authority over that Person, property, transaction or event.
- (e) “**Assets**” has the meaning ascribed thereto in Section 2.01(a).
- (f) “**Auction**” has the meaning ascribed thereto in Section 2.01(c).
- (g) “**Business**” means the business formerly carried on by the Debtor, including, without limitation, the business of filling and distribution of pouch pack containers.
- (h) “**Business Day**” means any day excluding a Saturday, Sunday or statutory holiday in the Province of Ontario, and also excluding any day on which the principal chartered banks located in the City of Toronto are not open for business during normal banking hours.
- (i) “**Buyer’s Premium**” has the meaning ascribed thereto in Section 2.03.
- (j) “**Claims**” means all losses, damages, expenses, liabilities (whether accrued, actual, contingent, latent or otherwise), interest, penalties, costs, claims, complaints and demands of whatever nature or kind, including all legal fees and costs on a substantial indemnity basis.
- (k) “**Condition Date**” means the date on which all of the conditions set out in Article 6 have been satisfied or waived.
- (l) “**Court**” has the meaning set out in the recitals to this Agreement.

- (m) “**Debtors**” has the meaning set out in the recitals to this Agreement and such term shall include each Debtor as the context requires.
- (n) “**Deposit**” has the meaning ascribed thereto in Section 2.02(c).
- (o) “**Excluded Assets**” means:
  - (i) the right, title, interest or benefit, if any, of the Debtors in connection with any leased or licensed assets used in the Business and the right, title, interest or benefit, if any, of the Debtors in any lease, license or other agreement relating thereto other than, in each case, the Intellectual Property or Software and the Assets;
  - (ii) the books and records of the Debtors which do not relate to the Assets;
  - (iii) the Inventory;
  - (iv) the Accounts Receivable;
  - (v) all fixtures which are attached to any Premises;
  - (vi) all Intellectual Property; and
  - (vii) those items set out in Schedule 1.01(o)(vii), if any (the “**Designated Excluded Assets**”).
- (p) “**Expense Amount**” means \$ .
- (q) “**Force Majeure**” has the meaning ascribed thereto in Section 7.01.
- (r) “**Governmental Authority**” means:
  - (i) any federal, provincial, state, local, municipal, regional, territorial, aboriginal, or other government, governmental or public department, branch, ministry, or court, domestic or foreign, including any district, agency, commission, board, arbitration panel or authority and any subdivision of the foregoing exercising or entitled to exercise any administrative, executive, judicial, ministerial, prerogative, legislative, regulatory or taxing authority or power of any nature; or
  - (ii) any quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing.
- (s) “**Gross Proceeds**” means all proceeds of sale of the Assets collected from Sales, including the Buyer’s Premium and all Transfer Taxes.
- (t) “**Intellectual Property**” means all applications and registrations (whether domestic or foreign) for the trademarks, copyrights, patents, patent applications, industrial

designs, engineering drawings and tooling designs owned by the Debtor, all trade secrets, trade dress, trade styles or other logos owned by the Debtor and all licenses related to the foregoing.

- (u) “**Inventory**” means the Debtors’ inventory located at the Premises, if any.
- (v) “**Net Minimum Guarantee**” has the meaning ascribed thereto in Section 2.02(a).
- (w) “**Net Proceeds**” means the Gross Proceeds excluding the Buyer’s Premium and excluding all Transfer Taxes.
- (x) “**Occupancy Costs**” has the meaning ascribed thereto in Section 3.02.
- (y) “**Occupancy Period**” has the meaning ascribed thereto in Section 3.02.
- (z) “**Person**” means an individual, body corporate, sole proprietorship, partnership or trust or unincorporated association, unincorporated syndicate, unincorporated organization, or another entity, and a natural person, acting in his or her individual capacity or in his or her capacity as executor, trustee, administrator or legal representative, and any Governmental Authority.
- (aa) “**Premises**” means the real property described municipally as 2 Tecumseh St. Toronto
- (bb) “**Purchaser**” means a Person who purchases any Assets from the Liquidator and “**Purchasers**” means all of them.
- (cc) “**Receiver Indemnified Parties**” has the meaning ascribed thereto in Section 5.02.
- (dd) “**Receivership Order**” has the meaning set out in the recitals to this Agreement.
- (ee) “**Regulated Materials**” means any substance or material that is or becomes prohibited, controlled or regulated by any Governmental Authority, including, without limitation, any paints, solvents, PCB’s, asbestos, contaminants, pollutants, dangerous substances, toxic substances, designated substances, controlled products, wastes, hazardous wastes, subject wastes, regulated materials, dangerous goods or petroleum, its derivatives, by-products or other hydrocarbons, all as defined in or pursuant to Applicable Laws.
- (ff) “**Removal Deadline**” means \_\_\_\_\_ days from the date of Court Approval of this Agreement, or such later date as may be agreed to in writing by the Receiver and the Liquidator.
- (gg) “**Sales**” means, collectively, all of the sales of the Assets to the Purchasers at the Auction.
- (hh) “**Sales Process**” has the meaning set out in the recitals to this Agreement.

- (ii) “**Sales Statement**” has the meaning ascribed thereto in Section 2.04(a).
- (jj) “**Software**” means all software owned by the Debtors relating to the Business, including all versions thereof, and all related documentation, manuals, source code and object code, program files, data files, computer related data, field and data definitions and relationships, data definition specifications, data models, program and system logic, interfaces, program modules, routines, sub-routines, algorithms, program architecture, design concepts, system designs, program structure, sequence and organization, screen displays and report layouts, and all other material related to such software.
- (kk) “**Survival Date**” means the date that the Receiver is discharged in that capacity by the Court.
- (ll) “**Transfer Taxes**” has the meaning ascribed thereto in Section 2.04(b).

## 1.02 Headings

The division of this Agreement into Articles and Sections and the insertion of headings are for convenience of reference only and do not affect the construction or interpretation of this Agreement. The terms “hereof”, “hereunder” and similar expressions refer to this Agreement and not to any particular Article, Section or other portion hereof. Unless something in the subject matter or context is inconsistent therewith, references herein to Articles, Sections and Schedules are to Articles and Sections of and Schedules to this Agreement.

## 1.03 Extended Meanings

In this Agreement words importing the singular number only include the plural and *vice versa*, words importing any gender include all genders and the term “including” means “including without limiting the generality of the foregoing”.

## 1.04 Statutory References

In this Agreement, unless something in the subject matter or context is inconsistent therewith or unless otherwise herein provided, a reference to any statute is to that statute as now enacted or as the same may from time to time be amended, re-enacted or replaced and includes any regulations made thereunder.

## 1.05 Currency

All references to currency herein are to lawful money of Canada.

## 1.06 Schedules

The following are the Schedules to this Agreement:

- Schedule 1.01(o)(vii) - Designated Excluded Assets
- Schedule 2.01(a)(i) - Machinery and Equipment

## ARTICLE 2 - SALE OF ASSETS

### 2.01 Appointment of Liquidator

(a) Upon and subject to the terms and conditions hereof, the Liquidator agrees to sell as agent for and on behalf of the Receiver, and the Receiver appoints the Liquidator as its exclusive agent to sell to Purchasers, all of the right, title, benefit and interest of the Debtors, if any, in and to all of the Debtors' assets, undertakings and property located at the Premises, consisting of:

(i) all machinery and equipment, attachments and tooling and all vehicles, tools, handling equipment, furniture, furnishings, computer hardware and peripheral equipment, supplies and accessories of the Business and all relevant books, records and manuals related thereto, including, without limitation, all such items as set out in Schedule 2.01(a)(i) attached hereto;

(collectively, the "Assets") but excluding the Excluded Assets and any Additional Excluded Assets.

(b) In the event that the Receiver, through no fault of its own, is not entitled to sell any of the Assets by reason of a third party claim to any such Assets, or otherwise, the Receiver will advise the Liquidator in writing and such items will be excluded from the Assets to be sold by the Liquidator (the "Additional Excluded Assets") and the Net Minimum Guarantee shall be reduced in accordance with Section 2.02(b).

(c) The Liquidator will sell the Assets to Purchasers in accordance with the Liquidator's standard auction procedures subject to the terms of this Agreement. The sale of the Assets by the Liquidator to Purchasers shall be by way of an unreserved public webcast auction conducted at the Premises on or before July 31, 2014 (the "Auction").

(d) The Liquidator shall be entitled to use the Debtors' names or any form thereof for the purpose of the Sales.

(e) The Liquidator will not, and will have no authority to, incur any liability or obligation on behalf of the Receiver. The sole authority of the Liquidator, as agent of the Receiver, is to conduct the Sales and thereby convey to Purchasers, as agent for the Receiver, the right, title, interest and benefit, if any, of the Debtor in and to the Assets to the Purchasers.

### 2.02 Net Minimum Guarantee

(a) Subject to Sections 2.01(b) and 2.07, the Liquidator guarantees in favour of the Receiver that the Net Proceeds will not be less than \$ \_\_\_\_\_ (the "Net Minimum Guarantee").

- (b) In the event that the Receiver advises the Liquidator in accordance with Section 2.01(b) as to any Additional Excluded Assets, the Net Minimum Guarantee will be reduced by the amount allocated to such item on Schedule 2.01(a)(i) or, if no amount is so allocated, an amount equal to the fair market value of any Additional Excluded Assets.
- (c) Upon the execution of this Agreement, the Liquidator shall pay to the Receiver the sum of \$ (\_\_\_\_%) (the “**Deposit**”), which will be held by the Receiver and credited and applied against the Net Minimum Guarantee.
- (d) The Liquidator will pay to the Receiver an amount equal to the Net Minimum Guarantee (less any adjustment as provided in this Agreement), less the Deposit, not later than two Business Days after the date of the Auction.
- (e) Subject to Section 2.07, if the Auction does not take place for any reason other than the breach by the Receiver of a covenant contained in this Agreement or as a result of Force Majeure (as provided for in Section 7.01), the Deposit shall be forfeited by the Liquidator and retained by the Receiver on account of liquidated damages, but such forfeiture will not be deemed to constitute the full extent of liquidated damages payable by the Liquidator.

### **2.03 Buyer’s Premium**

The Liquidator shall be entitled to charge a buyer’s premium in the amount not to exceed: (i) 15% of the selling price of any Asset in addition to the price obtained for any Assets sold at the Auction; or (ii) 18% of the selling price of any Asset in addition to the price obtained for any Assets sold online (the “**Buyer’s Premium**”). For greater certainty, the Buyer’s Premium shall not form part of the Net Proceeds and shall not be subject to the proceeds sharing formula set out in Section 2.04(c).

### **2.04 Proceeds of Sales and Payment of Taxes**

- (a) The Liquidator will be responsible for the collection of the Gross Proceeds. The Liquidator will prepare and provide a Sales statement setting out the Gross Proceeds, itemized per piece of equipment and the amounts payable under Section 2.04(c) (the “**Sales Statement**”) to the Receiver no later than seven Business Days after the date of the Auction. The Receiver shall have the right to audit the Sales Statement.
- (b) The Liquidator will collect from the Purchasers and will remit, or cause to be remitted and paid, any applicable federal and provincial sales taxes, goods and services taxes or harmonized sales taxes payable under any Applicable Law on or with respect to any of the Sales (collectively, “**Transfer Taxes**”). The Liquidator will pay the Transfer Taxes in accordance with the relevant taxing legislation when due and deliver to the Receiver evidence confirming the Liquidator’s payment of, or exemption from payment of, the Transfer Taxes in form and substance reasonably acceptable to the Receiver. The Liquidator will prepare and file any affidavits or returns required in connection with the foregoing at its own cost and expense. To the extent that any Transfer Taxes are required to be paid by or are imposed upon the

Receiver, the Liquidator will reimburse to the Receiver such taxes within five Business Days of payment of such taxes by the Receiver. The Liquidator will indemnify and hold the Receiver harmless in respect of any Transfer Taxes, penalties, interest and other amounts that may be assessed against the Receiver under any Applicable Law as a result of the sale of the Assets.

- (c) Without limiting the Liquidator's liability to pay the Net Minimum Guarantee, the Net Proceeds will be paid in the following order of priority within 30 days after the auction, unless otherwise agreed in writing between the Liquidator and the Receiver:
  - (i) firstly, to the Liquidator, the Expense Amount; and
  - (ii) secondly, to the Receiver, any % of all remaining Net Proceeds after the distribution of the amounts set out above and to the Liquidator % of all such Net Proceeds.

**2.05 All Sales to be "As Is, Where Is"**

- (a) Notwithstanding any other provision of this Agreement, the Liquidator acknowledges that it has inspected the Assets and except as otherwise expressly provided in this Agreement, no representation, warranty or condition whether statutory (including under the *Sale of Goods Act* (Ontario), the *International Sale of Goods Contracts Convention Act* (Canada) and the *International Sale of Goods Act* (Ontario) or any international equivalent act which may be applicable to the subject matter pursuant to the provisions of this Agreement, including the United Nations Convention on Contracts for the International Sale of Goods, expressed or implied, oral or written, legal, equitable, conventional, collateral or otherwise will be given by the Receiver as to title, outstanding liens or encumbrances, description, fitness for purpose, merchantability, quantity, condition, quality, suitability, durability, assignability, or marketability thereof or any other matter or thing whatsoever, and all of the same are expressly excluded. The Liquidator acknowledges and agrees that it has inspected the Assets and has relied on its own investigations as to the matters set out above and in determining to enter this Agreement.
- (b) The Liquidator agrees that all Sales of the Assets to the Purchasers will be on the "as is, where is" basis in accordance with Section 2.05(a) and shall be final. The Liquidator will ensure that all advertising signs and promotional materials in connection with the Assets advise Purchasers that all sales are made on an "as is, where is" basis and are final, and the Liquidator agrees that all receipts or bills of sale will contain similar language.
- (c) The Liquidator agrees that no representation or warranty will be given by it or the Receiver to Purchasers, whether statutory, express or implied, oral or written, legal, equitable, collateral or otherwise, as to fitness for purpose, suitability, durability, marketability, condition, quantity or quality of the Assets or in respect of any other matter or thing whatsoever.



## **2.06 Obligations and Liabilities Not Assumed**

- (a) Except as provided in this Agreement or by Applicable Law, the Liquidator does not assume and shall not be liable for any obligations or liabilities of the Receiver or the Debtor whatsoever, including, without limitation, any and all environmental obligations or liabilities of the Debtor relating to the Assets or the Premises, any taxes or duties which may be or become payable by the Receiver or the Debtor including any income taxes, corporate taxes, realty taxes, source deductions or customs duties which may be or become payable by the Receiver of the Debtor resulting from or arising as a consequence of the sale of the Assets to the Purchasers (excluding for the avoidance of doubt, any Transfer Taxes as provided in Section 2.04(b)).

## **2.07 Title to the Assets and Risk of Loss**

- (a) Until sold to Purchasers, title to the Assets will remain with the Receiver, and the Assets will remain at the risk of the Receiver. In the event of any loss of or damage to some or all of the Assets prior to the sale of such Assets to Purchasers:
  - (i) where all or substantially all of the Assets are lost or damaged, for the purposes of this Agreement, the Liquidator shall have the option to: (A) accept the insurance proceeds, which shall be considered Gross Proceeds from the sale of Assets for the purpose of the calculation of the Net Minimum Guarantee and complete the transaction contemplated herein; or (B) terminate this Agreement, in which case both parties shall be released from all obligations hereunder other than the obligation of the Receiver to pay the Deposit to the Liquidator; and
  - (ii) in the event of the loss of or damage to some items of the Assets, an amount equal to the fair market value of such item shall be deducted from the Net Minimum Guarantee and such items comprising Assets shall become Excluded Assets (and, for greater certainty, the insurance proceeds of such Excluded Assets shall accrue to the benefit of the Receiver).
- (b) The Receiver will maintain first party all risk property insurance in the amount of \$ in accordance with the form and extent of coverage that the Receiver had in place as of the date of its appointment pursuant to the Receivership Order.

## **2.08 Liquidator Dealing with Assets**

The Liquidator will deal with the Assets in accordance with proper liquidation industry practices using qualified personnel to maximize realization.

## **ARTICLE 3 - POSSESSION, DELIVERY AND REMOVAL OF ASSETS**

### **3.01 Delivery of the Assets**

Following the Auction the Assets sold by the Liquidator shall be surrendered to the Purchasers at the Premises.

### **3.02 Access to the Premises and Occupancy Costs**

For the purposes of viewing and inspecting the Assets, showing the Assets to prospective purchasers and preparing for and conducting the Auction and removing the Assets, the Receiver shall provide the Liquidator and its agents, employees and representatives with unrestricted access (other than the right of the Receiver to have reasonable ongoing access) to the Premises from the date of this Agreement to the Removal Deadline (the "**Occupancy Period**"). Upon the grant of the Order of the Court as described in Section 6.01 (iii) of this Agreement and receipt of the Deposit, the Receiver shall deliver to the Liquidator keys to the Premises and the particulars of any alarm codes. During the Occupancy Period, the Receiver agrees to pay any rent and shall be responsible for the continued supply of all utilities to the Premises, including, without limitation, gas, water, heat, hydro and telephone, and for the maintenance of fire and third-party liability insurance on the Premises (the "**Occupancy Costs**").

### **3.03 Conduct of Sales at the Auction**

The Receiver acknowledges that the Liquidator intends to sell the Assets at the Auction. The Receiver hereby consents to the use by the Liquidator of the phrase "Public Auction Sale, Quality Meat Products Limited" and the use of any other trade names or trade-marks owned by the Debtors in advertisements for the Auction. The Liquidator will seek the prior consent of the Receiver to all advertising, such consent not to be unreasonably withheld or delayed.

### **3.04 Removal of Assets**

- (a) The Liquidator shall be responsible for removing the Assets from the Premises by the Removal Deadline and shall leave the Premises in an orderly and broom-swept condition following such removal including removal of any debris arising from or caused by the Auction.
- (b) The Receiver shall be entitled to be present during the removal of the Assets from the Premises.
- (c) After completion of the Auction, the Liquidator shall supervise the removal of all of the Assets from the Premises, which removal shall be done in a workmanlike manner, consistent with good industrial practice, and completed by the Removal Deadline, or such later date as may be agreed to by the Receiver and the Liquidator.
- (d) Any Asset requiring disassembling and moving will be done at the expense of the Liquidator. Should the Liquidator abandon, fail to remove or fail to cause any Assets to be removed, the Liquidator shall reimburse the Receiver for the costs incurred by

the Receiver with the preparation, removal and shipping of such Assets. The Liquidator shall have no obligation to remove or disassemble Excluded Assets or remove or dispose of any paper, materials, books, records or other similar items which are not included in the Assets from the Premises.

- (e) The Liquidator shall, at its own cost, clean any spills or oil, lubricants, grease or any other liquid remaining after removal of the Assets, as a result of any spill that occurs during the Occupancy Period, including during the removal of the Assets or any of them, which is caused by the Liquidator or its agents, employees, invitees and guests.
- (f) The Liquidator shall remedy or repair any condition resulting from the removal of Assets, including without limitation, removing or capping all electrical wires and air/water/other lines to the buss bar/nearest wall and all bolts "blown off", placing safety barriers around any pits. The Liquidator shall have no responsibility to remedy any damages or condition to the Premises existing prior to the date of its access thereto. Furthermore, the cost of the removal and disposal of any oils, lubricants or fluids contained in any of the machines comprising the Assets together with all garbage and debris located at the Premises shall be for the Receiver's account.

### **3.05 Regulated Materials**

- (a) No provision of this Agreement shall be construed so as to require the Liquidator to investigate, clean up, remove or remedy any adverse or other environmental condition existing at the Premises, or to be responsible for any environmental liabilities, or be liable for the investigation, clean up or remediation of any environmental liabilities, including any cost relating to any investigation, clean up or remediation of such environmental condition or liability or any Regulated Materials or other adverse environmental condition existing at, under, on or near the Premises, or contained in the Assets save and except to the extent that the Liquidator or its agents, employees, invitees and guests have caused such adverse or other environmental condition at, under, on or near the Premises.
- (b) Nothing in this Agreement shall oblige the Liquidator and the Liquidator shall not, in fact, be liable for any environmental obligations or liabilities which are existing obligations or liabilities of the Debtor.

## **ARTICLE 4 - REPRESENTATIONS, WARRANTIES AND ACKNOWLEDGEMENTS**

### **4.01 Receiver's Representations and Warranties**

The Receiver represents and warrants to the Liquidator that:

- (a) the Receiver has good and sufficient power, authority and right to enter into and deliver this Agreement and to complete the transactions to be completed by the Receiver contemplated hereunder;
- (b) the Receiver has not encumbered, sold or agreed to sell any of the Assets;

- (c) the recitals to this Agreement are true and correct;
- (d) to the best of the knowledge of the Receiver, the Debtors are registered under Part IX of the *Excise Tax Act* (Canada) with registration number NTD ; and
- (e) the Receiver is not a non-resident Person within the meaning of section 116 of the *Income Tax Act* (Canada).

**4.02 Survival of Receiver's Representations, Warranties and Covenants**

- (a) The representations and warranties of the Receiver set forth in Section 4.01 will survive the completion of the transactions contemplated hereunder. However, the Receiver will not be liable to the Liquidator for any inaccuracy or misrepresentation in any representation or warranty set forth in Section 4.01 after the Survival Date.
- (b) The covenants of the Receiver set forth in this Agreement will survive the transactions contemplated hereunder and, notwithstanding such completion, will continue in full force and effect for the benefit of the Liquidator in accordance with the terms of this Agreement until the Survival Date.

**4.03 Liquidator's Representations, Warranties and Acknowledgements**

The Liquidator represents, warrants and acknowledges to the Receiver that:

- (a) the Liquidator is a corporation duly incorporated, organized and subsisting under the laws of Ontario and has all the necessary corporate power and authority to enter into this Agreement and to carry out its obligations hereunder;
- (b) the Liquidator has good and sufficient power, authority and right to enter into and deliver this Agreement and to complete the transactions to be completed by the Liquidator contemplated hereunder;
- (c) this Agreement constitutes a valid and legally binding obligation of the Liquidator, enforceable against the Liquidator in accordance with its terms;
- (d) neither the entering into nor the delivery of this Agreement nor the completion of the transactions contemplated hereby by the Liquidator will result in a violation of: (i) any of the provisions of the constating documents or by-laws of the Liquidator; (ii) any agreement or other instrument to which the Liquidator is a party or by which the Liquidator is bound; or (iii) any Applicable Law;
- (e) no authorizations, consents or approvals of, or filing with or notice to, any Governmental Authority is required in connection with the execution, delivery or performance of this Agreement;
- (f) the Liquidator is registered under Part IX of the *Excise Tax Act* (Canada) with registration number (NTD: # required); and

- (g) the Liquidator acknowledges that it or its representatives have been furnished with all information regarding the Assets that the Liquidator requires to enable it to enter into this Agreement.

#### **4.04 Survival of Liquidator's Representations, Warranties and Covenants**

- (a) The representations and warranties of the Liquidator set forth in Section 4.03 will survive the completion of the transactions contemplated hereunder. However, the Liquidator will not be liable to the Receiver for any inaccuracies or misrepresentations of the representations and warranties set forth in Section 4.03 after the Survival Date.
- (b) The covenants of the Liquidator set forth in this Agreement will survive the completion of the transactions contemplated hereunder and, notwithstanding such completion, will continue in full force and effect for the benefit of the Receiver in accordance with the terms of this Agreement until the Survival Date.

### **ARTICLE 5 - OTHER COVENANTS OF LIQUIDATOR AND RECEIVER**

#### **5.01 Additional Covenants of Liquidator**

- (a) The Liquidator will, during the Occupancy Period, ensure that the Receiver has full access to the books and records of the Debtor and preserve the books and records of the Debtors, to the extent that any such books and records are located at the Premises. The Liquidator shall not dispose or destroy any of the Debtors' books and records.
- (b) The Liquidator will provide to the Receiver copies of all filings or notices to any Governmental Authority relating to the transaction contemplated by the Agreement.
- (c) The Liquidator will promptly notify the Receiver of any material fact or circumstance that would prevent it from satisfying the conditions precedent set out in this Agreement.

#### **5.02 Indemnities**

- (a) The Liquidator agrees to indemnify and save harmless the Receiver and its representatives and advisors from and against all Claims, suffered or incurred by any of them from and after the date hereof as a result of or arising directly or indirectly out of or in connection with any negligence or misconduct of the Liquidator or its employees, contractors, licencees, agents or invitees, which shall exclude the employees, contractors, licencees, agents or invitees of the Debtors or the Receiver (the "**Receiver Indemnified Parties**"), including all Claims incurred by the Receiver Indemnified Parties, directly or indirectly, as a result of the Liquidator not collecting or remitting the Transfer Taxes. The provisions of this Section 5.02 will inure to the benefit of the Receiver and its representatives and advisors and their respective successors and assigns.

**5.03 Cooperation on Tax Matters**

- (a) The Liquidator and the Receiver agree to make, execute and file with the appropriate taxing authorities all elections or purchase exemption certificates as the parties hereto agree are mutually desirable, if any, in prescribed form and within the prescribed time.
- (b) The Receiver and the Liquidator will furnish or cause to be furnished to each other, at the expense of the requesting party, as promptly as practicable, such information and assistance, and provide additional information and explanations of any material provided, relating to the Assets as is reasonably necessary for the filing of any tax returns, for the preparation of any audit, and for the prosecution or defence of any claim, suit or proceeding relating to any adjustment or proposed adjustment with respect to Transfer Taxes.

**ARTICLE 6 - CONDITIONS**

**6.01 Conditions for the Benefit of the Liquidator**

- (a) The transactions contemplated hereunder are subject to the following conditions, which are for the exclusive benefit of the Liquidator and which are to be performed or complied with at or prior to the Condition Date:
  - (i) the representations and warranties of the Receiver set forth in Section 4.01 will be true and correct with the same force and effect as if made at and as of such time;
  - (ii) the Receiver will have performed or complied with all of the terms, covenants and conditions of this Agreement to be performed or complied with by the Receiver;
  - (iii) the Court shall have granted an order approving this Agreement, in form and substance satisfactory to the Liquidator, acting reasonably;
  - (iv) no order will have been made to restrain, enjoin or prohibit the purchase and sale of all or substantially all of the Assets; and
  - (v) no material damage by fire or other hazard to all or substantially all of the Assets will have occurred from the date hereof.
- (b) In case any material term or covenant of the Receiver or material condition to be performed or complied with for the benefit of the Liquidator at or prior to the Condition Date has not been performed or complied with at or prior to the Condition Date, the Liquidator, without limiting any other right that the Liquidator has, may at its sole option acting reasonably, either:
  - (i) terminate this Agreement by notice to the Receiver, and, in such event, the Liquidator will be released from all obligations hereunder; or

- (ii) waive compliance with any such term, covenant or condition in whole or in part with respect to any such non-compliance on such terms as may be agreed upon without prejudice to any of its rights of termination in the event of the non-performance of a term, covenant or condition in whole or in part,

and, if the Liquidator terminates this Agreement pursuant to Section 6.01(b)(i), the Receiver will be released from all obligations hereunder unless the term, covenant or condition for which the Liquidator has terminated this Agreement was one that the Receiver had covenanted hereunder, to ensure had been performed or complied with.

## **6.02 Conditions for the Benefit of the Receiver**

- (a) The transactions contemplated hereunder are subject to the following conditions, which are for the exclusive benefit of the Receiver and which are to be performed or complied with at or prior to the Condition Date:
  - (i) the representations and warranties of the Liquidator set forth in Section 4.03 will be true and correct with the same force and effect as if made at and as of such time;
  - (ii) the Liquidator will have performed or complied with all of the terms, covenants and conditions of this Agreement to be performed or complied with by the Liquidator at such time;
  - (iii) the Court shall have granted an order approving this Agreement, in form and substance satisfactory to the Receiver, acting reasonably;
  - (iv) no order will have been made to restrain, enjoin or prohibit the purchase and sale of all or substantially all of the Assets; and
  - (v) no material damage by fire or other hazard to all or substantially all of the Assets will have occurred from the date hereof.
- (b) In case any material term or covenant of the Liquidator or material condition to be performed or complied with for the benefit of the Receiver at or prior to the Condition Date has not been performed or complied with at or prior to the Condition Date, the Receiver, without limiting any other right that the Receiver has, may at its sole option acting reasonably, either:
  - (i) terminate this Agreement by notice to the Liquidator, and, in such event, the Receiver will be released from all obligations hereunder; or
  - (ii) waive compliance with any such term, covenant or condition in whole or in part with respect to any such non-compliance on such terms as may be agreed upon without prejudice to any of its rights of termination in the event of non-performance of a term, covenant or condition in whole or in part,

and, if the Receiver terminates this Agreement pursuant to Section 6.02(b)(i), the Liquidator will be released from all obligations hereunder unless the term, covenant or condition for which the Receiver has terminated this Agreement was one that the Liquidator had covenanted hereunder to ensure had been performed or complied with, in which event the Liquidator will be liable to the Receiver for any Claims incurred by the Receiver, directly or indirectly, as a result of such breach. In that event, the Assets may be resold by the Receiver and all money paid by the Liquidator under this Agreement, including the Deposit, will be forfeited on account of liquidated damages, but such forfeiture will not be deemed to constitute the full extent of liquidated damages payable by the Liquidator as a result of the Receiver's termination.

### **6.03 Proceeds of Sales Made Prior to Termination**

In the event that the Agreement is terminated by either party pursuant to Article 6 or Section 2.07, and notwithstanding such termination, the Net Proceeds of any Sales made by the Liquidator prior to the date of such termination shall be immediately paid by the Liquidator to the Receiver, and the Liquidator shall be responsible for, and remit all Transfer Taxes in respect of any Sales made by the Liquidator prior to the date of such termination.

## **ARTICLE 7 - FORCE MAJEURE**

### **7.01 Force Majeure**

A failure by either party to perform any obligation under this Agreement as a result (in whole or in part) of *force majeure* will not constitute a default under this Agreement, and neither party will have any liability to the other as a result of any such failure to perform. A party who contends that its performance is excused by reason of *force majeure* must give prompt written notice to the other party specifying the condition constituting the same and use all commercially reasonable efforts to rectify such condition as soon as possible. For the purposes hereof, *force majeure* means any of the following: lightning, storms, earthquakes, floods, droughts, fires, explosions, shortages of labour, strikes, protests, lock-outs or other labour disturbances (whether or not under a party's control), acts of war or terrorism, riots, or any other action taken by any Person in connection therewith, expropriation, action of any government or governmental body or court, acts of God or any other cause, whether similar to or dissimilar from the foregoing, beyond the reasonable control of the party seeking to take advantage of *force majeure* and affecting performance by such party.

### **7.02 Assistance**

The Liquidator and the Receiver will co-operate with each other in a commercially reasonable manner in the event of any labour disruption or *force majeure* that interferes with the sale of the Assets or the ability of the Liquidator to perform its obligations hereunder with a view to alleviating such interference.



## ARTICLE 8 - GENERAL

### 8.01 Further Assurances

Each of the Receiver and the Liquidator shall from time to time execute and deliver all such further documents and instruments and do all acts and things as the other party may, at such requesting party's cost, reasonably require to effectively carry out or better evidence or perfect the full intent and meaning of this Agreement.

### 8.02 Time of the Essence

Time shall be of the essence of this Agreement.

### 8.03 Benefit of the Agreement

This Agreement shall inure to the benefit of and be binding upon the respective heirs, executors, administrators, successors and permitted assigns of the parties hereto.

### 8.04 Fees and Commissions

Except as expressly provided herein, each of the Receiver and the Liquidator will pay its respective legal and accounting costs and expenses incurred in connection with the preparation, execution and delivery of this Agreement and all documents and instruments executed pursuant to this Agreement and any other costs and expenses whatsoever and howsoever incurred and will indemnify and save harmless the other from and against any Claim for any broker's, finder's or placement fee or commission alleged to have been incurred as a result of any action by it in connection with the transactions under this Agreement.

### 8.05 Entire Agreement

This Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter hereof and cancels and supersedes any prior understandings and agreements between the parties hereto with respect thereto. There are no representations, warranties, terms, conditions, undertakings or collateral agreements, express, implied or statutory, between the parties other than as expressly set forth in this Agreement.

### 8.06 Amendments and Waiver

No modification of or amendment to this Agreement shall be valid or binding unless set forth in writing and duly executed by both of the parties hereto and no waiver of any breach of any term or provision of this Agreement shall be effective or binding unless made in writing and signed by the party purporting to give the same and, unless otherwise provided, shall be limited to the specific breach waived.

### 8.07 Assignment

This Agreement may not be assigned by either party hereto without the prior written consent of the other party.

## **8.08 Notices**

Any demand, notice or other communication to be given in connection with this Agreement shall be given in writing and shall be given by personal delivery, by registered mail or by electronic means of communication addressed to the recipient as follows:

To the Receiver:

A. Farber & Partners Inc.  
150 York Street  
Toronto, ON M5H 3S5

With a copy to:

Aird & Berlis LLP  
181 Bay Street, Suite 1800  
Toronto, ON M5H 2T6

Attention: Robb English  
Email: [renglish@airdberlis.com](mailto:renglish@airdberlis.com)

To the Liquidator:

Hilco Asset Sales Canada Corp.  
24 The East Mall #14  
Etobicoke, ON M8W 4W5

Attention:  
Email:

or to such other address, individual or electronic communication number as may be designated by notice given by either party to the other. Any demand, notice or other communication given by personal delivery shall be conclusively deemed to have been given on the day of actual delivery thereof and, if given by registered mail, on the fourth Business Day following the deposit thereof in the mail and, if given by electronic communication, on the day of transmittal thereof if given during the normal business hours of the recipient and on the Business Day during which such normal business hours next occur if not given during such hours on any day. If the party giving any demand, notice or other communication knows or ought reasonably to know of any difficulties with the postal system which might affect the delivery of mail, any such demand, notice or other communication shall not be mailed but shall be given by personal delivery or by electronic communication.

## **8.09 Counterparts**

This Agreement may be executed in several counterparts and all counterparts when taken together shall comprise one and the same instrument, and facsimile or other electronic copies of signatures shall be treated as originals for all purposes.

**8.10 Governing Law**

This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

**8.11 Attornment**

For the purpose of all legal proceedings this Agreement will be deemed to have been performed in the Province of Ontario and the courts of the Province of Ontario will have jurisdiction to entertain any action arising under this Agreement. The Receiver and the Liquidator each attorns to the jurisdiction of the courts of the Province of Ontario.

**8.12 Severability**

If any provision of this Agreement or any document delivered in connection with this Agreement is partially or completely invalid or unenforceable, the invalidity or unenforceability of that provision will not affect the validity or enforceability of any other provision of this Agreement, all of which will be construed and enforced as if that invalid or unenforceable provision were omitted. The invalidity or unenforceability of any provision in one jurisdiction will not affect such provision validity or enforceability in any other jurisdiction.

**8.13 Acknowledgement of the Liquidator**

The Liquidator acknowledges that A. Farber & Partners Inc. has entered into this Agreement solely in its capacity as court-appointed receiver of the Debtor and not in its personal or corporate capacity.

**8.14 Confidentiality**

The Liquidator and the Receiver shall keep confidential this Agreement and all information and documents which may have been or may hereafter be exchanged between them or their representatives or may have been retained by the Liquidator or the Receiver, except for such information and documents as are available to the public, required to be disclosed by applicable law or court order, or as required to be disclosed by the Receiver under Applicable Law. The Receiver will redact the economic terms of the transactions contemplated herein from any material to be filed with the Court and shall use its commercially reasonable efforts to obtain a sealing order for any unredacted versions.

**IN WITNESS WHEREOF** the parties have executed this Agreement as of the date first written above.

**A. FARBER & PARTNERS INC.**

By:

\_\_\_\_\_  
John Hendriks

**HILCO ASSET SALES CANADA CORP.**

By:

\_\_\_\_\_  
Name:  
Title:

**SCHEDULE 1.01(o)(vii)**  
**DESIGNATED EXCLUDED ASSETS**

Nil.

**SCHEDULE 2.01(a)(i)**  
**MACHINERY, EQUIPMENT AND INVENTORY**

See attached.

18399944.1

**TAB 4**

Court File #31-1855569  
Estate # 31-1855569  
Estate # 31-1855570

*ONTARIO*  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST

**IN THE MATTER OF THE PROPOSALS OF  
QUALITY MEAT PACKERS LIMITED AND  
TORONTO ABATTOIRS LIMITED**

**SECOND REPORT OF THE PROPOSAL TRUSTEE**

**MAY 2, 2014**



**TABLE OF CONTENTS**

INTRODUCTION .....1

PURPOSE OF THIS REPORT.....2

LIMITATION OF REVIEW .....2

FIRST REPORT OF THE PROPOSAL TRUSTEE .....2

UPDATE ON THE COMPANIES' AFFAIRS SINCE APRIL 11, 2014 .....3

SECURED CREDITORS .....4

MOTION FOR A COURT-APPOINTED RECEIVER.....5

## LIST OF APPENDICES

- "A" First Report of the Proposal Trustee dated April 9, 2014
- "B" Supplemental First Report of the Proposal Trustee dated April 11, 2014
- "C" Endorsement with Reasons of the Honourable Justice Brown dated April 11, 2014
- "D" Quality Meat Packers Limited Cash flows and related reports filed with the Official Receiver April 14, 2014
- "E" Toronto Abattoirs Limited Cash flows and related reports filed with the Official Receiver April 14, 2014
- "F" Notice of Material Adverse Change dated April 22, 2014

Court File No. 31-1855569  
Estate #. 31-1855569  
Estate # 31-1855570

ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST

IN THE MATTER OF THE PROPOSALS OF QUALITY MEAT PACKERS LIMITED AND  
TORONTO ABATTOIRS LIMITED.

**SECOND REPORT OF THE PROPOSAL TRUSTEE**  
**May 2, 2014**

A. Farber & Partners Inc. ("Farber"), in its capacity as the trustee under the proposals of Quality Meat Packers Limited ("QMP") and Toronto Abattoirs Limited ("TAL") (collectively the "Companies") and in its capacity as proposed Court-appointed receiver (the "Proposed Receiver") of the Companies, hereby reports to the Court as follows:

**INTRODUCTION**

1. On April 3, 2014, the Companies each filed a Notice of Intention to Make a Proposal pursuant to the *Bankruptcy and Insolvency Act* (Canada) (the "BIA"), and named Farber as proposal trustee ("Proposal Trustee"). Copies of the Certificates of Filing of a Notice of Intention to Make a Proposal are attached as Appendix "A" to the First Report.
2. The Companies operated a pork processing business located 2 Tecumseth Street, Toronto, Ontario which is leased from a related party. QMP received up to 24,000 live hogs a week (normally shipped Monday to Thursday), which were generally slaughtered within a day of receipt, then cut, packaged and shipped.
3. TAL is a separate legal entity and provides the slaughter services to QMP. TAL's operations are integrated into the QMP production facilities. QMP purchases the hogs from the hog farmers, transfers the hogs to TAL for slaughter and then transfers the products back to QMP. TAL does not have a direct relationship with the hog farmers or the customers. As such, TAL's

operations are completely dependent on the operations at QMP. Collectively, the Companies employed approximately 750 people.

#### **PURPOSE OF THIS REPORT**

4. This Second Report of the Proposal Trustee (the “**Second Report**”) has been prepared to:
- (a) provide an update on the affairs of the Companies since the First Report; and,
  - (b) to provide background for the proposed appointment of Farber as the Receiver of the Companies.

#### **LIMITATION OF REVIEW**

5. Farber has relied upon the financial records and information provided by the Companies, as well as other information supplied by management, appraisers, accountants, auditors and advisors, and Farber has not independently reviewed or verified such information. The Proposal Trustee has prepared this Second Report for the sole use of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) and of the other stakeholders in these proceedings.

#### **FIRST REPORT OF THE PROPOSAL TRUSTEE**

6. The First Report of the Trustee dated April 9, 2014 (the “**First Report**”) is attached as **Appendix “A”**. The Proposal Trustee also prepared a Supplementary First Report at the request of this Honourable Court which the Proposal Trustee filed on April 11, 2014 (the “**Supplemental First Report**”) which is attached as **Appendix “B”**.

7. The First Report and Supplemental First Report were prepared to provide an overview on the affairs of the Companies and provide context in response to certain of the allegations in the motion material filed after the NOI on behalf of certain of the hog producers seeking, inter alia, to terminate the NOI process.

8. The certain hog producers were seeking to have the Companies adjudged bankrupt and/or have a receiver appointed in order to trigger the farmer’s lien on the inventory pursuant to s. 81.2 of the BIA. The matter was heard on April 10 and 11<sup>th</sup>. The Honourable Justice Brown dismissed the hog producers’ motion, with reasons, on April 11, 2014. The materials filed on that motion were

posted on the Proposal Trustees website. A copy of the Honourable Justice Brown's endorsement and reasons was also posted on the Proposal Trustee's website and is attached as **Appendix "C"**.

#### **UPDATE ON THE COMPANIES' AFFAIRS SINCE APRIL 11, 2014**

##### **Cash flows and Material Adverse Change**

9. In paragraph 25 of the First Report, the Proposal Trustee noted that there are two main secured creditors: TD Asset Finance ("TD") and Quality Meat Packers Holdings Limited ("Holdings") which were owed, at the date of filing, approximately \$8,082,000 and \$19,300,000, respectively. In the Supplemental First Report, it was reported that TD had agreed to forbear until April 11, 2014 and discussions between TD and the Companies' were ongoing as to a further forbearance period. TD subsequently agreed to extend the forbearance period until April 17, 2014. Upon the expiry of the forbearance period on April 17, 2014, TD did not agree to extend the forbearance period any further and immediately thereafter repaid itself in full using cash balances in QMP's accounts at TD.

10. On April 13, 2014, the Proposal Trustee filed the Companies' cash flows and related reports as required by s. 50.4(2) of the BIA which are attached as **Appendices "D"** and **"E"**. Two key probable assumptions in the cash flows were that QMP would be able to buy sufficient hogs going forward to justify re-commencing operations in the week starting April 21, 2014 and that the companies would require further forbearances from the bank and/or alternate financing from another source thereafter.

11. On April 21, 2014, QMP advised that it had not arranged for the purchase of hogs this week as a result of a number of factors. This included the inability to secure sufficient supply to operate at an economically viable level and a reduction in customer commitments. The operations remain closed to the date of this Second Report.

12. On April 22, 2014, the Proposal Trustee filed a Material Adverse Change Report (the **"MAC Report"**) with the Official Receiver and mailed copies to the creditors pursuant to s. 50.4(7) of the BIA. The MAC Report is attached as **Appendix "F"**. The Proposal Trustee also posted the MAC Report on its website. The Proposal Trustee's counsel, Aird & Berlis LLP (**"Aird & Berlis"**) also emailed the MAC Report to the service list from the hog producers' earlier motion.

To date, no party has indicated that they are seeking any relief of this Honourable Court related to the MAC Report.

### **Operations and impact on filing a viable proposal**

13. As noted above,

- (a) the Companies have not re-commenced operations;
- (b) a sufficient number of hog producers have not been willing to supply the Companies to permit economically viable operations, even on a prepaid basis; and
- (c) customers have been forced to re-source supply given the lack of production at QMP;

As a result, the Companies do not appear to have a viable business with a going concern value.

14. As at the date of this Second Report, the Companies have not brought a motion seeking to extend the initial 30-day stay period granted by the BIA, nor have the Companies asked the Proposal Trustee to assist in the drafting of a proposal.

15. The initial 30-day stay period expires at the end of the day, Monday May 5, 2014. If no Court-approved extension is obtained or a proposal filed before that time, the Companies will be automatically deemed to have filed assignments in bankruptcy effective May 6, 2014 pursuant to s. 50.4 (8) of the BIA.

### **SECURED CREDITORS**

16. As noted above, there have been no operations since the First Report; accordingly, QMP has been selling the remaining inventory on hand, collecting accounts receivable and not purchasing any more hogs. As a result, QMP has been in a positive cash position even with TD having repaid itself in full as set out above. As at the date of this Second Report, TD has not discharged its PPSA registration.

17. Aird & Berlis has provided independent legal opinions to the Proposal Trustee confirming the validity and perfection of Holdings' security as against any Trustee in Bankruptcy of QMP, or of

TAL. The TAL security was taken shortly before the NOI process commenced and may be limited in priority to the amount of the fresh advance of \$500,000 made by Holdings at that time to sustain the Companies' operations. The legal opinions do not comment on the ranking of the secured claims.

18. Leases of equipment granted by various parties to the Companies have not yet been reviewed. Paragraph 2 (m) of the Notice of Application advises that the other secured creditors have been served with the Notice of Application.

#### **MOTION FOR A COURT-APPOINTED RECEIVER**

19. Holdings is seeking the appointment of a Court-appointed Receiver naming Farber as the Proposed Receiver. Farber consents to act as the Court-appointed receiver, should the Court make such appointment.

20. For the reasons set out in paragraph 13 above, the Companies no longer have a viable going concern business. The Proposed Receiver intends to liquidate the remaining current assets and seek auction/liquidation proposals for the equipment.

21. The Proposed Receiver intends to work with the various secured creditors and will report back to this Honourable Court on the results of the realization efforts, relative ranking of the security, proposed allocation of the realization costs to the various asset pools and the recommended repayments of secured debts, if any, after the realization process is complete.

**All of which is respectfully submitted this 2nd day of May, 2014.**

**A. FARBER & PARTNERS INC.  
The Trustee Acting *in re* the Proposals of  
Quality Meat Packers Limited and  
Toronto Abattoirs Limited**

A. Farber & Partners Inc.

# Tab A



Court File #31-1855569  
Estate # 31-1855569  
Estate # 31-1855570

*ONTARIO*  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST

**IN THE MATTER OF THE PROPOSALS OF  
QUALITY MEAT PACKERS LIMITED AND  
TORONTO ABATTOIRS LIMITED**

**FIRST REPORT OF THE PROPOSAL TRUSTEE**

**APRIL 9, 2014**

## TABLE OF CONTENTS

INTRODUCTION .....	1
PURPOSE OF THIS REPORT .....	2
LIMITATION OF REVIEW .....	2
CAUSES OF INSOLVENCY.....	3
NOI FILING TIMELINE .....	3
ACTIVITIES SINCE THE NOI.....	4
PLAN TO RESTRUCTURE .....	4
LIABILITIES.....	5
CASH FLOW STATEMENTS.....	5
ACTIVITIES OF PROPOSAL TRUSTEE .....	5

## LIST OF APPENDICES

- "A" Certificates of Filing of a Notice of Intention to Make a Proposal
- "B" Creditor Lists Filed with the NOI on April 3, 2014
- "C" Updated Creditor Lists as at April 3, 2014

Court File No. 31-1855569

Estate #. 31-1855569

Estate # 31-1855570

ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST

IN THE MATTER OF THE PROPOSALS OF QUALITY MEAT PACKERS LIMITED AND  
TORONTO ABATTOIRS LIMITED.

**FIRST REPORT OF THE PROPOSAL TRUSTEE  
APRIL 9, 2014**

**A. Farber & Partners Inc.** ("Farber"), in its capacity as the trustee under the proposals of Quality Meat Packers Limited ("QMP") and Toronto Abattoirs Limited ("TAL") (collectively the "**Companies**"), hereby reports to the Court as follows:

**INTRODUCTION**

1. On April 3, 2014, the Companies each filed a Notice of Intention to Make a Proposal pursuant to the *Bankruptcy and Insolvency Act* (Canada) (the "**BIA**"), and named Farber as proposal trustee ("**Proposal Trustee**"). Copies of the Certificates of Filing of a Notice of Intention to Make a Proposal are attached as **Appendix "A"**.
2. QMP operates a pork processing business located 2 Tecumseth Street, Toronto, Ontario which is leased from a related party. The Companies receive up to 24,000 live hogs a week (normally shipped Monday to Thursday), which are generally slaughtered within a day of receipt, then cut, packaged and shipped.
3. Hog producers are normally paid 3 days after slaughter. At a low estimated cost of \$300/hog and 6,000 hogs delivered per day on average, unpaid hog produces would normally be owed at least \$5,400,000 (\$300/hog x 6,000 hogs x 3 days) at any given time.

4. TAL is a separate legal entity but provides the slaughter services to QMP and is integrated into the QMP production facilities. QMP purchases the hogs from the hog farmers, transfers the hogs to TAL for slaughter and then transfers the products back to QMP. TAL does not have a direct relationship with the hog farmers or the customers. Collectively, the Companies employee approximately 750 people.

5. There are two other active businesses operated by related parties, Tasty Chip (2008) Inc. ("**Tasty Chip**") in Etobicoke, Ontario and Great Lakes Specialty Meats of Canada Inc. ("**Great Lakes**") in Mitchell, Ontario. These related parties have not filed for protection from their creditors.

6. The filings of the NOIs created a stay of proceedings against the Companies' creditors pursuant to the BIA, including the hog farmers that delivered live hogs to QMP.

7. There are two main secured creditors: TD Asset Finance ("**TD**") and Quality Meat Packers Holdings Limited ("**Holdings**") which were owed, at the date of filing, approximately \$14,000,000 and \$19,300,000, respectively, as noted in the creditors list filed with the NOI attached as **Appendix "B"**

8. On April 8, 2014, the Proposal Trustee received (but was not served with) a Notice of Motion by the Synergy Swine Group ("**Synergy**") seeking to either have a receiver appointed over the inventory or effect a bankruptcy for the purposes of triggering a first-ranking priority claim on the inventory for the hog farmers that would rank ahead of the secured creditors pursuant to s.81.2 of the BIA.

#### **PURPOSE OF THIS REPORT**

9. This First Report of the Proposal Trustee ("**First Report**") has been prepared to provide an overview on the affairs of the Companies and provide context in response to certain of the allegations in the motion material.

#### **LIMITATION OF REVIEW**

10. Farber has relied upon the financial records and information provided by the Companies, as well as other information supplied by management, appraisers, accountants, auditors and advisors,

and Farber has not independently reviewed or verified such information. The Proposal Trustee has prepared this First Report for the sole use of the Ontario Superior Court of Justice (Commercial List) (the "Court") and of the other stakeholders in these proceedings.

#### **CAUSES OF INSOLVENCY**

11. The Proposal Trustee has been advised by management that the primary cause of the insolvency was cash flow shortages from operating losses over the past few years primarily attributed to:

- (a) Volatility in the price of pork, where increases could not be passed on to customers;
- (b) The decline in the Canadian dollar compared to the US dollar as hog prices from producers are based on US\$ quotes on the Chicago Mercantile Exchange.

#### **NOI FILING TIMELINE**

12. The Proposal Trustee first received a call from TD late in the afternoon on Friday March 28, 2014 advising that the QMP and their counsel had met with TD to advise that QMP was facing a cash flow crisis.

13. TD asked Farber to be on standby as they were unsure as to what might happen over the next few days.

14. Farber first met with QMP's management and TD on Monday March 31, 2014 to discuss QMP's financial challenges. That night, Farber sent an email outlining the information that would be required for filing an NOI including draft engagement letters to the Companies should it become necessary for them to file.

15. On Wednesday, April 2, 2014, QMP started sending creditor lists and including revised creditor lists as late as 1135 p.m., to be compiled for a potential NOI filing.

16. Early on Thursday, April 3, 2014, QMP contacted the Proposal Trustee to advise that it urgently needed to file an NOI since news of QMP's financial difficulties had started being circulated throughout the industry which was causing issues with day-to-day operations.

17. QMP provided signed and dated director's resolutions, the NOIs and the engagement letters to the Proposal Trustee and requested the NOIs be filed immediately, notwithstanding the creditors list, including debt amounts, was not yet finalized.

18. The Proposal Trustee filed the NOI's and the Office of the Superintendent of Bankruptcy issued the April 3, 2014 Certificates of Appointment in Appendix A.

19. In summary, only about 3-1/2 business days transpired from when the Proposal Trustee first received notice from QMP about its financial difficulties to the filing of the NOI.

#### **ACTIVITIES SINCE THE NOI**

20. Since the filing of the NOI on Thursday, QMP has actively been trying to stabilize its operations so it can continue to operate.

21. As part of the stabilization process, QMP has spent considerable time with TD to enter into a short-term forbearance agreements and arrange financing during the NOI process. The financing is intended to allow QMP to facilitate payment to hog producers and other suppliers for shipments and services after the NOI date and to continue to process, ship and sell to customers.

22. QMP also met with a group of approximately 15 hog producers the day after the filing, April 4, 2014; to discuss the financial crisis faced by QMP and request a price reduction for future hog deliveries. Certain of the hog producers indicated verbally that they would agree to the reduction. As at the date of the First Report, these resolutions have not yet been confirmed or implemented as there have not yet been any hog purchases since the NOI.

#### **PLAN TO RESTRUCTURE**

23. As noted above, the NOIs were filed on an urgent basis, so QMP did not have an opportunity to formulate a restructuring plan before filing. Since April 3, 2014 QMP has been concentrating on stabilizing post-NOI operations which is quite common in NOI filings.

24. QMP has not yet had an opportunity to speak to all key stakeholders on possible restructuring plans. To date, QMP has had the meeting with the 15 pork producers noted above and has advised the Proposal Trustee that it has been approached by various stakeholders including

suppliers, customers and the employee union, which have expressed interest in finding ways to help QMP restructure and become a viable business. QMP intends to communicate with stakeholders after the post-NOI filing operations are stabilized and then prepare and submit a proposal to all the unsecured creditors, including the hog producers.

## **LIABILITIES**

25. The following is a summary of the obligations (approximate values) owed to the Company's creditors. The creditor list filed with the NOI was required on an urgent basis and was therefore incomplete. The creditor list has been updated since the filing of the NOI and the updated creditors lists as at April 3, 2014 is attached as **Appendix "C"**. It shows:

- (a) Canada Revenue Agency - \$103,000 – deemed trust
- (b) TD Bank - \$8,082,000 outstanding loan balance - first secured
- (c) Quality Meat Packers Holdings Limited - \$19,300,000 – second secured
- (d) Hog Producers - \$8,671,000
- (e) Other Creditors - \$4,370,000

## **CASH FLOW STATEMENTS**

26. A statement of projected cash flow, a report of the Proposal Trustee on the reasonableness of the cash flow and a report containing prescribed representations by the Company regarding the preparation of the cash flow statement in accordance with the BIA are being prepared and are intended to be filed before the end of the day Friday, April 11, 2014 in compliance with the filing requirements set out in accordance with s. 50.4(2) of the BIA.

## **ACTIVITIES OF PROPOSAL TRUSTEE**

27. Following its appointment as Proposal Trustee, Farber has reviewed the Company's current financial position and nature of operations and assisted the Company in attending to prescribed mailings and preparations of cash flow statements in accordance with the provisions of the BIA.



28. The Proposal Trustee has had extensive meetings and discussions with the TD, QMP and their respective counsel to facilitate the proposed forbearance and interim financing arrangements.

29. The Proposal Trustee has also facilitated discussions between the Company and its suppliers and employees regarding the post-NOI filing protocol.

30. The Proposal Trustee intends to continue to fulfil its functions and obligations as Proposal Trustee pursuant to the BIA and subject to the directions of this Honourable Court.

31. The Proposal Trustee has not seen evidence that would lead the Proposal Trustee to conclude that the Companies have acted or are acting in bad faith.

32. The Proposal Trustee has not determined that the Companies cannot make a viable proposal, and is of the opinion that it is too early to make that determination.

**All of which is respectfully submitted this 9<sup>th</sup> day of April, 2014.**

**A. FARBER & PARTNERS INC.  
The Trustee Acting *in re* the Proposals of  
Quality Meat Packers Limited and  
Toronto Abattoirs Limited**

  
\_\_\_\_\_

**APPENDIX "A"**

**CERTIFICATES OF FILING OF A NOTICE OF INTENTION  
TO MAKE A PROPOSAL DATED APRIL 3, 2014**



Industry Canada

Industrie Canada

Office of the Superintendent  
of Bankruptcy Canada

Bureau du surintendant  
des faillites Canada

District of        Ontario  
Division No.     09 - Toronto  
Court No.        31-1855569  
Estate No.       31-1855569

In the Matter of the Notice of Intention to make a  
proposal of:

**Quality Meat Packers Limited**  
Insolvent Person  
**A. FARBER & PARTNERS INC.**  
Trustee

---

Date of the Notice of Intention:                      April 03, 2014

---

CERTIFICATE OF FILING OF A NOTICE OF INTENTION TO MAKE A PROPOSAL  
Subsection 50.4 (1)

I, the undersigned, Official Receiver in and for this bankruptcy district, do hereby certify that the aforementioned insolvent person filed a Notice of Intention to Make a Proposal under subsection 50.4 (1) of the *Bankruptcy and Insolvency Act*.

Pursuant to subsection 69(1) of the Act, all proceedings against the aforementioned insolvent person are stayed as of the date of filing of the Notice of Intention.

Date: April 03, 2014, 13:05

E-File/Dépôt Electronique

Official Receiver

25 St. Clair Avenue East, 6th floor, Toronto, Ontario, Canada, M4T1M2, (877)376-9902

**Canada**



Industry Canada

Industrie Canada

Office of the Superintendent  
of Bankruptcy Canada

Bureau du surintendant  
des faillites Canada

District of Ontario  
Division No. 09 - Toronto  
Court No. 31-1855570  
Estate No. 31-1855570

In the Matter of the Notice of Intention to make a  
proposal of:

**Toronto Abattoirs Limited**  
Insolvent Person

**A. FARBER & PARTNERS INC.**  
Trustee

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Date of the Notice of Intention: April 03, 2014

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CERTIFICATE OF FILING OF A NOTICE OF INTENTION TO MAKE A PROPOSAL  
Subsection 50.4 (1)

I, the undersigned, Official Receiver in and for this bankruptcy district, do hereby certify that the aforementioned insolvent person filed a Notice of Intention to Make a Proposal under subsection 50.4 (1) of the *Bankruptcy and Insolvency Act*.

Pursuant to subsection 69(1) of the Act, all proceedings against the aforementioned insolvent person are stayed as of the date of filing of the Notice of Intention.

Date: April 03, 2014, 13:12

E-File/Dépôt Electronique

Official Receiver

25 St. Clair Avenue East, 6th floor, Toronto, Ontario, Canada, M4T1M2, (877)376-9902

**Canada**

**APPENDIX "B"**

**CREDITOR LISTS FILED WITH THE NOI ON APRIL 3, 2014**

**QUALITY MEAT PACKERS LIMITED  
LIST OF CREDITORS**

407 ETR	\$ 737.56
A.M. MECHANICAL	6,220.65
ABELL PEST CONTROL	3,831.96
ACCO BRANDS DIRECT	74.26
AFFILIATED CUSTOMS BROKERS LIMITED	137.50
AGRI STATS INC.	3,918.48
AMEX BANK OF CANADA	388.11
APPLIED INDUSTRIAL FLOORING	2,745.90
AQUA FAST FLUSH LTD	2,949.30
ARSENAL CLEANING SERVICES LTD	5,650.00
ARTIC GLACIER PREMIUM ICE	3,000.00
ASB HEATING ELEMENTS LTD.	622.13
ATLAS FENCE TORONTO LTD.	2,538.85
BELL CANADA	372.90
BERNARD KOWAL FOOD PRODUCTS LIMITED	29,567.28
BLUE - PENCIL	299.45
BONAVENTURE	739.58
BUSCH VACUUM TECHNICS INC.	4,217.67
C.F.F. STAINLESS STEELS INC.	1,731.86
CALDIC CANADA INC.	3,578.88
CANADA CARTAGE DIVERSIFIED ULC	394,193.26
CANADA REVENUE AGENCY	619.64
CANADAWIDE SAFETY INC.	366.12
CANADIAN DYNAMIC AIR COMPRESSOR	4,149.36
CANADIAN FOOD INSPECTION AGENCY	1,590.76
CAN-AM INSTRUMENTS LTD	308.23
CARLO MOROSIN	135.19
CENTRAL CANADA METALS INC.	5,252.24
CENTRIFUGES UNLIMITED INC.	2,298.16
CERTIFIED LABORATORIES	776.86
CHLORIDE BATTERY LTD.	1,289.17
CIMCO REFRIGERATION	6,916.88
CINTAS CANADA LIMITED	14,584.58
CLAYTON STEAM SYSTEM SOLUTIONS	3,945.11
CORPORATE COMMUNICATIONS	2,265.65
CRAWFORD-BROWN SUPPLY (ONTARIO) INC.	766.14
CROSSROADS C&I DISTRIBUTORS/FABRICATORS	1,426.58
CRS / VAMIC INC.	3,308.21
D.J. INDUSTRIAL SALES AND MANUFACTURING	2,876.65
DESIGN LABEL SYSTEMS INC.	13,127.28
DIAMOND TAXICAB DISPATCH SERVICE	155.00
DIVERSEY CANADA INC.	11,798.80
DOM ARC WELDING ALLOWS INC.	581.07

**QUALITY MEAT PACKERS LIMITED  
LIST OF CREDITORS**

DOMINION BUSINESS MACHINE LEASING	67.80
DOVERCO	5,451.94
DOWNTOWN LUMBER & BUILDING SUPPLIES CO.	3,524.44
DOWNTOWN RENTAL & BUILDING SUPPLIES LTD.	393.46
DUSSAULT TRANSLATION LIMITED	440.70
EAMA PRECISION MACHINE & TOOLS CO.	6,443.83
EASTERN MEAT SOLUTIONS	1,878.37
ED MINER	750.00
ELASTO PROXY	595.55
ENERSYS CANADA INC.	1,344.72
ERB TRANSPORT	20,411.00
EXACON	3,128.74
FASTENAL CANADA LTD.	11,292.61
FISHER SCIENTIFIC	6,671.65
FOXX ADVERTISING & DESIGN INC.	10,571.15
FRANK RICCI & ASSOCIATES INC.	406.80
GEORGE STAMATAKIS	55.00
GO PACKAGING/GERRARD OVALSTRAPPING	1,745.55
GOLDEN BAY CORP.	1,459.98
GS1 CANADA	2,576.40
HARDWARE AGENCIES	1,074.42
HCH LAZERMAN INC.	1,140.17
HENRY KLASSEN	800.00
IMAGEON TORONTO	3,367.40
INDEPENDENT MECHANICAL SUPPLY	2,561.19
INDUSTRIAL REFRIGERATED SYSTEMS	648.97
INTERNATIONAL COLD STORAGE	275,240.68
INTERROLL CANADA LIMITED	598.78
INTRALOX	358.97
ITM INSTRUMENTS INC.	106.22
J.H. RYDER MACHINERY LIMITED	215.23
JAYEFF PARTNERS	593.25
JERVIS B. WEBB COMPANY OF CANADA	288.15
JOHN BROOKS COMPANY LIMITED	2,813.94
KASCO CANADA DIV. OF ATLANTIC SERVICE CO. LTD.	1,127.25
KENTMASTER MFG. CO. INC.	2,830.98
KETCHUM MANUFACTURING INC.	749.29
L.N. REYNOLDS CO. LTD.	599.41
LEO DEGARIO ESPINOSA PONDANG	233.57
LINDE	698.86
LIQUID CARGO LINERS LIMITED	13,016.39
LITTLE SILVER CORPORATION	11,472.00
M & M CUSTOM CONVEYOR FABRICATION INC.	6,991.31

**QUALITY MEAT PACKERS LIMITED  
LIST OF CREDITORS**

MAGNETO ELECTRIC SERVICE CO. LIMITED	6,713.12
MATHEWS DINSDALE & CLARK LLP	9,048.57
MAXXAM ANALYTICS	10,745.60
MCCORDICK GLOVE & SAFTY	2,061.07
MCMASTER CARR	1,275.67
MEGACITY EXPEDITER INC.	2,188.37
MENNEKES ELECTRICAL PRODUCTS	346.54
MICHAEL I. ATLAS	971.80
MINISTER OF FINANCE (GARNISHEES)	68.12
MINISTRY OF COMMUNITY AND SOCIAL SERVICES	2,322.81
MINISTRY OF FINANCE	26,468.15
MMIS INC.	4,229.91
MONTOUR	2,791.60
MOORE CANADA	654.95
MORLEY ANNEAR LTD	23,404.42
MOUNTAIN VIEW ESTATES COFFEE	751.12
MPS NORTH AMERICA, INC.	3,028.01
MR. ROLLER 2000 (2004) INC.	639.25
N & A TRANSPORT SERVICES LTD	72,692.90
NATIONAL TIME EQUIPMENT CO. LTD	364.88
NINE NORTH LOGISTICS INC	975.04
NORAMPAC - ETOBICOKE	273,563.06
NORAMPAC - JELCO	1,434.38
NORAMPAC - ST MARYS	1,599.65
OMORI NORTH AMERICA INC.	2,116.04
ONTARIO GLOVE & SAFETY	22,867.59
PACKALL PACKAGING INC.	72,504.96
PAUL WOLF LIGHTING AND ELECTRICAL SUPPLIES	8,101.51
PEMBERTONS & ASSOCIATES INC.	212.65
PEREIRAS MOBILE SERVICE	7,409.74
PHOENIX AGRITEC INC.	65,239.50
PREMIER PALLET & REPAIR SERVICE	6,102.00
PROCESS & STEAM SPECIALTIES	260.40
PROVINCE ELECTRIC SUPPLY LTD.	6,173.22
PULEY SUPPLIES INC.	7,843.46
PUROLATOR INC.	1,974.75
QUALITY MEAT PACKERS HOLDINGS LIMITED	19,300,000.00
REGENCY PLASTICS COMPANY LTD	46,249.86
REGIONAL HOSE TORONTO LTD	3,327.86
REISER CANADA	907.32
RELIABLE BEARING CO. LTD.	5,988.01
RICHARD GRAVELLE	570.97
RIDOUT & MAYBEE LLP	282.50



**QUALITY MEAT PACKERS LIMITED  
LIST OF CREDITORS**

ROCKTENN CDMPANY OF CANADA INC.	347,824.96
RUDOLPH INDUSTRIES	3,457.80
RUSSELL FOOD EQUIPMENT	291.65
RYAN FILTER SALES INC.	932.82
S+C PARTNERS LLP	1,073.50
SANIMAX LTD	1,813.17
SEALED AIR	25,906.92
SP STALLS & STORAGE	2,175.25
SPENCOMP SOLUTIONS INC.	1,599.83
SPRINGDALE GRAPHICS SERVICES	1,177.92
STAPLES ADVANTAGE	1,577.42
STEADFAST SAFETY SERVICES	441.83
STEPHENSON'S RENTAL SERVICE	1,086.03
SUMAQ WHOLESALERS LTD	23,124.94
SUMMIT FDOD SERVICES	5,249.87
SUPERIOR DOOR & GATE SYSTEMS INC.	6,022.90
TECH ELECTRIC INC.	3,026.14
TELO IP	1,678.05
TEMPTALE CANADA LTD	561.38
THE PALLET GROUP INC	16,893.45
THE YES GROUP INC.	2,316.52
TIGER DIRECT	1,362.26
TONY & NICK'S PLACE	357.50
TORONTO PALLET & SKID	7,051.20
TORONTO SALT & CHEMICALS LIMITED	4,989.85
TORONTO-DOMINION BANK	14,000,000.00
TOTAL LIFT CDMPANY LTD	324.18
TRANS AMERICAN CHB INC	4,886.40
UNISOURCE CANADA INC.	11,763.61
VISCOFAN CANADA INC	119,356.50
WAJAX INDUSTRIAL COMPONENT	18,706.46
WESTROW FOOD GROUP	1,103.51
WHITEBIRD NATIDNAL CORRUGATE	1,146.95
WSIB	1.00
XEROX CANADA LTD.	399.88
XYLEM CANADA COMPANY	209.30

**TORONTO ABATTOIRS LIMITED  
LIST OF CREDITORS**

AIR LIQUIDE CANADA INC.	\$ 23,075.31
CINTAS CANADA LIMITED	5,785.72
CITY OF TORONTO FINANCE REVENUE SERVICE	1.00
CLASSIC BUILDING MAINTENANCE INC.	395.50
DICAN ENTERPRISES	7,777.66
ECOLO ODOR CONTROL SYSTEMS	4,506.44
ENBRIDGE GAS DISTRIBUTION	775.43
FAMILY RESPONSIBILITY OFFICE	748.14
G.T. WOOD	3,966.30
INTERNATIONAL UNION OF OPERATING ENGINEERS LOCAL 772	1.00
IRON HORSE CORPORATION	11,616.55
J. J. CONSTRUCTION LTD.	21,158.43
KEITH FUNG ON	110.07
L. R. WELDING	1,186.50
MAMMONE DISPOSAL SYSTEM LIMITED	12,325.36
MINISTRY OF FINANCE	1.00
NORKEM INC.	594.39
PARACEL LABORATORIES LTD.	1,919.26
PEREIRA'S MOBILE SERVICE	675.28
PROVINCIAL BUTCHERS MACHINERY COMPANY LIMITED	101.70
QUALITY MEAT PACKERS HOLDINGS LIMITED	19,300,000.00
RECEIVER GENERAL	1.00
STEAM SPECIALTY SALES LTD.	415.84
TORONTO HYDRO	1.00
TORONTO-DOMINION BANK	14,000,000.00
TREASURER CITY OF TORONTO	1.00
TREASURER, CITY OF TORONTO	1.00
UNITED FOOD COMMERCIAL WORKERS UNION LOCAL 175	1.00
VARIOUS EMPLOYEES	1.00
WSIB	1.00
XPRESS TECHNOLOGIES GROUP	4,124.50

**APPENDIX "C"**

**UPDATED CREDITOR LISTS AS AT APRIL 3, 2014**

**Quality Meat Packers Limited  
Creditors List**

**Estate 31-1855569**

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
407 ETR	P.O. BOX 407 STATION D SCARBOROUGH ON M1R 5J8		737.56
A.M. MECHANICAL	46 ALLISTER AVE SCARBOROUGH ON M1M 3K9		6,220.65
ABELL PEST CONTROL	200 TIFFIELD ROAD UNIT 107 SCARBOROUGH ON M1V 5J1		3,831.96
ACCO BRANDS DIRECT	C/O T57138C, BOX 57138, POSTAL STN A TORONTO ON M5W 5M5		251.00
ADP CANADA	3250 Bloor St W, 16th Floor, East Tower Etobicoke ON M8X 2X9		251.00
AFFILIATED CUSTOMS BROKERS LIMITED	5285 SOLAR DRIVE, SUITE 103 MISSISSAUGA ON L4W 5B8		251.00
AGRI STATS INC.	NW 6450, PO BOX 1450 MINNEAPOLIS MN 55485-6450 USA		3,918.48
A-L PORK INC. Greg Jantzi	176 Lahinger Blvd New Hamburg ON N3A 2G9		603.00
AMEX BANK OF CANADA	PO BOX 2000 WEST HILL ON M1E 5H4		388.11
APPLIED INDUSTRIAL FLOORING	31 PORTLAND STREET TORONTO ON M8Y 1A6		2,745.90
APRI INSURANCE SERVICES INC. Margaret Reid	165 East Beaver Creek, Suite 18 Richmond Hill ON L4B 2N2		251.00
AQUA FAST FLUSH LTD	650 MERCER STREET DUNDAS ON L9H 6C7		2,949.30
ARSENAL CLEANING SERVICES LTD	80 NASHDENE ROAD, UNIT 7 TORONTO ON M1V 5E4		5,650.00
ARTHUR AND ROSS KNILL	41 Hwy 2, RR#2 Princeton ON N0J 1V0		710.00
ARTIC GLACIER PREMIUM ICE	625 HENRY AVE WINNIPEG MB R3A 0V1		3,000.00
ASB HEATING ELEMENTS LTD.	20 BETHRIDGE RD TORONTO ON M9W 1N1		622.13
ATLAS FENCE TORONTO LTD.	29 COMMERCIAL RD SUITE 101 TORONTO ON M4G 1Z3		2,536.85
B&D BALFOUR FARMS LTD. Brian Balfour	6441 Line 26, RR#2 Staffa ON N0K 1Y0		12,263.00
BELL CANADA	P.O. BOX 1550 NORTH YORK ON M3C 3N5		372.90

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
BELLERA LIVESTOCK INC. Art Bos	83070 Marnoch Line Auburn ON N0M 1E0		51,597.00
BERNARD KOWAL FOOD PRODUCTS LIMITED	2399 CAWTHRA RD, SUITE 206 MISSISSAUGA ON L5A 2W9		29,567.28
BILL VAN WYK	433822 Zenda Line, RR#1 Burgessville ON N0J 1C0		35,452.00
BILL VAN WYK (Transport) Melinda Van Wyk	433822 Zenda Line, RR#1 Burgessville ON N0J 1C0		320.00
BLOXSLEA FARMS INC. (Transport) Jim Bloxsidge	384749 Salford Rd, RR#1 Burgessville ON N0J 1C0		5,569.00
BLOXSLEA FARMS INC. Jim Bloxsidge	384749 Salford Rd, RR#1 Burgessville ON N0J 1C0		601,413.00
BLUE - PENCIL	761 REDWOOD SQUARE OAKVILLE ON L6L 6R6		299.45
BONAVENTURE	472A MAIN RD HUDSON QC J0P 1H0		739.58
BOSS CANADA INC. Steve Caserta	20A Courtland Avenue Concord ON L4K 5B3		251.00
BRAE-HEID FARM Roger & Scott Richmond	927155 Oxford Road 8, RR#4 Bright ON N0J 1B0		16,495.00
BRIDGEWAY SINE Darren Frey	946 12th Line, RR#2 Alma ON N0G 1P0		22,751.00
BRINDLEY COMPANY LTD. Jim Brindley	81629 B Lucknow Line, RR#4 Goderich ON N7A 3Y1		1,153.00
BROEK FARM Fons VanDenBroek	203719 Keswick Rd, RR#1 Brownsville ON N0L 1C0		42,163.00
BRUSSELS TRANSPORT LTD. Neil Jutzi	85811 Brussels Line, RR#2 BLUEVALE ON N0G 1G0		28,552.00
BUSCH VACUUM TECHNICS INC.	1740 LIONEL BERTRAND BLVD BOISBRIAND QC J7H 1N7		4,217.67
C.F.F. STAINLESS STEELS INC.	1840 BURLINGTON ST. EAST HAMILTON ON L8H 3L4		1,731.86
CALDIC CANADA INC.	6980 CREDITVIEW ROAD MISSISSAUGA ON L5N 8E2		3,578.88
CANADA CARTAGE DIVERSIFIED ULC	1115 CARDIFF BLVD. MISSISSAUGA ON M5V 2R5		713,000.00

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
CANADA REVENUE AGENCY	TECHNOLOGY CENTRE, 875 HERON ROAD Ottawa ON K1A 1B1		103,000.00
CANADAWIDE SAFETY INC.	20A COURTLAND AVE. CONCORD ON L4K 5B3		366.12
CANADIAN DYNAMIC AIR COMPRESSOR	57 ATOMIC AVE TORONTO ON M8Z 5K8		4,149.36
CANADIAN FOOD INSPECTION AGENCY	100-33 WELDON STREET MONCTON NS E1C 0N5		1,590.76
CAN-AM INSTRUMENTS LTD	2851 BRIGHTON ROAD OAKVILLE ON L6H 6C9		306.23
CASSELS BROCK LLP	Scotia Plaza, 40 King St W, Suite 2100 Toronto ON M5H 3C2		251.00
C-CARE HEALTH SERVICES Linda G. Dacillo RN, BScN, MScN	303-3768 Bathurst Street Toronto ON M3H 3M6		3,500.00
CENTRAL CANADA METALS INC.	253 TORYORK DRIVE, UNIT A TORONTO ON M9L 1Y2		5,252.24
CENTRIFUGES UNLIMITED INC.	605 COLBY DRIVE WATERLOO ON N2V 1A1		2,298.16
CERTIFIED LABORATORIES	P.O. BOX 2413T, STATION A TORONTO ON M5W 2K6		776.86
CHLORIDE BATTERY LTD.	335 MATHESON BLVD. MISSISSAUGA ON L4Z 1X8		1,289.17
CIMCO REFRIGERATION	65 VILLIERS STREET TORONTO ON M5A 3S1		6,916.88
CINTAS CANADA LIMITED	23 TORLAKE CRES Etobicoke ON M8Z 1B5		14,584.58
CLAYTON STEAM SYSTEM SOLUTIONS	13 EDVAC DRIVE UNIT 18 & 19 BRAMPTON ON L6S 5W6		3,945.11
CORPORATE COMMUNICATIONS	236 PLAINS RD EAST BURLINGTON ON L7T 2C3		2,265.65
CRAWFORD-BROWN SUPPLY (ONTARIO) INC.	8262 IRISH DR., BOX 659 MOUNT BRYDGES ON N0L 1W0		766.14
CRONIN PORK LTD. Mike Cronin	86236 Johnston Line, RR#2 Bluevale ON N0G 1G0		897.00
CROSSROADS C&I DISTRIBUTORS/FABRICATORS	1000 MARTINGROVEROAD ETOBICOKE ON M9W 4V8		1,426.58

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
CRS / VAMIC INC.	300 ST-FRANCOIS-XAVIER, UNIT 207 DELSON QC J5B 1Y1		3,308.21
D.J. INDUSTRIAL SALES AND MANUFACTURING	25 NORTH RIVERMEDE ROAD, UNIT 1-3 CONCORD ON L4K 5V4		2,876.65
DE LAGE LANDEN FINANCIAL SERVICES CANADA INC.	3450 Superior Court, Unit 1 Oakville ON L6L 0C4		251.00
DESIGN LABEL SYSTEMS INC.	150 CAPITAL COURT MISSISSAUGA ON L5T 2R8		13,127.28
DIAMOND TAXICAB DISPATCH SERVICE	251 QUEEN ST EAST TORONTO ON M5A 1S6		251.00
DIVERSEY CANADA INC.	BOX NUMBER 15218, STN A TORONTO ON M5W 1C1		11,798.80
DOM ARC WELDING ALLOWS INC.	3364 KEELE ST, BOX 50512 NORTH YORK ON M3J 3L0		581.07
DOMINION BUSINESS MACHINE LEASING	120 CHINE DRIVE SCARBOROUGH ON M1M 2L1		251.00
DOVERCO	3245 J.B. DESCHAMPS BLVD LACHINE QC H8T 3E4		5,451.94
DOWNTOWN LUMBER & BUILDING SUPPLIES CO.	172 OSSINGTON AVE TORONTO ON M6J 2Z7		3,524.44
DOWNTOWN RENTAL & BUILDING SUPPLIES LTD.	393 SORAURENAVENUE TORONTO ON M6R 2G5		393.46
DUSSAULT TRANSLATION LIMITED	5 PARK HOME AVE, SUITE 600 TORONTO ON M2N 6L4		440.70
EAMA PRECISION MACHINE & TOOLS CO.	996 WESTPORT CRES. UNIT 9B MISSISSAUGA ON L5T 1G1		6,443.83
EASTERN MEAT SOLUTIONS	19 RANGEMORE ROAD ETOBICOKE ON M8Z 5H9		1,878.37
EDWARD AND ANITA OTTEN	4118 East Chippawa Rd, RR#3 Wellandport ON L0R 2J0		15,951.00
EINWECHTER LIMITED Brenda Einwechter	1371 Bridge St, RR#1 New Dundee ON N0B 2E0		275.00
ELASTO PROXY	4035 RUE LAVOISIER BOISBRIAND QC J7H 1N1		595.55
ELEMENT FLEET MANAGEMENT INC.	900 - 4 Robert Speck Parkway Mississauga ON L4Z 1S1		251.00
ELROY MARTIN	RR#1 Elmira ON N3B 2Z1		2,571.00



List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
ENERSYS CANADA INC.	61 PARR BOULEVARD, UNIT 3 BOLTON ON L7E 4E3		1,344.72
EQUITABLE LIFE OF CANADA Sandi Robertson/Mary Caprio	7100 Woodbine Ave, Suite 215 Markham ON L3R 5J2		750,000.00
ERB TRANSPORT	290 HAMILTON RD NEW HAMBURG ON N3A 1A2		20,411.00
ERMA YARD INC. Eric Van Zantvoort	285437 Airport Rd, RR#1 Norwich ON N0J 1P0		37,080.00
EXACON	254 THAMES RD EAST EXETER ON N0M 1S3		3,128.74
FASTENAL CANADA LTD.	860 TRILLIUM DR., SUITE 117 KITCHENER ON N2R 1K4		11,292.61
FINANCIALINX CORPORATION	2001 Sheppard Ave E, 6th Floor Toronto ON M2J 4Z8		251.00
FISHER SCIENTIFIC	C/O T10078, BOX 10078, STN A TORONTO ON M5W 2B1		6,671.65
FLORADALE/PROFESSIONA L PORK ASSOCIATES (Floradale Feed) John Otten	219 Oak St Stratford ON N5A 8A1		475,495.00
FOSTER TRANSPORT LTD. James Martin	5872 Ament Line, RR#1 Linwood ON N0B 2A0		337.00
FOXX ADVERTISING & DESIGN INC.	1 GREENSBORO DRIVE, SUITE 200 TORONTO ON M9W 1C8		10,571.15
FRANCIS & FRANCES SCHLOSSER	7085 Floradale Rd, RR#1 Elmira ON N3B 2Z1		1,253.00
FRANK RICCI & ASSOCIATES INC.	76 WINNERS CIRCLE TORONTO ON M4L 3Z7		406.80
FRANK RICCI AND ASSOCIATES INC. Frank Ricci	76 Winers Circle Toronto ON M4L 3Z7		251.00
FULSOM TRANSPORT LTD. Brad Fulsom	1245 Concession 4, RR#2 Fisherville ON N0A 1G0		3,261.00
G.E. LEBLANC INC.	51 MORISETTE St. Anseime ON G0R 2N0		3,950.65
GEERTS FARMS LTD. Bill & Carol Geerts	29596 Centre Rd, RR#6 Strathroy ON N7G 3H7		30,833.00
GENEX ONTARIO (SWINEX INC) (SYNERGY SERVICES)	332 Lome East Stratford ON N5A 6S4		122,551.00

**List of Creditors with claims of \$250 or more.**

Creditor	Address	Account#	Claim Amount
GEORGEDALE FARMS LTD Larry Frieburger	395 Concession RD 6 E Bruce County ON N0G 1S0		192,903.00
GERDON FARMS INC. (Affinity N/L Pork) Kevin Kuepfer	6621 Road 116, RR#1 Millbank ON N0K 1L0		251.00
GO PACKAGING/GERRARD OVALSTRAPPING	735 OVAL COURT Burlington ON L7L 6A9		5,106.64
GOLDEN BAY CORP.	1184 CASTLEFIELD AVENUE TORONTO ON M6B 1G1		1,459.98
GREY-BRUCE PORK INC. Clare Schlegel	3668 Road 104, RR#1 TAVISTOCK ON N0B 2R0		57,324.00
GS1 CANADA	C/O TH1029, BOX 4283 STN A M5W 5W6 ON M5W 5W6		2,576.40
HAM HAVEN ACRES LTD. Maynard Gingrich	5432 Line 71, RR#2 Atwood ON N0G 1B0		128,232.00
HARDWARE AGENCIES	1220 DUNDAS ST. EAST TORONTO ON M4M 1S3		1,074.42
HARWIL FARMS MOBILE FEEDS LTD (Transport) Lea Metcalfe	4410 Hwy 6, RR#6 Hangersville ON N0A 1H0		19,937.00
HARWIL FARMS MOBILE FEEDS LTD Head Office, Lea Metcalfe	1090 Conc #11 Hangersville ON N0A 1H0		528,885.00
HAWKINS PORK LIMITED Tom & Brian Graydon	264097 Prouse Rd, RR#1 Mt. Elgin ON N0J 1N0		887,079.00
HCH LAZERMAN INC.	278 BATHURST ST TORONTO ON M5T 2S3		1,140.17
HENRY KLASSEN			800.00
HILLOCH FARMS INC. Murray Brunskill	333 First Line, RR#2 Elora ON N0B 1S0		15,742.00
HISHON, C.J. INC. Colleen Ossendryver	4651 Perth Road 145, RR#1 SEBRINGVILLE ON N0K 1X0		7,698.00
HOWATT BROS LTD. Terry Greidanus	81941 Dutch Line, Box 252 LDESBOROUGH ON N0M 2H0		251.00
IMAGEON TORONTO	204 -80 RICHMOND ST WEST TORONTO ON M5V 2R5		3,367.40
INDEPENDENT MECHANICAL SUPPLY	310 CARLINGVIEW DRIVE ETOBICOKE ON M9W 5G1		2,561.19

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
INDUSTRIAL REFRIGERATED SYSTEMS	10282 R.R. #5, 4TH LINE MILTON ON L9T 2X9		848.97
INTERNATIONAL COLD STORAGE	8155 TRANSCANADIENNE VILLE ST-LAURENT QC H4S 1S4		275,240.68
INTERNATIONAL UNION OF OPERATING ENGINEERS	LOCAL 772 1030 UPPER JAMES HAMILTON ON L9C 6X6		251.00
INTERROLL CANADA LIMITED	1201 GORHAM ST. NEWMARK ON L3Y 8Y2		598.78
INTRALOX	P.O. BOX 730367 DALLAS TX 75373-0367 USA		358.97
IRON HORSE SECURITY & INVESTIGATIONS Justin Fems, VP, Operations	5414 Dundas St W, Suite 90 Toronto ON M9B 1B5		65,726.69
ITM INSTRUMENTS INC.	20800 BOUL INDUSTRIEL STE-ANNE-DE-BELLEVUE QC H9X 0A1		251.00
IVEL, ALEX H. & SONS INC. Allan Ivel	6242 Highway 109, RR#3 Harrist ON N0G 1Z0		334.00
JAKIN FARMS LTD	Richard Yantzi 656776 Line 15, RR#1 Tavistock ON N0B 2R0		141,257.00
JAYEFF PARTNERS	76 MAIN STREET WEST, UNIT 6 GRIMSBY ON L3M 1R6		593.25
JENA FARMS INC.	Jeff Balfour 5981 Line 24, RR#1 Fullarton ON N0K 1H0		44,738.00
JEREMY TERPSTRA	Jeremy Terpstra 42664 Moncrieff Rd, RR#2 Brussels ON N0G 1H0		3,800.00
JERVIS B. WEBB COMPANY OF CANADA	1647 BURLINGTON ST E, BOX 3428 HAMILTON ON L8L 7X7		288.15
JOHN BROOKS COMPANY LIMITED	2625 MEADOWPINE BLVD. MISSISSAUG ON L5N 7K5		2,813.94
JOHN VAN NES	John Van Nes 4177 Line 29, RR#3 Stratford ON N5A 6S4		66,046.00
JOHN VOSKAMP (Affinity N/L)	John Voskamp 5599 Line 71, RR#2 Atwood ON N0G 1B0		251.00

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
JOHN WATSON	2233 Wellington St, Box 105 Blyth ON N0M 1H0		251.00
JP KEEN FARMS INC.	Clarence Keen 1045 Town Line, RR#5 Dunnville ON N1A 2W4		55,772.00
JR TERPSTRA FARMS LTD	Herman Terpstra 44423 Newry Lane Brussels ON N0G 1H0		410,701.00
KASCO CANADA DIV. OF ATLANTIC SERVICE CO. LTD.	P.O. BOX 9666, STN A TORONTO ON M5W 1P8		1,127.25
KELA FARMS LTD	Ian Sanders 8400 Churchill Line, RR#7 Walford ON N0M 2S0		11,042.00
KENTMASTER MFG. CO. INC.	181 SOUTH MOUNTAIN AVE MONROVIA CA 91016 USA		2,830.98
KETCHUM MANUFACTURING INC.	1245 CALIFORNIA AVENUE BROCKVILLE ON K6V 7N5		749.29
KNIGHTSBRIDGE	Rita Eskudt, Partner 250 Yonge Street, 28th Floor, Box 20 Toronto ON M5B 2L7		251.00
KUIJPERS KEY FARMS	Hein Kuijpers 3117 Egermont Dr., RR#5 Strathroy ON N7G 3H6		60,922.00
L.N. REYNOLDS CO. LTD.	10160 HURONTARIO ST BRAMPTON ON L6V 1A1		599.41
LAKEVIEW SWINE	Jason Caughell 30756 Lakeview Line Wallacetown ON N0L 2M0		104,364.00
LEODEGARIO ESPINOSA PONDANG	2790 EGLINTON AVENUE EAST, UNIT 8 SCARBOROUGH ON M1J 2C8		251.00
LINDE	88 NORTH QUEEN STREET ETOBICOKE ON M5V 2R5		698.86
LIQUID CARGO LINERS LIMITED	P.O. BOX 3500 CALGARY AB T2P 2P9		13,016.39
LITTLE SILVER CORPORATION	720 N. OLD WOODWARD, SUITE 204 BIRMINGHAM MI 48009 USA		11,472.00
LUCKHART TRANSPORT LTD.	Doug Luckhart 4049 Perth Road 135, Box 65 SEBRINGVILLE ON N0K 1X0		14,253.00

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
LYNMUR VALLEY INC	Murray Lichty RR#1 Ariss ON N0B1B0		12,604.00
M & M CUSTOM CONVEYOR FABRICATION INC.	9-18 AUTOMATIC ROAD BRAMPTON ON L6S 5N5		6,991.31
MACDONALD TRANSPORT LTD., EARL & SONS	Jim MacDonald 11099 Currie Road, RR#2 DUTT ON N0L 1J0		6,053.00
MAGNETO ELECTRIC SERVICE CO. LIMITED	1150 EGLINTON AVE. EAST MISSISSAUGA ON L4W 2M6		6,713.12
MAHOGANY FARMS c/o SYNERGY	515 Maitland Ave S Listowel ON N4W 2M7		17,783.00
MASSE RICK TRUCKING INC.	Karen Masse 72442 Bronson Line, RR#3 ZURICH ON N0M 2T0		11,188.00
MATHEWS DINSDALE & CLARK LLP	155 WELLINGTON STREET WEST TORONTO ON M5V 3H1		9,048.57
MATHEWS, DINSDALE & CLARK LLP	D Leone/D Attwell/P Rusak 155 Wellington St W, RBC Centre, Suite 3600 Toronto ON M5V 3H1		80,000.00
MAXXAM ANALYTICS	P.O. BOX 57437, STN A TORONTO ON M5W 5M5		10,745.60
MCCORDICK GLOVE & SAFTY	400 JAMIESON PKWY CAMBRIDGE ON N3C 4N3		2,061.07
MCKINNON TRANSPORT, ALLAN	Matthew McKinnon 057957 Concession 11, RR#4 TARA ON N0H 2N0		2,046.00
MCMASTER CARR	PO BOX 7690 CHICAGO IL 60680-7690 USA		1,275.67
MEGACITY EXPEDITER INC.	P.O. BOX 97556, HIGHLAND CREEK TORONTO ON M1C 4Z1		2,188.37
MENNEKES ELECTRICAL PRODUCTS	277 FAIRFIELD ROAD, SUITE 111 FAIRFIELD NJ 07004 USA		346.54
MICHAEL I. ATLAS	2500-120 ADELAIDE ST. WEST TORONTO ON M5H 1T1		971.80
MICHAEL VANDERBURGT	RR#3 Mitchell ON N0K1N0		43,622.00
MINISTER OF FINANCE (GARNISHEES)	47 SHEPPARD AVE EAST TORONTO ON M2N 5N1		251.00

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
MINISTRY OF COMMUNITY AND SOCIAL SERVICES	FAMILY RESPONSIBILITY OFFICE, BOX 2204, STN P DOWNSVIEW ON M5S 3E9		2,322.81
MINISTRY OF FINANCE	33 KING ST W., BOX 620 OSHAWA ON L1H 8E9		26,468.15
MMIS INC.	340 INDUSTRIAL PARKWAY SOUTH AURORA ON L4G 3V7		4,229.91
MOLESWORTH FARM SUPPLY	Wendy Siefert 44873 Perth Line 86, RR#1 Listowel ON N4W 3G6		198,081.00
MONOWAY FARMS LTD	Wayne Fear 40365 Morris Rd., RR#4 Brussels ON N0G 1H0		5,276.00
MONTOUR	1080 MICHELE BOHEC BLAINVILLE QC J7C 5N5		2,791.60
MOORE CANADA	P.O. BOX 3537, STNA TORONTO ON M5W 3G4		654.95
MORLEY ANNEAR LTD	5287 AA MacDONALD HWY, BOX 518 BRUDENELL PE C0A 1R0		23,404.42
MOUNTAIN VIEW ESTATES COFFEE	26 LOGAN AVE TORONTO ON M4M 2M8		751.12
MPS NORTH AMERICA, INC.	8226 NIEMAN RD. LENEXA, KS KS 66214 USA		3,028.01
MR. ROLLER 2000 (2004) INC.	4 PAGET RD. UNIT# 9 BRAMPTON ON L6T 5G3		639.25
MURTON BRAE FARMS LTD.	Doug Hammerton 544833 Clarke Rd Beachville ON N0J 1A0		46,988.00
N & A TRANSPORT SERVICES LTD	25 WHANTON SQUARE SCARBOROUGH ON M1V 4M9		72,692.90
NATIONAL TIME EQUIPMENT CO. LTD	1548 THE QUEENSWAY TORONTO ON M8Z 1T5		384.88
NATURE PORK	Allan Van Ravensway 404966 Beaconsfield Road, RR#2 Burgessville ON N0J 1C0		186,029.00
NINE NORTH LOGISTICS INC	58 WELHAM ROAD BARRIE ON L4N 8Y4		975.04
NORAMPAC - ETOBICOKE	450 EVANS AVE. ETOBICOKE ON M8W 2T5		273,563.06

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
NORAMPAC - JELCO	35 FRASER COURT BARRIE ON L4N 5J5		1,434.38
NORAMPAC - ST MARYS	304 JAMES ST S, BOX 1090 ST MARYS ON N4X 1B7		1,599.65
OMORI NORTH AMERICA INC.	28 SIMPSON RD. BOLTON ON L7E 1G9		2,116.04
ONTARIO GLOVE & SAFETY	5 WASHBURN DR. KITCHENER ON N2R 1S1		22,867.59
ONTARIO MINISTRY OF LABOUR	(unpaid fine) 400 University Ave, 14th Floor Toronto ON M7A 1T7		87,500.00
OP MARKETING DIVISION	Jim Weir 655 Southgate Drive Guelph ON N1G 5G6		1,032,210.00
OP PRODUCERS	Jim Weir 655 Southgate Drive Guelph ON N1G 5G6		31,094.00
PA PORK	44743 Perth Line 86 Listowel ON N4W 3G6		48,724.00
PACKALL PACKAGING INC.	2 SHAFTSBURY LANE BRAMPTON ON L6T 3X7		72,504.96
PAUL WOLF LIGHTING AND ELECTRICAL SUPPLIES	425 ALLIANCE AVE TORONTO ON M6N 2J1		8,101.51
PEMBERTONS & ASSOCIATES INC.	3610 NASHUA DRIVE MISSISSAUGA ON L4V 1X9		251.00
PEREIRAS MOBILE SERVICE			7,409.74
PETERVALE FARMS	Arie & Rikie Brinke 442327 Conc Rd 12-13 Grand Valley ON L9W 3W1		10,726.00
PHOENIX AGRITEC INC.	UNIT 1 - 75 SCURFIELD BLVD. WINNIPEG MB R3Y 1P6		65,239.50
PIET PEETERS	73082 Black Bush Line, RR#2 Zurich ON N0M 2T0		60,689.00
PORKLAND FARMS INC	30571 Sylvan Rd., RR#1 Arkona ON N0M1B0		49,259.00
PREMIER PALLET & REPAIR SERVICE	4575 YONGE STREET, SUITE 507 TORONTO ON M2N 6N4		6,102.00

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
PRINZEN & SON LIMMITED	Bert Prinzen 1085 Concession 6 Walpole, RR#1 Jarvis ON N0A 1J0		85,982.00
PROCESS & STEAM SPECIALTIES	4080-B SLADEVIEW CRESCENT, UNIT 2 MISSISSAUGA ON L5L 5Y5		260.40
PROVINCE ELECTRIC SUPPLY LTD.	425-6 SUPERIOR BLVD. MISSISSAUGA ON L5T 2W5		6,173.22
PULEY SUPPLIES INC.	1645 BONHILL RD., UNIT 12 MISSISSAUGA ON L5T 1R3		7,843.46
PURULATOR INC.	BOX 1100, ETOBICOKE POSTAL STN A ETOBICOKE ON M9C 5K2		1,974.75
QUALITY MEAT PACKERS HOLDINGS LIMITED	2 TECUMSETH STREET TORONTO ON M5V 2R5		19,300,000.00
RBC DOMINION SECURITIES INC. Azim Hajee	200 Bay Street, Suite 3900 Toronto ON M5J 2J2		251.00
RCAP LEASING INC.	5575 North Service Rd, Suite 300 Burlington ON L7L 6M1		251.00
REGENCY PLASTICS COMPANY LTD	50 BRISBANE ROAD DOWNSVIEW ON M3J 2K2		46,249.86
REGIONAL HOSE TORONTO LTD	15 CONNIE CR., UNIT 22-23 CONCORD ON L4K 1L3		3,327.86
REISER (CANADA) CO.	1549 Yorkton Court, Unit #4 Burlington ON L7P 5B7		251.00
REISER CANADA	1549 YORKTON COURT, UNIT 4 BURLINGTON ON L7P 5B7		907.32
RELIABLE BEARING CO. LTD.	955 MEYERSIDE DRIVE MISSISSAUGA ON L4K 2T8		5,988.01
REUBEN BAUMAN	4535 Hesson Strasse, RR#3 Wellesley ON N0B 2T0		6,422.00
RFW FARMS	James Reesor 2 Main Street East Grimsby ON L3M 1M0		205,774.00
RICHARD GRAVELLE	813 DEVERON CRES. LONDON ON N5Z 5B4		570.97
RIDOUT & MAYBEE LLP	250 UNIVERSITY AVE E, 5TH FLOOR TORONTO ON M5H 3E5		282.50
RNR FARMS c/o SYNERGY	Wendy Siefert 44743 Perth line 86 Listowel ON N4W 3G6		63,736.00



List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
ROBERT KAUFMAN	676488 Line 16 East Zorra-Tavistock, RR#1 Bright ON N0J 1B0		1,070.00
ROCKTENN COMPANY OF CANADA INC.	LOCKBOX #T23210C, BOX 4232, STNA TORONTO ON M5V 2R5		347,824.96
ROSE FARMS LTD.	5860 Perth Line 36, RR#3 Mitchell ON NDK 1N0		140,265.00
ROYAL BANK OF CANADA	180 Wellington St W, 5ht Floor Toronto ON M5J 1J1		251.00
RUDOLPH INDUSTRIES	1176 CARDIFF BLVD. MISSISSAUGA ON L5S 1P6		3,457.80
RUSSELL FOOD EQUIPMENT	70 CORONET ROAD TORONTO ON M8Z 2M1		291.65
RYAN FILTER SALES INC.	1205 MATHESON BOULEVARD EAST MISSISSAUGA ON L4W 1B6		932.82
S+C PARTNERS LLP	6465 MILLCREEK DR., SUITE 204 MISSISSAUGA ON L5N 5R3		1,073.50
SANIMAX LTD	9900 6E RUE MONTREAL QC H1C 1G2		1,813.17
SAUDER TRANSPORT LTD.	Wayne Gingrich 8891 Conc 7 Arthur Township, RR#4 ARTHUR ON N0G 1A0		7,044.00
SCHLEGELHOME FARMS INC (BLIND ACRES INC)	Clare Schlegel 3668 Road 104, RR#1 Tavistock ON N0B 2R0		84,283.00
SCHLEGELHOME TRANSPORT	Claire Schlegel 1614 Perth Line 34, RR#1 SHAKESPEARE ON N0B 2P0		4,251.00
SCHOUTEN FARMS LTD.	Erik Schouten 5299 Parkhouse Drive, RR#4 Appin ON N0L 1A0		81,369.00
SCOTT UTTER	515 Maitland Ave S Listowel ON N4W 2M7		41,944.00
SEALED AIR	95 GLIDDEN ROAD BRAMPTON ON L6T 2H8		25,906.92
SHEPELL FGI	Jo-Anne Ramos 316-50 Burnhamthorpe Rd W Mississauga ON L5B 3C2		5,000.00
SP STALLS & STORAGE	8046 INADALE DRIVE RR#2 MOUNT BRYDGES ON N0L 1W0		2,175.25

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
SPENCOMP SOLUTIONS INC.	4190 SERE ST LAURENT QC H4T 1A6		1,599.83
SPRINGDALE GRAPHICS SERVICES	413 IRWIN STREET MIDLAND ON L4R 2V6		1,177.92
ST. JOHN AMBULANCE	365 Bloor Street East Toronto ON M4W 3L4		1,500.00
STAPLES ADVANTAGE	C/O T04446C TORONTO ON M5W 4A2		1,577.42
STEADFAST SAFETY SERVICES	13-595 MIDDLEFIELD RD. TORONTO ON M1V 3S2		441.83
STEPHENSON'S RENTAL SERVICE	520 RICHMOND ST. WEST TORONTO ON M5V 1Y4		1,086.03
SUMAQ WHOLESALERS LTD	325 WESTON RD. UNIT A2 TORONTO ON M6N 4Z9		23,124.94
SUMMIT FOOD SERVICES	580 INDUSTRIAL RD. LONDON ON N5V 1V1		5,249.87
SUN LIFE FINANCIAL	Denise McWilliams/Joanne Krieger 225 King Street West Toronto ON M5V 3C5		6,000.00
SUPERIOR DOOR & GATE SYSTEMS INC.	3210 AMERICAN DRIVE MISSISSAUGA ON L4V 1B3		6,022.90
SYNERGY SERVICES	Wendy Siefert 515 Maitland Ave S Listowel ON N4W 2M7		58,907.00
SYNERGY SWINE	Wendy Siefert 44743 Perth line 86, RR#1 Listowel ON N4W 3G6		76,269.00
SYNERGY SWINE FPR 1 INC.	44743 Perth line 86, RR#1 Listowel ON N4W 3G6		375,252.00
SYNERGY SWINE FPR 2 INC.	Wendy Siefert 515 Maitland Ave S Listowel ON N4W 2M7		11,601.00
T&E HOLDINGS (FORMERLY GREY BRUCE)	Clare Schlegel 3668 Road 104, RR#1 Tavistock ON N0B 2R0		11,042.00
TALBOT FARMS INC	Pat Talbot 515 Maitland Ave S Listowel ON N4W 2M7		46,890.00
TECH ELECTRIC INC.	2353 ANSON UNIT 1 DRIVE MISSISSAUGA ON L5S 1G1		3,026.14

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
TELO IP	5430 TIMBERLEA BLVD MISSISSAUGA ON L4W 2T9		1,678.05
TEMPTALE CANADA LTD	BLD "G", 557 -36 AVE SE CALGARY AB T2G 1W5		561.38
THE PALLET GROUP INC	2695 DREW ROAD MISSISSAUGA ON L4X 3X1		16,893.45
THE YES GROUP INC.	201 DON PARK RD., UNIT 1 MARKHAM ON L3R 1C2		2,316.52
THIS LITTLE PIG COMPANY	Head Office, Lea Metcalfe 1090 Conc #11 Hangersville ON N0A 1H0		93,119.00
THUR TRANSPORT	Ozie Martin 270 Arthur St N, Box 37 ELMIRA ON N3B 2Z5		514.00
TIGER DIRECT	55-G EAST BEAVER CREEK ROAD RICHMOND HILL ON L4B 1E5		1,362.26
TOM BENDER	40304 Walnut Rd, RR#2 Kippen ON N0M 2E0		60,666.00
TONY & NICK'S PLACE	1470 DUNDAS ST WEST TORONTO ON M6J 1Y6		357.50
TORONTO PALLET & SKID	7384 TRANMERE DRIVE MISSISSAUGA ON L5S 1K4		7,051.20
TORONTO SALT & CHEMICALS LIMITED	275 GLIDDEN ROAD BRAMPTON ON L6W 1H9		4,989.85
TORONTO-DOMINION BANK	TD BANK TOWER, 79 WELLINGTON ST Toronto ON M5K 1A2		<del>14,000,000.00</del> 8,082,000
TOTAL LIFT COMPANY LTD	51 RITIN LANE UNIT 3-4 CONCORD ON L4K 4E1		324.18
TOYOTA CREDIT CANADA INC.	80 Micro Court, Suite 200 Markham ON L3R 9Z5		251.00
TRANS AMERICAN CHB INC	10 QUEEN STREET, SUITE 338 FORT ERIE ON L2A 6M4		4,886.40
TRANSPORTATION LEASE SYSTEMS INC.	51 Constellation Court Rexdale ON M9W 1K4		251.00
TRANSX GROUP OF COMPANIES BRAD VOLLRATH	2595 INKSTER BLVD Winnipeg MB R3C 2E6		505,000.00
TROJAN SWINE INC.	Anthony Stam 157 Concession 4, RR#3 Jarvis ON N0A 1A0		124,394.00

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
UNISOURCE CANADA INC.	P.O. BOX 46082-T 46082 ST:A TORONTO ON M5W 4K9		11,763.61
UNITED FOOD AND COMMERCIAL WORKERS UNION CANADA	LOCAL 175 (deducted but unremitted dues) 412 RENNIE STREET HAMILTON ON L8S 3P5		251.00
UNITED FOOD AND COMMERCIAL WORKERS UNION CANADA	LOCAL 175 (CCWIP contributions) 412 RENNIE STREET HAMILTON ON L8S 3P5		251.00
VAN RAAZ FARMS LTD.	Martin Van Raay 37871 Dashwood Road, RR#3 Dashwood ON N0M 1N0		62,957.00
VARIOUS EMPLOYEES			251.00
VERNLA LIVESTOCK INC.	Marlon Bauman 3434 Herrgott Road, RR#3 WALLENSTEIN ON N0B 2S0		4,347.00
VISCOFAN CANADA INC	290 BENJAMIN HUDON ST. LAURENT QC H4N 1J4		119,356.50
WAJAX INDUSTRIAL COMPONENT	P.O. BOX 8862, POSTAL STATION A TORONTO ON M5W 1P8		18,706.46
WESTLAND PORK/ HOGCO	Nick Regier 71690 Goshen Line, RR#3 Zurich ON N0M 2T0		703,364.00
WESTROW FOOD GROUP	#114 - 20171, 92A AVENUE Langley BC V1M 3A5		1,103.51
WHITEBIRD NATIONAL CORRUGATE	690 RENNIE STREET HAMILTON ON L8H 3R2		1,146.95
WM BENNETT & SONS NATURE PORK	Alan Van Ravensway 404966 Beaconsfield Road, RR#2 Burgessville ON N0J 1C0		174,307.00
WM BENNETT & SONS SYNERGY SERVICES	515 Maitland Ave S Listowel ON N4W 2M7		17,579.00
WSIB	P.O. BOX 4115, STATION A TORONTO ON M5W 2V3		360,000.00
XEROX CANADA LTD.	PO BOX 4539 STATION A TORONTO ON M5W 4P5		399.98
XYLEM CANADA COMPANY	P.O BOX 15529 STN A TORONTO ON M5W 1C1		251.00
<b>Total</b>			<b>40,525,998.46</b>

40,525,998

# Tab B

Court File #31-1855569  
Estate # 31-1855569  
Estate # 31-1855570

*ONTARIO*  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST

**IN THE MATTER OF THE PROPOSALS OF  
QUALITY MEAT PACKERS LIMITED AND  
TORONTO ABATTOIRS LIMITED**

**SUPPLEMENTARY FIRST REPORT OF THE PROPOSAL  
TRUSTEE**

**APRIL 11, 2014**

## TABLE OF CONTENTS

PURPOSE OF THIS REPORT.....	1
LIMITATION OF REVIEW .....	1
PROPOSAL TRUSTEE'S ACTIVITIES.....	2
CASH FLOW STATEMENTS.....	2

Court File No. 31-1855569  
Estate #. 31-1855569  
Estate # 31-1855570

*ONTARIO*  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST

IN THE MATTER OF THE PROPOSALS OF QUALITY MEAT PACKERS LIMITED AND  
TORONTO ABATTOIRS LIMITED.

**SUPPLEMENTARY FIRST REPORT OF THE PROPOSAL  
TRUSTEE**

**APRIL 11, 2014**

**A. Farber & Partners Inc. ("Farber")**, in its capacity as the trustee under the proposals of Quality Meat Packers Limited ("QMP") and Toronto Abattoirs Limited ("TAL") (collectively the "**Companies**"), hereby reports to the Court as follows:

**PURPOSE OF THIS REPORT**

1. This Supplementary First Report of the Proposal Trustee ("**Supplementary Report**") has been prepared to provide an update to the Court on the Companies' efforts to finalize their forbearance agreement with TD as requested by this Honourable Court at the April 10, 2014 hearing.
2. The terms used in this report are as defined in the Trustee's First Report unless otherwise noted.

**LIMITATION OF REVIEW**

3. Farber has relied upon the financial records and information provided by the Companies, as well as other information supplied by management, appraisers, accountants, auditors and advisors, and Farber has not independently reviewed or verified such information. The Proposal Trustee has



prepared this Supplementary Report for the sole use of the Ontario Superior Court of Justice (Commercial List) (the "Court") and of the other stakeholders in these proceedings.

#### **PROPOSAL TRUSTEE'S ACTIVITIES**

4. Since the April 10, 2014 hearing, the Proposal Trustee has:
- (a) Worked with management to review the weekly forecast and loan availability analysis for presentation to TD;
  - (b) Worked with management to prepare and review the Cash Flow Statements as discussed below;
  - (c) Worked with management and TD to reconcile the opening balances of the weekly forecast and loan availability analysis between TD's records and the Companies' records;
  - (d) Spoken to TD its counsel to discuss the weekly forecast and loan availability analysis prepared by the Companies;
  - (e) Spoken with Holdings, the Companies and their respective counsel on other potential financiers for the Companies; and
  - (f) Spoken with each of the above parties with respect to their ongoing negotiations on the forbearance agreement.

5. As at the time this Supplementary Report was finalized, the forbearance agreement has not yet been finalized.

6. TD has advised that although they have, and continue to be willing to work with the Companies to support their restructuring efforts, they have not yet had a chance to complete their review of the Companies intended plans, weekly forecast and margining availability analysis submitted earlier today (April 11, 2014). However, they have indicated to the Proposal Trustee that based upon their initial review they are favourably considering an extension to the forbearance to allow the Companies to continue to operate for at least the next week, and are expecting to instruct counsel to prepare documentation for execution.

#### **CASH FLOW STATEMENTS**

7. The statement of projected cash flow, a report of the Proposal Trustee on the reasonableness of the cash flow and a report containing prescribed representations by the Companies regarding the

preparation of the cash flow statement (collectively, the "Cash Flow Statement") have been drafted but not yet finalized. Overnight work on the statements was hampered due to the absence of the Companies' CFO in Montreal to attend a funeral. The Proposal Trustee is reviewing the cash flows with management and preparing the accompanying reports required under the BIA. The Proposal Trustee will provide copies of the cash flows to the Court when they have been finalized and filed with the Superintendent of Bankruptcy in compliance with the filing requirements set out in accordance with s. 50.4(2) of the BIA. The 10-day filing deadline expires at the end of the day, Sunday, April 13, 2014, and so filing must occur by the end of the day on Monday, April 14, 2014. If the statements are available prior to the commencement of Court on April 11, 2014 they will be brought to Court by the Proposal Trustee.

8. The draft cash flows are predicated on the availability of two days of hog deliveries next week. Further, the draft cash flows project an ongoing supply of 4 days of deliveries per week thereafter, as was the normal course prior to the NOI.

9. The Proposal Trustee notes that no hogs have been delivered since the NOI filing as a result of:

- (a) The NOI filing was made on Thursday, April 3, 2014.
- (b) No hogs are delivered on Fridays as is ordinary course.
- (c) QMP had numerous negotiations and discussions with Ontario Pork, TD, their respective counsels, and the Proposal Trustee over the course of the weekend and until late to Tuesday, April 8, 2014 to arrange ongoing supply. An escrow agreement was reached with Ontario Pork where QMP would pre-pay the estimated hog purchases into Ontario Pork's escrow account on a daily basis. QMP would then order hogs and the funds would flow from the Ontario Pork escrow account to the hog producers as hogs were delivered.
- (d) Because the pre-pay arrangements were not finalized until late Tuesday, QMP was not able to secure a sufficient supply of hogs on short notice for Wednesday and Thursday deliveries; accordingly, QMP did not order any hogs.
- (e) No hogs were ordered or delivered for Friday April 11, 2014 as per the normal course.

10. QMP has continued to have discussions with the various hog producers to arrange deliveries for next week and thereafter. The current plan is to secure a supply of hogs starting Monday for delivery next Wednesday and Thursday. Management is hopeful that it can secure the required supply of hogs projected in the cash flows given (i) their discussions to date with the suppliers, (ii) the pre-payment mechanism in place with Ontario Pork, and (iii) the resolution of the uncertainty arising from the matter brought to Court by certain of the hog suppliers on April 10, 2014 which most suppliers are aware of.

11. The Company advises that, after the past week's ordinary course sales, the total book value of inventory as of today is approximately \$2,000,000 made of: \$73,000 of fresh meat, \$1,100,000 of frozen meat and the balance (spices, dry goods and absorption) of approximately \$827,000.

**All of which is respectfully submitted this 11<sup>th</sup> day of April, 2014.**

**A. FARBER & PARTNERS INC.  
The Trustee Acting *in re* the Proposals of  
Quality Meat Packers Limited and  
Toronto Abattoirs Limited**

A. Farber & Partners Inc.

# Tab C

IN THE MATTER OF THE *BANKRUPTCY AND INSOLVENCY ACT*,  
R.S.C. 1985, c. B-3, AS AMENDED

Court File No. 31-1855569

AND IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A  
PROPOSAL OF QUALITY MEAT PACKERS LIMITED

*Apr 10/14*

*April 9/17*

*For reasons given today, motion dismissed.*

*[Signature]*  
*D. H. Bilow J.*

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(IN BANKRUPTCY AND INSOLVENCY)  
COMMERCIAL LIST**

Proceeding commenced at Toronto

**MOTION RECORD OF  
SYNERGY SWINE INC.  
(returnable April 10, 2014)**

**MCMILLAN LLP**  
Brookfield Place  
181 Bay Street, Suite 4400  
Toronto, ON M5J 2T3

**Jeffrey Levine LS#: 55582H**  
Tel: 416.865.7791  
Fax: 416.865.7048

Lawyers for Synergy Swine Inc.

CITATION: Quality Meat Packers Limited (Re), 2014 ONSC 2296  
COURT FILE NO.: 31-1855569  
DATE: 20140411

**SUPERIOR COURT OF JUSTICE – ONTARIO**

**COMMERCIAL LIST**

**RE: IN THE MATTER OF THE *BANKRUPTCY AND INSOLVENCY ACT*,  
R.S.C. 1985, c. B-3, AS AMENDED**

**AND IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A  
PROPOSAL OF Quality Meat Packers Limited**

**BEFORE:** D. M. Brown J.

**COUNSEL:** J. Dietrich and E. Morris, for Quality Meat Packers Limited

J. Levine and W. Rostom, for the Moving Party, Synergy Swine Inc.

P. Guy and K. Montpetit, for the Ontario Pork Producers' Marketing Board

R. English, for the Proposal Trustee, A. Farber & Partners Inc.

R. Jaipargat, for Westland Hog Co. Inc.

D. Magisano, for Kuijpers Key Farm Ltd.

F. Spizzirri, for the Toronto-Dominion Bank

L. Lacelle, representative of the employees in UFCW Local 175

**HEARD:** April 10 and 11, 2014

**REASONS FOR DECISION**

**I. Motion to terminate a Notice of Intention to file a Proposal proceeding or to appoint a receiver over inventory**

[1] On April 3, 2014, Quality Meat Packers Ltd. ("Quality Meat"), and a related company, Toronto Abattoirs Limited ("Toronto Abattoirs"), filed Notices of Intention to make proposals under section 50.4(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3. The companies purchase and slaughter hogs to produce and sell pork products.

[2] Synergy Swine Inc. ("Synergy Swine") sells hogs to Quality Meat. It moved for an order under *BIA* s. 50.4(11) declaring terminated the 30-day period for Quality Meat to file a proposal

or, alternatively, an order appointing a receiver over all or substantially all of the inventory of Quality Meat under section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43.

[3] Synergy Swine's motion was supported by the following interested persons: The Ontario Pork Producers' Marketing Board (the "Marketing Board") (as to the request for a receiver only), Westland Hog Co. Inc. and Kuijpers Key Farm Ltd. It was opposed by the companies, a related company, Quality Meat Packers Holdings Limited, the Toronto-Dominion Bank, the primary secured creditor, and the union representing the companies' 634 unionized employees, UFCW Local 175.

[4] The hearing of the motion commenced on April 10, 2014. At the conclusion of submissions I adjourned the motion to Friday, April 11 at 4:00 p.m. to receive an update on the status of the relationship between Quality Meat and its primary lender, the Toronto-Dominion Bank, because a Second Forbearance Agreement was set to expire at that time.

[5] On April 11, 2014, the Proposal Trustee filed a Supplementary First Report and a brief hearing was held at 4:00 p.m.

[6] For the reasons set out below, I dismiss the motion.

## **II. Background events**

[7] The contracts between Quality Meat and its hog suppliers generally provided that the company would pay for delivered hogs within three working days of slaughter. Typically, hogs delivered to Quality Meat were slaughtered on the day of, or the day after, delivery.

[8] The supply contract between Synergy Swine and Quality Meat provided for the delivery of about 104,000 hogs a year, or approximately 2,000 per week. Between Wednesday, March 26 and Thursday, April 3, 2014, the date of the filing of the NOI, Synergy Swine and its related companies delivered roughly 3,500 hogs to Quality Meat with an estimated value of \$901,626.86. Synergy Swine has not received any payment for those deliveries.

[9] Synergy Swine also filed evidence that 10 other hog producers had delivered about \$1.784 million worth of hogs to Quality Meat in the days leading up to the filing of the NOI for which those producers had not been paid.

[10] The Marketing Board, which facilitates sales from producers to processors, filed evidence that an additional 82 hog producers had shipped about \$1.007 million worth of hogs to Quality Meat between March 27 and April 3 for which they had not received payment.

[11] According to the First Report of the Proposal Trustee dated April 9, 2014, as at April 3, 2014 Quality Meat and Toronto Abattoirs owed hog producers about \$8.671 million. David Schwartz, the President of those two companies, deposed that as at April 9, 2014 the estimated realizable value of the companies' inventory was about \$2.88 million. The April 11 Supplementary First Report of the Proposal Trustee put that number at approximately \$2 million.

[12] It was evident from the materials that what had prompted Synergy Swine to bring its motion were statutory restrictions on the availability of the special priority granted to farmers by

*BIA* s. 81.2(1). Under that section, the claim of a farmer who has sold and delivered products of agriculture, such as livestock, to another person for use in relation to the purchaser's business is secured by security on all the inventory of or held by the purchaser, and the security ranks in priority over all other security and claims against that inventory except a supplier's right to repossess goods under *BIA* s. 81.1, subject to two very important qualifications which go to the heart of this motion. First, the security is limited to inventory of the purchaser on one of two specified dates: (i) the date on which the purchaser became bankrupt; or, (ii) the first day on which there was a *BIA* s. 243(2) receiver in relation to the purchaser. Second, the claim for which security is granted is limited to the products which were delivered to the purchaser within the 15-day period preceding either of those two dates.

[13] As can be seen, the 15-day farmer's supplier priority only arises when the purchaser becomes bankrupt or becomes subject to a receiver. The filing of a NOI does not trigger the *BIA* s. 81.2 security; only bankruptcy or receivership does. As a result, the filing of the NOI by Quality Meat on April 3 did not result in Synergy Swine or other unpaid hog producers obtaining *BIA* s. 81.2 security over inventory. As matters now stand, Synergy Swine is an unsecured trade creditor of Quality Meat.

[14] However, should Quality Meat become bankrupt or subject to a receiver, then the *BIA* s. 81.2 security would kick in. If either of those events were to occur today, April 11, then the 15-day delivery period specified in *BIA* s. 81.2 would run back to March 28, 2014, thereby giving Synergy Swine, and all other unpaid deliverers of hogs during that period of time, the priority security on the inventory of Quality Meat.

[15] So, Synergy Swine has moved for alternative relief. First, it seeks an order under *BIA* s. 50.4(11) terminating the period for making a proposal. If such a termination order were to be made, by operation of *BIA* ss. 50.4(8) and (11) Quality Meat would be deemed to have made an assignment in bankruptcy, thereby becoming bankrupt. *BIA* s. 81.2 would then apply. Second, Synergy Swine seeks the appointment of a receiver over the inventory of Quality Meat. Again, should a receiver be appointed, *BIA* s. 81.2 would kick in. Those are the purposes of this motion. Let me turn to examine each part of it.

### **III. Request to terminate the period for making a proposal: *BIA* s. 50.4(11)**

#### **A. The statutory provision**

[16] An insolvent person which files a notice of intention to file a proposal under *BIA* s. 50.4(1) has 30 days in which to file a proposal, subject to the ability of the court to extend the time for filing, and the insolvent person enjoys the benefit of the automatic stay of proceedings granted by *BIA* s. 69(1). Section 50.4(11) provides a mechanism by which a person can apply to a court to terminate the period for making a proposal before the expiration of the 30 days. It provides:

50.4 (11) The court may, on application by the trustee, the interim receiver, if any, appointed under section 47.1, or a creditor, declare terminated, before its actual expiration, the thirty day period mentioned in subsection (8) or any extension thereof granted under subsection (9) if the court is satisfied that



(a) the insolvent person has not acted, or is not acting, in good faith and with due diligence,

(b) the insolvent person will not likely be able to make a viable proposal before the expiration of the period in question,

(c) the insolvent person will not likely be able to make a proposal, before the expiration of the period in question, that will be accepted by the creditors, or

(d) the creditors as a whole would be materially prejudiced were the application under this subsection rejected,

and where the court declares the period in question terminated, paragraphs (8)(a) to (c) thereupon apply as if that period had expired.

[17] Courts have described *BIA* s. 50.4(11) as “an unusual remedy and a serious one” which requires a person moving to invoke it to establish that one of the four situations set out in subsections (a) through (d) apply on a balance of probabilities; suspicion is not sufficient.<sup>1</sup>

[18] Synergy Swine rested its argument on *BIA* s. 50.4(11)(a), (b), (c) and (d). Let me consider each allegation advanced by Synergy Swine in turn.

**B. The insolvent person has not acted, or is not acting, in good faith and with due diligence: *BIA* s. 50.4(11)(a)**

[19] In support of its argument that Quality Meat has not acted in good faith and with due diligence, Synergy Swine primarily relied on evidence of events which occurred *before* Quality Meat had filed its NOI on April 3. Some courts have considered pre-filing conduct when considering an argument advanced under *BIA* s. 50.4(11)(a). For example, in the *Com/Mit Hitech Services* case Farley J. concluded that because the debtor had gone “essentially in a 180° way against” what it had agreed to with its bank in the six months prior to the filing of the NOI, it had not acted in good faith and with due diligence.<sup>2</sup> In *Cougar Metal Industries* the British Columbia Supreme Court considered whether large orders of product for inventory by the debtor placed in the weeks immediately before the filing of the NOI, for which the debtor had not paid, constituted bad faith conduct. Although the court was “left with some suspicion”, it was not satisfied on a balance of probabilities that the debtor had acted in bad faith.<sup>3</sup>

[20] For the past 17 years Quality Meat’s primary banking relationship has been with TD, which is the company’s senior secured lender. Although the precise terms of that banking relationship were not in the evidence, as of the date of filing the NOI the Quality Meat group of

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<sup>1</sup> *Cougar Metal Industries Inc. (Re)* 2004 BCSC 1258, para. 12; *1512759 Ontario Ltd. (Re)* (2002), 38 C.B.R. (4<sup>th</sup>) 159 (Ont. S.C.J.), para. 1; *Com/Mit Hitech Services Inc. (Re)* (1997), 47 C.B.R. (3d) 182 (Ont. Gen. Div.); *Cumberland Trading Inc. (Re)* (1994), 23 C.B.R. (3d) 225 (Ont. Gen. Div.).

<sup>2</sup> *Com/Mit Hitech Services Inc.*, *supra.*, para. 8.

<sup>3</sup> *Cougar Metal Industries*, *supra.*, paras. 12 and 13.

companies owed TD just over \$8 million. By April 8 that indebtedness had been reduced to \$4.857 million. Details concerning the reduction were not in the evidence.

[21] Over the years Quality Meat had looked to a related company, Quality Meat Packers Holdings Limited ("Holdings"), for secondary financing. Holdings has advanced Quality Meat in excess of \$11.5 million since February, 2013; total outstanding indebtedness amounts to more than \$19 million.

[22] Mr. Schwartz is the principal of both Quality Meat and Holdings. He deposed that on March 28, 2014 Holdings decided that it "was no longer prepared to fund the ongoing losses of Quality while simply waiting for the market to improve".

[23] Synergy Swine relied heavily on that evidence. It submitted that with a related company having made the decision not to fund, Quality Meat had acted in bad faith by continuing to accept the deliveries of hogs on March 31, April 1, April 2 and April 3 – the date of its NOI – knowing that it lacked the ability to pay for that product. As Synergy Swine stated in its factum:

QMP has acted in bad faith within the meaning of s. 50.4(11) by accepting millions of dollars in market-ready hogs less than one week prior to filing its NOI. QMP has no current plan to pay any of the farmers who supplied these hogs. QMP must have been aware at the time that it accepted these hog shipments that it had no plan to pay for them, but chose to accept the shipments in any event.

...

This type of conduct amounts to trading while insolvent with virtually all of its hog suppliers at once. This conduct cannot be considered to be acting in good faith.

[24] In support of Synergy Swine's position the Marketing Board contended that the failure of Quality Meat to indicate at a meeting last weekend with the Ontario Deputy Minister of Agriculture that it would be filing a NOI or that it would stop paying suppliers was evidence of bad faith.

[25] I do not accept those arguments, for several reasons. First, accepting product from suppliers in the days before filing a NOI does not, in and of itself, indicate bad faith. One normally would expect to see that kind of business activity by most companies which have decided not to close their doors, but instead to attempt a restructuring to keep the enterprise continuing as a going concern. Something more would be required to establish bad faith.

[26] Second, there was no evidence that Quality Meat had "ramped up" its acceptance of product in the week before filing the NOI; the evidence suggested the continuance of ordinary course levels of deliveries.

[27] Third, the evidence disclosed that in the week prior to filing the NOI Quality Meat had continued to pay suppliers, only suspending payments on April 3. Obviously, not all suppliers were paid, but the evidence disclosed efforts by Quality Meat to maintain ordinary course payments to suppliers.

[28] Fourth, Quality Meat met with TD on March 31 and negotiated a forbearance agreement on April 2 which ran until April 4. To satisfy a term of that forbearance agreement, Holdings advanced \$500,000 to Quality Meat and related companies. That conduct indicated a debtor intent on trying to restructure, not a debtor engaged in bad faith conduct.

[29] Fifth, following the execution of the April 2 forbearance agreement, Quality Meat retained the Proposal Trustee to begin work on the NOI filing. The filing was made the next day – i.e. with due dispatch.

[30] Sixth, following the filing of the NOI, Quality Meat has worked to reach understandings or agreements with numerous stakeholders, such as the union – which strongly supported the company's position on this motion – hog suppliers, and the Marketing Board. Quality Meat has negotiated a supply arrangement with the Board, although no hogs yet have been shipped under it.

[31] Next, Quality Meat negotiated a second forbearance agreement with TD which ran from April 4 until 4:00 p.m. today, April 11. In its April 11 Supplementary First Report the Proposal Trustee described the companies' continuing efforts to negotiate a further forbearance agreement with TD.

[32] Finally, in its First Report, the Proposal Trustee stated that it had “not seen evidence that would lead the Proposal Trustee to conclude that the Companies have acted or are acting in bad faith”.

[33] None of this conduct by Quality Meat before or after the filing of the NOI established that the company had not acted, or is not acting, in good faith and with due diligence. On the contrary, the evidence established the opposite.

**C. The insolvent person will not likely be able to make a viable proposal before the expiration of the period in question: BIA s. 50.4(1)(b)**

[34] Although Synergy Swine submitted that Quality Meat should have developed a plan to pay creditors before filing its NOI given its intention to continue accepting product after March 28, that is not what the statute requires. The NOI device provides insolvent companies with a short breathing space in which to try to put together a reorganization plan or proposal, and the evidence disclosed that that was what Quality Meat was doing.

[35] In its First Report the Proposal Trustee stated that it had “not determined that the Companies cannot make a viable proposal” and that it was “of the opinion that it is too early to make that determination”.

[36] At the hearing on April 10, I observed to the company's counsel that the evidence did not contain any information about efforts to extend the forbearance agreement with TD Bank past 4:00 p.m. on April 11. I noted that if the Bank was not prepared to continue its forbearance, there was always the possibility that the Bank, as the primary secured creditor, might seek the appointment of its own receiver. Were that to happen, the ability of Quality Meat to make a viable proposal most likely would be affected.

[37] In its April 11 Supplementary First Report the Proposal Trustee advised that TD had not been able to review thoroughly the information Quality Meat had provided about its intended plans, weekly forecast and margining availability analysis, but TD had indicated to the Proposal Trustee that:

[B]ased upon their initial review they are favourably considering an extension to the forbearance to allow the Companies to continue to operate for at least the next week and are expecting to instruct counsel to prepare documentation for execution.

[38] The Proposal Trustee also reported that although Quality Meat had not ordered any hogs under the pre-paid supply agreement it had negotiated with the Marketing Board, management's current plan was to secure a supply of hogs starting next Monday for delivery next Wednesday and Thursday.

[39] Obviously a degree of uncertainty and fluidity characterizes the operating and restructuring circumstances of Quality Meat. Nevertheless, this motion must be determined on the evidence presently before the Court. While reasonable inferences may be drawn from the evidence when justified, speculation cannot seep into the analysis. On reviewing that evidence, I am not satisfied that the moving party, Synergy Swine, has demonstrated, on a balance of probabilities, that Quality Meat will not likely be able to make a viable proposal before the expiration of the 30-day period.

**D. The insolvent person will not likely be able to make a proposal, before the expiration of the period in question, that will be accepted by the creditors**

[40] In its factum Synergy Swine stated that by the time of the April 10 hearing for the motion it expected that:

[A] majority of unsecured creditors of QMP will have indicated that they will oppose any proposal that does not see their pre-filing claims paid in full. Accordingly, it would appear that there is thus no viable proposal that can be enforced on the unsecured creditors.

[41] The First Report of the Proposal Trustee stated that as at April 3, 2014, the companies owed unsecured creditors approximately \$13.014 million. Synergy Swine filed an initial affidavit which indicated that it and other suppliers with claims totaling about \$2.69 million did not intend to support any plan which failed to provide for payment in full of their claims. Its supplementary affidavit raised that number to \$3.9 million. At the hearing today, Mr. Magisano advised that he now represented eight hog producers with claims of about \$750,000 who would not support any plan containing a compromise of their claims. However, that evidence did not establish that a majority of the companies' unsecured creditors shared that view. Further, the NOI was only filed eight days ago. It is conceivable that some of the unsecured creditors who now are taking an "all or nothing" approach to the companies' plans might well modify their views once they actually see the details of a plan. Synergy Swine has not demonstrated that Quality Meat will likely be unable to make a proposal that will be accepted by its creditors.

**E. The creditors as a whole would be materially prejudiced were the application under this subsection rejected: *BIA* s. 50.4(11)(d)**

[42] It was clear from the factum filed by Synergy Swine that the material prejudice which it contended would result if the time for filing a proposal was not terminated was prejudice to a specific class of creditors, not the creditors as a whole – i.e. farmers would not enjoy the benefit of the *BIA* s. 81.2 priority and security. Parliament decided not to extend the benefit of the *BIA* s. 81.2 priority to situations where an insolvent debtor had availed itself of the Part III, Division 1 proposal scheme by filing a NOI. That was a public policy decision. In light of that decision, I do not see how a group of unsecured creditors can argue that prejudice would result because they cannot qualify for a priority not extended by statute to their circumstances. Their prejudice results from the legislative crafting of the *BIA*'s proposal regime, not from any conduct of the debtor company.

**F. Conclusion**

[43] For those reasons, I dismiss that part of the motion by Synergy Swine seeking an order under *BIA* s. 50.4(11) terminating the period in which Quality Meat can file a proposal.

**IV. Request for the appointment of a receiver**

[44] Synergy Swine sought the appointment of a receiver over the all or part of the inventory of Quality Meat pursuant to section 101 of the *Courts of Justice Act*. The Marketing Board supported that request.

[45] Although typically courts appoint receivers over all of the assets, property and undertaking of a commercial or corporate entity, conceptually the jurisdiction of a court under *CJA* s. 101 would enable the appointment of a receiver over just some of the assets of a company, such as its inventory. However, as was pointed out in *Bank of Nova Scotia v. Freure Village of Clair Creek*, in deciding whether or not to appoint a receiver a court must have regard to “the rights and interest of all parties in relation to” the property.<sup>4</sup>

[46] In the present case Synergy Swine submitted that it would be just and convenient to appoint a receiver over the inventory in order to “remedy the harm to farmers arising from QMP accepting shipments when it could not pay for them in order to trigger the s. 82.1 claim and allow the receiver to receive the proceeds of sale and administer an s. 82.1 claims process”. Put another way, Synergy Swine essentially argued that because Parliament had not extended the benefit of *BIA* s. 82.1 priority security to farmers in circumstances where the purchaser had filed a NOI, the courts should intervene and extend such protection by appointing a receiver, thereby triggering the availability of the *BIA* s. 82.1 priority scheme. In my view, that would not be a proper exercise by the court of its jurisdiction to appoint a receiver under *CJA* s. 101. Such a course of action would not be just and convenient because it would ignore the express provisions

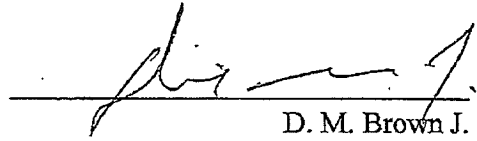
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<sup>4</sup> (1996), 40 C.B.R. (3d) 274 (Ont. Gen. Div.), para. 10.

of a statutory regime and create a preference for one class of creditors over others. Accordingly, I dismiss the request by Synergy Swine to appoint a receiver over inventory.

**V. Summary and costs**

[47] For the reasons set out above, I dismiss the motion brought by Synergy Swine. This is not an appropriate case for any award of costs.

  
D. M. Brown J.

**Date:** April 11, 2014

# Tab D

**QUALITY MEAT PACKERS LTD.**

**Projected Cash Flow**

Weekly Cash Flow - weeks ending April 11 to July 4, 2014

	11-Apr-14	18-Apr-14	25-Apr-14	2-May-14	9-May-14	16-May-14	23-May-14	30-May-14	6-Jun-14	13-Jun-14	20-Jun-14	27-Jun-14	4-Jul-14
<b>Collections</b>													
AR collections	7,348,295	5,700,000	4,600,000	3,900,000	5,400,000	5,400,000	5,100,000	4,400,000	5,200,000	5,200,000	5,400,000	5,000,000	5,300,000
<b>Disbursements</b>													
Purchases - hogs	(150,000)	2,808,878	3,060,818	4,248,461	4,108,243	4,171,736	4,054,783	4,191,289	4,090,794	3,981,518	3,945,011	4,066,425	3,966,425
Purchases - other	582,642	826,900	504,000	634,000	634,000	634,000	578,000	634,000	634,000	634,000	634,000	634,000	624,000
Meat processing charges (TAL)	225,000	315,000	268,000	612,000	295,000	379,000	290,000	560,000	315,000	379,000	295,000	560,000	315,000
Payroll, benefits and pension	300,103	220,000	145,000	289,250	244,700	380,700	244,700	339,700	244,700	380,700	244,700	339,700	244,700
Utilities	0	0	0	0	0	0	0	0	0	0	0	0	0
Materials and supplies	0	0	48,000	48,000	48,000	48,000	48,000	48,000	48,000	48,000	48,000	48,000	38,000
Rent	0	0	0	0	0	0	0	0	0	0	0	0	0
Property taxes	0	0	0	0	0	0	0	0	0	0	0	0	0
Head office and administration	0	0	20,000	136,000	20,000	20,000	20,000	98,000	20,000	20,000	20,000	98,000	20,000
Professional fees	21,250	200,000	100,000	100,000	50,000	50,000	40,000	50,000	50,000	50,000	50,000	50,000	40,000
Freight and cold storage	60,061	50,000	150,000	150,000	150,000	150,000	150,000	185,000	150,000	150,000	150,000	185,000	130,000
Other	4,255	120,000	75,000	75,000	75,000	75,000	60,000	75,000	75,000	75,000	75,000	75,000	60,000
	<u>1,043,311</u>	<u>4,540,778</u>	<u>4,370,818</u>	<u>6,292,711</u>	<u>5,624,943</u>	<u>5,908,436</u>	<u>5,485,483</u>	<u>6,180,989</u>	<u>5,627,494</u>	<u>5,718,218</u>	<u>5,461,711</u>	<u>6,056,125</u>	<u>5,438,125</u>
Net Cash flow before the undernoted	6,304,984	1,159,223	229,183	(2,392,711)	(224,943)	(508,436)	(385,483)	(1,780,989)	(427,494)	(518,218)	(61,711)	(1,056,125)	(138,125)
Interest & forbearance fees	0	0	55,000	0	0	0	0	5,000	0	0	0	15,000	0
<b>Net Cash Flow</b>	<u>6,304,984</u>	<u>1,159,223</u>	<u>174,183</u>	<u>(2,392,711)</u>	<u>(224,943)</u>	<u>(508,436)</u>	<u>(385,483)</u>	<u>(1,785,989)</u>	<u>(427,494)</u>	<u>(518,218)</u>	<u>(61,711)</u>	<u>(1,071,125)</u>	<u>(138,125)</u>
Opening Cash (operating loan)	(3,856,924)	2,448,060	3,607,283	3,781,465	1,388,754	1,163,811	655,375	269,893	(1,516,096)	(1,943,590)	(2,461,808)	(2,523,519)	(3,594,644)
Closing cash (operating loan)	<u>2,448,060</u>	<u>3,607,283</u>	<u>3,781,465</u>	<u>1,388,754</u>	<u>1,163,811</u>	<u>655,375</u>	<u>269,893</u>	<u>(1,516,096)</u>	<u>(1,943,590)</u>	<u>(2,461,808)</u>	<u>(2,523,519)</u>	<u>(3,594,644)</u>	<u>(3,732,769)</u>

This Statement of Projected Cash Flow, prepared in accordance with s.s.50(6) and/or s.s.50.4(2) of the Bankruptcy and Insolvency Act, should be read in conjunction with the Trustee's report on the reasonableness of the cash flow statement.

A. Farber & Partners Inc.

Per: John Hendriks, CPA CACIRP  
Vice President

Quality Meat Packers Limited

Per: Sheldon Garfinkle CPA, CA, CBV  
Chief Financial Officer



**IN THE MATTER OF THE PROPOSAL OF QUALITY MEAT PACKERS LIMITED  
A COMPANY DULY INCORPORATED PURSUANT TO THE LAWS  
OF THE PROVINCE OF ONTARIO WITH A HEAD OFFICE  
IN THE CIYT OF TORONTO IN THE PROVINCE OF ONTARIO**

**REPORT ON CASH-FLOW STATEMENT BY THE PERSON  
MAKING THE PROPOSAL**

*(Paragraphs 50(6)(c) and 50.4(2)(c) of the Bankruptcy and Insolvency Act)*

**Quality Meat Packers Limited** has developed the assumptions and prepared the attached statement of projected cash flow of the insolvent person, as of the 14th day of April, 2014, consisting of the statement of projected cash flow for the weeks ending April 11, 2014 to the week ending July 4, 2014 and the notes and assumptions underlying the statement of projected cash flow.

The hypothetical assumptions are reasonable and consistent with the purpose of the projection described in Note 1, and the probable assumptions are suitably supported and consistent with the plans of the insolvent person and provide a reasonable basis for the projection. All such assumptions are disclosed in the notes to and assumptions underlying the statement of projected cash flow.

Since the projection is based on assumptions regarding future events, actual results will vary from the information presented, and the variations may be material.

The projection has been prepared solely for the purpose described in Note 1, using a set of probable and hypothetical assumptions set out in the notes to and assumptions underlying the statement of projected cash flow. Consequently, readers are cautioned that it may not be appropriate for other purposes.

**DATED AT TORONTO, ONTARIO** this 14th day of April, 2014

**QUALITY MEAT PACKERS LIMITED**



Per: Sheldon Garfinkle, CPA, CA, CBV  
Chief Financial Officer

IN THE MATTER OF THE PROPOSAL OF **QUALITY MEAT PACKERS LIMITED**  
A COMPANY DULY INCORPORATED PURSUANT TO THE LAWS  
OF THE PROVINCE OF ONTARIO WITH A HEAD OFFICE  
IN THE CITY OF TORONTO, IN THE PROVINCE OF ONTARIO

**TRUSTEE'S REPORT ON CASH-FLOW STATEMENT**

*(Paragraph 50.4(2) of the Bankruptcy and Insolvency Act)*

The attached statement of projected cash flow of **Quality Meat Packers Limited**, as of the 14th day of April, 2014, consisting of the statement of projected cash flow for the weeks ending April 11, 2014 to July 4, 2014 and the notes and assumptions underlying the statement of projected cash flow, has been prepared by the insolvent person for the purpose described in Note 1, using the probable and hypothetical assumptions as set out in the notes to and assumptions underlying the statement of projected cash flow.

Our review consisted of enquiries, analytical procedures and discussion related to information supplied to us by the insolvent person. Since hypothetical assumptions need not be supported, our procedures with respect to them were limited to evaluating whether they were consistent with the purpose of the projection. We have also reviewed the support provided for the probable assumptions and the preparation and presentation of the projection.

Based on our review, we believe that, in all material respects,

- (a) the hypothetical assumptions are consistent with the purpose of the projection;
- (b) as at the date of this report, the probable assumptions developed are suitably supported and consistent with the plans of the insolvent person or provide a reasonable basis for the projection, given the hypothetical assumptions; or
- (c) the projection reflects the probable and hypothetical assumptions.

Since the projection 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.

The projection has been prepared solely for the purpose described in Note 1 and readers are cautioned that it may not be appropriate for other purposes.

**DATED AT TORONTO** this 14th day of April, 2014.

**A. FARBER & PARTNERS INC.**  
The Trustee Acting *in re* the Proposal of  
**Quality Meat Packers Limited**



Per: John Hendriks, CPA, CA, CIRP

**QUALITY MEAT PACKERS LIMITED**

**NOTES TO AND ASSUMPTIONS UNDERLYING THE STATEMENT OF PROJECTED CASH FLOW FOR THE WEEKS ENDING APRIL 11, 2014 TO JULY 4, 2014.**

**NOTES**

**NOTE 1.** The purpose of the statement of projected cash flow for the weeks ending April 11, 2014 to July 4, 2014 is to comply with the provisions of the *Bankruptcy and Insolvency Act*.

**HYPOTHETICAL ASSUMPTIONS**

*An assumption that assumes a set of economic conditions or courses of action that are not necessarily the most probable in the insolvent person's judgment, but are consistent with the purpose of the cash-flow projection;*

1. Prices of hogs in Canadian Dollars will remain in line with current market conditions.

**PROBABLE ASSUMPTIONS**

*An assumption that the insolvent person believes reflects the most probable set of economic conditions and planned courses of action; they are suitably supported, consistent with the plans of the insolvent person and provide a reasonable basis for the cash-flow statement;*

1. Production will recommence in the week ending April 25, 2014 at reduced volumes from the pre-NOI period.
2. Hog producers will continue to supply product for the reduced forecast production, in line with current hog future prices through the forecast period. Management is currently in discussions with certain hog producers for price accommodations. Payment terms for hogs are cash one day in advance of delivery to the company.
3. Selling prices are based on recent prices in the market, projected price of pork as it trends with the hog futures price and current contracts on hand with customers.
4. Accounts receivable collections are based on management estimates and recent historical collection patterns.
5. On-going purchases of goods and services will be paid on a COD or secured basis.
6. Retained personnel will continue to be paid wages and benefits in the ordinary course for services.
7. Professional fees include those of the Proposal Trustee, its legal counsel and the Company's legal counsel.
8. The bank has agreed to forbear for the week ending April 18, 2014. The company will require further forbearances from the bank and/or alternate financing from another source thereafter.

*This Statement of Projected Cash Quality Meat Packers Limited, prepared in accordance with s.s. 50.4(2) and/or s.s. 50.1(6) of the Bankruptcy and Insolvency Act should be read in conjunction with the Trustee's report on the reasonableness of the cash flow statement.*

DATED AT TORONTO this 14<sup>th</sup> day of April, 2014.

**A. FARBER & PARTNERS INC.**  
**The Trustee Acting *in re* the Proposal of**  
**Quality Meat Packers Limited**



Per: John Hendriks, CPA, CA, CIRP

**QUALITY MEAT PACKERS LIMITED**



Per: Sheldon Garfinkle CPA, CA, CBV  
Chief Financial Officer

# Tab E

**TORONTO ABATTOIRES LIMITED**

**Projected Cash Flow**

Weekly Cash Flow - weeks ending April 11 to July 4, 2014

	11-Apr-14	18-Apr-14	25-Apr-14	2-May-14	9-May-14	16-May-14	23-May-14	30-May-14	6-Jun-14	13-Jun-14	20-Jun-14	27-Jun-14	4-Jul-14
<b>Collections</b>													
Operational funding from QMPL	225,000	315,000	268,000	612,000	295,000	379,000	290,000	560,000	315,000	379,000	295,000	560,000	315,000
<b>Disbursements</b>													
Payroll and benefits	225,000	175,000	118,000	255,000	225,000	309,000	225,000	283,000	225,000	309,000	225,000	283,000	225,000
Utilities	0	100,000	100,000	235,000	45,000	45,000	45,000	180,000	45,000	45,000	45,000	180,000	45,000
Rent	0	0	25,000	42,000	0	0	0	17,000	25,000	0	0	17,000	25,000
Realty Taxes	0	0	0	55,000	0	0	0	55,000	0	0	0	55,000	0
Professional fees	0	0	0	0	0	0	0	0	0	0	0	0	0
Other	0	40,000	25,000	25,000	25,000	25,000	20,000	25,000	20,000	25,000	25,000	25,000	20,000
	225,000	315,000	268,000	612,000	295,000	379,000	290,000	560,000	315,000	379,000	295,000	560,000	315,000
Net Cash flow before the undernoted	0	0	0	0	0	0	0	0	0	0	0	0	0
Interest	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Net Cash Flow</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Opening Cash	0	0	0	0	0	0	0	0	0	0	0	0	0
Closing cash	0	0	0	0	0	0	0	0	0	0	0	0	0

This Statement of Projected Cash Flow, prepared in accordance with s.s.50(6) and/or s.s.50.4(2) of the Bankruptcy and Insolvency Act, should be read in conjunction with the Trustee's report on the reasonableness of the cash flow statement.

A. Farber & Partners Inc.



Per: John Hendriks, CPA CA CIRP  
Vice President

Toronto Abattoirs Limited



Per: Sheldon Garfinkle CPA, CA, CBV  
Chief Financial Officer

**IN THE MATTER OF THE PROPOSAL OF TORONTO ABATTOIRS LIMITED  
A COMPANY DULY INCORPORATED PURSUANT TO THE LAWS  
OF THE PROVINCE OF ONTARIO WITH A HEAD OFFICE  
IN THE CIYT OF TORONTO IN THE PROVINCE OF ONTARIO**

**REPORT ON CASH-FLOW STATEMENT BY THE PERSON  
MAKING THE PROPOSAL**

*(Paragraphs 50(6)(c) and 50.4(2)(c) of the Bankruptcy and Insolvency Act)*

**Toronto Abattoirs Limited** has developed the assumptions and prepared the attached statement of projected cash flow of the insolvent person, as of the 14th day of April, 2014, consisting of the statement of projected cash flow for the weeks ending April 11, 2014 to the week ending July 4, 2014 and the notes and assumptions underlying the statement of projected cash flow.

The hypothetical assumptions are reasonable and consistent with the purpose of the projection described in Note 1, and the probable assumptions are suitably supported and consistent with the plans of the insolvent person and provide a reasonable basis for the projection. All such assumptions are disclosed in the notes to and assumptions underlying the statement of projected cash flow.

Since the projection is based on assumptions regarding future events, actual results will vary from the information presented, and the variations may be material.

The projection has been prepared solely for the purpose described in Note 1, using a set of probable and hypothetical assumptions set out in the notes to and assumptions underlying the statement of projected cash flow. Consequently, readers are cautioned that it may not be appropriate for other purposes.

**DATED AT TORONTO, ONTARIO** this 14th day of April, 2014

**TORONTO ABATTOIRS LIMITED**



Per: Sheldon Garfinkle, CPA, CA, CBV  
Chief Financial Officer

IN THE MATTER OF THE PROPOSAL OF TORONTO ABATTOIRS LIMITED  
A COMPANY DULY INCORPORATED PURSUANT TO THE LAWS  
OF THE PROVINCE OF ONTARIO WITH A HEAD OFFICE  
IN THE CITY OF TORONTO, IN THE PROVINCE OF ONTARIO

**TRUSTEE'S REPORT ON CASH-FLOW STATEMENT**

*(Paragraph 50.4(2) of the Bankruptcy and Insolvency Act)*

The attached statement of projected cash flow of **Toronto Abattoirs Limited**, as of the 14th day of April, 2014, consisting of the statement of projected cash flow for the weeks ending April 11, 2014 to July 4, 2014 and the notes and assumptions underlying the statement of projected cash flow, has been prepared by the insolvent person for the purpose described in Note 1, using the probable and hypothetical assumptions as set out in the notes to and assumptions underlying the statement of projected cash flow.

Our review consisted of enquiries, analytical procedures and discussion related to information supplied to us by the insolvent person. Since hypothetical assumptions need not be supported, our procedures with respect to them were limited to evaluating whether they were consistent with the purpose of the projection. We have also reviewed the support provided for the probable assumptions and the preparation and presentation of the projection.

Based on our review, we believe that, in all material respects,

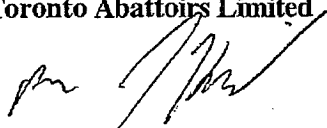
- (a) the hypothetical assumptions are consistent with the purpose of the projection;
- (b) as at the date of this report, the probable assumptions developed are suitably supported and consistent with the plans of the insolvent person or provide a reasonable basis for the projection, given the hypothetical assumptions; or
- (c) the projection reflects the probable and hypothetical assumptions.

Since the projection 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.

The projection has been prepared solely for the purpose described in Note 1 and readers are cautioned that it may not be appropriate for other purposes.

**DATED AT TORONTO** this 14th day of April, 2014.

**A. FARBER & PARTNERS INC.**  
The Trustee Acting *in re* the Proposal of  
Toronto Abattoirs Limited

  
Per: John Hendriks, CPA, CA, CIRP



**TORONTO ABATTOIRS LIMITED**

**NOTES TO AND ASSUMPTIONS UNDERLYING THE STATEMENT OF PROJECTED CASH FLOW FOR THE WEEKS ENDING APRIL 11, 2014 TO JULY 4, 2014.**

**NOTES**

**NOTE 1.** The purpose of the statement of projected cash flow for the weeks ending April 11, 2014 to July 4, 2014 is to comply with the provisions of the *Bankruptcy and Insolvency Act*.

**HYPOTHETICAL ASSUMPTIONS**

*An assumption that assumes a set of economic conditions or courses of action that are not necessarily the most probable in the insolvent person's judgment, but are consistent with the purpose of the cash-flow projection;*

1. None

**PROBABLE ASSUMPTIONS**

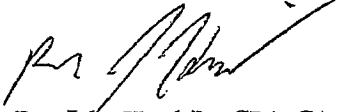
*An assumption that the insolvent person believes reflects the most probable set of economic conditions and planned courses of action; they are suitably supported, consistent with the plans of the insolvent person and provide a reasonable basis for the cash-flow statement;*

1. Retained personnel will continue to be paid wages and benefits in the ordinary course for services.
2. Operating costs will continue to be recovered from Quality Meat Packers Limited as was the case prior to the NOI
3. On-going purchases of goods and services will be paid on a COD or secured basis.

*This Statement of Projected Cash Toronto Abattoirs Limited, prepared in accordance with s.s. 50.4(2) and/or s.s. 50.1(6) of the Bankruptcy and Insolvency Act should be read in conjunction with the Trustee's report on the reasonableness of the cash flow statement.*

DATED AT TORONTO this 14<sup>th</sup> day of April, 2014.

**A. FARBER & PARTNERS INC.**  
The Trustee Acting *in re* the Proposal of  
Toronto Abattoirs Limited



Per: John Hendriks, CPA, CA, CIRP

**TORONTO ABATTOIRS LIMITED**



Per: Sheldon Garfinkle CPA, CA, CBV  
Chief Financial Officer

Estate No. 31-1855569  
Estate No. 31-1855570

IN THE MATTER OF THE PROPOSALS OF  
QUALITY MEAT PACKERS LIMITED

AND

TORONTO ABATTOIRS LIMITED

COMPANIES DULY INCORPORATED PURSUANT TO THE LAWS OF THE  
PROVINCE OF ONTARIO WITH A HEAD OFFICE IN THE CITY OF TORONTO IN  
THE PROVINCE OF ONTARIO

NOTICE OF MATERIAL ADVERSE CHANGE  
(Subsection 50.4(7)(b) of the *Act*)


TAKE NOTICE THAT:

1. On April 3, 2014, Quality Meat Packers Limited ("QMP") and Toronto Abattoirs Limited ("TAL") (collectively, the "Companies") filed Notices of Intention to Make a Proposal ("NOI's") pursuant to subsection 50.4(1) of the *Bankruptcy and Insolvency Act* (the "BIA") and A. Farber & Partners Inc. was appointed as Proposal Trustee ("Farber" or "Proposal Trustee").
2. The filing of an NOI provides an initial 30-day stay period for protection from creditors as prescribed in the BIA. During the 30-day stay period, a company is to file its proposal or seek Court approval of an extension of the time required to file its proposal. The initial 30-day period has not yet expired. The Companies have not yet filed proposals to their creditors nor have they yet applied to Court to extend the stay period.
3. On Monday April 14, 2014, the Companies filed their respective cashflows and accompanying reports prescribed by the BIA.
4. A Probable Assumption in the QMP cashflow was that hog processing would commence in the week ending April 25, 2014. As at April 21, 2014, QMP advised that it has not arranged for the purchase of hogs this week as a result of a number of factors. This includes the inability to secure sufficient supply to operate at an economically viable level and a reduction in customer commitments.

5. A second Probable Assumption was that QMP's bank would continue to forbear following the week ending April 18, 2014 or that QMP would obtain alternate financing from another source thereafter. Following the expiry of the forbearance period on April 18, 2014, the bank did not extend the forbearance period and utilized funds on deposit for QMP to satisfy all amounts owing by QMP to the bank. At this time, no alternative financing has been secured; however, QMP has a sufficient cash balance to satisfy ongoing necessary expenses for the balance of the NOI stay period.
6. The inability to secure sufficient supply to operate impairs the ability of QMP to carry on operations. The impact on the QMP cashflows for this week is not materially adverse because the costs for hog purchases are not being incurred this week and QMP has a reduced payroll amount (related to temporary layoff of a number of employees). However, the projected cashflow position and financial circumstance of QMP will likely be materially affected in the future as no sales are being generated to support the forecast operations.
7. TAL is a separate legal entity but only provides slaughtering services to QMP. A Probable Assumption in the TAL cashflow was that operating costs would continue to be recovered from QMP. The TAL cashflows may be materially adversely affected to the extent that the QMP cashflows are materially adversely affected such that QMP would not be in a position to fund TAL going forward. However, QMP is still expected to have sufficient cash flow available to fund necessary maintenance costs for TAL for the balance of the NOI stay period.

DATED at Toronto this 22 day of April, 2014

**A. FARBER & PARTNERS INC.**  
Trustee *in re* the proposal of  
Quality Meat Packers Limited and  
Toronto Abattoirs Limited

  
John Hendriks, CPA, CA, CIRP  
Vice-President

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IN THE MATTER OF THE PROPOSALS OF QUALITY MEAT PACKERS LIMITED AND  
TORONTO ABATTOIRS LIMITED

Court File No. 31-1855569  
Estate # 31-1855569  
Estate # 31-1855570

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

PROCEEDING COMMENCED AT TORONTO

**SECOND REPORT OF THE PROPOSAL TRUSTEE**

**DATED MAY 2, 2014**

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Lawyers for A. Farber & Partners Inc.

QUALITY MEAT PACKERS HOLDINGS LIMITED and

APPLICANT

QUALITY MEAT PACKERS LIMITED  
AND TORONTO ABATTOIRS LIMITED

RESPONDENTS

Court File No.: CV-14-10537-00CL

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

PROCEEDINGS COMMENCED AT TORONTO

**MOTION RECORD  
(returnable June 18, 2014)**

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*Lawyers for the Receiver, A. Farber & Partners Inc.*